With a growing economy and increasingly digitally connected population, Bangladesh appears well positioned for a boost in technology-enabled financial inclusion.

To support inclusive finance in the country, Her Majesty Queen Máxima of the Netherlands, United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA), visited Bangladesh 9-11 July 2019.

The UNSGSA held meetings with President Mohammad Abdul Hamid and Prime Minister Sheikh Hasina Wazed. She also met with other government officials, including Mr. Fazle Kabir, Governor at Bangladesh Bank, H.E. Mustafa Jabbar, Minister of Posts and Telecommunications, Dr. Md Abdul Razzaq, Chair of the Standing Committee on Finance, Mr. Abdur Rouf Talukder, Secretary at the Ministry of Finance, and Mr. Md Ashadul Islam, Secretary at the Financial Institutions Division of the Ministry of Finance.

Additionally, the Special Advocate spoke with private sector leaders and development partners, as well as entrepreneurs, and financial services providers.

Further, she met with various clients using financial services to listen to their views. For example, the UNSGSA visited people who have benefitted from access to financial services due to an ambitious government program called Access to Information (a2i) that aims to make it easier for Bangladeshis to receive benefits, pay their bills, and buy and sell goods online. Queen Máxima also spoke with clients of ShopUp, a Bangladesh-based fintech company that facilitates low-interest loans and provides a one-stop e-commerce and business management platform to entrepreneurs with small manufacturing and trading businesses.

Despite significant progress, half of adults in Bangladesh remain excluded from the formal financial system, either from a traditional bank or agent banking. This means many people in the country do not have access to the financial services needed to get ahead and protect themselves in hard times.

Throughout her discussions, Queen Máxima highlighted the need to embrace innovation to increase financial inclusion. She noted the importance to develop an interoperable payments platform to enable easier, cheaper and real-time transactions between clients from different financial services providers. And the UNSGSA stated it could be helpful if the national ID system were to further facilitate financial inclusion.

The Special Advocate also raised the importance of fostering digital and financial inclusion for women, including through the digitization of wage payments in the garment industry. Additionally, she said that engaging more female agents could be vital to reach female customers. This will require adjustments so that it is easier for women to become agents. The UNSGSA also encouraged MFS providers and others to recognize women as an important potential segment to serve, as well as to collect gender-disaggregated data.

And the UNSGSA promoted the role of fintech (financial technology) along with the internet economy to increase financial inclusion. Additionally, she encouraged Bangladesh Bank (BB) to set up a regulatory innovation office to facilitate dialogue and regulatory clarity with providers of technology-enabled financial services. And Queen Máxima encouraged the final approval and implementation of a national financial inclusion strategy (NFIS) action plan.

The Special Advocate previously visited Bangladesh in 2015 in her capacity with the UN. She has continued to remain in close contact and follow up on the country’s financial inclusion progress afterward. As Bangladesh proceeds to expand financial inclusion, the UNSGSA will provide support in the future.