

ANNUAL REPORT TO THE SECRETARY-GENERAL **SEPTEMBER 2021**

UNSGSA UNITED NATIONS SECRETARY-GENERAL'S SPECIAL ADVOCATE
FOR INCLUSIVE FINANCE FOR DEVELOPMENT



FINANCIAL INCLUSION

Toward a More Resilient Future



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Message from the UNSGSA

The world is not far off from the two-year mark since COVID-19 emerged as a grave threat to our societies. A threat that transformed into a pandemic. A pandemic that became a public health emergency. And a public health emergency that sparked a worldwide economic and social crisis. The impacts of the coronavirus can still feel novel and remain shocking. Its fury ebbs and flows across the globe, hot spots flare in one place and then another, swiftly devastating people's health, debilitating economies and communities, eroding delicate successes.



As a result, this crisis has required a sense of urgency to confront dire situations and challenges that demand immediate attention to save lives. Yet, it is also the grind of life's day-to-day hardships, compounded by the pandemic's effects and prolonged uncertainty, that is taking a serious toll on populations—especially underserved groups like the poor, women, smallholder farmers and MSMEs, all of whom faced limited access to financial services, good coping mechanisms and resources prior to the pandemic.

Many people are in peril. They lack sufficient savings to safeguard them in a time of extended unemployment. They lack access to adequate credit and investments to keep their businesses afloat and solvent—or to expand them. They lack insurance to protect them against costly medical bills if a family member falls ill. And they lack the opportunity to build financial health and resilience to improve their lives.

But we are also seeing some hopeful news. COVID-19 recovery efforts have resulted in broad recognition for the importance of financial inclusion and digitization. Therefore, it is crucial to build upon this momentum and press forward to erect economies and societies that are genuinely inclusive. The crisis can be a crucible toward a more resilient future.

Yet, to fully seize the moment, the learnings from the pandemic should provide us with enough pause to refocus our priorities when needed. A close evaluation of what worked and what did not—strategies and tactics must be adjusted and updated for renewed plans and possibilities. This includes a reevaluation of key messages

and reforms to produce the positive outcomes essential to achieving the vision we all believe is possible. Further, this will help in the attainment of many of the Sustainable Development Goals.

Let's take a look at some examples.

The need to shift focus beyond access and usage to quality has been clear. Transactions alone are not the measure of success—but merely a first step. There is a pressing demand for transactions to translate to products and services that users actually need to build resilience, such as savings and insurance.

There has been consistent emphasis on the consequence of digital public goods. For example, digital ID and interoperable payment systems. However, it is now evident that their creation alone is insufficient. Rollouts need to be deliberate in design for underserved markets. Do women have equal access to these ID systems? Are interoperable payment systems permitting increased competition that breeds better and more affordable services? How can engrained fundamental barriers be broken down—such as gender gaps in internet and mobile phone access—which make interoperable payment systems irrelevant to those vulnerable segments? A failure to anticipate and solve for these sorts of inevitabilities might result in the perpetuation, as well as exacerbation, of existing inequalities.

Innovation has long been heralded as a means that channels the dynamism of the private sector to develop products fit for consumers where there is a strong business case. My partners and I have certainly advocated for enabling regulations to make this happen in a safe and responsible manner.



The UNSGSA virtually presents the 2020 Annual Report to Secretary-General António Guterres. Photo credit: Patrick van Katwijk

As tech-enabled solutions evolve evermore rapidly, it is more critical than ever to ensure that products and services not only do no harm but empower individuals and families. Services cannot simply be additive, they should be transformative. For instance, savings products that not only provide a safe place to save but also present prompts and embedded messages to help people set and reach financial goals. Or, affordable and accessible insurance products designed to provide the previously uninsured with safety nets to cushion against adverse events and external shocks.

And as the pandemic demonstrated the importance of inclusive finance, the world witnessed the need to ensure the key outcome is financial health. This, however, will require some reorientation, accelerated work and strong partnerships.

All these considerations will require greater collaboration. This is especially true within governments. It is imperative to have a whole-of-government approach for cross-cutting reforms, such as putting in place key public goods. These reforms cut across various departments and entail synergies crucial to delivering seamless services to the population, allowing people to safely enter and participate in the formal digital economy.

Yet, governments cannot solve these issues alone. The private sector has a pivotal role to play to continue to innovate, collaborate and deliver relevant, responsive and responsible products and services. Naturally, as the UNSGSA, I have continued to work—along with my Reference Group of financial inclusion advisors—to bridge these and other stakeholders, while supporting and championing inclusive policies and initiatives. This includes cross-industry private-private coordination, such as the CEO Partnership for Economic Inclusion.

These are extraordinary times. The crisis has created ruptures across our societies. Now struggles and setbacks must be turned into opportunities. If we succeed, we will see the exponential impact that providing meaningful, quality financial services to the underserved can have. If we succeed, we will have changed the world.

H.M. Queen Máxima of the Netherlands
United Nations Secretary-General's Special Advocate for Inclusive Finance for Development

The Road Ahead



The COVID-19 pandemic has shone a spotlight on the importance of digital and financial inclusion for response and recovery. Even in the midst of other pressing issues and competing priorities, financial inclusion will continue to be an imperative and a key enabler in building a more resilient future. Moving forward, it is essential we focus our efforts on ensuring that inclusion leads to financial health, better lives for all and sustainable economic development. We must also recognize that financial inclusion is not a standalone issue, but closely linked with other issues, including gender equality and climate change, and contributes to achieving a range of the Sustainable Development Goals (SDGs).

During the pandemic, access to digital services became even more critical. Digital financial services made it easier and safer for individuals to receive timely government benefits and payments from family members, employers, and customers.

However, as we move forward, it is important to focus on how participation in the digital economy can help these individuals access the financial services and tools they need to be more resilient—in other words, more financially healthy (see pg. 11). Using financial health as a lens can guide institutions in developing and delivering payments, credit, savings and insurance products that help customers fulfill their everyday needs, build resilience against unexpected financial shocks, plan for the future and feel financially secure.

As leaders and financial providers elevate financial health to the top of the policy agenda and develop strategies for bolstering and sustaining individuals' financial health, there will be an ongoing need to improve the infrastructure that can support these digital innovations. This includes access to internet, improved cybersecurity and education to build digital literacy.

In this increasingly digitized age, consumer protection will continue to be paramount. This is a shared responsibility. Governments can establish frameworks for helping consumers access information and seek redress. Financial service providers can create safe products and procedures. At the same time, it is important to help consumers become their own best advocates, through financial education that is targeted to their needs and easy to understand.

In order to achieve lasting improvements in financial health and overall wellbeing, we should ensure that financial inclusion is sustainable and rooted in the broader socioeconomic realities in which people live and work. This means addressing inherent inequalities, including the gender gap and the digital divide, placing financial equality at the forefront of inclusion. We must embed gender in all aspects of financial inclusion, from product design to policy. There is also a need to focus not simply on the process of enrolling more women in financial services but also on the real-life outcomes these services produce for women.

Sustainable financial inclusion also means supporting the real economy. Providing financial services to underserved segments, including farmers and small-business owners, should fuel economic activities and opportunities for those segments, in order to spur broad-based and inclusive growth. Smallholders and small businesses could see gains from digitized payments and internal processes but might more meaningfully benefit from a broad range of financial services enabled by a digitized ecosystem.

Finally, we can ensure that the gains brought about by increased access to finance enable climate adaptation and resilience, and allow investments that reduce contribution to climate change. Climate change poses an existential risk to the livelihoods of millions, due to agricultural losses, displacements, loss of property from extreme weather events, and socioeconomic stresses. There may also be opportunities to incorporate green finance at the micro-level to benefit entrepreneurs.

The Path of Financial Inclusion



Guillaume Gnankou, an entrepreneur in Côte d'Ivoire, used her very limited savings to start her own doughnut business called Gnank Inspiration in December 2016. Today, her business has grown to include one full-time employee and another part time, at two stalls. She also offers online ordering and home deliveries through external service providers. [See pg. 32.](#)

The path of financial inclusion is more consequential than ever as the world searches for solutions to deal with the social and economic effects on societies due to the COVID-19 crisis. At this pivotal moment, Queen Maxima’s mission as the UNSGSA is to continue to advance and reinforce the important role of inclusive finance for development through strategic and sustained advocacy. The aim is not only to build back from the pandemic, but also to propel all people toward a more resilient future.

The UNSGSA’s three overarching areas of focus to help achieve this are:

- Ensuring that diverse financial services, notably digital, are used and have a positive impact on people’s lives and financial health.
- Encouraging innovative solutions for underserved segments, especially women, smallholder farmers, and micro-, small and medium-sized enterprises (MSMEs).
- Making policies and public goods work for technology-enabled financial inclusion.

To advance these priorities during the pandemic, Queen Maxima concentrated on virtual engagement with key stakeholders to offer advice and support.

Key engagements involved the United Nations and Secretary-General Antonio Guterres, the G20, global standard-setting bodies (SSBs), the International Monetary Fund (IMF), the World Bank Group, the World Economic Forum (WEF), as well as national and international leaders, technical experts, global and national CEOs, thought leaders and more. The UNSGSA remained committed to bring together and increase dialogue between policymakers and the private sector.

The Special Advocate emphasized the need to build upon the learnings from the pandemic and momentum of reforms to ensure that efforts lead to positive development outcomes.

For example, the UNSGSA continued to promote investment in the digital public goods critical to build more inclusive financial systems. But she also championed the need to take those efforts a step



Commissioner for Financial Services, Financial Stability and Capital Markets Union Mairead McGuinness listens to the UNSGSA speak during the virtual launch of the joint European Commission/OECD-INFE project to develop a financial competence framework in the European Union on 26 April 2021. Photo credit: European Union, 2021/ EC Audiovisual Service / Photographer: Lukasz Kobus

further by being more deliberate in design—such as for women and MSMEs—including consideration of consumer protection and algorithm biases to help ensure innovation benefits customers, and never causes harm.

Queen Maxima advocated to leaders during the year to take a financial health lens to create more intentionality about what can be accomplished with financial inclusion.

Throughout the previous 12 months, the Special Advocate placed a heightened focus on women’s digital and financial inclusion in Africa. Furthermore, overall she examined and highlighted gender components related to inclusive finance for COVID-19 response and recovery, MSMEs/digitization of merchants, agriculture finance and access to insurance.

Ensuring Positive Impact on Development

Access to and usage of financial services is insufficient without a focus on quality—they should respond to the needs of users and create a positive impact on their lives. In line with this, throughout the year, the Special Advocate stressed the need to ensure that financial inclusion is not an end but a means to unlock economic opportunities and improve lives by providing all with the financial tools to protect against hardship and invest in their futures, leading to positive development outcomes.

Financial inclusion therefore facilitates the attainment of many of the SDGs by 2030. Access to responsive and responsible financial services provides the tools and opportunities to help reduce inequality, spur economic growth, improve people’s financial health and resilience, counter climate change and enable healthy diets.

Crises such as the COVID-19 pandemic further illustrate the significance of focusing on financial inclusion’s impact on development. According to *Global Economic Prospects* (World Bank, 2021), the pandemic could potentially push 163 million people into extreme poverty. Positive outcomes, such as greater financial resilience to weather shocks, are critical for people to better mitigate and manage risk during future emergencies.

To stay on course, in light of the pandemic, Queen Máxima has stressed that now is the time to work toward a more resilient and inclusive world.

Usage and Impact for Improved Lives

More and more countries have launched and started to implement, or are currently developing, a national financial inclusion strategy (NFIS)—more than 50 since 2010. These provide important blueprints for progress, and the successful implementation could dramatically extend financial services to the underserved in many nations. Over the last year, Queen Máxima has continued to advocate to launch or update financial inclusion strategies, including with leaders and ministers of the BCEAO, Côte d’Ivoire, Mexico, Pakistan, Senegal and Togo, and pushed for measuring usage and impact.



UNSGSA Queen Máxima provides virtual remarks at the launch of the joint European Commission/OECD-INFE project to develop a financial competence framework in the European Union on 26 April 2021.

One component central to the UNSGSA’s agenda is promoting customer-centric regulations that enable new technologies to expand inclusive finance to underserved populations, while ensuring that they do not harm users. In the digital era, it is paramount that people can access and use financial services safely, responsibly and effectively.

“Technology plays a very important part in financial inclusion. Today, you can actually receive a payment on your mobile phone and exchange that for money at your local merchant, or save through it or get a credit ... the amount of transactions that one can do through it even if you do not have an asset such as collateral—these are actually extraordinary advancements,” said the UNSGSA in an interview on *CNN’s First Move with Julia Chatterley* last September. “But each country has to allow innovation, and it has to be safe, and available for everybody.”

Queen Máxima continued in the interview highlighting that not only do challenges around customer centricity need to be considered from the regulatory perspective but also for the private sector. “They have to come up with the products that are right for people. There is no use to have a bank account if they cannot really assess the needs of a woman in rural areas ... such as products that incentivize her to save ... Being mindful about people’s needs and developing those products is also part of the private sector’s role.”

Furthermore, in a pre-recorded video message at the *UK Fintech Week* in April 2021, the UNSGSA challenged providers and investors with fundamental questions:

“... How can you design your products to help nudge customers to save, to help them budget better, and to address risks that they need to hedge? And how can you support SMEs with digital tools to run their businesses better?”

Enabling Healthy Diets

Access to financial services is also crucial to ensure the supply of and demand for food systems across the globe. On the supply side, financing is needed for sufficient production, risk mitigation and investment in sustainable farming methods. On the demand side, access to savings, credit and insurance is vital for households to be able to afford healthy diets across longer periods of time—notably in the face of economic shocks like some people experienced during the coronavirus pandemic.

“Usage of financial services can play an important role in achieving healthy diets for vulnerable populations. Rigorous evidence has demonstrated that in Nepal, women received free savings accounts and increased spending on nutritious foods. These financial tools help ensure that vulnerable populations can withstand shocks without sacrificing food consumption,” said the UNSGSA, during [remarks at the Food and Agriculture Organization of the United Nations Special Seminar on Food and Nutrition](#) in November 2020. “For example, with enough savings built up, an unexpected medical expense does not automatically mean cutting back on protein-rich foods.”

Investing in Digital Public Goods for COVID-19 Response and Recovery

COVID-19 demonstrated the importance of governments and the private sector putting in place digital public goods. These are key prerequisites championed by Queen Máxima, needed for the whole digital system to work sustainably and equitably. They include connectivity, cybersecurity, data privacy, digital and financial literacy, digital ID, fair competition, interoperability, and physical infrastructure.

Countries that had invested in them prior to the pandemic were better positioned to support citizens in

lockdowns and to bounce back with more inclusive, innovative, and digitized economies.

In virtual [remarks at an ID4D event](#) during the World Bank-IMF Annual Meetings in October 2020, the UNSGSA highlighted the vital role of digital ID and interoperable payments to assist countries in weathering the crisis as well as to explore new opportunities: “Over 200 nations have expanded social protection measures, many using foundational ID systems and digital payments to provide transfers directly into bank accounts or mobile wallets.”

3 KEY INFRASTRUCTURE FEATURES FOR SUCCESSFUL DIGITAL TRANSFERS

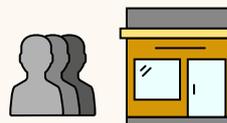
During COVID-19, financial interventions were more effective when three basic features were in place:



Digital payment channels



Basic digital identification system



Data on individuals and businesses linked to the ID

Source: Olivia White et al, “COVID-19: Making the case for robust digital financial infrastructure,” McKinsey Global Institute, 26 January 2021.

COVID-19 RELIEF AS A SHARE OF GDP

Government aid to individuals and businesses totaled \$11.7 trillion as of September 2020, 12% of global GDP.



Source: International Monetary Fund, Fiscal Monitor: Policies for the Recovery, October 2020

SUCCESSFUL COUNTRY-LEVEL COVID-19 RESPONSES



In **Togo**, the Novissi program made cash transfers via mobile money wallets to individuals under lockdown. As the country does not have a digital ID system, it used the national voter ID registry to verify eligibility.



Thanks to its national digital ID system, Aadhar, **India** was able to quickly roll out payments to nearly 250 million individuals—mostly women—within two weeks early in the pandemic. Through its Emergency Credit Line Guarantee Scheme (ECLGS), the country also provided loans to about six million MSMEs by November 2020.



Peru was able to send COVID relief payments quickly by expanding the eligibility criteria for its existing social registry, increasing its scope from about 724,000 households to 2.7 million, or one-third of the population. This process was made easy by the use of the national ID number system.



Thailand set up a special website so that informal workers could apply for cash transfers; more than 28 million people applied, exceeding expectations. The government revised its targets and deemed more than 15 million eligible for payments.



In **Colombia**, the government established Ingreso Solidario to reach informal workers with rapid cash transfers via bank accounts and mobile wallets. Greater interoperability between platforms made it easy to roll out payments quickly, with 1.6 million families receiving transfers by mid-May 2020.

Sources: Olivia White et al, "COVID-19: Making the case for robust digital financial infrastructure," McKinsey Global Institute, 26 January 2021; "Scaling up Social Assistance Payments as Part of the COVID-19 Pandemic Response," World Bank Group, 2020; "COVID-19 G2P Cash-Transfer Payments Country Brief: Colombia," World Bank Group, 2020.

For example, Chile used its national ID system to help rapidly pre-enroll millions of new beneficiaries for emergency assistance, as well as request support online. And, in Pakistan, the “recent experience of setting up the Ehsaas ‘one woman, one account’ digital wallets for seven million vulnerable Pakistani women demonstrated the potential for rapid change and impact,” said the UNSGSA, during virtual [remarks at the launch of Pakistan’s Pro-Poor Micropayments Gateway in January 2021](#).

The Special Advocate has noted that these sorts of programs can create a critical entry point to the formal financial system by establishing new account holders and providing them access to digital financial services that support recovery efforts.

The UNSGSA stressed that in this time of rapid resource mobilization there is an opportunity to invest in digital infrastructure, and pass reforms to enable countries and people to capitalize on digital technology that ensures the underserved are not left behind.

Collaborating for Improved Financial Health

Financial health—the extent to which a person or family can smoothly manage their current financial obligations and have confidence in their financial future—is a universal issue, relevant to both developed and emerging economies. Additionally, it is more pressing than ever due in part to the financial and economic

fallout from COVID-19. The pandemic exposed not only the vulnerability of those excluded from the financial system but also the need to ensure that the included can actually benefit from using financial services.

With these issues in mind, in December 2020 the UNSGSA launched a Financial Health Working Group. This group, comprised of leaders from the financial and development sectors (see Annex, pg. 37), met regularly to develop a shared vision and direction for how the UNSGSA and her partners can advocate for key decisionmakers to use the lens of financial health to look at outcomes, instead of only access and usage of financial services. Some outputs included the development of clear advocacy messages for the public and private sectors, guidance on measurement for policymakers and a plan to measure financial health to compare results across countries.

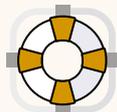
To help facilitate increased public-private dialogue, the UNSGSA, along with members of the Financial Health Working Group, organized a webinar for the first-ever global gathering with key members of the private sector in March 2021. Attendees included representatives from leading banks, fintech companies and insurance companies. Queen Máxima [delivered a speech](#) that, among other points, accentuated the importance of deepening private-sector commitment to the financial health of customers and employees.

Financial health or wellbeing: The extent to which a person or family can smoothly manage their current financial obligations and have confidence in their financial future.*



Day to day

Smooth short-term finances to meet financial obligations and consumption needs



Resilience

Capacity to absorb financial shocks



Goals

On track to reach future goals



Confidence

Feeling secure and in control of finances

*UNSGSA Financial Health Working Group definition

“The financial health of employees and customers should be central to your business. And, therefore, an important component to your business strategy,” said the Special Advocate. “Like with customers, ensuring financial health for employees is an investment in your most valuable resource. ... There is also a strong correlation between financial health and physical health. Employees with high financial stress are twice as likely to report poor health overall. Investing in employee financial health can therefore boost productivity, enhance employee engagement and loyalty, as well as improve company reputation.”

The UNSGSA underscored the importance of financial education and financial literacy—critical building blocks to establishing good financial health—during virtual [remarks to launch the International Global Money Week 2021 in March](#). Queen Máxima noted that research indicates that childhood financial experiences heavily influence adult financial wellbeing.

“The financial education of our daughters and sons represents the most effective path to instill and nurture sound financial behavior in future grownups. Furthermore, young people are good at spreading new habits to the rest of the population. The multiplier effects are clear. People with high levels of financial literacy tend to better save and manage credit, diversify investments, and prioritize retirement planning,” said the Special Advocate. “They can make sound financial decisions. This leads to better economic wellbeing for themselves, their families, and their communities and societies as a whole.”

Additionally, the UNSGSA highlighted that in light of the financial vulnerabilities of individuals and households exposed by COVID-19 across the globe, it is critical to create an ecosystem that supports the financial resilience and financial health of today’s youth by incorporating financial literacy as part of a broader strategy that promotes financial health.

QUEEN MÁXIMA RECOGNIZED FOR LEADERSHIP ON FINANCIAL HEALTH

 **YouTube** | **Watch online**

During a special online ceremony in June 2021, the Special Advocate received the Financial Health Network’s (FHN) Visionary Award in recognition of her leadership promoting inclusive financial systems and raising awareness for the responsible development and usage of financial services—notably among underserved groups such as the poor, women, MSMEs and smallholder farmers.

The Visionary Award is given to individuals who have shown unparalleled leadership in building a more accessible and inclusive financial system, and who seek to continue to inspire and encourage the next generation of leaders to innovate new solutions for the financially underserved.

The award was presented by PayPal CEO Dan Schulman, a member of the CEO Partnership for Economic Inclusion, who was the first recipient of the FHN Visionary Award in 2018. During the ceremony, the UNSGSA held a meeting

with key financial health leaders and advocates.

“It is an honor to present the Visionary Award to UN Special Advocate Queen Máxima to recognize her global leadership around financial inclusion,” said Jennifer Tescher, president and CEO of the Financial Health Network. “The impact, reach and advocacy of Queen Máxima’s platforms and programs to improve access on a global scale will unlock development opportunities, economic inclusion and improved financial health for millions around the world.”

Serving the Underserved

Improving economic and social development opportunities of underserved segments, such as women, MSMEs and smallholder farmers, is a key focus area for the UNSGSA. Throughout the last year, the Special Advocate intensified the prioritization of digital and financial inclusion for these groups, which have proven to be among the most vulnerable to the negative social and economic impacts stemming from the COVID-19 crisis.

During her advocacy, the UNSGSA placed an emphasis on encouraging technology to help meet the underserved's financial needs. This included efforts to ensure that both the public and private sectors focused on and collaborated together to benefit these groups.

Regarding women, the Special Advocate consistently underscored to the public sector the importance of robust data for policymaking, identifying legal barriers, and infrastructure needs for women's economic empowerment. The UNSGSA also reinforced the need to have dedicated national efforts to promote the digital and financial inclusion of women, in line with national development strategies.

And for the private sector, Queen Máxima routinely raised awareness on the need to be gender intentional in developing and delivering products. She also promoted the development of innovative products for MSMEs, along with a focus on new solutions to help farmers improve their economic livelihoods and boost financial resilience.

Digital Financial Services and a Gender Inclusive Response and Recovery

The world has made incredible advancements in expanding financial inclusion in recent years. Despite those gains, there remained a 9% gender gap in account ownership in developing economies (World Bank Global Findex, 2017). And that was before the COVID-19 crisis, which disproportionately affected women and jeopardized hard-fought gains in economic standing for females. Furthermore, according to UN Women, 47 million more women and girls (all ages) worldwide have fallen into poverty as a result of COVID-19.



Women Shoulder the Extra Costs of the COVID-19 Crisis

Women usually assume additional caregiving responsibilities.



Women struggle to maintain their livelihoods, often in the informal sector.



Female-owned businesses tend to be smaller with less access to financial resources.



Data from Africa, South Asia, and Latin America show that women have lost their sources of income more rapidly than men.



Overall, the pandemic has exacerbated existing gender inequalities and further illuminated the need for women's economic participation.

During COVID-19 lockdowns, many women could no longer operate in the informal economy, meaning many lost their incomes with little or no access to income support. "Early data suggests that women are twice as likely to lose their jobs as a result (of the pandemic). Meanwhile, female-led SMEs are 6% more likely to close compared to their male counterparts," highlighted the UNSGSA, during a virtual speech for the [ASEAN Women Leaders' Summit in November 2020](#).

This has, in part, made the call for a gender-deliberate response much more urgent, according to Queen Máxima. The Special Advocate has emphasized the vital role of tech-enabled innovations for inclusive financial solutions in response and recovery efforts to help blunt these losses and build resilience to future shocks for women. For example, digital cash transfer programs have proven key to mobilize resources to women and created an entry point for the use of a broader set of financial products such as savings and insurance.

Investment in key public goods is paramount to promote the digital financial inclusion of women, especially in the times of coronavirus.

These public goods include access to a mobile telephone and internet connection, regulation that allows for mobile money and agents close at hand, digital ID and financial consumer protection measures. This can help ensure that women are not left behind during response and recovery efforts, as well as support a more inclusive future.

"It is impossible to send cash safely and swiftly to a woman who has no formal identification, does not appear in public databases, or has no access to a mobile phone with a secure internet connection. It's now more important than ever to accelerate investments in this infrastructure to help women enter and participate in the formal digital economy in a safe manner," said the UNSGSA, during virtual [remarks at the Call to Action for Reaching Financial Equality](#) event held on International Women's Day in March 2021.



Women's Economic Empowerment in Africa

Sixty-three percent of African women are currently excluded from the formal financial sector, according to the 2017 Global Findex, along with significant gender gaps for financial inclusion in many countries across the continent. To help address these issues in Africa, encouraging digital financial services—including financial technology and digitization—was a key focus of the UNSGSA during the previous year.

The Special Advocate participated in numerous virtual bilateral meetings and country visits in Africa (see [Côte d'Ivoire pg. 30](#), [Senegal/BCEAO pg. 26](#), [Togo pg. 29](#)) throughout 2020-21 to promote policy reforms with an aim to accelerate digital financial inclusion for women, which could help support a more equitable economic recovery to the current crisis.

Across Africa, digital payments are key to COVID-19 response and recovery efforts. During virtual [remarks at the G7's Catalyzing Digital Financial Services for Women Across Africa](#) event held in parallel with the UN General Assembly in September 2020, the Special Advocate noted, for example, that South Africa, Togo, Burkina Faso, Zambia, and Nigeria all scaled up rapidly, specifically targeting women. These programs provide an economic lifeline for vulnerable people and are a key entry point to the formal financial system. Financial inclusion is particularly important for women's economic empowerment. It can bolster their resilience during illness, job loss, or a weak harvest. Today 60% of the 400 million financially excluded adults on the continent are women (Global Findex, 2017).

KEYS TO MAKE DIGITAL FINANCIAL INCLUSION FOR WOMEN IN AFRICA A REALITY

Access to a mobile telephone and internet connection is a necessary starting point. Sub-Saharan Africa's 41% gender gap in mobile internet use needs to be reduced.



Regulation to permit mobile money and agents with whom women can safely and comfortably interact close to where they live and work. This is an important prerequisite to use digital financial services for COVID-19 response.

There is a 9% gender gap in IDs between men and women in Sub-Saharan Africa. People without a government-recognized proof of identity often cannot open accounts and are shut off from the formal financial system.



Tiered customer due diligence processes are needed to quickly onboard beneficiaries for mobile wallets and smaller value accounts.

Products suited to the needs and preferences of women.



Consumer protection policies are key to ensure use of and access to digital financial services do not increase the digital divide or gender inequality.

Sources: GSMA, ID4D, UNSGSA Queen Máxima Remarks on Reaching Financial Equality

UNSGSA AND PRESIDENT RAMAPHOSA COLLABORATE TO SPUR DIGITAL AND FINANCIAL INCLUSION ON THE AFRICAN CONTINENT

Increased financial inclusion across Africa has been a priority area of the UNSGSA in recent years. That focus has been heightened due to the economic and social impacts of the pandemic across the continent for the underserved, notably women. Digital financial services in particular have a critical role in COVID-19 recovery efforts.

As part of Queen Máxima's advocacy in this area, in March 2021, she met virtually with South African President and 2020 African Union Chairperson Cyril Ramaphosa to explore avenues to advance women's digital and financial inclusion, as well as women's economic empowerment. This bilateral dialogue followed the participation of both the UNSGSA and President Ramaphosa in a G7 Partnership event focusing on women's digital financial inclusion in Africa, held in September 2020.



The UNSGSA speaks with South African President Cyril Ramaphosa.

Reaching Financial Equality for Women

The UNSGSA supported the Call to Action for Financial Equality—a practical and action-oriented industry framework launched in March 2021 to prioritize women's financial inclusion and economic empowerment. It is unique in that it combines the common work of key stakeholders, including the Better than Cash Alliance, the United Nations Capital Development Fund, Women's World Banking, and the World Bank. It also provides a practical framework for action backed by monitoring and evaluation indicators.

The framework calls for policies to accelerate payments digitization and investments in key public goods, such as identification and mobile phone ownership. It also signals

the need for action at the industry level to promote leadership among financial service providers, accelerate e-commerce opportunities for women, and improve product design among financial service providers for female users. Legal and regulatory measures include enforcing strong digital finance consumer protection and removing discrimination in account openings or business ownership rights.

“All action points in the report are equally important to make meaningful progress. Taken together, the policies outlined prioritize women's financial well-being and financial health. They also support economic growth by ensuring greater participation of women in formal markets. This is particularly relevant as countries chart their recovery from COVID-19,” said the UNSGSA,

during virtual remarks at the [Call to Action for Reaching Financial Equality](#) event held on International Women's Day in March 2021.

Smallholder Farmers

COVID-19 has caused severe disruptions to the economic lives of smallholder farmers. Agriculture is serving as a buffer for low-income households on the continent to manage the effects of the pandemic, similar to its role during the 2008 global economic crisis. Closed markets and borders have disrupted demand and negatively impacted earnings from crop productions. Urban migrants have lost jobs and cannot send money home. As a result, smallholder farmers face spiking food insecurity and increasing poverty.

The UNSGSA has highlighted that the role of digital technology is critical to support the COVID-19 response and recovery for smallholder farmers. She has also stressed that digital public goods can enhance the financial inclusion of smallholder farmers.

"We are seeing how technology innovations have great potential to support better agricultural finance and nutrition outcomes," said the Special Advocate, during [virtual remarks at the Food and Agriculture Organization's Special FAO Seminar on Food and Nutrition](#) held in November 2020. "These include: advancements in farm technology, such as sensors, satellite imagery, and drones, which help to increase efficiency along agricultural value chains; (and) a more intensive use of digital platforms which connect farmers to digital payment systems, new markets and new partners."

For example, Queen Máxima noted, platforms can connect fast-moving consumer goods companies with small producers to provide them new opportunities to sell their output and benefit from new value chains.

The UNSGSA also stressed that it is necessary to scale and replicate tech-driven agricultural finance pilots, particularly in Africa.

"It is key to prioritize policies to scale them sustainably. This includes implementing adequate operational and

financial incentives across stakeholders who manage these pilots," she said, during a pre-recorded video address for the Mercy Corps AgriFin Annual Learning Event in April 2021. "This also means reviewing pricing schemes to achieve sustainability once donor funding ends. Stakeholders must dedicate adequate technical, financial, and human resources to such pilots to ensure that commitments are translated to on-the-ground implementation."

TECHNOLOGY CAN HELP REDUCE GLOBAL GAPS IN AGRICULTURAL FINANCE

70% of demand for smallholder finance goes unmet every year.

That is the equivalent of USD \$170 billion annually.

\$170 billion

Mobile-based service platforms and digital farm technology can help promote access to financing.



Financing would support sustainable agricultural production, which can boost improved nutrition outcomes for all.



Source: Pathways to Prosperity - 2019 Rural and Agricultural Finance State of the Sector Report

MSMEs

The UNSGSA continued to prioritize financial inclusion for MSMEs. These merchants are a vital component to the economic fabric of emerging markets, yet the SME Finance Forum currently estimates that 131 million, or 41%, of formal MSMEs in developing countries still have unmet financing needs. Additionally, the SME Finance Forum pegs the MSME finance gap in developing countries at approximately \$5 trillion (USD), which represents 1.3 times the present level of MSME lending.

Furthermore, the COVID-19 crisis has had a detrimental impact on MSMEs. It has caused substantial declines in revenue due to sudden-stop measures, as well as decreased demand and interruptions in key value chains. This has placed pressure on loan repayment and an aversion to continue lending to MSMEs.

However, increased digitization presents opportunities for MSMEs to increase revenue, tap new markets (particularly through e-commerce), improve operations and business management, and access innovative financing. As a result, Queen Máxima has focused on promoting digitization for these merchants and their ecosystems. For example, through collaboration with the CEOP in Indonesia and select country-level dialogue, such as with Mexico and Senegal, the Special Advocate encouraged MSME merchant digitization to support financial inclusion along with increased growth and efficiency of the merchants themselves.

The UNSGSA also advocated for policies promoting the financial inclusion of MSMEs to support recovery from COVID-19, including through lines of credit and risk-sharing mechanisms.

“The crisis response has not stopped at payments. Governments have supported businesses with emergency credit lines and bolstered the reach of credit guarantee programs. These measures help businesses weather the storm of course,” said the Special Advocate, during [virtual remarks for the G7 event on Catalyzing Digital Financial Services for Women Across Africa](#) in September 2020. “But it’s important that these programs target those entrepreneurs who need it the most and be made available through financial institutions that

cater to them—such as microfinance institutions and cooperatives.”

Inclusive Tech-Enabled Solutions

The UNSGSA has advocated for critical infrastructure and policies that encourage using new technologies and innovation in business models and partnerships. This can expand access and usage of low-cost and convenient financial services to underserved segments. Such innovation should occur in an environment that promotes the stability and integrity of the financial sector, while ensuring consumer protection that allows for users to capitalize on opportunities to improve their financial health.

Considering Digital Currencies and Financial Inclusion

With the rising global interest on digital currencies, the UNSGSA has increased her attention on how these new digital assets can contribute to better access and safe usage of financial services while properly understanding attendant risks. This includes whether stablecoins—either central bank digital currencies or private stablecoins—can enhance financial inclusion as well as be used by the poor and other underserved segments.

At the World Economic Forum (WEF) Davos Agenda 2021 in January, the UNSGSA participated as a panelist in a session called “Resetting Digital Currencies,” where she used the opportunity to offer historical lessons on the design and governance of stablecoins, along with some challenges for digital currencies to promote financial inclusion.

The Special Advocate highlighted it is unclear whether stablecoins are fast enough to process transactions to meet the daily needs of low-income consumers purchasing goods and services like groceries or electric payments. Queen Máxima has encouraged more work to be done on identifying the necessary foundational infrastructure, policies, and institutional capacity needed for digital currencies to succeed. This includes building internal capacity at central banks and supporting the increased financial and digital education of customers.

Further, Queen Máxima noted that as of now most poor consumers in emerging economies do not possess



the required identification or technology, including smartphones, to use stablecoins. And, she said, while cross-border payments are one of the more promising use cases for stablecoins, it is not certain that this will reduce the high cost of remittances for the poor when exchange costs are included.

Last year, the UNSGSA also became a member of the Steering Committee of the Digital Currency Governance Consortium of the WEF. The Steering Committee brings together public- and private-sector decisionmakers to explore opportunities and risks of global digital currencies, to find common solutions to barriers to their adoption, and to create market efficiency.

Responsible Practices Addressing Risk in COVID-19 Digital Financial Transfers

As governments around the world grappled with the economic and social fallout from the pandemic, the role of digital financial services in crisis response and recovery became increasingly important—notably to help mitigate the impact on underserved groups like the poor, women, MSMEs and rural dwellers. For example, according to the World Bank, 166 governments launched 429 cash transfer programs from March to December 2020. This expanded the number of individuals receiving government-to-person (G2P) payments by 1.1 billion people.

Digital financial services offer people the tools to receive money from relatives, employers, customers and G2P social protection payments, along with the capability to securely store it. For merchants, access to working

capital is critical during crises, particularly for those in the informal sector or other sectors badly affected by this pandemic. The crisis has encouraged more traditional microfinance institutions (MFIs) to adopt efficient digital channels for providing access to working capital and communication with clients. In addition, more MSMEs are reinventing their business sales channels and increasingly selling products online. With increased digital data trails of transactions and customer engagement, small businesses could also gain access to credit.

As such, countries that had invested in building digital public goods prior to the pandemic were better positioned to respond to the crisis by targeting vulnerable segments to quickly and safely disburse social payments directly into their accounts.

To help support response and recovery efforts, the UNSGSA corresponded with leaders in her focus countries at the start of the pandemic to share summaries of her key takeaways of short-term policies related to digital financial services. This included advice on policies to support access and usage of digital financial services, agent activity and reliability, G2P payments, MSME access to digital financial services, and more.

For example, the Special Advocate highlighted that to promote more usage of digital financial services, many regulators reduced or eliminated transaction fees or recommended doing so temporarily, including in Bangladesh, Banque Centrale des États de l'Afrique de l'Ouest (BCEAO), Ghana, Kenya, Liberia, Pakistan and Rwanda.

Queen Máxima also noted that India leveraged its digital payments and ID stack to quickly transfer USD \$3.6 billion in cash benefits direct to approximately 317 million vulnerable people's bank accounts. And she stated that some countries put in place credit lines to ensure availability of working capital for MSMEs to cover expenses while dealing with the loss of business during the pandemic.

In addition to this engagement, the Office of the UNSGSA participated in the Bill & Melinda Gates Foundation's "Global Situation Room," which included collaboration on a report about ensuring

women's inclusion for COVID-19 payments, along with the development of a set of responsible practices to address the major risks in digital financial transfers during COVID-19. These findings were subsequently distributed by the Office of the UNSGSA to policymakers from emerging economies during the Alliance for Financial Inclusion's (AFI) Knowledge Exchange Program in December 2021.

Promoting Cybersecurity for Inclusion

In light of the increased use of digital channels, the Special Advocate has advocated for cybersecurity as a key prerequisite for digital financial inclusion and innovation. This is necessary to help mitigate the serious damage that cybercrime can cause, especially to already vulnerable groups, as well as boost their trust in digital financial services.

During the [CEIP-IMF-WBG-WEF Conference on Financial Inclusion and Cybersecurity](#) in December 2020, the UNSGSA encouraged leaders to pay special attention across emerging economies. Underserved groups in these countries are often most exposed to the negative health and economic impacts of the pandemic, and have been increasingly targeted by online fraudsters. This included social engineering attacks, data breaches, and system outages, all of which inflict real harm—the consequences for the poor of losing even small amounts of money can be devastating.

“This highlights the need for improved digital literacy and consumer awareness of cyber-hygiene as a joint responsibility of customers, policymakers and the private sector. Particularly, as in most developing countries, when a cyber incident occurs it is the customers who are liable for losses and carry the burden of proof,” said the UNSGSA. “Beyond financial inclusion, growing cybersecurity risks threaten financial sector stability and integrity, as well as financial consumer protection. And cyberattacks also threaten digital financial service providers with potentially irreparable reputational damage that could lead to loss of market share and weaken incentives to innovate.”

Queen Máxima has called for global bodies, such as the G20 and financial SSBs, to recognize cybersecurity



The UNSGSA delivers virtual opening remarks at the Conference on Financial Inclusion and Cybersecurity on 10 December 2020.

as a priority to be addressed through coordinated efforts to avoid duplication of work, identify good practices, and collaborate in resource mobilization. This can help better ensure that the poor and developing countries are not left behind.

Public- and private-sector collaboration to monitor and prevent cyber threats as they arise is also key, according to the UNSGSA. This could include:

- Establishing fraud forums for financial and telecommunications providers to regularly share practices.
- Creating emergency response teams to quickly collect, identify and coordinate cyberattack responses.
- Committing to ongoing dialogue between the private sector and regulators to facilitate an environment supporting innovation while protecting customers and the financial system.

“In the Netherlands, we have established the National Cyber Security Center to play this critical role. They are on 24/7 standby in case of crisis to give expert support and they are continuously identifying risks and trends which are shared with businesses and across government,” said the Special Advocate. “I sincerely hope that our collective actions can help spur similar resource mobilization to be built up in developing countries.”

Engaging with the Fintech Industry

The UNSGSA has continued to support the ongoing efforts to encourage the fintech industry to help innovate and build more accessible and affordable financial services. If services are tailored to users' needs and designed around their lives, they can help improve people's financial health.

Recent developments have underscored the power of technology for inclusive finance. Big-data analytics can help identify what customers need and make services more intuitive for usage. Innovation can drive more competition and collaboration between traditional players, start-ups, and tech companies. And fintech solutions can quickly change how customers pay, save, borrow, and protect themselves against risks.

"I'm convinced that inclusive technology-led innovations, like these, present our best opportunity to tackle financial exclusion and improve financial health. Inclusive fintech solutions are needed to help us rethink traditional business models to better serve the poor, low-income and underserved customers," said the UNSGSA, in a [pre-recorded video message during UK Fintech Week 2021](#) in April. "While improving the regulatory environment is a crucial piece of the puzzle, it is the private sector which will create products that can expand financial inclusion and contribute to customers' financial health."

At the [Amsterdam Fintech Week](#) in June 2021, the Special Advocate highlighted that providers and investors can create industry standards to make practices more inclusive and safer; fintech associations can lead through a collective voice to regulators on policy changes to encourage innovation; and large companies can foster the emergence of new solutions and start-ups by establishing fintech hubs and accelerators. She has also noted they can run techsprints and anchor industry sandboxes.

For example, well-established fintech associations, such as the one in Indonesia, show the effective role that can be played by such a private sector platform. It has become a prominent voice in helping set policy priorities, recommending industry standards including

on innovative credit scoring, developing of young tech talent and ideation.

Advancing Inclusive Finance with Standard-Setting Bodies

The Special Advocate's engagement and collaboration with financial SSBs was guided by the "Enhanced Cooperation Arrangements among the Bank of International Settlements (BIS), SSBs and the Financial Inclusion Community"—a platform focusing on issues related to the work of SSBs and financial inclusion, which Queen Máxima originally helped establish two years ago.

This included support from the Office of the UNSGSA for the Financial Stability Institute (FSI) and Financial Stability Board (FSB)-led workshop on data in November 2020, early outcomes of an exercise to map impediments to financial inclusion in the Financial Action Task Force's (FATF) 40 Recommendations, and the initial drafting of an upcoming BIS report on big tech and financial inclusion.

Importantly, the sustained engagement of the Special Advocate, along with development partners, over the last year helped stakeholders reach a new milestone in embedding financial inclusion in the work of SSBs. This includes the FSI assuming a convening role for SSBs and development partners on financial inclusion—such as tracking relevant inclusive finance activities.

Further, the UNSGSA and her partners also helped incorporate financial inclusion considerations in the FATF counter-proliferation financing standards amendments adopted in October 2020. These looked at the cost and capacity considerations for financial service providers serving low-risk and underserved customers to ensure that implementation will be applied in a proportionate manner and continue to support financial inclusion objectives.



CEO PARTNERSHIP FOR ECONOMIC INCLUSION



UNSGSA Queen Máxima holds a virtual meeting with CEOs and Chairpersons from the CEO Partnership for Economic Inclusion to discuss the companies' roles in COVID-19 response and recovery efforts, along with the importance of financial inclusion in that process on 3 June 2020.



MSMEs are especially susceptible to the fallout from the COVID-19 crisis. These merchants, which account for the majority of businesses worldwide and on average 70% of total employment, are prone to employ a larger share of populations vulnerable to the socio-economic impacts caused by the pandemic, notably women and the poor. Meanwhile, measures to contain the spread of the virus often resulted in supply-chain disruptions, business disclosures and plummeting demand in many sectors.

Members of the CEO Partnership for Economic Inclusion (CEOP)—a group of global companies from a variety of sectors, including banking, technology and consumer goods—found themselves uniquely positioned to help merchants in response and recovery efforts. The CEOP, first convened by Queen Máxima in 2018, works together with a focus on how private-sector cooperation can contribute to financial and economic inclusion on initiatives with a strong business case. Innovative private-private partnerships are more vital in the times of COVID-19.

One area where CEOP members have sought to collaborate is to unlock opportunities around digital ecosystems that can benefit MSMEs. Early in 2021, under the supervision of the Office of the UNSGSA, Accion helped facilitate two workshops to: first, clarify what the “merchant” meant to all members and subsequently co-ideate and prioritize solutions that could help accelerate the digital transformation of merchants; and next, understand the ecosystem from the perspective of the merchant, which can enable thinking beyond siloed perspectives and facilitate viable cross-industry collaboration. Additionally, the workshops helped surface ideas on how CEOP collaboration could be further strengthened to reach scale and impact.

The workshops were conducted virtually with stakeholders in India and Mexico. This included participation from Ant Group-PayTM, Bharti Airtel, AXA, Mastercard, PayPal, PepsiCo, Rabobank, Unilever and Santander Bank.

Sprinting Toward Solutions for Expanding Financial Inclusion

In 2020, CEOP members participated in several sessions aimed at brainstorming, planning and designing innovative solutions that solve real-life problems. These meetings were inspired by the “design sprint” model,

a method for quickly creating new products and programs that brings collaborators together to define the problem, identify target customers, brainstorm ideas and design a potential solution, all within less than a week.

The initial session took place in Indonesia in March 2020, when several members of the CEOP met to explore ways to expand financial inclusion in the country. Using feedback from potential customers, they brainstormed and developed ideas for rolling out various initiatives related to digital payments, working capital, financial education and micro-insurance. Several promising ideas for partnerships to provide inclusive insurance emerged from this meeting.

Two additional product-design processes took place virtually between September and December to generate ideas for expanding financial inclusion in Latin America and the Caribbean. One focused on MSMEs and the other on subsidy recipients. Each exercise included three four-hour virtual design sessions, during which CEOP members and other regional players brainstormed ideas and designed several potential partnerships.

One of them, a collaboration being piloted by PayPal’s subsidiary Zettle, Mastercard and AXA, will target MSMEs in Brazil, offering a digital account with prepaid debit card, insurance, alternative credit scoring and loans, and financial and commercial literacy training.

The fall sessions were organized as part of the Tech for Good partnership, which includes CEOP members Mastercard, AXA, PayPal and Santander, along with Bancolombia, Banco Galicia, Citibanamex and Mercado Libre. The partnership works to accelerate digital and financial inclusion in Latin America and the Caribbean.

Virtual Country Visits and Engagements

G20 ITALIAN PRESIDENCY

Stressing the Importance of Financial Inclusion to Italian Leadership

The UNSGSA, who is also the Honorary Patron of the G20 Global Partnership for Financial Inclusion (GPII), held a series of virtual bilateral meetings last November with the then-incoming 2021 Italian G20 Presidency to underscore the important role of inclusive finance in their agenda. Furthermore, there has been continued engagement in 2021. In dialogue, Queen Maxima identified topics that could support the G20 priorities of “People, Planet and Prosperity” and provided key inputs on the GPII agenda.

Last November, the Special Advocate spoke with then-Prime Minister Giuseppe Conte, then-Minister of Economy and Finance Roberto Gualtieri, and Bank of Italy Governor Ignazio Visco. The UNSGSA also participated in a roundtable chaired by Governor Visco where she joined, among others, Pietro Benassi, Ambassador, Diplomatic Advisor to Prime Minister Conte and then-G20 Sherpa.

The UNSGSA also welcomed feedback from high-level stakeholders during the roundtable, where she was able to stress the importance of focusing on data to better understand and address issues around financial inclusion.

In addition, the Special Advocate pointed out the significance of digitization and key digital public goods to drive development of MSMEs. Queen Maxima also noted that protecting financial services users should be central to inclusive finance.

As part of this roundtable, Magda Bianco, Co-Chair of G20 GPII and Head of Consumer Protection and Financial Education Directorate at the Bank of Italy, discussed the GPII priorities and the Italian G20 Presidency’s deliverables with the UNSGSA. Both concurred that digitization has benefits, but new forms of exclusion caused by the digital divide should be prevented.



UNSGSA Queen Maxima listens to Bank of Italy Governor Ignazio Visco during virtual meetings about financial inclusion and the Italian G20 Presidency in November 2020. Photo credit: ANP Pool Royal Images/Sander Koning

Queen Maxima also discussed other key themes with various stakeholders, including sustainability, women’s financial inclusion and economic empowerment, and the importance of good data.

The virtual discussions followed the UNSGSA’s contribution and input on the G20 High-Level Policy Guidelines on Digital Financial Inclusion for Youth, Women, and SMEs document released in August 2020 and the G20 2020 Financial Inclusion Action Plan released in October 2020. Both reports featured forewords from the Special Advocate.

MEXICO

Special Advocate Champions Inclusive Finance in COVID-19 Response and Recovery Efforts

In a series of virtual meetings in December 2020 and January 2021, the UNSGSA held discussions with financial-sector authorities in Mexico to advocate for inclusive finance in rebuilding the livelihoods of vulnerable populations during pandemic response and recovery efforts.

The Special Advocate held separate discussions with Minister of Finance Arturo Herrera Gutiérrez and Comisión Nacional Bancaria y de Valores (CNBV) President Juan Pablo Graf Noriega on 17 December 2020. Subsequently, on 19 January 2021, the UNSGSA conducted a virtual meeting with Bank of Mexico (Banxico) Governor Alejandro Díaz de León.

The consultations focused on deepening cooperation on key financial inclusion issues in line with Mexico's National Policy for Financial Inclusion, which was published in March 2020. This included promoting SME merchant digitization, financial health, consumer protection, open banking, and reaching underserved groups through expanding agent networks in rural areas.

Promoting Fintech for Inclusive Finance

The UNSGSA highlighted the important role of tech-enabled innovations for financial inclusion solutions, especially for underserved groups, and underscored that it is an evolving force in the Mexican financial sector.

In discussions, the UNSGSA and leaders examined how Mexico is increasingly moving toward open finance. The ability of financial services users to share transactional data and operations is key so that new providers can use this data to offer more tailored services that meet the financial needs of clients. Queen Máxima noted that COVID-19 accelerated this trend by incentivizing banks to invest in digital processes, reflected by remote account openings, digital disbursement of credit, and greater usage of platforms for digital payment exchange. The pandemic also underscored the importance of financial health and using financial services to improve overall development outcomes. Banxico shared with the UNSGSA its recent work on



UNSGSA Queen Máxima meets with Arturo Herrera Gutiérrez, Minister of Finance of Mexico, in December 2020. Photo credit: Ministry of Finance, Mexico.

launching a financial education and financial health survey. Discussion centered on the importance of improving financial education outcomes through incorporating principles around behavioral economics into program design.

Licensing and Oversight for Fintechs

In February 2021 the CNBV announced efforts accelerating licenses for fintech companies and developing a consistent oversight approach. In March 2021, Mexico started to grant authorizations, including to electronic payment companies and crowdfunding institutions.

These advancements help send clear signals to financial markets and support Mexico in becoming a regional leader in using digital technology to offer more customized financial services to the market and, in doing so, increase financial inclusion.

UNSGSA Partners

Better than Cash Alliance and the World Bank

SENEGAL AND BCEAO

UNSGSA Deepens Engagement in West Africa, Aims to Accelerate Digital Financial Inclusion

Senegal, with its geographic and economic position significant to West Africa, has the potential to be an inclusive finance leader in West Africa. The country successfully increased access to formal financial services among adults to 42% in 2017, up from 15% in 2014, according to the latest World Bank Global Findex (2017). Accelerating inclusive digital finance could keep the momentum going.



UNSGSA Queen Máxima speaks with Senegal's Minister for Microfinance and the Solidarity-Based Economy Zahra Iyane Thiam during a virtual bilateral meeting.
Photo credit: Patrick van Emst

The Special Advocate led a virtual country visit 19-21 January 2021 with leaders and financial inclusion stakeholders from Senegal and the Central Bank of West African States (Banque Centrale des Etats de l'Afrique de l'Ouest – BCEAO). The UNSGSA and her partners listened to key issues and areas for potential support and engagement, notably on digital financial inclusion and in regard to COVID-19 recovery efforts. The engagement reflected the UNSGSA's heightened commitment to the entire West Africa region.

The UNSGSA held virtual meetings with Senegal President Macky Sall, BCEAO Governor Tiémoko Meyliet Koné, Minister of Finance and Budget Abdoulaye Daouda Diallo, Minister for Microfinance and the Solidarity-Based Economy Zahra Iyane Thiam, and Minister for the Digital Economy and Telecommunications Yankhoba Diatara. The Special Advocate also participated in a roundtable with representatives from the fintech sector.

The virtual visit was a follow-up to a meeting between the UNSGSA and President Sall during the World Economic Forum (WEF) in Davos, Switzerland, in January 2020. The Special Advocate also held a bilateral meeting with Governor Koné to discuss financial inclusion in December 2020.

Gains Made but Gaps Remain

Despite robust financial inclusion gains, gaps across gender, geographic, and income groups remain in Senegal. The main obstacles are lack of income and the high costs of services. Formal savings is considered low—only 16% of adults report saving with a bank or other formal financial institution compared to 25% in Sub-Saharan Africa overall. This highlights the importance of additional products adequately adapted to the financial needs and capacities of a broader set of the Senegalese population.

The financial inclusion gender gap persists at 8%, with 38% of women having an account compared to 46% of men—however, this is among the lowest gaps in West Africa. In terms of internet use via a mobile telephone, an important enabler for using digital financial services, the gender gap is 9% (GSMA 2020).

Key Priorities

1. A National Financial Inclusion Strategy

Senegal was in the final stages of drafting and approving a national-level financial inclusion strategy, an effort the Special Advocate commended. The UNSGSA suggested further elevating its importance in the policy agenda to support broader economic and social inclusion objectives, particularly in the face of COVID-19.



Photo credit: Maja Bialon

The Special Advocate and Senegalese authorities also noted it could be vital to set up working groups on gender, financial technology, digital payments, and financial education/financial consumer protection, backed by adequate technical and financial resources to achieve intended outcomes.

2. Responsible Oversight and Development of Fintech

Promoting fintech remains a policy priority for Senegal, as well as regionally across BCEAO member states. The Special Advocate also stressed that investment in foundational infrastructure would support fintech development. This includes key digital public goods such as connectivity and digital ID.

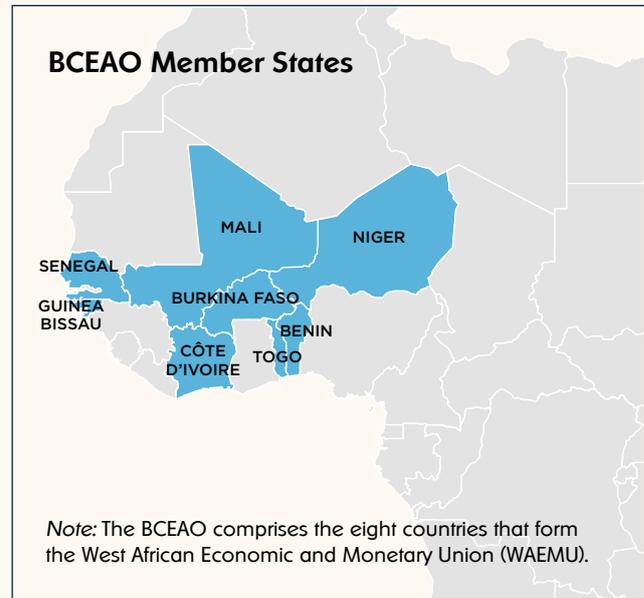
The UNSGSA lauded plans to set up a fintech innovation office to support responsible development and oversight objectives. An innovation office can facilitate more useful dialogue between fintech companies and regulatory authorities, resulting in better support for emerging fintech and providing additional policy and regulatory certainty for the sector.

As a follow up, in April 2021, the UNSGSA and her partners conducted a technical workshop to share best practices on innovation offices and fintech regulatory sandboxes.

3. Support for Payments Digitization

Prioritizing digital transformation as a source of growth and development is a commitment of Senegal. Throughout meetings, the UNSGSA discussed the importance of digitization to support increasing financial inclusion, and to boost the productivity and efficiency of SMEs. She highlighted there could be significant scope for digitizing government-to-person cash transfer programs, and underscored that Senegal could aim to make greater progress on the digitization of government revenues, including medical and school fees, and local taxes, as well as other strategic payment streams.

As a follow up to this discussion, the UNSGSA lent her voice, along with President Sall, in a foreword on a publication released in April 2021 highlighting payment digitization in the private sector in Senegal. The two leaders jointly invited governments, financial service providers, companies and civil society to use the report “to ensure digital payments are at the center of a sustainable and fair economic recovery.”



Further, policy dialogue is ongoing to setup an inter-ministerial committee on payment digitization to build out key use cases across both the public and private sector.

4. Establish a Regional Payments Interoperability Project

Queen Máxima encouraged the BCEAO to prioritize completion of its regional payments interoperability project. This flagship project will enable affordable, convenient and frictionless payments across provider types in the WAEMU to the particular benefit of low-income segments.

5. Modernization of Legal and Regulatory Framework for the Financial Sector

The UNSGSA covered the importance of legal and regulatory modernization to support development and responsible innovation for the financial sector in Senegal and throughout the BCEAO. She also suggested it could help to have regulatory and policy guidance about operational and financial standards needed for MFIs to sustainably move from small to larger institutions.

The UNSGSA encouraged projects aimed to update legal and regulatory texts related to the banking and microfinance sectors.

UNSGSA Partners

Better than Cash Alliance, United Nations Capital Development Fund and the World Bank

National Strategy, Digitization Tops Agenda as UNSGSA and Prime Minister Coordinate on Inclusive Finance

The Special Advocate held virtual bilateral meetings with Prime Minister Victoire Tomegah-Dogbe of Togo on 22 April 2021 to discuss the country's progress toward financial inclusion, including efforts to expand digital financial services and the use and promotion of digital payments as part of its recovery from COVID-19. She also met with Minister of Digital Economy and Digital Transformation Cina Lawson, Minister of Financial Inclusion and the Informal Sector Mazamesso Assih, and Minister of Economy and Finance Sani Yaya.

Togo has made impressive progress toward financial inclusion in recent years, thanks in large part to mobile money. The proportion of individuals 15 and older with an account increased from 10% to 45% between 2011 and 2017 (World Bank Global Findex). Apart from mobile money, however, overall access and usage of financial services remains challenging, with most Togolese borrowing and saving money informally.

While COVID-19 has posed additional challenges to Togo's economy, it also presented an opportunity for the government to activate digital cash transfers to informal workers and others in need, reaching nearly 820,000 people. Through this program, Novissi, 240,000 new mobile money accounts were opened within three months, about 70% of them owned by women. The program operates fully digitally, from screening beneficiaries, to onboarding, payment modality and reconciliation.

Key Priorities

In her meetings with Togo's leaders, the UNSGSA expressed support for the country's efforts to finalize its first National Financial Inclusion Strategy (NFIS), and recommended establishing working groups under the strategy focused on key enablers of financial inclusion. These include rolling out accessible biometric identification and improving telecommunications infrastructure to support connectivity, particularly for women.

Togo has prioritized digitization in its 2020–2025 Roadmap, and the UNSGSA discussed various ways to support this goal in her meetings with the ministers.



The UNSGSA and Prime Minister Victoire Tomegah-Dogbe of Togo virtually discuss how to work jointly on a range of financial inclusion issues during this meeting in April 2021. Photo credit: Gabriella Sancisi

Key objectives included promoting interoperability so that users can send and receive money across different platforms and providers, and cash out easily and affordably; developing use cases for digital payments, including person-to-government payments (for school fees, taxes, etc.); and strengthening the microfinance sector and encouraging it to capitalize on digital technology. Both measures will help narrow the gender gap and promote greater access to formal savings and borrowing.

The leaders shared with the UNSGSA their efforts to build on the successes and lessons learned from the Novissi program, which included robust data protection measures and third-party daily digital audits of transactions. The program did reveal a need for universal biometric identification, a gap that became clear when many users had to use their voter registration cards as ID. The Special Advocate discussed

plans to continue to innovate on the Novissi program, including using it to promote the usage of savings and digital payments.

To promote greater financial inclusion, the UNSGSA emphasized the importance of modernizing the legal and regulatory frameworks for the microfinance and banking sectors, at the national as well as regional level. She also discussed the need to support the national fintech market in order to improve the delivery of digital financial services through innovative channels.

In addition to offering technical input on the NFIS by her office and partners, the Special Advocate agreed to work with the Prime Minister and others to advance policy dialogue with regional bodies such as the BCEAO about modernizing laws and regulations to support the banking and microfinance sectors, as well as the interoperability of payment platforms. She and the Prime Minister also agreed to prioritize their common work toward advancing the financial inclusion of women.

UNSGSA Partner

The World Bank

CÔTE D'IVOIRE

Underserved Groups, Fintechs in Focus to Bolster Financial and Digital Inclusion

In West Africa, Côte d'Ivoire is considered to be at the forefront of financial inclusion in many areas. According to the Global Findex (2017), 41% of adults 15+ had access to an account, representing an increase from 34% in 2014. This is largely due to the proliferation of mobile money and a well-developed national financial inclusion strategy (NFIS). Furthermore, the presence of the Agence Pour la Promotion de l'Inclusion Financière (APIF) enables the country to coordinate inclusive finance efforts across government and the private sector.

Côte d'Ivoire has demonstrated a commitment to financial inclusion, including an aim to reach a 60% inclusion rate by 2024, as well as to gradually digitize 80% of the government's financial flows.

However, financial inclusion appears more limited in rural areas and among underserved groups, such as the poor, women, SMEs and smallholder farmers. This includes a gender gap of 11%, a one-point increase from 2014 (Findex). Of the eight million unbanked individuals in Côte d'Ivoire, 52% are women. Key challenges that could be addressed to further improve the financial inclusion outlook in the country include encouraging the access and usage of products beyond digital payment products towards savings, credit and insurance.

To offer support and seek out opportunities to collaborate, the UNSGSA, along with her partners, conducted a virtual country visit on 17 June 2021. She started with a pair of virtual client visits with micro-

entrepreneurs and financial technology companies to hear firsthand how access to and usage of quality digital financial services and products had benefitted their businesses and financial livelihoods (See pgs. 32-35).

The Special Advocate then proceeded to bilateral meetings with Prime Minister Patrick Achi, Minister of State for Agriculture and Rural Development Kobenan Kouassi Adjoumani, Minister of Economy and Finance Adama Coulibaly, Minister of Digital Economy, Telecommunications, and Innovation Roger Felix Adom, and Minister of Commerce and Industry Souleymane Diarrassouba.

Key Priorities

1. Support Payments Digitization

The UNSGSA recognized the recent progress of Côte d'Ivoire on digitizing government payment flows, including tax collection, and the payment of civil servant salaries and student financial aid. The UNSGSA encouraged

the digitization of additional public sector use cases, for example the payment of pensions and universal health insurance contributions. A number of new payment platforms have recently been set up in Côte d'Ivoire to support government payment digitization. The Prime Minister, Minister of Finance, and the Special Advocate both highlighted opportunities to improve the interoperability and operations of existing government payment portals.

The Special Advocate underscored the importance of supporting payments digitization in the private sector, notably by encouraging SME merchants. Ministers discussed that this digitization provides SMEs the opportunity to adopt digital payments, increase efficiency, reach new markets, improve productivity and gain access to a broader range of financial services.

2. Improving Financial Inclusion and Competitiveness for SMEs

SME finance remains a constraint in Côte d'Ivoire, especially as the pandemic has tested the resilience of many small businesses. In meetings, the UNSGSA and the Minister of Economy and Finance discussed the importance of improving credit infrastructure, notably to further develop the market for moveable collateral-based lending, along with the usage of the electronic collateral registry launched in December of 2020. The UNSGSA highlighted the importance of making operational the country's partial credit guarantee fund to help SMEs access finance at more affordable conditions.

3. Accelerating the Digitization of Key Value Chains for Smallholders

As access to finance for smallholders remains limited, the importance of applying digital technology to support improved financing outcomes for farmers in Côte d'Ivoire was underscored in a meeting between Queen Máxima and the Minister of State for Agriculture and Rural Development. The two leaders discussed that digital platforms are key to support agricultural finance and emphasized the importance of the digitization of specific agricultural value chains. The Special Advocate also stated that investing in key public goods, including identification and tiered know-your-customer regulations, could support further integration of smallholders into the formal financial sector.



UNSGSA Queen Máxima, alongside technical partners, meets with Prime Minister Patrick Achi (right of the Special Advocate) during a virtual country visit with Côte d'Ivoire on 17 June 2021.

Further, the UNSGSA and Minister agreed there is an opportunity, along with APIF and the digital finance working group of the NFIS, to accelerate a pilot project to digitize two key agricultural value chains. This includes taking a comprehensive approach that involves all value-chain actors, from input suppliers to cooperatives and exporters. The pilot could also emphasize digital platforms to overcome traditional geographic and risk barriers to accessing finance for smallholder farmers.

4. Supporting Regional Financial Sector Reforms

Discussions underscored the importance of legal and regulatory modernization to support continued development and innovation of both Côte d'Ivoire and the region's financial sector. The Special Advocate emphasized the importance of laws supporting strong supervisory rules while accommodating for emerging innovation in both the banking and microfinance sector, as well as ensuring consumer protection.

The UNSGSA noted it could be prudent to adopt an oversight approach for the financial technology sector at a regional level (Côte d'Ivoire is a member of the BCEAO). It was also highlighted that the Office of the UNSGSA would continue to coordinate with the BCEAO and support with technical guidance related to the oversight framework for fintech and the setup of a fintech innovation office.

UNSGSA Partners

Alliance for Financial Inclusion, Better than Cash Alliance, Consultative Group to Assist the Poor, UNDP and the World Bank

DIGITAL FINANCIAL SERVICES GIVES THE DOUGHNUT BUSINESS A BOOST IN CÔTE D'IVOIRE

In December 2016, Guillaume Gnankou planned to ring in the new year with a new dress. She saved informally, accumulating approximately 12,000 Central African CFA francs (CFAF), or USD \$16 at the time, for the occasion. With New Year's Eve fast approaching, her thoughts for how to spend that money drifted from a dress to doughnuts—not to buy and eat, but to sell.

 **YouTube** | Meet the client



UNSGSA Queen Máxima watches a video of entrepreneur Guillaume Gnankou to learn about her business. Photo credit: Gabriella Sancisi

Born in a peri-urban area called Adjamé, a municipality of Abidjan, Ms. Gnankou, now 27 years old and pursuing a Master's degree in marketing management, originally learned the doughnut trade from her mother.

She often assisted with the business during school holidays when she was younger, beginning at

eight years old, waking up together before dawn to start the process. However, after 15 years, her mother was too tired physically to continue the long hours that selling food in a market demanded.

So, on the heels of an internship and defense of her undergraduate studies, Ms. Gnankou's

entrepreneurial spirit overcame her desire for a dress. She decided to use her very limited savings, along with her experience and knowledge in the doughnut trade, to start her own business. She was able to purchase some of her mother's equipment and invested in the necessary ingredients.

Gnank Inspiration, the name of her company, was up and running in the Abidjan neighborhood of M'pouto by 4 January 2017. Today, Ms. Gnankou has grown that business to include one full-time employee and another part-time, at two stalls. She also offers online ordering as well as home deliveries through external service providers.

Ms. Gnankou had long sought financing to support her business, as well as a safe place to save money. Traditional banks, however, were out of reach. After making enquiries, she determined that procedures were burdensome, questions onerous, and she did not always meet eligibility criteria.

Advans, Côte d'Ivoire's third-largest MFI with a focus on digitization, provided Ms. Gnankou the opportunity to access formal financial services and build up assets. In February 2020, she opened a savings account with Advans, opting for the "mobility service" that enabled her to make deposits into the account digitally through her mobile phone. The savings account is free, with no opening fees nor monthly management fees—making it more accessible. Users of the service are required to maintain a minimum balance of CFAF 1,000.

Similar to many small businesses, COVID-19 was particularly difficult on Gnank Inspiration. The slowdown of local markets directly affected



Guillaume Gnankou, along with the son of a family friend, walks to work in a neighborhood of Abidjan where she founded a small business selling doughnuts called Gnank Inspiration.

sales, eventually leading Ms. Gnankou to pause services. The savings she built up via the "mobility service" helped her to weather this period.

Faced with this, Ms. Gnankou also took a loan of 400,000 CFAF (approximately USD \$740) with Advans in March 2021. This credit helped Ms. Gnankou to restart her business, as well as to later acquire a second stall to support business expansion. Now she is back up and running, operating Monday to Saturday. Furthermore, she has grown her revenue to approximately 20,000 CFAF per day.

Looking ahead, Ms. Gnankou has her sights set on graduating from her Master's program and applying those skills to further professionalize and expand her business to new markets, with an enhanced focus on online platforms.

MOVE FROM CASH TO ONLINE PAYMENTS HELPS BEAUTY ENTREPRENEURS GROW BUSINESS IN WEST AFRICA

Togolese entrepreneur Felix Simaki has long been fascinated with all things digital. Meanwhile, his wife and fellow entrepreneur from Togo, Josephine Essenam Azamah, was passionate about the world of beauty—she enjoys helping people look and feel good.

YouTube | Meet the client

So, in 2014, the two married their business interests to co-found Fabellashop, the first e-commerce store that specializes in the distribution of cosmetic products in Senegal, eventually expanding services to Côte d'Ivoire and elsewhere in West Africa.

Mr. Simaki, 29, and Ms. Essenam Azamah, 28, used their savings of 500,000 Central African CFA franc (CFAF), approximately USD \$925, to launch fabellashop.com to service Senegal, Mali and Togo. In 2021, they also launched fabellashop.ci exclusive to Côte d'Ivoire.

Fabellashop was established with the modest goal to provide health and beauty advice (usually on Facebook) to help women and men take better care of themselves and adapted specifically to the preferences of the West African market.

According to the co-founders, the marketplace was too often awash in low-cost counterfeit or unaffordable products. Fabellashop initially relied upon a cash-on-delivery approach, which had drawbacks. When customers did not pay at the point-of-sale, it often resulted in cancellations. Furthermore, it increased other risks, such delivery employees losing money or being attacked.



Entrepreneur Felix Simaki, Co-Founder of Fabellashop is pictured in his offices based in Dakar. Fabellashop is the first e-commerce store that specializes in the distribution of cosmetic products in Senegal, now with a presence in Côte d'Ivoire and elsewhere in West Africa.

So, in December 2015 Mr. Simaki decided to use PayDunya's WebPay service to facilitate orders paid by credit cards and mobile money accounts. PayDunya, established in 2015 by four young tech entrepreneurs, allows companies to collect and disburse digital payments via mobile money, money transfer services or bank cards.

Côte d'Ivoire Client Story



The Special Advocate speaks with Fabellashop Co-Founder Felix Simaki (top right) and PayDunya Executive Director Youma Fall (top left), along with UNSGSA Office Director Pia Bernadette Roman Tayag.

The fintech company currently works with over 1,000 business clients, completing over 50,000 transactions each day estimated at over CFAF 200 million per day (approx. USD \$370,000). It has grown to over 50 employees.

Using PayDunya's payment platform helped Fabellashop reduce cancellations from 10% to almost zero, as well as enabled Fabellashop to pay suppliers around the world and receive payments from customers more efficiently. Today, Fabellashop is handling over 1,000 orders per month, with an aim to double this figure in two years. It is fast becoming a shining example of how fintech solutions can drive e-commerce in West Africa and offer more tailored and convenient products to consumers.



Employees at Fabellashop work in the company's main offices located in Dakar, Senegal.

Annexes



The UNSGSA addresses a high-level thematic debate on digital cooperation and connectivity under the theme “Whole-Of-Society Approaches to End the Digital Divide” convened by Volkan Bozkir, President of the seventy-fifth session of the United Nations General Assembly. Seated at the dais are Mr. Volkan Bozkir (left) and Deputy Secretary-General Amina Mohammed. UN Photo/Loey Felipe

About the UNSGSA

Appointed in 2009 by the former UN Secretary-General Ban Ki-moon as the UN Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA), H.M. Queen Máxima of the Netherlands is a leading global voice on advancing universal access to and responsible usage of affordable, effective and safe financial services. She emphasizes that financial inclusion accelerates progress toward numerous development and economic goals such as poverty alleviation, job creation, food security, gender equality and equitable growth.

Collaborating closely with global and national partners, she raises awareness, encourages leadership, works to break down barriers, and supports action to expand financial inclusion and promote financial health. She draws on her first-hand experiences gained through country visits and conversations with low-income families, small business owners, government and private-sector leaders and others to identify which financial services and policies can really make a difference for lives, livelihoods, and communities.

Queen Máxima regularly consults with and convenes stakeholders from diverse sectors—linking government leaders, finance authorities, mobile phone companies, agriculture experts, fintech companies, development partners and others—helping people and institutions learn from each other and form new collaborations. Within the UN system, she engages with programs to share best practices about how financial inclusion complements and advances their missions.

As Honorary Patron of the G20 Global Partnership for Financial Inclusion since 2011, she works to advance the G20 Financial Inclusion Action Plan. She also serves as a Global Agenda Trustee for the World Economic Forum's Global Challenge Initiative on the Future of the Global Financial System.

Advisory and Administrative Arrangements

The UNSGSA works in partnership and with wide consultation among many stakeholders advancing financial inclusion—and those affected by it. She collaborates closely with an advisory Reference Group of leading international organizations in financial inclusion to share expertise and suggest strategic opportunities she can advance through advocacy and partnerships.

Reference Group members include:

Alliance for Financial Inclusion (AFI)	International Finance Corporation (IFC)	UN Development Programme (UNDP)
Better Than Cash Alliance	International Monetary Fund (IMF)	UN Department of Economic and Social Affairs (UNDESA)
Bill & Melinda Gates Foundation	Omidyar Network	The World Bank
Consultative Group to Assist the Poor (CGAP)	UN Capital Development Fund (UNCDF)	

Members of the Reference Group and many other partners play an important role in converting advocacy into action. The UNSGSA also consults widely with UN country teams, standard-setting bodies, financial institutions, companies, donors, civil society organizations and UN member states in the Group of Friends of Financial Inclusion. The Office of the UNSGSA works closely with the UNSGSA and her secretariat in the Netherlands to coordinate and advance her UN and G20 activities. The Office is housed at UNDP at the Bureau of External Relations and Advocacy in New York. It is funded by the Bill & Melinda Gates Foundation.

UNSGSA Working Groups

A wide range of organizations provide invaluable research and guidance to the UNSGSA on her strategic areas of advocacy. This includes the Agriculture Finance Working Group, Development Impact Working Group, Financial Health Working Group, Fintech Working Group, and Gender Working Group. To learn more about these groups, visit the UNSGSA Partners page online at: www.unsgsa.org/partners.

Financial Inclusion and Entrepreneurship in the Netherlands

Queen Máxima champions financial inclusion, entrepreneurship, and financial literacy and education, including for children and youth, in her home country of the Netherlands. In doing so she conveys best practices and insights from Dutch and international experiences. She is a member of the Dutch Committee for Entrepreneurship and Honorary Chair of the Money Wise Platform, a national partnership that promotes financial literacy.

More information

UNSGSA: www.unsgsa.org – G20 GPF: www.gpfi.org – Royal House of the Netherlands: www.koninklijkhuis.nl

UNSGSA Activities 2020–2021

September 2020

Meeting
23 September

The UNSGSA had a call with Melinda French Gates of the Bill & Melinda Gates Foundation.

Speech
23 September

Keynote Remarks at the virtual G7 Event on Catalyzing Digital Financial Services for Women Across Africa

“Eighty-nine percent of women in Sub-Saharan Africa work informally, a sector with limited savings and capital, making them particularly vulnerable to economic shocks... New data suggests that in several Sub-Saharan countries, about 60% of women-led small businesses have lost their sources of income, three times more than businesses led by men.”

Interview
24 September

CNN: First Move with Julia Chatterley

The UNSGSA spoke about financial inclusion, notably digital inclusion, and its importance in the time of COVID-19 in this exclusive interview held during the 75th United Nations General Assembly.

October 2020

Meeting
8 October



Photo credit: UN Photo/Mark Garten

The Special Advocate met with António Guterres, United Nations Secretary-General, to present her 2020 Annual Report.

Speech
21 October

Keynote Remarks at the Identification for Development (ID4D) Mission Billion Event at the Virtual World Bank Group/International Monetary Fund Annual Meetings

“This pandemic has... demonstrated the importance of digital public goods. Digital ID and interoperable payments have played a key role to help countries weather the crisis and explore new opportunities.”

Meeting
27 October

UNSGSA Reference Group

November 2020

Speech 12 November



Photo credit: ASEAN

Opening Remarks at the ASEAN Women Leaders' Summit

“A robust ecosystem of digital financial services, along with user-friendly platforms, can help women entrepreneurs better participate in and benefit from these new digital marketplaces. Public support programs could include specific measures to ensure women-led businesses have the networks and capability to take advantage of digital opportunities.”

Speech 25 November

Remarks on Financial Inclusion Enabling Healthy Diets at the Special FAO Seminar on Food and Nutrition: Urgent Call for Agri-food Systems Transformation to Achieve Healthy Diets for All

“Access to financial services is crucial to ensure the supply of and demand for food systems across the globe. On the supply side, financing is necessary to ensure sufficient production, mitigate risk, and invest in sustainable farming methods. On the demand side, access to savings, credit and insurance is crucial for households to be able to afford healthy diets across longer periods of time – especially in the face of economic shocks.”

Meetings 30 November



Photo credit: Office of the Prime Minister of Italy

Supporting the Launch of the Italian G20 Presidency

The UNSGSA participated in a virtual roundtable on the Italian G20 Agenda with Gov. Dr. Ignazio Visco, Bank of Italy; H.E. Pietro Benassi, Ambassador, PM Conte's Diplomatic Advisor and G20 Sherpa; Daniele Franco, Senior Deputy Governor, Bank of Italy; Alessandro Rivera, Director General of the Treasury, Ministry of Economy and Finance; Alessandra Perrazzelli, Deputy Governor, Bank of Italy; Linda Laura Sabatini, Director, ISTAT; Dr. Magda Bianco, Head of Consumer Protection and Financial Education Directorate, Bank of Italy and Co-Chair of G20 GPFI; and H.E. Roberto Gualtieri, Minister of Finance, Italy. She also held bilateral meetings with officials including Prime Minister Giuseppe Conte and Bank of Italy Governor Dr. Ignazio Visco.

December 2020

Meetings 4 December

G20 Summit

The UNSGSA had a bilateral meeting with Italian Minister of Finance Roberto Gualtieri, who emphasized the commitment of the Italian G20 presidency to financial inclusion and women's economic empowerment.

Speech
10 December

Keynote Address at the virtual CEIP-IMF-WBG-WEF Conference on Cybersecurity and Financial Inclusion

“Across developing countries, poor people who are already struggling with the health and economic impact of the pandemic, are increasingly targeted by online fraudsters... This highlights the need for improved digital literacy and consumer awareness of cyber-hygiene as a joint responsibility of customers, policymakers, and the private sector.”

Meeting
11 December

G20 Summit

The UNSGSA met with Dr. Ignazio Visco, Governor, Bank of Italy, and Dr. Magda Bianco, Head of Consumer Protection and Financial Education Directorate, Bank of Italy and Co-Chair of G20 GPFI.

Speech
14 December

Video message at the 60th Anniversary of the Signing of the OECD Convention

“Aside from financial education and the promotion of financial health, we must continue to elaborate our knowledge on the advancement of entrepreneurship, and the right support to small- and medium-sized enterprises, the drivers of improvement and innovation.”

Meeting
17 December

The UNSGSA held a virtual meeting with members of Mexico’s Ministry of Finance, including H.E. Arturo Herrera, Minister of Finance and Public Credit; H.E. Gabriel Yorio, Deputy Minister of Finance and Public Credit; Jorge Melendez, Head of the Banking, Securities, and Savings Unit; and Jose de Luna, Head of the Public Credit Unit. She also held a virtual meeting with members of the Comisión Nacional Bancaria y de Valores (CNBV), including Juan Pablo Graf, President; Jose Antonio Quesada, Vice President of Regulatory Policy; Marco del Rio, General Director for Access to Financial Services; as well as with H.E. Wilfred Mohr, Dutch Ambassador to Mexico and Belize.

Meeting
18 December

The Special Advocate met with Tiémoko Meyliet Koné, Governor, Central Bank of West African States (BCEAO).

January 2021

Speech
11 January

Keynote address at the virtual Launching Ceremony of Pakistan’s Micropayments Gateway

“If we want the gateway to be really impactful, it will be crucial over the next few months to focus attention on usage. This will only be realized when the platform is adopted by all banks and financial service providers.”

Meeting
19 January

The UNSGSA met with Alejandro Díaz de León, Governor Bank of Mexico (Banxico).

Meeting
19 January



The UNSGSA met with Kristalina Georgieva, Managing Director, IMF.

Senegal Country Visit
19–21 January

This series of virtual meetings included a Senegal Fintech Roundtable and a meeting with the Senegal Delegation. The UNSGSA also held bilateral meetings with H.E. Abdoulaye Daouda Diallo, Minister of Finance and Budget, Senegal; H.E. Yankhoba Diatara, Minister for the Digital Economy and Telecommunications, Senegal; H.E. Macky Sall, President of Senegal; H.E. Zahra Iyane Thiam, Minister for Microfinance and the Solidarity-Based Economy, Senegal; and Tiémoko Meyliet Koné, Governor, Central Bank of West African States (BCEAO).

Meeting
25 January

The UNSGSA participated in a WEF Resetting Digital Currencies Panel with Elizabeth Rossiello (AZA Finance), Hikmet Ersek (Western Union), Andrew Bailey (Bank of England), and Glenn H. Hutchins (North Island).

Meeting
26 January

UNSGSA Financial Health Working Group

March 2021

Meeting
2 March

The UNSGSA met with H.E. Cyril Ramaphosa, President of South Africa and outgoing African Union President, to discuss pathways to advance women's digital and financial inclusion and economic empowerment throughout the continent.

Speech
8 March



Photo credit: Gabriella Sancisi

Opening Keynote Address at the BTCA-WWB-WBG-UN Women-UNCDF virtual event Reaching Financial Equality—A Call to Action

“What is needed now is a common commitment and investment from economic actors to drive equality in a post COVID-19 world.”

Speech
22 March



Photo credit: Gabriella Sancisi

Opening remarks at the 2021 Global Money Week Global Launch

“The COVID-19 pandemic exposed the financial vulnerabilities of individuals and households across developed and developing countries. As we build back towards a more resilient future, it is critical to create an ecosystem that supports the financial resilience and financial health of today’s youth. This means incorporating financial literacy as part of a broader strategy that promotes financial health.”

Speech
26 March

Financial Health Working Group webinar: High-Level Discussion on the Business Case for Financial Health

This invitation-only event brought together key representatives from the private sector to discuss ways to deepen private-sector commitment to the financial health of customers and employees. The UNSGSA provided opening remarks, described below.

Speech
26 March

Opening Remarks at the Financial Health Working Group’s Private Sector Webinar

“The financial health of employees and customers should be central to your business. And, therefore, an important component to your business strategy.”

April 2021

Meeting
14 April

UNSGSA Financial Health Working Group

Meeting
15 April

UNSGSA Reference Group

Speech
19 April

Video keynote address at UK Fintech Week 2021

“I’m convinced that inclusive technology-led innovations... present our best opportunity to tackle financial exclusion and improve financial health... It is important for us to also recognize that financial exclusion is not an issue just in low-income countries, but for advanced economies too.”

Speech
22 April

Video remarks at the Access to Insurance Initiative (A2ii)-International Association of Insurance Supervisors (IAIS) Public Dialogue: Insurance and the Sustainable Development Goals (SDGs)

“To achieve the SDGs by 2030, it is critical to accelerate insurance as a risk protection mechanism. Empirical research strongly shows the benefit of insurance to promote resilience against shocks in the lives of the underserved. COVID-19 has reinforced the need for these tools.”

Meetings
22 April

Photo credit: Gabriella Sancisi

The Special Advocate participated in virtual bilateral meetings with leaders from Togo, including Prime Minister Victoire Tomegah-Dogbe, Minister of Economy and Finance Sani Yaya, Minister of Digital Economy and Digital Transformation Cina Lawson, and Minister in Charge of Financial Inclusion and the Informal Sector Organization Mazamesso Assih. In these meetings, the UNSGSA and Togolese leaders discussed how to work jointly on a range of financial inclusion issues, including policies to support accelerating digital financial services for vulnerable groups in the country, and as an important part of COVID-19 recovery. She also heard from leaders how the country was able to successfully leverage emergency cash transfers through its Novissi program when responding to the COVID-19 crisis.

Speech
26 April

Video remarks at the opening plenary of the Mercy Corps AgriFin 5th Annual Learning Event (ALE) 2021

“Now is the time to prioritize the financial and digital inclusion of female smallholder farmers. Women produce nearly 70% of Africa’s food, yet are disproportionately affected by unequal access to markets, inputs, finance, and land. The pandemic has only intensified these inequalities.”

Speech
26 April

Remarks at the launch of the joint European Commission/OECD-INFE project to develop a financial competence framework in the European Union

“We need to ask ourselves: who are the most financially vulnerable? And how can we help them manage their finances both now and in the future?”

Speech
27 April

Video Remarks on Digital Public Goods and the Digital Divide at the PGA High-Level Thematic Debate on Digital Cooperation and Connectivity: Whole-of-Society Approaches to End the Digital Divide, held at UN Headquarters

“More than 200 nations expanded social protection measures since the start of COVID-19 – many using digital payments providers to make transfers directly into bank accounts or mobile wallets. We have also seen a shift to online payments for goods and services, and increased access to the digital economy. These changes have demonstrated the importance of putting in place the needed digital public goods that create a resilient, equitable, and trusted financial system.”

Speech
18 May

Video keynote address at the ITU Financial Inclusion Global Initiative (FIGI) Symposium

“One important takeaway is that we need to share knowledge among different countries on how to carefully roll out digital public goods, how to boost coverage, and how to strengthen existing capabilities.”

June 2021

Speech 7 June



Photo credit: Gabriella Sancisi

Keynote address at Amsterdam Fintech Week 2021

“Your solutions, your investments, and the inclusive innovation ecosystem that you build together, can be a catalyst for change. That change can enable access to the quality financial services people need to protect against hardship, invest in their futures, and better manage their financial lives.”

Meeting 9 June



Photo credit: Marianne Wiltjer

2021 Financial Health Visionary Award EMERGE Financial Health Conference

The Special Advocate was the recipient of this annual award for individuals who demonstrate leadership in building a more accessible and inclusive financial system, and who seek to inspire and encourage the next generation of leaders to innovate new solutions for the financially underserved. The UNSGSA also participated in a fireside Q & A with Jennifer Tescher, President and CEO of the Financial Health Network, who presented her with the award and Dan Schulman, President and CEO of PayPal, who was the recipient of the inaugural award in 2018.

Meeting 15 June

UNSGSA Financial Health Working Group

Côte d’Ivoire Country Visit 17 June

The UNSGSA held bilateral meetings via videoconference with Prime Minister Patrick Achi, Minister of Agriculture and Rural Development Kobenan Kouassi Adjoumani, Finance Minister Adama Coulibaly, Minister of Digital Economy, Telecommunications, and Innovation Roger Felix Adom, and Minister of Commerce and Industry Souleymane Diarrassouba. She also met virtually with two small business owners to hear how financial technology and digitization has helped them respond to customers’ needs, and supported the growth and resilience of their enterprises.





UNSGSA

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