



UNSGSA

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

ANNUAL REPORT TO THE SECRETARY-GENERAL SEPTEMBER 2016

A woman with dark hair, wearing a vibrant yellow and red striped shawl, is the central figure. She is surrounded by a dense collection of colorful, patterned fabrics, possibly in a textile market or a workshop. The background is filled with various colors like green, orange, and purple, creating a rich, textured environment. The woman is looking directly at the camera with a slight smile.

FINANCIAL INCLUSION

ADVANCING SUSTAINABLE
DEVELOPMENT





TABLE OF CONTENTS

Message from the UNSGSA..... 3

A New Path for Development
2015–2016 4

The Financial Inclusion Toolbox..... 8

Commitments and Strategies..... 8

Data 9

Regulation 11

Innovative Products..... 13

Consumer Protection and Education... 15

The Road Ahead..... 18

Annexes 21

About the UNSGSA..... 22

Overview of UNSGSA Activities
2015–2016 23



MESSAGE FROM THE UNSGSA

“A to-do list for people and planet, and a blueprint for success.” In just a few words, UN Secretary-General Ban Ki-moon laid out the importance of the new Sustainable Development Goals (SDGs), which will guide development planning and action through 2030.

The SDGs also signal the global acknowledgement of financial inclusion as a catalytic tool to advance human development. Inclusive finance is referenced in seven of the 17 new goals, including those addressing poverty, hunger, gender equality, and economic growth.

The recognition of financial inclusion as a powerful engine of progress points to our challenging next steps: implementing the new goals. But in a year defined by looking to the future, it is important to reflect on the advances we have already made. Access has expanded by 700 million people in just three years, and a growing body of research demonstrates the strong links between financial inclusion and development.

I have seen the impact on the ground as well, in the lives of people like Jarna Islam (*cover and page 12*), whose thriving textile workshop in Dhaka demonstrates what financial inclusion can do for gender equality and women’s economic empowerment. From huge data sets to individual stories, the evidence of the past and the present suggests that universal financial inclusion is within our reach.

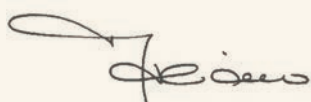
This year’s annual report reviews our recent work and looks closely at some of the most effective tools to foster financial inclusion. Using global and national commitments, data, regulation, innovative products, and consumer protection and education, the financial inclusion community is identifying needs, analyzing solutions, collaborating on action, and making notable progress.

While building on our accomplishments, our focus will need to expand and deepen. The fast-growing fintech sector, which is gaining much attention, has the potential to improve access and usage significantly and help us reach excluded populations such as women, rural residents, and the very poor. But as fintech develops, a closer dialog is needed between regulators and providers to ensure full protection of customers and the financial system.

Closer attention is also needed to expanding the effective use of financial services by offering client-centric products that reflect what customers want, need, and will really use. I’m pleased to note that many partners in my Reference Group and beyond are working hard to address this.

Ultimately, all of our work is aimed at improving the lives of low-income people. Looking forward, we must continue to strengthen the links between financial inclusion and development outcomes, digging more deeply into how we can deliver real value to the poor, expand gender equality, improve health, and much more.

In 2018, when the next round of the Global Findex is released, we will learn how much closer we have come to our own goal of universal, full financial inclusion. I look forward to working closely with partners around the globe to realize this promise as we begin to open up economic opportunity for two billion people.



H.M. Queen Máxima of the Netherlands

UN Secretary-General’s Special Advocate for Inclusive Finance for Development





A NEW PATH FOR DEVELOPMENT 2015–2016

In late 2015 the global development community set out on a new path—one it has committed itself to following for the next 15 years.

The ambitious Sustainable Development Agenda, adopted by 193 countries at the UN, will guide priorities, policies, funding, and action until 2030. At the agenda's heart, the 17 Sustainable Development Goals (SDGs) address far-reaching global concerns, including poverty, hunger, climate change, gender equality, and economic growth.

The new agenda is strongly marked by a broad recognition of the importance of financial inclusion, starting with the agreement's preamble. The acknowledgement of financial inclusion—not as a goal but as a powerful engine of progress—cements it within national and international mandates for action.

Throughout discussions leading up to the adoption of the SDGs, H.M. Queen Máxima of the Netherlands, the UN Secretary-General's Special Advocate for Inclusive Finance for Development, worked to ensure that financial inclusion was recognized and embedded in the agreement. She collaborated closely with UN member states in the Group of Friends of Financial Inclusion, led by Peru, Tanzania, and Indonesia, as well as with UNCDF, UNDESA, the World Bank Group, and other partners in her Reference Group.

"We have the means to achieve [the SDGs]," she wrote in the opening message of a recent paper on the subject (see pages 6-7). "Investing in financial inclusion is one of them."

This past year the Special Advocate worked with global and national partners in Asia, Latin America, Africa, Europe, and beyond to extend awareness and support, strengthen commitments, explore innovations, and break down barriers for those without access to financial services.

RECOGNIZING THE POWER OF FINANCIAL INCLUSION

Big wins in short order at the UN

The key role of financial inclusion in the new development agenda was highlighted multiple times recently in agreements and resolutions adopted by UN member states:

JULY 2015 Addis Ababa action plan on financing for development: Financial inclusion is flagged throughout this agreement, which provides specific recommendations on how financing flows and policies can support the Sustainable Development Agenda. It encourages policies and regulatory environments to promote financial inclusion as a tool to expand development financing and achieve development goals.

SEPTEMBER 2015 Sustainable Development Agenda: Financial inclusion is mentioned in seven of the 17 Sustainable Development Goals—SDG 1: No poverty; 2: zero hunger; 3: good health; 5: gender equality; 8: decent work and economic growth; 9: industry, innovation and infrastructure; and 10: reduced inequalities.

DECEMBER 2015 UN General Assembly Resolution: Adopted under the leadership of Peru, this resolution stresses the importance of financial inclusion as a key tool for implementing many of the goals in the Sustainable Development and Addis Ababa agendas. It formally lays out the support of member states for extending "full and equal access to formal financial services for all."

DRIVING THE NEW DEVELOPMENT AGENDA

What is the role of financial inclusion?

The power of financial inclusion to help achieve development goals is laid out in a recent paper published by CGAP and the UNSGSA. Reviewing existing research on links to development and detailing evidence of impact, the authors show where and how financial services can drive progress on the SDGs. The following excerpts highlight some of the paper's conclusions.



No Poverty—SDG 1

Services such as savings allow families to better absorb financial shocks, smooth consumption, accumulate assets, and invest in human capital such as health and education. This helps people climb out of poverty and can lead to higher growth. Digital financial payments allow people to receive money during times of crisis and have improved the delivery of government anti-poverty programs.



Zero Hunger—SDG 2

About 795 million people globally are undernourished, with most living in rural areas neglected by the financial system. Farmers who have access to financial services, including savings, credit, and insurance, often produce more

bountiful harvests and can build resilience against external shocks such as bad harvests, leading to progress on SDG 2. Digital financial products that do not require travel to a bank branch benefit farmers who live in areas that are poorly served by traditional banks.



Good Health and Well-being—SDG 3

Financial inclusion improves health by giving people the ability to manage medical expenses and rebound from health crises. Payments on health care in developing countries are a main reason why people remain in poverty. Financial services like medical insurance can mitigate the risks of health emergencies. Women especially have a high demand for health insurance products to deal with pregnancy and child birth.



Quality Education—SDG 4

Achieving quality education depends on people's ability to invest in learning opportunities. Since economic growth is closely linked with human capital, academic underperformance slows development. Savings products help families plan for and manage education expenses, as do small, short-term loans, commitment products, and direct debit services.



Gender Equality—SDG 5

Financial services help women assert their own economic power, and the financial inclusion of women can create gender equality by giving them greater control over their finances. Increasing the share of household income controlled by women changes spending in ways



that benefit women. It also supports many development objectives beyond SDG 5 since female-controlled finances are more likely spent on necessities such as food, water, school fees, and health care.



Infrastructure: Clean Water and Sanitation—SDG 6—and Affordable and Clean Energy—SDG 7

More than 1 billion people lack clean water and about 1.3 billion lack electricity, including two-thirds of sub-Saharan Africa. The prohibitive costs of extending infrastructure to rural communities deters much-needed investment. But innovations in digital financial services are likely to accelerate access to resources such as water, sanitation, and energy. More broadly, digital services lower transaction costs and enable a range of payments that would otherwise be expensive.



Decent Work and Economic Growth—SDG 8

When poor people are excluded from the formal financial system,

the foundations of shared economic growth are weak. Access to financial institutions and products allows people to gain higher returns on capital. This leads to increases in their income and affects economic growth. Effective financial systems can mobilize savings to finance productive ventures and improve the probability of successful innovations. The reverse also is true: Financial exclusion can deepen income inequality, slow economic growth, and create poverty traps.



Industry, Innovation and Infrastructure—SDG 9

Access to financial services, particularly credit, is likely to allow more businesses to be started and allow existing firms to expand by enabling greater investment. An increase in the number of medium and small enterprises allows economies to create jobs. While credit has limited or no impact on client welfare, the evidence that credit enhances business start-ups and expansion is more robust.



Reduced Inequalities—SDG 10—and Peace, Justice, and Strong Institutions—SDG 16

Wide swaths of the developing world are wracked by instability. In developed and developing countries alike inequality is rampant, generates instability and slows economic growth. Often the poorest half of the population controls less than 10 percent of overall wealth. By providing a foundation for equitable growth and improving the lives of the poor, financial inclusion helps reduce inequality (SDG 10) and promote peace (SDG 16). Financial services also help people get assistance when crisis ensues.

Conclusion

Given the increasingly clear link between financial inclusion and development, governments should continue to push for greater access to and use of financial services. Prioritizing financial services does not take away resources from other key priorities set through the SDGs.

“Achieving the Sustainable Development Goals: The Role of Financial Inclusion,” Leora Klapper, Mayada El-Zoghbi, and Jake Hess, published by CGAP and UNSGSA, April 2016.



THE FINANCIAL INCLUSION TOOLBOX

The concept and the impact of financial inclusion have gained increasing global recognition, particularly this past year. But the challenge it faces is significant, one measured in billions. Two billion, that is—the number of people worldwide who remain excluded from the formal financial system.

Yet evidence suggests that this goal is not beyond reach. A year ago, the World Bank's Global Findex revealed that financial inclusion has made dramatic progress—in a three year period, 700 million mostly poor adults gained access to the financial means they need to protect themselves against hardship and invest in their futures.

This past year the Special Advocate and her partners have pressed forward, making use of an effective and flexible set of tools. Chief among them are commitments, data, regulation, innovative products, and consumer protection and education. Building financial inclusion is a complex process, and using these instruments well requires collaborative partnerships. But as the world pushes forward with its development goals, these tools may hold the key for progress far beyond the realm of financial inclusion.



The Special Advocate spoke at length about financial inclusion with Indonesia's President Widodo during her country visit, 30 August –1 September 2016 (immediately before press time). The President emphasized his support for actively expanding services to the country's small businesses, farmers, and other unbanked populations; earlier he signed the national financial inclusion strategy.

Tools COMMITMENTS AND STRATEGIES

Create roadmaps—and stick to them

One of the great lessons of the Millennium Development Goals, which preceded the new Sustainable Development Goals, is that setting time-limited, concrete, and measurable goals and action plans is remarkably effective at driving progress.

These kinds of commitments and strategies are particularly valuable tools for addressing **SDG 1, eliminating extreme poverty**, and **SDG 10, reducing inequality**.

Almost every country in the world has signed on to the new Sustainable Development Agenda, with its specific targets for implementation. While negotiations continue over the indicators that will be used to measure progress, already the goals have become a touchstone for action.

This same allegiance to commitments and strategies is a hallmark of financial inclusion. From large-scale global plans and national roadmaps to more focused efforts by businesses and local governments, "There is now wide agreement that development without financial inclusion is incomplete," Queen Máxima emphasized at the World Economic Forum in Davos.

In addition to the Sustainable Development Agenda, an important effort to boost financial inclusion flows from the World Bank and UNSGSA's commitment to reach universal financial access by 2020. This strategy combines targeted country engagement, attention to national strategies, and the involvement of banks, cooperatives, mobile network operators, microfinance institutions, and payments players.

National Strategies, National Progress

Early evidence suggests that countries with financial inclusion strategies or roadmaps make faster progress than those without. More than 50 countries have now established detailed commitments that lay out government plans and investments in infrastructure, and tie together public and private collaboration. This past year, Ethiopia, Mexico, Mozambique and Indonesia joined their ranks.

In recent visits to Bangladesh, where guidelines were being drafted to open up the mobile money market; Pakistan, where the existing national strategy is being geared up for implementation; and Mexico, where the country's financial inclusion plan was launched, the Special Advocate emphasized "the demanding stage of implementation." She stressed the importance of inter-ministerial coordination and leadership and the role of the private sector in this important phase.

National plans and strategies are moving beyond good intentions, and growing signs suggest that they are bearing fruit:

- **Peru** and **Tanzania** advanced mobile interoperability, a vital step that allows mobile money users to conduct transactions between mobile platforms. In February 2016, Tanzania became the first African country with a universal interoperable mobile money network. That same month Peru launched its much-lauded Modelo Perú, the world's first shared national mobile payments system.
- **Rwanda** easily surpassed its own financial inclusion goal in March 2016, when a FinScope survey determined that 89 percent of the population had gained access to financial services. (The initial goal had been 80 percent by 2017.)
- **Myanmar's** new government adopted regulations in March allowing non-banks, including mobile operators, to offer financial services. This innovation, encouraged by development partners including the UNSGSA, CGAP, UNCDF, and the World Bank, is designed to help the country leap ahead with financial inclusion. (Greg Chen of CGAP noted that the UNSGSA "was able to elevate the policy dialog on the new regulations.")
- In **India**, where 47 percent of the population is financially excluded, the Reserve Bank had given a group of institutions approval last year to start payment banks—a step aimed at further extending basic services to people in poor and rural communities. In April, the first of these banks was officially licensed.



Mexico launched its financial inclusion plan in June 2016 at an event attended by the UNSGSA, along with President Enrique Peña Nieto (center) and Finance Minister Luis Videgaray (right).

Organizations that work closely with national governments have also expanded their impact this year. In early 2016 the Alliance for Financial Inclusion, a network of financial policymakers that supports planning, strategy, and regulatory reform, came fully into its own as an independent, member-supported organization. And the Better Than Cash Alliance, which accelerates the transition from cash to digital payments, gained commitments from India, Pakistan, Mexico, Benin, Sierra Leone, and Moldova to move towards a stronger digital economy as a way to lower costs and expand financial inclusion.

Tools DATA

Action must be driven by facts

In the realm of financial inclusion, data is in many ways the essential instrument, the tool that shapes every aspect of decision-making and action. Faced with the immense challenge of the SDGs, governments and development organizations are acutely aware that more and better data will be vital for reaching the ambitious targets.

The Special Advocate has long stressed the preeminent value of data and research. This year she continued to highlight areas where the evidence base is weak—for example, on how best to expand financial literacy; for developing the business case for small



In all regions of the world, better data is needed in order to address the persistent gender gap in financial inclusion.

enterprise; or for understanding the rapidly changing digital landscape.

But the issue that stood out most urgently was **gender equality (SDG 5)**. Because “women deliver the highest return for social and development investment,” Queen Máxima said, “gender equality lies at the heart of development progress.” But the world’s ability to address gender imbalances related to financial inclusion is profoundly hampered by lack of good data. At this juncture, she stressed, building a rich supply of sex-disaggregated data may be what’s needed most to improve the lot of women.

New Research

Data and research in support of financial inclusion have come a long way. Last year represented a watershed moment when the Global Findex database showed that financial inclusion had jumped by 20 percent in just three years. The anticipation of its next iteration in 2018 contributes to the field’s momentum. But the past year was also marked by influential new projects and results.

One study of particular consequence, from the IMF, looked closely at the macroeconomic impact of financial inclusion and found that it contributes to financial stability in areas such as GDP growth and reduced income inequality. This research represents a fresh perspective on the long-held view that the risk of financial instability increases when access to credit is expanded.

Global research like the Findex is being complemented by in-depth regional and national surveys. Examining how financial inclusion plays out in practice, new Finscope surveys looked closely at national progress in Rwanda and South Africa. And the Inter-American Development Bank launched a new project to provide data from financial providers in Latin America.

But valuable research does not always depend on broad data sets. Studies based on the financial diaries of individual smallholder farmers in Pakistan, Mexico, Mozambique, Tanzania, and Zambia closely analyzed how they manage money seasonally; this deep, detailed research reveals much about the behaviors and preferences that shape the financial lives of low-income clients. Analyzing and understanding customer demand is essential to ensure wider access, but also to improve usage and the quality of services.

Women: Overlooked and Uncounted

Despite the steady development of financial inclusion data, certain issues remain in shadow—most notably gender. While the gender gap in financial inclusion persists at seven percentage points—nine in developing countries—relatively little research exists to help address these gaps. Currently only four countries in the world collect sex-disaggregated financial system data—Burundi, Papua New Guinea, Rwanda, and most notably Chile, which alone has done so for a significant period of time, 15 years.

This year the UNSGSA, with strong support from partners in CGAP, the Bill & Melinda Gates Foundation, UNCDF, Women’s World Banking, and the World Bank, emphasized the immense importance of conducting the research needed to guide efforts to bring women

more fully into the financial system. At the Women Deliver conference in Copenhagen and at the Next Women Innovation summit in Amsterdam, she urged the creation of gender-inclusive financial systems.

Governments, central banks, businesses, and NGOs can all make important contributions by developing stronger data on gender. Already a significant body of research is in the pipeline, including multiple studies exploring women's needs and preferences as financial customers.

And in May, the Gates Foundation announced a substantial new investment in expanding these efforts. With evidence demonstrating that women's financial inclusion could be pivotal for achieving many of the SDGs, the momentum behind gender-related data continues to build.

Tools REGULATION

Make sure the rules support progress

By balancing inclusion with stability, integrity, and consumer protection and by defining the playing fields for banking, technology, and other ventures, policymakers, regulators, and standard-setting bodies have a decisive impact on financial inclusion.

Opening up the formal financial system to excluded populations requires “safeguarding customers, investors, and businesses while not stifling innovation by overregulating,” the Special Advocate said in a speech to European finance ministers at an informal Ecofin meeting during the Dutch EU presidency. Getting this calibration right can have a tremendous impact on **economic growth (SDG 8)** and on **reducing poverty (SDG 1)**, especially among migrants, women, small businesses, the poor, and other populations historically neglected by the finance sector.

While financial exclusion is most prevalent among vulnerable populations in developing countries, “lack of access to financial services is a problem everywhere,” Queen Máxima also noted. In Europe and throughout the developed world, “we need to create economies in which everybody can benefit.”



Strongly underlining the global importance of financial inclusion, the U.S. Treasury and Treasury Secretary Jack Lew (2nd from right) hosted a high-profile forum on the issue in December 2015. The opening panel featured the UNSGSA with (from left) Mexico Treasury Secretary Luis Videgaray, Gates Foundation co-chair Bill Gates, and (far right) JP Morgan Chase CEO Jamie Dimon.

Risk-based Decisions

Global financial policymakers continued this year to encourage a careful balance between financial stability, integrity and inclusion. Recognizing that small accounts and remittances are central to financial inclusion but hold little hazard for money laundering or terrorist financing, they emphasized a more balanced approach to assessing risks, and regulating accordingly.

A rising number of global financial leaders spoke out in support of financial inclusion—including at a high-profile U.S. Treasury event in Washington where the Special Advocate highlighted ongoing threats to small account holders.

“Some banks are engaging in what they call ‘de-risking’—simply ceasing to engage in lines of business that are seen as potentially high risk relative to their profitability,” she warned at the Bank for International Settlements’ All Governor’s Meeting in November. “The problem is of particular concern because of its potential impact on cross-border remittances from migrants to family members—sums that in many countries dwarf official aid flows.” Regulators, policymakers, and financial institutions should aim to address the issue in a nuanced fashion, she said.

Small Business Finance

Small enterprises are engines of economic growth but their lack of access to finance has severely limited their ability to spur economic development in wealthy as well as low-income countries. The private sector has introduced a new range of solutions, for example using big data to measure the creditworthiness of small businesses. Regulating these innovations, however, presents a challenge.

For small businesses around the world, the opportunity for growth is severely lacking due to widespread inequities in the credit and financing markets. The

Special Advocate called for the close attention of policymakers, regulators, innovators, and financial institutions

Women-owned enterprises face an especially steep path to success, in part because of rules and practices that can make it difficult for women in particular to gain credit. In many countries, not just the least developed, regulations prevent women from opening bank accounts without permission, inheriting property and controlling assets, holding jobs, or building a credit history. In Pakistan and again at the SME Finance Forum in Turkey, the Special Advocate suggested

STITCHING A THREAD INTO BANGLADESH'S ECONOMY

In the village of Dattopara, north of Dhaka, a businesswoman named Jharna Islam stands in her workshop before racks of clothing—deep red saris threaded in gold, pink and blue shalwar kameez, vivid green choli.

Surrounded by her eight employees, she describes the path of her success and lays out her plans for the future of Jharna Fabrics—a story that speaks tellingly of the power of financial tools and the potential of women-owned enterprise in Bangladesh.

Garment exports are the backbone of the country's industrial sector, accounting for more than 80 percent of all exports and employing some 8 million workers, most of them women. Ms. Islam's operation is not aimed at export but she is very much a part of this world.

After training in fashion design, she began creating clothing out of her home. In 1998 she set up a tailoring business with a small microfinance loan from BRAC. After successfully repaying it, she took out two bigger loans for more equipment and hired more staff. Jharna Fabrics now takes orders for women's and children's clothing and produces clothes for retail chains.

Steadily building a strong credit record and plowing her profits back into her growing



The power of financial tools have shaped the success of Jharna Islam (also on cover).

enterprise over almost 20 years, Jharna Islam has become a true small businesswoman. Her company remains a simple operation—employees work on battered foot-powered sewing machines—but she has no intention of stopping here.

Pushed by her ambition and skill, and with the ability to access the business credit she needs, she is now planning to launch her own fashion house. Into the complex fabric of the Bangladesh economy, Jharna Islam is stitching a bright thread of her very own.



In Pakistan and elsewhere, mobile money can address important barriers to women's use of financial services, including privacy, control, and time.

reforming regulations on collateral as a way to open up financing for women's small businesses.

In order to strengthen the long-term viability of women-owned businesses, the Special Advocate also called for greater attention to business training and mentoring programs. In Europe, women-owned businesses tend to be much less profitable than those run by men. To address some of the underlying causes, a Dutch NGO called Women Inc. works with women to improve their negotiating skills. Thousands of miles away in Pakistan, the Kashf Foundation has a similar perspective, providing low-income women with business mentoring, vocational skills, and financial education trainings (see page 17).

Keeping Up with Innovation

Thanks to fast-moving technical advances, financial inclusion is continuously in a state of evolution. Already digital technology has altered banking through smart phones and mobile money, and biometric identification has begun to open up financial access for those lacking traditional IDs.

But innovations in financial technology—fintech—may bring even greater transformation and opportunity, predicted the Special Advocate, in a speech to the board of the European Banking Federation. In fact

the quickly changing fintech landscape presents a tremendous challenge for regulators, who must carve out space for innovation to develop while protecting long-neglected populations from the misapplication of complex new tools.

The significant promise of internet-based financial services and the uses of big data to expand financial access and usage also raise questions of consumer privacy. In short order, regulators and policymakers will need to come to grips with these tools along with such potentially game-changing and complex innovations as bitcoin and distributed ledgers

Tools INNOVATIVE PRODUCTS

Provide financial tools that improve lives

Delivering the right financial product to excluded communities around the world can empower people in life-changing ways. Witness Kenya and Tanzania, where successful mobile money schemes are responsible for impressive financial inclusion levels. The challenge, one of the greatest that faces financial inclusion, lies in getting those products right—in design, delivery, and cost, and so that people actively use them in many different contexts. For banks in Peru and Somalia, for example, reaching low-income female clients involved creating savings vehicles that could be opened in five minutes, have no minimum balance, and use a mobile-phone application.

Tremendous creativity and hard work drive the efforts of private sector and nonprofit contributors in this arena. Inexpensive and ingenious new products focused on client needs are spreading financial inclusion further, faster, and more evenly than ever before. This frugal innovation holds great promise for addressing a number of the SDGs: poverty reduction, gender equality, **food security (SDG 2)** and improved access to infrastructure, including **water, sanitation, and energy (SDGs 6, 7)** and **climate change (SDG 13)**.

Digital Progress and Innovation

Financial institutions are generally not geared to offering the low-cost small-scale financial services needed by excluded communities, but this is beginning to change. The power of digital innovation

has been a consistent focus for the Special Advocate; this year she carried the discussion forward in Pakistan and Bangladesh, at the World Economic Forum and the Women Deliver conference, with the Banking Federations of the European countries and in dozens of focused conversations with business leaders, regulators, and governments.

Mobile money continues its steady march upward—the GSMA’s 2015 State of the Industry Report on mobile money indicates that the number of registered accounts grew by 31 percent in 2014, up to 411 million. In Bangladesh, she met with garment workers who are now receiving their paychecks directly into digital accounts instead of in cash, which assures them of getting their full wage and allows them to bring their money home safely in order to set some aside for important needs.

Nonetheless, advances in smartphone and internet access have not translated widely into progress on digital financial services, as the GSMA report shows. In Bangladesh and in Pakistan, she praised government plans to help expand these services and to digitize payments.

During a GSMA event at the Women Deliver conference, Queen Máxima and her fellow panelists also looked closely at the potential of digital solutions to overcome exclusionary barriers faced by women. But mobile financial services cannot benefit them as long as their mobile phone access and use remain low. As governments take steps to digitize social welfare payments and transmit those payments directly to women—for example in Pakistan, which supports 5.2 million women through technology-enhanced payment cards—the landscape of technology is opening up for women.

Reaching the Last Mile

Rising inequality within borders and between nations remained a focus of much discussion this year. “We need sustainable economic development and growth in which everyone can participate,” the Special Advocate emphasized in a speech to European finance leaders at the informal Ecofin meeting. “Financial inclusion is one of the means towards achieving this goal.”



Peruvians learn how to use the country's national mobile payments system, launched in 2016.

Digital tools are recognized as one of the most promising choices for providing financial services to the very poorest as well as those who live in remote, often agricultural zones where services of all kinds are limited. More than 80 percent of the world’s food supply is generated by 500 million smallholder farmers, most of them living in rural areas of developing countries.

Smallholders need a range of financial tools such as affordable credit and insurance, the Special Advocate pointed out in a dialogue at the UN Sustainable Development Summit. Innovative products are being rolled out such as weather-based insurance schemes that protect small farming households from crop loss.

Resilience in the Face of Climate Change

“Climate change and other environmental challenges have the greatest effect on the poorest among us,” Queen Máxima said during a dialog at the UN’s SDG Summit. “It is our duty to provide the most vulnerable with the tools that will help them become more resilient. In this major effort, financial services play a significant role.”

With 230 million people affected by natural disasters caused by climate change, access to financial services

is critical for the resilience of individuals as well as small businesses, the main source of employment in developing economies. The World Bank estimates that developing countries will need at least \$70 billion each year until 2050 to meet current and future climate adaptation needs. To reach this, the financial

sector will need to play a much more important role, the Special Advocate noted at the Adaptation Futures conference. But already, innovative digital tools are appearing to help address the problems generated by climate change.

IN BANGLADESH, FINANCIAL INCLUSION COMES TO RURAL DOORSTEPS

Bangladesh has the eighth largest population in the world—more people live here than in Russia—and its density of settlement is comparably high. But in largely rural Rajbari district, distance can be discouraging for a farmer or shopkeeper who must travel hours or days to deal with basic needs.

For women like Sreemoti Josna Rani Das (below), the remote life of Rajbari district has made it impractical for her to gain access to safe and affordable financial services like savings or remittances. She and her neighbors have likewise been unable to use services that people in cities take for granted—registering births, checking land records, applying for jobs or visas.

But today in Rajbari, a solution to financial exclusion and other limits faced by the rural poor can be found in the local branch of the country's Access to Information (a2i) program, an initiative that provides digitally based public services to



Mobile banking services allow women like Nilma to conduct transactions without traveling long distances.

isolated populations throughout Bangladesh.

The Rajbari a2i center serves local residents opening bank accounts, receiving remittances, topping up mobile money accounts, using the internet, and handling the practical details of daily life.

Digital financial inclusion is one of a2i's most important initiatives. Around 100,000 people are now using mobile financial services accessed through its centers—among them Nilma (above), a young woman who signed up for mobile banking at the Rajbari center.

The government is now piloting a system to transfer social safety net payments to a digital platform, which will improve its cost-effectiveness. It should also increase demand for mobile and agent banking services at a2i centers. And it will certainly make life easier for people in Rajbari.



Sreemoti Josna Rani Das (right and page 2) signed up for her first bank account at the local a2i center.

Tools CONSUMER PROTECTION AND EDUCATION

Train and protect low-income customers

Education is broadly recognized as one of the most powerful tools for *reducing poverty* and *inequality* (SDGs 1, 10), but fostering quality education is an important standalone goal of its own (SDG 4).

By making it easier for families to invest in education, financial inclusion provides invaluable support for reaching Goal 4. But the success of financial inclusion is itself bound up in education—specifically in financial and technical literacy, behavior change, as well as consumer protection.

Financial Literacy

When it comes to financial inclusion, a solid understanding of how money works is a necessary precondition for success. How, after all, can a new customer safely and effectively use an account if she has never been introduced to concepts like saving, borrowing, or interest? And how can appropriate financial education be translated into beneficial financial behavior and decision-making?

“The responsibility for financial decisions, as well as the risks, increasingly rest on the shoulders of the individual,” the Special Advocate noted in a speech to European finance ministers. The need to build financial skills and awareness exists in virtually every country, but the challenge is particularly great where overall literacy and numeracy levels are low and education systems struggle.

Digital Savvy

For financial inclusion, education and training aren’t entirely about reading, writing, and arithmetic. In many parts of the world, financial access comes through a digital conduit, which introduces its own challenges. Learning how to confidently use technology like feature phones, smart phones, and computers requires a whole new level of training. Digital finance poses other risks as well. “When money becomes less tangible,” the UNSGSA said, “it can become more difficult for people to manage their budgets.”



When financial access comes through a digital conduit, learning to use technology can be as important as understanding money.

Consumer Protection

With a host of new financial products on the market, are we opening up customers to greater risk? This question has grown more urgent as financial services have reached hundreds of thousands of economically vulnerable new customers.

Responsible financial inclusion demands strong and effective consumer protection, Queen Máxima continued to emphasize this year. Earning the trust of new consumers is crucial, and this requires the vigorous commitment of financial systems to preventing abuses that would devastate the low-income people financial inclusion has set out to empower. In addition to encouraging regulators and banks to adopt client-centric consumer protection regimes, she urged the private sector, including mobile operators, to address identity and account protection without shutting out customers who may not possess formal identification.

With consumer protection, as with financial inclusion overall, attention must concentrate on the end results, the Special Advocate said consistently throughout the year. For the ultimate goal of financial inclusion is to translate policies and actions into life-changing gains for the poor, opening a door that has long been shut and helping to transform the prospects of billions of people.

STUDYING SUCCESS

In Pakistan, financial education and business training transform lives

Finding your way as a small businesswoman can be hard anywhere.

In Pakistan, the odds of success seemed stacked against Sumaira Javed and Farkhanda Naz. In the hopes of improving their families' fragile prospects, both women set out to launch small enterprises, but neither had the benefit of financial education or business training.

Sumaira Javed had always been an accomplished embroiderer, but when her husband divorced her and she became her family's sole breadwinner, those skills became her lifeline. In order to turn her embroidery into a real business she first took out a small loan from the Kashf Foundation, which provides low-income women in Pakistan with a range of financial services and other support aimed at improving their lives.

Before long she realized that running an enterprise calls for more than embroidery skills so she enrolled in a program that introduced her to financial management, budget preparation, financial planning, and savings. Encouraged by her growing success, she then enrolled in Kashf's Business Incubation Lab, where she learned to increase profits, manage costs, and handle marketing.

Ms. Javed's business skills blossomed along with her confidence. Today, she singlehandedly supports her parents and her children, employs five women, and plans to expand her operation. Her life, she says proudly, has been transformed completely.



Financial trainings and business mentoring can improve the business successes of low-income women. Here, women receive training at Pakistan's Kashf Foundation.

The success of Farkhanda Naz's small store has been difficult but equally life changing. In Pakhtun communities like hers, it can be considered taboo for women to interact with unknown men. Although her husband supported her, when she first opened a shop her own son threatened to set it on fire for bringing disgrace to the family.

Ms. Naz started off with a small inventory, including cosmetics and undergarments, and expanded thanks to a loan. She then received financial education and later business training, gaining financial management tools like book-keeping, budgeting, and expense management.

Now, Farkhanda Naz's store is on firm footing and her income is rising. She has become her family's primary earner. And not long ago she financed her son's wedding.



THE ROAD AHEAD

UNSGSA ANNUAL REPORT 2016

The world has now signed on to the new Sustainable Development Agenda, which will guide development work in every country through 2030. National and international leaders have made it clear that financial inclusion will need to play an important role in achieving many of the 17 goals that lie at the heart of the new agenda.

The SDGs come with a daunting schedule: 15 years to transform the world. For financial inclusion, however, the time frame is even shorter. As the Special Advocate has long emphasized, financial inclusion is valuable not in its own right but as a powerful tool to catalyze broad development progress. As such, it needs to be widely in place long before the SDGs' 2030 deadline.

Forty percent of the world's adults remain financially excluded—two billion people, a number heavily overrepresented by women, the poor, and those living in rural areas. But we have the tools, strategies, data, and global support to speed progress. This coming year, the Special Advocate will focus her work on a number of significant next steps:

Delivering on Development

Now that the SDGs have been adopted, their promise must be turned into country-level reality. To translate the new agenda into national action, private and public-sector plans are beginning to take specific form.

Data and measurement will be crucial for delivering on the SDGs, including climate resilience, poverty reduction, health, agriculture, economic growth, and other goals. In the coming period the Special Advocate will support efforts to improve and expand the data needed to identify gaps, assign priorities, and allocate scarce resources as the world moves forward with financial inclusion and the SDGs. She will encourage research on and implementation of programs that demonstrate links between financial inclusion and development goals. And she will continue to collaborate with the Group of Friends of Financial Inclusion to maintain focus within the UN on financial inclusion.

Data is not the only public good needed to expand financial inclusion. Significant elements of the infrastructure needed for growth are not fully in place,

including digital connectivity and legal customer identification. Providing these will have a great impact on the poorest, most vulnerable, and those who are hardest to reach. If we are to reduce global inequalities of income and opportunity, we will need to redouble efforts to resolve the problems that keep us from reaching the last mile.

Making Financial Inclusion More Client-centric

Perhaps the most difficult piece of the financial inclusion puzzle remains usage. Too many people open accounts but don't end up using them—short-circuiting the benefits of financial inclusion and defeating the purpose of our work. One way to improve usage is to expand interoperability among institutions providing digital financial services. Providers, policymakers, and regulators also need to understand what customers want and need, and how they interact with financial products—in many different contexts. Only by following this client-centric path can we expect the products we develop—and our larger business models—to have an impact that can improve human lives.

In addition to making it easier for customers to use financial services effectively, the industry needs to protect those same customers against risks. This means designing financial education programs and consumer protection policies that can ensure that financial services do not harm customers and in fact positively improve their prospects.

The Evolving Promise of Technology

Financial inclusion is well acquainted with the promise of new technologies. For some time, mobile technology has been lauded for its potential to dramatically expand the reach of financial services.

Recently a series of innovative new financial technologies have begun to enter the field, including peer-to-peer lending platforms, distributed ledger, and cryptocurrencies. The tantalizing possibilities of these fintech solutions are just beginning to unfold and many questions remain about their potential impact on financial inclusion. Will fintech be able to solve long-standing challenges such as SME finance or access for women?



NADRA, Pakistan's national biometric ID, is an important key to expanding financial access. The UNSGSA visited the NADRA center in February 2016 to learn how the system's technology works.

If handled right, fintech could help draw in the previously unbanked with better, easier to use products. As such, the field warrants close attention—including a sharp eye to risks for low-income customers. Promoting a constructive dialog between the standard-setting bodies, regulators, and fintech companies will be crucial to ensure that innovation is not stifled by regulation and that customers are protected. Fintech, like financial inclusion, should be a means to an end, the UNSGSA has said—and that end is to improve people's lives and further vital development goals.

One year into the Sustainable Development Agenda, the road ahead is coming into clearer view. In the realm of financial inclusion, there is wide recognition of its importance as a catalyst for development progress. With effective tools supported by strong collaborations between public and private sectors, financial inclusion is now a prominent and established solution.

Still, this is a movement driven by transformation and innovation; change is in its DNA. Five years from now the face of financial inclusion is likely to look very different than it does today. If we hope to achieve the Sustainable Development Goals by the year 2030, we will need to embrace this paradox—that our foundation is built on change.



ANNEXES

ABOUT THE UNSGSA

Designated in 2009 by the UN Secretary-General Ban Ki-moon as his Special Advocate for Inclusive Finance for Development (UNSGSA), Her Majesty Queen Máxima of the Netherlands is a leading global voice advancing universal access to 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. She draws on her first-hand experiences gained through country visits and conversations with low-income families, small business owners, policymakers, 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, technical finance authorities, mobile phone companies, agriculture experts, venture capitalists, 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's work is done in partnership and with wide consultation among the many stakeholders working to advance 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 that she can advance through advocacy and partnerships. Reference Group members include:

Alliance for Financial Inclusion*	Omidyar Network
Better Than Cash Alliance*	UN Capital Development Fund
Bill & Melinda Gates Foundation	UN Development Programme
Consultative Group to Assist the Poor*	UN Department of Economic and Social Affairs
International Finance Corporation*	The World Bank*
International Monetary Fund	<i>*Implementing partners of the G20 Global Partnership for Financial Inclusion</i>

Members of the Reference Group and many other in-country and global partners play an important role in converting advocacy into action. The UNSGSA also consults widely with UN country teams, financial standard setting bodies, private financial institutions, companies, donor countries, and civil society organizations. A small staff works closely with the UNSGSA and her secretariat in The Hague to coordinate and advance her UN and G20 activities. The office of the UNSGSA is housed at UNDP at the Bureau of External Relations and Advocacy in New York and receives generous financial support from the Bill & Melinda Gates Foundation.

Financial Inclusion in the Netherlands

Queen Máxima champions access to finance, entrepreneurship, and financial literacy and education, including for children and youth, in 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 Finance 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, 2015–2016

“Sustaining and Strengthening the Private Sector’s Role in Financial Inclusion”

Video address to the Global Partnership for Financial Inclusion Forum on Private Sector Engagement
Antalya, Turkey, 11 September 2015

“The progress we have made is in large part thanks to the private sector. Cutting-edge products refined by continuous innovation are spreading financial inclusion further, faster, and more evenly than ever before. So we must ensure that the private sector’s contribution is harnessed fully during future G20 presidencies.”

Meetings, United Nations General Assembly
New York City, USA, 27–29 September 2015

At the UN’s Sustainable Development Summit and during the opening of the 70th session of the General Assembly, the Special Advocate met with heads of state, other government leaders, and senior figures from the UN and civil society organizations.

“Financial Inclusion as a Tool to Build Resilience and Address Climate Change”

Remarks at the UN Sustainable Development Summit, Interactive Dialogue: Protecting Our Planet and Combatting Climate Change
New York City, USA, 27 September 2015

“Climate change and other environmental challenges have the greatest effect on the poorest among us. It is our duty to provide the most vulnerable with the tools that will help them become more resilient when faced with changes in rainfall patterns, floods, and extreme weather. In this major effort, financial services play a significant role.”

“The Future of Inclusive Development: Building Financial Inclusion for Young Entrepreneurs”

Remarks at the UN General Assembly Side Event, Innovative Solutions: Youth Entrepreneurship and Sustainable Development
New York, USA, 29 September 2015

“Addressing the challenges faced by all young people, including those who want to become entrepreneurs, should be a primary focus as we begin to implement the new Sustainable Development Agenda. We must work to expand financial inclusion hand in hand with financial education so that youth can build a more secure and fulfilling future.”

Speech, Money Wise Platform Annual Meeting
Amsterdam, the Netherlands, 6 October 2015

“The financial resilience of consumers is essential on a macro level. It lays the foundation for stability and economic growth.”



Queen Máxima as the Secretary-General’s Special Advocate for Inclusive Finance for Development presented her 2015 Annual Report to Secretary-General Ban Ki-moon at the UN, September 2015.



With a keynote address from the Special Advocate, the SME Finance Forum launched a global membership network to help small businesses learn from each other. Antalya, Turkey, November 2015.



The Special Advocate met with Prime Minister Sheikh Hasina to discuss financial inclusion during her Bangladesh country visit, November 2015.

BRAC founder Sir Fazle Abed greeted the UNSGSA in Bangladesh. Later she met with several BRAC microfinance clients to learn about their financial lives (see page 12).



“Harnessing Rapid Financial Innovation to Build an Inclusive World”
Address to All-Governors Meeting, Bank for International Settlements
Basel, Switzerland, 9 November 2015

“Financial innovations are evolving before our eyes, and we are challenged to stay on top of and properly manage them. But with a balanced approach, their impact on the world’s financially excluded could be tremendously positive.”

“Building Small Business Finance and Opening a Wider Door for Financial Inclusion”
Keynote speech at the launch of SME Finance Forum’s Global Membership Network
Antalya, Turkey, 15 November 2015

“Together we can reduce existing gaps in the credit and financing market for SMEs. Innovators and financial institutions of all shapes and sizes can create the conditions necessary for the market to offer affordable and convenient financial services for small businesses to grow.”

BANGLADESH country visit, 16–18 November 2015

The Special Advocate discussed financial inclusion in Bangladesh with President Abdul Hamid, Prime Minister Sheikh Hasina, Central Bank Governor Atiur Rahman, Minister of Finance Abul Muhith, and other government figures; with private-sector leaders involved in banking and mobile financial services; with development partners; and with funders. She met with low-income finance clients during three field visits in and around Dhaka. In addition, she published an opinion column (see below).

Opinion column, “Financial Inclusion: More than Money”
Published in the *Daily Star* (in English) and *Prothom Alo* (in Bengali), Bangladesh, 17 November 2016

“Putting Customers at the Center: Reaching the Goal of Universal Financial Inclusion”
Video message to the MasterCard Foundation Symposium on Financial Inclusion
Cape Town, South Africa, 19–20 November 2015

“Access alone is not enough. We have to provide people with financial products and services that are really suited to them. And we have to invest in financial education—otherwise the promise of financial inclusion is left an empty shell.”

Informal Remarks, Financial Inclusion Forum, U.S. Department of the Treasury
Washington, D.C., USA, 1 December 2015

“Financial inclusion is pro-poor and it’s pro-growth. And developed economies also need financial inclusion.”

Speech at launch event of NL Groeit
Rotterdam, 13 January 2016

“Entrepreneurship lays the foundation for our wellbeing and furthermore provides dynamism, innovation, creativity and opportunity.”

Meetings, World Economic Forum

Davos, Switzerland, 20–22 January 2016

The Special Advocate delivered remarks at multiple gatherings, including a Global Goals Dinner for Girls and Women, the World Food Programme's Zero Gap: Financing the SDGs event, and a Paypal-hosted gathering on inclusion and empowerment. She co-convoked a roundtable on strategies and solutions for achieving universal financial inclusion; attended a discussion of the fintech revolution; met with many public- and private-sector leaders; and, as a Global Agenda Trustee, attended a meeting of the World Economic Forum's Global Challenge Initiative on the Future of the Global Financial System.

"Financial Inclusion's Coming of Age: Partnerships, Progress, and the Shape of Things to Come"

Speech at Fostering Financial Inclusion event, World Economic Forum

Davos, Switzerland, 22 January 2016

"Five years from now, you can be sure that the face of financial inclusion will look very different. If we hope to reach the goal of universal financial inclusion by the year 2030, it will have to."

PAKISTAN country visit, 9–11 February 2016

The Special Advocate discussed financial inclusion with Pakistan President Mamnoon Hussain, Governor of the State Bank Ashraf Mahmood Wathra, Minister of Finance Ishaq Dar, Minister of Technology Anusha Rahman, and other senior government figures. She met with microfinance institutions, digital financial services providers, and banking interests, and delivered an address at the launch of Pakistan's plan for universal financial access. She met with low-income clients to discuss the impact of financial services on their lives, and held conversations with development partners and donors.

"In Pakistan, Moving Commitment to a New Level"

Speech at Universal Financial Access launch, Islamabad, Pakistan, 9 February 2016

"Pakistan has created one of the strongest foundations for financial inclusion in the world. And the country's businesses have begun to respond. Yet financial inclusion has not taken root on a large scale. This reality represents a challenge—and a tremendous opportunity."

Speech at Meedoen Geld(t) seminar

The Hague, the Netherlands, 22 March 2016

"What we need is a financial system that is open to everyone, an inclusive system. A system within which people can send money to their relatives safely, at a reasonable cost; farmers can insure themselves against bad harvests; women can save the money they earn not by hiding it under their mattress but safely out of reach."

Opening message, "Achieving the Sustainable Development Goals: The Role of Financial Inclusion," by Leora Klapper, Mayada El-Zoghbi, Jake Hess. (Washington, D.C.: CGAP, April 2016)



Digital financial services are expanding rapidly in Pakistan. During her visit in February 2016, the Special Advocate joined a round table on the subject with Saeed Ahmed, deputy governor of the Central Bank, and Ashraf Mahmood Wathra, Central Bank governor.



How to accelerate women's digital and financial inclusion? The UNSGSA joined a discussion of this issue during the Women Deliver conference in May 2016. The panel, hosted by GSMA's Mats Granryd (left), included Sarah Hendricks from the Bill & Melinda Gates Foundation, Purna Sena of UN Women, and Rachel Samren from Millicom.

"We need sustainable economic development and growth in which everyone can participate," the UNSGSA emphasized in an address to European finance ministers at Ecofin in April 2016.

"From Start-ups to Scale-ups, Building the Strength of Small Business to Expand Opportunity"

Speech, EU SME Envoys Network, Amsterdam, 1 April 2016

"Supporting SMEs means supporting economic growth, job creation, and innovation. Together we can reduce inequities in the credit and financing market for SMEs."

"Strengthening the Roots of Financial Resilience in Financial Education"

**Speech at Financial Resilience Throughout Life symposium, OECD/INFE conference
Amsterdam, Netherlands, 20 April 2016**

"People with access to financial services and financial skills stand more firmly in life. They are better prepared for risks and can better withstand hard times. Financial resilience improves their well-being and gives them hope for a better future."

"Create Economies that Can Benefit All: Development, Equitable Growth, and the Role of Financial Inclusion"

**Speech to the informal European Economic and Financial Affairs Council (EcoFin), Amsterdam, Netherlands,
22 April 2016**

"We need to create economies in which everybody can benefit. The aim is to create a stimulating climate for new initiatives, development, and equitable growth. Financial inclusion is one of the means towards achieving this goal."

"Financial Inclusion: An Essential Part of the Response to Climate Change"

Speech at the Adaptation Futures 2016 Conference, Rotterdam, Netherlands, 11 May 2016

"Adaptation to climate change is essential for development. And development is essential for creating new economic opportunities. But in order to apply the tools of financial inclusion to climate adaptation we will have to reach across the traditional divides."

Panel discussions, 4th Women Deliver conference

Copenhagen, Denmark, 18 May 2016

The Special Advocate was a featured speaker at a plenary session, "Want to End Poverty? Invest in Women's Economic Empowerment," with World Bank President Dr. Jim Kim, and joined a GSMA-sponsored panel discussion on accelerating digital and financial inclusion for women.

“Fintech, Financial Inclusion, and the Changing Landscape of Banking”

Speech to the Board of the European Banking Federation

Amsterdam, Netherlands, 20 May 2016

“Like you in the banking industry, those of us occupied with financial inclusion are trying to determine what fintech means for us. What possibilities open up with these new players, products, technologies, and channels?”

“The Business of Women: Investing in the Potential of Women Entrepreneurs”

Speech at the Next Women Innovation Summit, Amsterdam, Netherlands, 23 May 2016

“In developing countries, women entrepreneurs are constrained by gender-based social norms and barriers preventing access to credit. And this is not only true for developing countries.”

Meetings, United Nations

New York City, USA, 14-15 June 2016

The Special Advocate met with the Group of Friends of Financial Inclusion and held internal discussions with UN leaders on implementing the SDGs.

MEXICO country visit, 20–21 June 2015

The Special Advocate visited Mexico to help launch the country’s financial inclusion policy. She delivered a speech at the Second International Forum for Financial Inclusion (see below), where the policy was presented, and met with President Enrique Peña Nieto, Minister of Finance Luis Videgaray Caso, Central Bank Governor Agustín Carstens, and President of CNBV Jaime Gonzalez.

“Discurso alusivo al lanzamiento de la Política Nacional de Inclusión Financiera de México”

Speech at the launch of Mexico’s financial inclusion policy

Mexico City, Mexico, 21 June 2016

“Con el lanzamiento de hoy, y más importante aún, con la implementación exitosa de la Política Nacional de Inclusión Financiera, México puede ser un líder en la región, con un potencial de proporcionar cuentas bancarias a 29 millones de adultos adicionales, para el año 2020.”

Study visit, fintech and financial inclusion

California, USA, 22–23 June 2016

The Special Advocate and members of her Reference Group met with Paypal, Facebook, Google, Square, Ripple, Prosper, Fundbox, and Xoom.



The Group of Friends of Financial Inclusion met with the Special Advocate at the UN in June 2016 to discuss how financial inclusion can help with the SDGs. She is seated here with two of the group’s co-chairs, Ambassadors Meza Cuadra of Peru and Dian Triansyah Djani of Indonesia.

During a fintech-focused study visit to Silicon Valley in June 2016, the UNSGSA and members of her Reference Group discussed the potential of fintech to support financial inclusion. The group met with Paypal (here), Facebook, Google, Square, Ripple, Prosper, Fundbox, and Xoom.

BANK



Report design

Cynthia Spence

Photography

Cover, table of contents, page 3: Ismail Ferdous/UNSGSA; page 3: Rein Skullerud/World Food Programme; page 4: Carla Francescutti/IFAD; pages 5-6: left to right: Carla Francescutti/IFAD; Guy Stubbs/IFAD; Franco Mattioli/IFAD; Ismail Ferdous/UNSGSA; page 8: Oktobernerdi Salam/UNSGSA; page 9: Eric Duflos/UNSGSA; page 10: Adam Jones; page 11: courtesy U.S.Treasury; page 12: Ismail Ferdous/UNSGSA; page 13: Robin Utrecht/UNSGSA; page 14: Jeffrey Bower/Better Than Cash Alliance; page 15: both, Ismail Ferdous/UNSGSA; page 16: Li Wenying /World Bank; page 17: courtesy Kashf Foundation; page 18: Olivier Asselin/IFAD; page 20: Robin Utrecht/UNSGSA; page 21: Tom Perry/World Bank; page 23: left, Eskinder Debebe/UN; right, courtesy SME Finance Forum; page 24: both, Saikat Mojumder/UNSGSA; page 25: Robin Utrecht/UNSGSA; page 26: left, David Johnson/Women Deliver 2016 Conference; right, Dutch government/Kick Smeets; page 27: left, Chantal Heijnen; right, Eric Duflos/UNSGSA; page 28: Robin Utrecht/UNSGSA.

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

One UN Plaza, 23rd Floor
New York, NY USA 10017
Tel: +1 (212) 906-5316
info@unsgsa.org
www.unsgsa.org

Printed on recycled paper.