Your Majesty, Mr. President, your Excellencies, ladies and gentlemen, thank you for giving me the opportunity to speak to you today at this Africa-Middle East gathering. I am delighted to be back in dynamic Kenya where so many exciting things are happening. I have indeed so many fond memories of this country and so many friends here. Nimefurahi!

The sector has come a long way since I first attended a Microcredit Summit four years ago in Halifax. Many of you have made tremendous contributions and I think we can all be very proud of the progress we've achieved. Having said that, it is now time for us to move to the next level.

I strongly believe, just as you, that access to formal financial services is essential for development. But unfortunately, a recent study by the Financial Access Initiative shows that nearly half the world's population is still unbanked. And millions of others are 'underbanked'.

So the question is: how do we reach the next level? I would like to outline three priorities.

First, there is enormous need and opportunity for reaching the very poor, most of whom live in rural areas. With the arrival of new partnerships and new service delivery technologies, the cost of supplying financial services will drop sharply. This will make it possible for us to deliver customised products to the unbanked in rural areas.

But access alone is not enough. Educating people about finance and helping to build the capacity of financial institutions is just as important. In terms of partnerships and innovations, M-PESA sets a great example. This electronic payment was developed by Vodafone and Safaricom, and can be accessed from ordinary mobile phones.

Nine million Kenyans have adopted the service in the three years since it was introduced. This growth is extraordinary. M-PESA allows people to send and receive e-money via text message to any mobile phone, and to pay for many kinds of services. At a nation-wide network of Safaricom agents, users can quickly and easily deposit and withdraw cash by exchanging it for electronic value recorded on their mobile phone. The fees are low and affordable, but they still cover the costs of each transaction. And the fees generate real revenue for the agents.

In this way, M-PESA not only gives people access to financial services, it also creates jobs. This shows the true power of innovation and partnerships to improve lives. Around the world, the M-PESA business model is being replicated and is inspiring innovation.

Let's move now to the second priority: broadening our scope. Our ambition should reach far beyond microcredit to include access to a wide range of financial services. Like savings accounts. And I cannot stress enough the importance of savings accounts. Like insurance and payment services. Like pension plans, remittance facilities and all the other services that can help people buy the house they need, get an education or medical care, manage their cash flow and protect themselves against setbacks.

Another Kenyan success story - Equity Bank - which has grown from just a few thousand customers in 1998 to over three million savers today is one of the many examples that show the enormous demand for such innovative products and institutions.

We should also broaden the scope to include small and medium-sized enterprises, often the engines of growth in local and national economies. Small businesses provide jobs. And jobs are the most effective anti-poverty strategy. It simply does not make sense to keep micro, small and medium enterprises in separate silos. They are all part of the same value chain, and all need financial services to thrive.
The third priority is client protection. Of course, more than 700 MFIs, associations, investors and individuals have already endorsed the Client Protection Principles that are becoming the industry standard. But this is only the first step. Financial institutions must put these principles into practice, and this requires both thought and action. That's why I'm urging the whole sector to get involved with The Smart Campaign, a global effort to get client protection on everyone's radar.

The global financial crisis underscores the importance of these principles. I fully agree with the Smart Campaign that pricing, terms and conditions of financial products should be as transparent and responsible as possible. That customers shouldn't be sold financial products they don't need, or end up borrowing money they can't repay. And their complaints about financial services should be taken very seriously. So I'm delighted to see workshops on client protection on the Summit's programme.

To sum up, these are the priorities I see for the years ahead.

- One: reaching the very poor in rural areas, by reducing delivery costs.
- Two: broadening our scope to include all kinds of financial services, as well as small and medium-sized enterprises.
- And three: reinforcing client protection.

We must always remember, however, that inclusive finance is a means to an end and not an end in itself. It is an enabler of development, and works both directly and indirectly.

Last month I attended the fourth High-level Dialogue on Financing for Development at the United Nations in New York. There I mentioned that finance programmes can reach far beyond the limits of scarce donor resources. Not only can they unleash domestic capital in the form of savings, they can also have a multiplier effect on those donor resources.

What is more, research shows that there is a connection between a large shadow economy on the one hand, and weak states on the other. Banking the unbanked can help to solve the problem of informality and, by extension, can strengthen governance.

Finally, inclusive finance can help us to reach environmental sustainability. Many people have no access to electricity, water, drinking water or fuel to cook with. For example, building alternative energy systems is a huge challenge, but it's also a huge opportunity. Financial products can play an important role here, too. For example yesterday in Rwanda I visited farmers who had bought with microloans small installlations to turn cow dung into biogas. They use the biogas for light and cooking. As a result, there are less fumes in the house, less deforestation and less soil degradation. Also, the women no longer spend hours collecting wood. And the waste is a better fertilizer than the dung itself and improves crop yields further.

Your Majesty, Mr. President, Your Excellencies, ladies and gentlemen, As you may know, the UN Secretary-General designated me as his Special Advocate for Inclusive Finance for Development. You may ask, what's in a name? In choosing the term "Inclusive Finance" we are highlighting a world that needs more than credit alone. We have a greater ambition.

I am so happy that the Microcredit Summits have become landmark events, helping to shape our sector. What you call them in the future is of course entirely up to you. But I for one would enthusiastically embrace the notion of an "Inclusive Finance Summit", to reflect both the progress we have made so far and the challenges lying ahead.

I wish you an inspiring Summit to bring financial inclusion in Africa and the Middle East to the next level.

Thank you.