
SPEECH AT FOSTERING FINANCIAL INCLUSION EVENT, WORLD ECONOMIC FORUM

22 Jan 2016

Ministro Cardenas, Ministro Videgaray Caso, Mr. Banga, Mr. Sadikin, ladies, gentlemen, welcome to this morning's session on fostering financial inclusion. I am delighted to be here again.

2015 was a landmark year for financial inclusion. For a long time the importance of providing financial services to the poor was not widely recognized and the best solutions were unclear. Today that picture has changed dramatically.

Just last month, the UN passed a [resolution](#) highlighting the importance of financial inclusion for sustainable development—a statement that demonstrates the rising global support for full and equal access to financial services. This resolution followed the UN's adoption in September of an ambitious new [sustainable development agenda](#). Its [goals](#) address far-reaching concerns such as ending poverty, hunger, and gender inequality, and they will serve as a blueprint for development efforts for the coming 15 years. Importantly, the agenda is strongly marked by a broad recognition of the importance of financial inclusion.

National and international leaders expect financial inclusion to play an important role in achieving the new development agenda—not as an end itself, of course, but as a powerful enabler. It is fair to say that there is now wide agreement that development without financial inclusion is incomplete.

These events were not the only steps forward for financial inclusion this past year. In April, a group of public and private leaders—including many of you here today—gathered at the World Bank to make strong public commitments to reaching [universal financial access](#) as an important milestone by 2020.

At the same time, the World Bank with support from the Gates Foundation released the second edition of the comprehensive [Global Findex](#) survey, a key measure of global progress on financial inclusion. The new Findex data revealed that over the last three years an astonishing 700 million adults worldwide moved out of the ranks of the unbanked. This represents a 20 percent drop in the number of financially excluded—and it happened in the space of just three years!

Financial inclusion has truly come of age. We now have the tools, the strategies, the data, and the global support we need to achieve universal financial inclusion, i.e., a state where all working-age adults and small enterprises have access and can use the broad range of services they need to improve their lives and increase the earnings power and protect themselves from unforeseen risks.

We're doing something right—and that something, I would suggest, is that we are working together. Public- and private-sector partnership, collaboration, conversation, debate, innovation—it's the strong connections we've formed that have given the financial inclusion movement the strength and agility to make dynamic progress. If you look closely at the impact of national financial inclusion strategies, which are designed to provide a framework for collaboration, you can see further what a big difference partnership makes. In fact, the Findex indicates that countries with national strategies actually do better than those without coordinated approaches! In this context, I was in Colombia in March 2014 to launch their financial inclusion strategy. Mexico is going to launch their strategy this year. Compliments to both countries for the great leadership they've shown!

Despite the good news, there are a few important challenges I wish to highlight.

First, despite incredible progress, two billion people remain outside the formal financial system—particularly women, the poor, and people in developing countries. We are making progress but some groups are being left behind.

Next, financial access is a necessary first step but it is not financial inclusion. All types of customers have to be offered services that they need, that they will actively use, are user friendly, and will improve their lives—otherwise accounts are not opened or sit empty, providers make no money, the poor gain no benefit, and the promise of financial inclusion remains unfulfilled.

Finally, financial inclusion is a global issue that concerns us all. It is not relevant solely to developing countries. In my own country of the Netherlands, like elsewhere in Europe, additional steps need to be taken to ensure that small businesses have funds to invest, grow, and employ more people.

The last five years have been a time of tremendous change in this field. We've seen the promise of digital finance become a global reality—albeit one with much room to grow. We've seen doors opened to innovative solutions, partnerships formed between governments and businesses, and literally millions of new customers gaining access to transformative financial services.

I'm sure no one in this room believes the change will stop here. While technology has increasingly come to the fore and allowed us to dream big, it can play an even greater role to reach the billions of excluded, especially women and the poor. New partners will emerge and new challenges will arise. 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.

I am very much looking forward to the upcoming discussion. I hope the panelists will explore areas where strong private-public cooperation is needed for us to make the next leap. One key aspect central to future progress will be the establishment of open-architecture payment systems which will draw in new providers, thereby creating competition, and allow them to connect to customers in new meaningful ways.

Thank you.