

ANNUAL REPORT TO THE SECRETARY-GENERAL **SEPTEMBER 2023**

**UNSGSA**

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



# FINANCIAL INCLUSION

Creating a Path Toward Resilience and Opportunity





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# MESSAGE FROM THE UNSGSA



**Magreth Masawe is a smallholder farmer near Kilimanjaro, who recently faced a drought that cut her maize harvest from 25 to seven bags. Last year, she explained to me how she tried to cope, but struggled to feed her family that growing season. Today, she is using a climate insurance product from Acre Africa to guard against these climate risks and build resilience.**

Luisa Pereira is a ride-hailing app driver in São Paulo, who told me how she received a new lease on life with the help of Kovi, an auto financing company with a non-traditional approach. Two years ago, after a divorce she lost her car, which was her only source of income. She explained that other companies required credit cards and had high fees, but Kovi made car ownership more accessible through an affordable rent-to-

own model that included a weekly payment plan. With tears in her eyes, she said this approach helped her access a car, gain autonomy, and believe in herself—and eventually she earned enough money to put her son in a better school.

Hardworking people like Magreth and Luisa are why my partners and I continue to work on this agenda promoting financial inclusion and financial health.

These are inspirational, motivational stories that merely scratch the surface of the countless ways financial services and products can make a real difference in people's lives. By illuminating how profoundly financial inclusion can impact development, we can be reminded to remain steadfast in our commitment to create empowering solutions so that every individual, business, and community can thrive.

## United Nations 2030 Agenda: SDGs

As we arrive at the midpoint of the United Nations 2030 Agenda, it is undeniable that inclusive finance, notably digital, remains a vital component of the worldwide endeavor to achieve the Sustainable Development Goals (SDGs). Financial inclusion has the power to propel individuals and

businesses to new heights, laying the foundation for growth and progress—creating a path toward resilience and opportunity.

The pervasive effects of COVID-19 have left an indelible mark on poverty and livelihoods. Alongside this, global conflicts, climate change, and inflation have ushered in an era of food insecurity and soaring costs of living, particularly affecting those in emerging economies, who bear an unjust and disproportionate burden of these crises.

In these challenging times, financial services, including payments, savings, credit, insurance, and investment products, have helped people better respond to economic and climate shocks, and remain a necessary building block for financially healthy and productive futures.

## Meeting Customer Needs

Designing financial products and services with the customer in mind—ones appropriately tailored to meet diverse needs—is especially critical for underserved groups, such as the poor, women, smallholder farmers, and micro-, small, and medium-sized enterprises (MSMEs).

For example, envision a world



The Special Advocate speaks about the importance of financial health in brief remarks at the Global Inclusive Growth Summit hosted by the Mastercard Center for Inclusive Growth and the Aspen Institute in April 2023 in Washington, D.C. Photo: Mastercard/Aspen Institute

where government-to-person payments act as catalysts for resilience, empowering individuals and businesses to overcome adversity. Explore the possibilities of comprehensive short and long-term savings options, coupled with robust insurance coverage, shielding households and small merchants from the weight of significant risks. Furthermore, recognize the pivotal role of loans in enabling people to not only weather a storm but adapt their livelihoods amid the formidable

challenges posed by climate change.

When harnessed effectively, financial inclusion is a means to help people manage their worries and navigate financial setbacks, while also emboldening them to pursue their goals, dreams, and aspirations. In essence, it cultivates good financial health.

However, it is crucial to recognize that financial services can have a detrimental impact on

individuals' financial well-being if delivered or utilized irresponsibly. Take, for instance, pervasive "buy now, pay later" schemes. While initially offering a flexible means of managing expenses with lower interest rates, they can inadvertently kindle a culture of overspending. This can ultimately saddle consumers with unnecessary debt, leading to future financial hardships.

It is vital to highlight financial products and services that not

only meet customers' needs but also foster their financial health. That is why my partners and I have collaborated with private sector leaders throughout the year, including members of the CEO Partnership for Economic Inclusion, supporting their growing recognition that financial health is imperative for their businesses in the long term.

The private sector should step up and work alongside the public sector to promote enabling policies and initiatives. Additionally, they should offer innovative products and services that can foster good financial health in communities, as well as nurture more widespread resilience and prosperity.

### Building the Rails

Over the year, we have seen a surge of interest and investment in the rails that enable the development and delivery of inclusive and effective products and services, specifically digital public infrastructure (DPI) such as connectivity, data sharing, digital ID, governance, and interoperable payments.

Various models of DPIs have demonstrated transformative potential in enabling large-scale welfare payments, driving e-commerce solutions, and promoting inclusivity by providing opportunities to previously marginalized individuals.

As investments in DPIs increase, I have emphasized that design considerations should align with country contexts, while incorporating key common

features. Optimal DPIs are inclusive, interoperable, and facilitate essential public and private services. They prioritize safety, trust, and robust data protection. The benefits of DPIs extend far beyond finance, encompassing education, health, climate, and more.

For instance, India Stack combines foundational digital ID, an interoperable payments system, a digital credentials ledger, and account aggregators. The results have been dramatic, with India achieving over 80% financial inclusion in just six years, compared to the estimated 46 years it would have taken without a DPI approach. Brazil, Peru, Singapore, and Estonia have also developed DPI models that bring together ID, payments, and e-governance use cases, with real, clear results.

### The Road Ahead

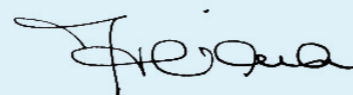
Despite the significant progress on financial inclusion, 24% of adults globally are still left out of the financial system. Four out of five of these unbanked live in climate-vulnerable countries without savings, insurance, or financing to cope—meaning that in many ways the future of financial inclusion will focus on these places. And only 55% of adults in developing economies can access emergency money within 30 days without much difficulty.

As a result, my focus has intensified on how financial services can support resilience and adaptation to confront ever-increasing climate events,

especially for households and MSMEs. This included outlining a policy and advocacy approach to inclusive green finance (IGF) in an important policy note launched in May by the UNSGSA Inclusive Green Finance Working Group.

IGF explores how including everyone in the formal financial system can be leveraged to unleash a more sustainable world. It also concentrates on how we can make sure that climate change is considered when we plan and strategize for financial inclusion. Together, with partners such as my Reference Group, we hope to ensure IGF becomes an integral part of policy and regulatory frameworks at both national and global levels.

As issues become more cross-cutting, we must continue to work together, build on the progress we have made, and tackle challenges head-on to create a financial system that works for everyone and delivers positive development outcomes. If we do this, I am confident we will accomplish even more in 2024, inspiring profound change and shaping a future of boundless possibilities, transforming our world.



H.M. Queen Máxima of the Netherlands

United Nations Secretary-General's Special Advocate for Inclusive Finance for Development

## AT A GLANCE

**In her capacity as the UNSGSA, Queen Máxima remained committed to promoting universal access and usage of safe, affordable, and effective financial services. For the past year, she has consistently stressed the significance of financial services that build resilience and improve people's quality of life.**

The Special Advocate continued to prioritize advocacy at both global and country levels. This involved focusing on necessary, smart, and effective policies, enabling regulations, and digital public infrastructure (DPI). The aim is to promote good financial health, inclusive green finance, as well as inclusive and responsible financial services in the digital economy, among other areas. This included a cross-cutting emphasis on traditionally underserved groups such as the

poor, women, smallholder farmers and micro-, small, and medium-sized enterprises (MSMEs).

The UNSGSA's multifaceted approach, through a combination of virtual and in-person engagements, underscored her commitment to driving progress on critical financial inclusion priorities. She routinely met with key leaders and stakeholders from governments, the private sector, international development institutions, and financial standard-setting bodies (SSBs).

This included high-level meetings with UN Secretary-General António Guterres, International Monetary Fund Managing Director Kristalina Georgieva, European Commissioner for Competition Margrethe Vestager, U.S. Acting Comptroller of the Currency Michael J. Hsu, and India's G20 Sherpa Amitabh Kant. The

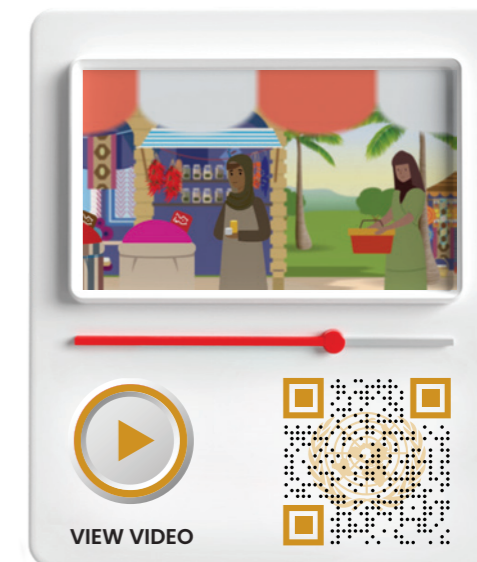
UNSGSA also traveled to the World Economic Forum (WEF) Annual Meeting in Davos, the IMF-World Bank Annual Meetings and Spring Meetings in the United States, and undertook country visits to Brazil, Morocco, and Tanzania.

Across her agenda, Queen Máxima reinforced that partnerships remain key to the successful promotion of financial inclusion. As a result, the UNSGSA worked closely throughout the year with her Reference Group of financial inclusion experts who come together to collaborate and support the implementation of shared priorities. The Special Advocate also continued to work with the CEO Partnership for Economic Inclusion (CEOP), working groups on specific financial inclusion technical areas, and with other partners.

### How Digital Financial Services Can Help the World's Poor

Digital financial services help customers manage their financial lives. In many parts of the developed world, people take them for granted. The ability to organize finances online, or via a mobile phone, is very convenient. But for the world's poor, access to digital financial services goes beyond convenience. It can be transformational.

To help raise awareness of how digital financial services can help the world's poor, the UNSGSA released this special video animation in October 2022.



VIEW VIDEO

# FINANCIAL HEALTH



In São Paulo on 5 June 2023, the UNSGSA meets with students in a mechanical school created by Kovi, an auto financing company with a non-traditional approach that makes it easier for groups traditionally underserved by the formal financial system to access a car loan. Kovi's school helps boost people's livelihoods through training and employment as mechanics with the company, notably for women in a male-dominated field. Photo: Patrick van Katwijk

**Over the past year, people around the world have faced a challenging economic environment that has undermined their financial resilience. This has led to a greater recognition of the importance of good financial health. When individuals and households are financially healthy, they can manage their current financial obligations smoothly, build resilience, save for long-term goals, and feel confident about their financial future.**

The UNSGSA continued to advocate for financial health as an important outcome of financial inclusion. She has consistently stressed that a

financial health lens could help inform how financial products are designed and delivered to have a positive impact on people's financial lives. The Special Advocate has also noted that both the public and private sectors have a role to play in promoting financial health.

## Poor Financial Health is a Universal Challenge

Throughout her activities, the UNSGSA has called attention to poor financial health as a pervasive global issue. In remarks to the Global Inclusive Growth Summit hosted by Mastercard and the Aspen Institute in

Washington, D.C. on 13 April 2023, she emphasized that this is a challenge in both developing and developed economies.

For example, Global Findex (2021) data shows that financial access does not automatically result in good financial health. Despite an increase in account ownership, only 55% of adults in developing economies can access emergency money within 30 days without much difficulty. Almost half of respondents to a recent survey, including those from OECD countries, agreed with the statement: "I have no money left at the end of the month." In a keynote address for the 2022 Sibos Progressive Finance for a Changing World conference

held in Amsterdam on 9 October 2022, the UNSGSA said, "In some places we have seen both an increase in access to finance and simultaneously a decrease in financial health."

At the 13<sup>th</sup> Annual European Financial Services Round Table (EFR) held in Brussels on 30 March 2023, the UNSGSA cited the European Insurance and Occupational Pensions Authority's *Consumer Trends Report 2022* to note that one-third of European consumers do not own any savings products, and more than half are concerned that they would not have enough money for a comfortable life in retirement.

She added, "The lingering impact of the COVID-19 pandemic, ongoing conflict in the region, and rising living costs are putting pressure on Europeans' financial well-being."

## Integrating Financial Health in Policy Considerations

Financial health focuses on the value of financial services for users. Good financial health may have a positive impact on other policy objectives such as financial stability and consumer protection, among others. While evidence of this connection still needs to be established, incorporating financial health as a lens in policymaking can address issues potentially detrimental to people's financial lives, such as products that may lead to over-indebtedness.

The UNSGSA highlighted this in her remarks at an invite-only



Queen Máxima and U.S. Acting Comptroller of the Currency Michael J. Hsu ahead of co-hosting a discussion on financial health in Washington, D.C. on 14 October 2022. Photo: Office of the Comptroller of the Currency

salon dinner she co-hosted with U.S. Acting Comptroller of the Currency Michael J. Hsu, at the U.S. Department of Treasury in Washington, D.C. on 14 October 2022. It included senior policymakers and regulators, financial services industry representatives, consumer advocacy groups leaders, and civil rights organizations.

By emphasizing financial health as a key objective, Queen Máxima has suggested that policymakers could develop a financial inclusion agenda that prioritizes positive outcomes for individuals, households, and small businesses. Measurement is key but not the end in the process of meaningfully considering financial health as a policy objective.

To reinforce this message, the Office of the UNSGSA delivered

guidance to policymakers at the Alliance for Financial Inclusion's Global Policy Forum (GPF) held at the Dead Sea, Jordan on 6 September 2022, and at the Bank of Tanzania on 9 February 2023. The Office of the UNSGSA also advised the Reserve Bank of Fiji on applying a financial health lens to its National Financial Inclusion Strategy (NFIS).

## Making Financial Health Core to Financial Institutions' Business

Financial services providers are an important part of consumers' financial lives, providing essential, notably digital, financial products and services ranging from basic savings accounts to life insurance and investment products.

"The private sector has a very big role to play, to know the customers and to know what the underlying needs are," the UNSGSA emphasized during the World Economic Forum (WEF) Annual Meeting session Financial Inclusion Beyond Access held on 19 January 2023. "Catering products to the things that (people) really need is extremely important."

Yet, the true potential of financial institutions to contribute to consumers' financial health is often overlooked, according to *The Case for a Global Financial Health Platform*, a Financial Health Network report developed with input from the UNSGSA and released in November 2022.

"The majority of financial institutions we spoke with do not currently view financial health as core to their business but could be prompted to do more through peer learning and use of tools," the authors wrote, citing their study on how to catalyze global action on financial health in the financial sector.

At a convening of the CEO Partnership for Economic Inclusion (CEOP) on the sidelines of the WEF Annual Meeting in Davos, the UNSGSA called on private sector leaders to not underestimate the impact of financially unhealthy customers and employees, from lower quality portfolios to higher operational costs.

The Special Advocate also stressed that business practices deemed harmful to consumers' financial health could result in widespread public backlash or regulatory penalties. At the Global Inclusive Growth Summit in April, the UNSGSA pointed to the

need to carefully assess credit offerings such as "buy now, pay later" schemes that might lead consumers to overspend or take on unnecessary debt.

In contrast, caring about consumers' financial health can foster long-term customer loyalty. At the EFR event in March, the Special Advocate said, "By designing products and services with consumers' financial health in mind, financially healthy customers are more likely to spend and invest more, present lower credit risks, and offer better cross-selling opportunities, while

costing less to serve." In short, prioritizing the financial health of their clients, and providing the necessary tools and resources to improve it, are signs of a responsible financial institution.

In the Netherlands, Queen Máxima supported the November 2022 launch of the National Coalition of Financial Health—comprised of public and private sector organizations—to promote the financial health of employees. The goal of the Coalition is to halve the number of employees in 2030 deemed financially unhealthy.



Luciana Reís (right) faced economic challenges running her restaurant, Barraca da Lu Lu, in São Paulo, Brazil, during the pandemic. She secured a quick loan from Dinie, a pioneering fintech offering embedded lending and digital working capital to MSMEs and merchants on e-commerce platforms. This enabled Reís to keep the restaurant open, develop a delivery channel on iFood, and overcome financial hurdles. This low-cost, accessible loan has made a significant difference for Reís and her family business, highlighting the potential of embedded finance for financial inclusion, particularly for women-owned MSMEs and other marginalized groups. Photo: Patrick van Katwijk



Students greet Queen Máxima at the conclusion of an event on the importance of saving, budgeting, and having good financial knowledge at an elementary school in Brasília on 7 June 2023. The children are participating in a Banco Central do Brasil (BCB) financial education program called Aprender Valor. Photo: Patrick van Katwijk

# INCLUSIVE GREEN FINANCE



ACRE Africa, a microinsurance company, is providing an affordable and digital insurance product to smallholder farmers in Tanzania. In Kilimanjaro, these farmers, who operate on tight budgets with limited capital and no safety net, face increased risks due to climate change. ACRE Africa's Weather Index Insurance tool—developed in partnership with Jubilee Insurance and Tan Management—makes it easier for farmers to make claims, by collecting weather data by satellite and using it to determine settlements. Photo: Patrick van Katwijk

**In low-income countries, climate shocks are becoming more frequent and have a disproportionate impact on the poor. People are dealing with the devastating effects of flooding, wildfires, and crop failures, which result in the destruction of natural environments and damage to their homes and businesses. The World Bank estimates that climate change could push up to 130 million people into poverty over the next decade and force over 200 million to migrate within their own countries by 2050.**

In May 2022, the UNSGSA established the Inclusive Green Finance Working Group (IGFWG),

comprised of the Alliance for Financial Inclusion (AFI), Center for Financial Inclusion (CFI), and the Sustainable Banking and Finance Network (SBFN). The working group focuses on the intersection of financial inclusion, building the resilience of households and small businesses, and supporting adaptation in response to climate change.

Combining data from the Global Findex Survey and the Notre Dame Global Adaptation Initiative, the IGFWG found that financial exclusion, lack of financial resilience, and climate vulnerability are closely entwined. Of the 1.4 billion unbanked adults in the world, over 1 billion live in

countries most vulnerable to climate change. Overall, 73% of them are either unbanked or not financially resilient, compared to one out of three in less climate-vulnerable countries.

This fresh data underscores that, given the scale and urgency of climate change, the future of the financial inclusion agenda will be in climate-vulnerable countries.

## The Role of Inclusive Green Finance

In a video address to the Egypt International Cooperation Forum – African Ministers of Finance, Economy, and

Environment Meeting for COP 27 on 9 September 2022, the UNSGSA summed up the challenge: "In many African markets, financial inclusion is lowest where climate risks are the highest. Without quality payments, credit, savings, and insurance products, people have fewer tools to keep their lives on track after weather shocks or natural disasters."

The UNSGSA sees inclusive green finance (IGF) as part of the solution to managing the impacts of climate change and transitioning to green economies, especially at the micro-level. It is defined as access to, and usage of, financial products and services that build resilience to the negative impacts of climate change and facilitate the participation of low-income

households, small businesses, and vulnerable groups in the green and low-carbon economy.

Products and use cases, particularly digital payments, savings, and insurance tools, help build resilience in the face of climate shocks. In the same address to the Egypt Forum last year, the Special Advocate highlighted an impact study in Tanzania that found, after extreme rainfall, only mobile money users avoided a drop in their consumption because they were able to quickly receive support payments that replaced two-thirds of the losses they had incurred.

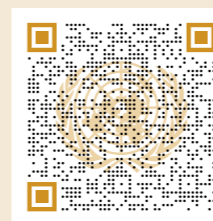
IGF also helps enable people to finance climate-smart investments and seize new

income opportunities. In Kenya, solar irrigation equipment supplier SunCulture kept about 2.5 million smallholder farmers in business after severe climatic and economic conditions in 2020 threatened their operations. Eighty-one percent of farmers who had a SunCulture solar irrigation system increased their crop yields and incomes, compared with 88% of non-SunCulture farmers whose economic situations worsened.

Yet, products and services are not enough on their own. IGF must be embedded in broader strategies and policy for climate-resilient development that bring together government, civil society, and the private sector. It must also be included in emerging supervisory and regulatory approaches

**A 2023 policy note examines how access and usage of financial services can help build resilience in the face of climate shocks**, while also providing opportunities to participate in green economic sectors. *Inclusive Green Finance: A Policy and Advocacy Approach*, highlights the interdependent and amplifying role of financial inclusion in global sustainability efforts and aims to strengthen climate considerations in financial inclusion plans and strategies.

It also presents examples and opportunities for advocacy on IGF. The policy note was prepared by the UNSGSA IGFWG.



[DOWNLOAD REPORT](#)



to green finance at both national and global levels.

## A Forward-Looking Policy and Advocacy Agenda for Inclusive Green Finance

A key objective of the IGFWG is to elevate the interdependent and amplifying role of financial inclusion in global sustainability efforts and strengthen climate considerations in financial inclusion plans and strategies.

The working group has set three policy and advocacy priorities. The first is supporting the integration of IGF at the country level, including in national strategies or plans such as national financial inclusion strategies (NFIS), sustainable banking principles, and sustainable finance roadmaps. This focus was part of the UNSGSA's country visit to Morocco in March 2023. In meetings with government and private sector leaders, she suggested that given Morocco's growing climate risks and exposure to drought, IGF could be included as a key pillar in the country's next NFIS.

The second priority is advancing data, research, and tools. In Morocco, the UNSGSA advocated for integrating financial inclusion considerations in its forthcoming green finance taxonomy. There is a need to develop a global research agenda that examines the combination of IGF interventions that can build more resilient communities in emerging markets. Closely linked, developing supply- and

**On 24 November 2022, the UNSGSA supported the launch of Nigeria's new NFIS by providing keynote remarks at the Nigeria International Financial Inclusion Conference, which was attended by over 4,500 delegates from 78 countries.**

"This new strategy," she said, "offers a genuine chance to achieve our common vision—that every Nigerian, no matter their background, geography, or gender, can improve their lives through access to quality financial services." The Special Advocate highlighted three vital opportunities: significantly increasing access to digital IDs, ensuring that services and businesses sustainably reach the last mile, and closing the financial gender divide.

This address was preceded by a productive bilateral meeting with Minister of Finance Zainab Ahmed at the IMF-World Bank Annual Meetings in Washington, D.C. in October 2022, where they discussed digital IDs, the development of the fintech sector, and the digitization of government-to-person payments to support financial inclusion in rural areas.

The UNSGSA is looking forward to engaging further with Nigeria's new administration, notably on use cases for digital IDs and vulnerable populations, including rural residents.

demand-side data on IGF that is comparable across countries is a priority. This work also focuses on developing and scaling targeted financial products and use cases for IGF. Next steps include working on use cases and products in countries that have made significant financial inclusion gains over the past 10 years but are highly vulnerable to climate change.

The third priority is incorporating IGF in the global and national regulatory agenda.

This includes raising awareness and generating commitments from regulators to incorporate IGF in supervisory approaches, including in dialogue with the global standard-setting bodies (SSBs). Together with technical partners (including the World Bank and CGAP), this work will also raise awareness and evidence of the potential unintended consequences of climate finance on financial inclusion.

# RESPONSIBLE FINANCIAL INCLUSION IN THE DIGITAL ECONOMY



A woman in Morocco using a mobile device. Photo: Shutterstock

**As ever, new approaches and technologies promise to make economies work better for everyone and provide real opportunities for the most vulnerable to build a better life.**

**Over the last 12 months, the UNSGSA advocated for financial innovations that contribute to more equitable and inclusive societies. During her activities, she stressed the importance of digital public infrastructure and data governance to enable everyone to navigate and reap the benefits of digital innovation for inclusive finance.**

## Investing in Digital Public Infrastructure

Digital public infrastructure, or DPI, are systems and solutions supported by digital technology that enable the provision of services by the public and private sector. Safe, transparent, interoperable, and inclusive DPIs enable individuals and small businesses to verify their identities, receive and make payments, and exchange data.

In a video message for the G20 Global Partnership for Financial Inclusion (GPI) Symposium held in Yogyakarta, Indonesia, on 4 October 2022, the Special

Advocate highlighted the benefits of DPI: "From Indonesia to East Africa, millions of small merchants are now paid and making payments with the phones in their own pockets—transforming their ability to invest and grow. During the COVID pandemic, governments from Brazil to Togo sent emergency digital payments directly to vulnerable households—offering essential financial support at unprecedented speed."

To help ensure more people reap the benefits of DPI, the UNSGSA has advocated for the public and private sectors to share their experiences and learn from best



## World Economic Forum Annual Meeting 2023



The UNSGSA participates in an event examining how technology innovations and cross-sector collaboration can help deliver quality financial services to underserved individuals and businesses while at the World Economic Forum (WEF) Annual Meeting on 19 January 2023 in Davos, Switzerland. Photo: WEF

practices. While different contexts require different designs, lessons can be drawn from countries worldwide. In opening remarks for the IMF Seminar on Digital Public Infrastructure at the IMF–World Bank Spring Meetings held in Washington, D.C. on 14 April 2023, Queen Maxima pointed to India Stack as an example. By combining digital IDs, an interoperable payments interface, and account aggregators in an easily accessible platform, India has achieved over 80% financial inclusion in just six years.

She also highlighted models in smaller countries like Peru, Singapore, and Estonia, where digital infrastructure has united ID, payments, and e-governance use cases. The best DPIs are inclusive, interoperable, and support essential public and private services. They are also safe and trusted, and ensure robust data

protection, according to the Special Advocate.

To spread the benefits even further, the UNSGSA suggested, the G20, IMF, World Bank, United Nations, and Bank for International Settlements (BIS), could help governments and central banks exchange knowledge on DPI and move it up the global agenda.

Global collaboration on DPI can also fast-track progress on the Sustainable Development Goals (SDGs). As Honorary Patron of the G20 Global Partnership for Financial Inclusion (GPFI), the UNSGSA supported the GPFI to craft policy recommendations for DPI under the Indian G20 Presidency. In the address to the GPFI Symposium, she emphasized that supporting women, youth, and MSMEs is essential for inclusive, equitable, and sustainable growth: “We can help

them thrive—by embracing digital uptake, investing in skills, and improving the finance ecosystem.”

### Addressing Bias in Algorithms

As much of the world shifts to digital, new paths are opening for low-income consumers to access financial services, become more resilient to financial shocks, and improve their financial lives. The new customer data trails generated by widespread mobile phone use, for example, offer exciting new ways to reach the underserved and change lives for the better. Artificial intelligence (AI) is one innovation with the potential to trigger a wave of benefits.

In a video keynote address for the BIS Innovation Summit held on 21 March 2023, the UNSGSA highlighted how using data-

driven algorithms and alternative forms of data to assess creditworthiness can eliminate the human biases that have traditionally blocked access to loans for underserved groups. At the same time, she stressed that algorithms only capture a slice of our digital and financial lives and may misinterpret or use incomplete digital data. This can especially affect women, small business owners, the elderly, and other underserved groups.

To tackle this challenge, she asked, “How can we create and share approaches to mitigate bias from algorithms? What more can we do to empower individuals and SMEs with their own data? How can we encourage the development of financial products that enhance customers’ resilience?”

The Office of the UNSGSA is playing an important role in these discussions, including as co-

chair of the Responsible Finance Forum (RFF) Working Group on Responsible AI alongside the Center for Financial Inclusion, which is also developing case studies on regulatory tools to address algorithm bias.

To address bias in algorithms and make them more inclusive, the UNSGSA has urged the public and private sectors to identify and better understand the new risks of AI, and then collaborate to ensure that technological innovations put customers at the center. This can include developing audit tools, putting ombudspersons in place to assess algorithms on behalf of customers, or creating balanced data sets that are reviewed and analyzed to reduce historical bias.

### Engaging with the Fintech Industry

Over the past decade, more than three-quarters of the world’s

adults gained access to financial services, and in just the last four years, almost 40% of adults in developing economies opened their first account to receive a wage or government payment.

The UNSGSA acknowledged this achievement in keynote remarks at the Sibos Progressive Finance for a Changing World conference in Amsterdam on 10 October 2022. “The rise of inclusive finance,” Queen Maxima said, “is a genuine good news story at a moment of great challenges.” Still, access does not always translate into use—three out of every five mobile money accounts are either inactive or dormant, and savings, loans, and insurance see only limited activity.

Fintechs are tackling this challenge, often teaming up with banks and mobile money providers to deliver more tailored and cheaper products, more quickly. In a virtual keynote address on 1 December 2022 to launch the Cambridge Centre for Alternative Finance (CCAF) Regulator Knowledge Exchange, the UNSGSA pointed to fintech startups like ShopUp in Bangladesh, OmniBiz and Flutterwave in Nigeria, and Bazaar in Pakistan, which are helping entrepreneurs embrace digital payments, make online sales, and expand beyond their storefronts to connect to a much bigger market.

Queen Maxima also acknowledged the new risks that digital finance brings, such as cyberattacks, privacy breaches, and algorithm bias. To cope with these risks, while also enabling consumers to reap the benefits of digital finance and allow fintechs to thrive,



Queen Maxima delivers remarks at the Building Resilience: Accelerating Financial Inclusion through Digitalization event during the IMF–World Bank Annual Meetings in Washington, D.C. on 15 October 2022. Photo: World Bank

she advocated for regulators to be open to innovation and coordinate with other regulatory agencies. She also called for supportive policies and infrastructure like cybersecurity, interoperable payment systems, and digital IDs.

“At every stage of innovation,” the UNSGSA said, “let us ask how it will impact the lives of the poor and underserved. ...What can regulators do to incentivize innovation and create the space for it to flourish through tech sprints and design challenges? Could authorities include the regulatory expectation that financial services not only do no harm, but actively do good?”

The UNSGSA also supported the development of the fintech ecosystem in country visits, including to Tanzania where fintech has gained a strong foothold with the launch of the Tanzania Fintech Association (TAFINA), the drafting of regulatory sandbox regulations by the Bank

of Tanzania, and the development of a fintech policy by the Ministry of Finance and Planning.

### Advancing Inclusive Finance with the Standard-Setting Bodies

For the UNSGSA and the global SSBs, the pursuit of financial inclusion within safe and sound financial systems is a longstanding concern. Since 2011, the UNSGSA and her partners have engaged with the SSBs to ensure the benefits of financial inclusion are balanced with the risks, as well as the regulatory and supervisory costs. This principle of proportionality is built into global standards such as the Basel Core Principles and the Financial Action Task Force (FATF) Recommendations.

Still, a recent World Bank mapping exercise found that some countries remain reluctant to

use the proportionality allowed in the global standards, which could lead to the most vulnerable populations being excluded from the financial system.

A safe and inclusive financial system is only possible within enabling regulatory and supervisory environments. In remarks for the workshop, Proportionality and Financial Inclusion: Implications for Regulation and Supervision, hosted by the Consultative Group to Assist the Poor (CGAP) and the Financial Stability Institute (FSI) of the BIS on 7 November 2022, the UNSGSA stressed that national authorities need practical and consistent guidance on the global standards for all levels of financial sector development. She also suggested that documenting and sharing case studies of proportionality in practice, as the Alliance for Financial Inclusion (AFI) has done, could spark constructive dialogue between supervisors and assessors.

#### Enabling regulatory and supervisory environments are crucial to proportionality. At the CGAP-FSI Proportionality and Financial Inclusion workshop, the UNSGSA identified three opportunities for deeper dialogue:

##### Between national authorities and the SSBs

Beyond formal assessments, platforms such as the Basel Consultative Group could facilitate discussions on the unintended consequences, opportunities, and challenges of implementing the global standards.

##### Between authorities and the entities they supervise

When regulatory authorities understand the opportunities and risks of different business models, they can calibrate regulations, licensing,

and supervisory approaches. When financial services providers understand the expectations of regulators, they can adjust their business models and risk management systems. Innovation offices and regulatory sandboxes are two potential hosts for these conversations.

##### Between regulators themselves

Regulatory agencies could seek opportunities for greater exchange on shared policy objectives, as could prudential regulators and those responsible for financial inclusion.

## Igniting SDG Progress through Digital Financial Inclusion

Digital financial services offer real hope for the world to get back on track to achieve the Sustainable Development Goals (SDGs) by 2030. The 2023 edition of the SDG compendium, *Igniting SDG Progress through Digital Financial Inclusion*, features extensive, evidence-based examples of how inclusive digital financial services can help advance 13 of the SDGs.

A joint publication of the Office of the UNSGSA, Better than Cash Alliance, UNCDF, CGAP, and the World Bank Group, it features a foreword from Queen Máxima.

*“In these challenging times, digital financial inclusion provides an important tool to build resilience and realize the shared prosperity envisioned by the SDGs.”*

— UNSGSA Queen Máxima



### BRAZIL

A national COVID-19 emergency program supported micro-entrepreneurs, informal workers, and unemployed citizens by setting up digital savings accounts. It reached 68.2 million participants, including 5 million microbusinesses.



### CÔTE D'IVOIRE

In 2017, nearly 14,000 cocoa farmers saved around \$600,000 using mobile savings wallets. They were 50% less likely to have trouble feeding their families.



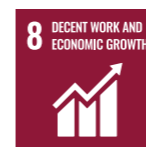
### SENEGAL

The country's integrated management information system for universal health coverage digitized enrollment and premium payments, adding 2.8 million people between 2019 and late 2020, and reducing per user enrollment costs from \$4.70 to \$2.40.



### BANGLADESH

Women working in the garment sector who received wages directly into an account increased their savings and were better able to meet unexpected expenses like a family emergency.



### JORDAN

When three Jordanian garment companies began paying wages digitally, direct deposits reached bank accounts 66% faster and direct payments to e-wallets 70% faster. Nearly three-quarters of Jordan's garment workers are women.

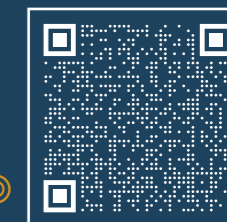


### KENYA

Through DigiFarm's digital mobile platform, 1.3 million farmers significantly increased their profits in 2021 and strengthened their capacities to weather climate shocks through access to financing and quality seeds and inputs. Half of DigiFarm's active users are women.

Find more examples in the full report.

DOWNLOAD REPORT



# COUNTRY VISITS

## BRAZIL

### Building Brazilians' Resilience and Financial Health through Inclusive Finance

Brazil has made great strides in financial inclusion over the last decade, with 84% of adults now having access to a formal financial account (Findex 2021)—an increase from 70% in 2017 and 56% in 2011.

Further, Brazil's ongoing pro-competition approach to developing an inclusive digital finance ecosystem and infrastructure, such as interoperable payments like Pix, has also been key, along with an emerging open finance regime that can help private sector innovation thrive. These have been key enablers in reaching underserved groups.

In addition to including the remaining 27 million unbanked adults in the country, the next crucial step for Brazil could be leveraging financial access to enhance the financial health of Brazilians. Financial health is a pressing concern in Brazil, with the average score suggesting low levels of financial health and early signs of financial difficulties and stress, according to the 2022 Brazilian Financial Health Index Survey (I-SFB). Furthermore, nearly 80% of surveyed Brazilian adults (Findex 2021) expressed concerns about having enough money for



Queen Máxima and Brazil Minister of Finance Fernando Haddad address the press about financial inclusion and financial health after a bilateral meeting in Brasília on 6 June 2023. Photo: Patrick van Katwijk

monthly expenses or coping with financial demands in old age.

In a concerted effort to identify and engage in discussions surrounding financial inclusion and financial health, the UNSGSA undertook a visit to Brazil on 5-7 June 2023. During her time in the country, the Special Advocate held meetings with key government officials, international development partners, and strategic stakeholders from the private sector.

This included bilateral dialogue with Minister of Finance Fernando Haddad, Banco Central do Brasil (BCB) President Roberto Campos Neto, Minister of Social Development, Assistance, Family and Fight Against Hunger Wellington Dias, and Caixa Econômica Federal (CEF) President Rita Serrano, among others.

Queen Máxima, in her efforts to gain firsthand insights into the experiences of businesses and clients in the financial services



The Special Advocate and BCB President Roberto Campos Neto converse during a roundtable meeting with other senior leadership from the central bank in Brasília on 7 June 2023. Photo: Patrick van Katwijk

sector, conducted two field visits in São Paulo. These included meetings with innovative financial services providers such as Kovi and Dinie, where the UNSGSA engaged directly with the companies' leadership, as well as their clients who are entrepreneurs and small business owners. The purpose of these meetings was to understand the impact and significance of these financial services on their operations.

### Key Priorities

During her meetings, the following three key priorities were identified:

#### 1. Prioritize Financial Health as a Policy Objective

The UNSGSA met with Minister Haddad to discuss how policymakers can explicitly recognize and promote financial health as a national objective and invest in measurement to inform policy design. For example, she

highlighted the importance of promoting emergency savings, as well as designing social protection programs with resilience in mind. She also emphasized these points in a meeting with BCB President Neto and other senior leadership at the central bank.

#### 2. Leverage Financial Innovations to Improve Brazilians' Financial Health

Throughout the visit, Queen Máxima stressed that financial services providers can prioritize clients' financial health as a core business strategy and use data as indicators to better assess their clients' financial health. She noted during a roundtable with leading Brazilian financial services providers on consumer financial health, hosted by Banco Santander Brasil, that one example is to be on the lookout for early warning signs and assist clients before financial challenges worsen.

She consistently reiterated that there is a strong business case for the private sector to care for clients' financial health.

#### 3. Foster Competition and Innovation for a Responsible Digital Financial Ecosystem and Infrastructure that Benefits Everyone

The Special Advocate highlighted that fostering competition and innovation to promote a responsible digital financial infrastructure and ecosystem boosts the reach and quality of financial services, particularly for underserved segments. Across meetings, the UNSGSA noted that Brazil has consistently developed a series of regulations and policy initiatives that encouraged competition in the payments and financial services market. She highlighted that it led to remarkable progress in financial inclusion, improving the range and quality of products, as well as the variety and number of financial services providers.

Moving forward, she discussed with Brazilian leaders, it will be critical to strengthen financial consumer protection in this increasingly digital era and empower financial sector regulators with the authority, tools, and coordination mechanisms to effectively tackle the challenges. This is important considering the significant number of low-income customers entering Brazil's formal financial system and utilizing digital financial services for the first time, said the UNSGSA.

CLIENT STORY

## Kovi's Innovative Auto Financing Model Helping to Drive Better Financial Health in Brazil

The dream of car ownership is often out of reach for many low-income individuals and other traditionally underserved groups in Brazil. Hurdles such as lack of minimum credit scores, proof of income, and high interest fees can restrict access to financial tools like automobile loans.

This can have a domino effect. For instance, sometimes no car means there is no way for someone to drive to, or for, a job, and could mean no way to transport one's children to school, robbing them of access to mobility and opportunities.

Kovi, an auto financing company with a non-traditional approach, aims to change this reality. By offering cars via an affordable rent-to-own model, as well as monthly and annual pay-per-mile subscription plans, the company's Founder and CEO Adhemar Milani Neto and Partner and Legal, Compliance, and Public Policy Officer Isabella Coutinho say they are helping enable on-demand workers gain access to a personal vehicle for employment, as well as improve their livelihoods and financial health.

Kovi runs an asset-light model by partnering with automakers and traditional car rental and leasing companies and subleasing them to drivers. The company uses



In São Paulo on 5 June 2023, Luisa Pereira, a ride-hailing app driver, speaks with Queen Máxima about her experience as a customer of Kovi. Photo: Christopher Hughes

proprietary technology to monitor vehicles and drivers in real time, ensuring safety and performance, as well as the driver's welfare. It also allows Kovi to block car usage if customers start to miss payments.

In Latin America, on-demand workers such as ride-hailing and food delivery drivers make three times the minimum wage but face the initial challenge of extremely high car ownership costs, Neto told UNSGSA Queen Máxima. He added that many people who want to be drivers or need access to a car to work come from underserved backgrounds with low or no credit scores.

41-year-old Luisa Pereira credits Kovi, and its financing model, with giving her a new lease on life. Two years ago, after a divorce and subsequent move (along with her teenage son) from the South Zone to the outskirts of the North Zone in São Paulo, Luisa's ex-husband took her previous car.

However, as a ride-hailing app driver for Uber and 99, Pereira needed a new automobile to get back on her feet. Kovi made this possible, she said, adding that it not only helped her with work, but also as a woman to have autonomy and believe in herself, and put her son in a better school, too.

# MOROCCO

## Harnessing the Power of Digital Payments, Fintech, and Inclusive Green Finance to Expand Financial Inclusion

Morocco's investment in financial inclusion over the last decade is paying off. The country has experienced double-digit growth in account ownership since 2017, making it one of only four countries worldwide to achieve this feat. According to the Global Findex (2021), 44% of adults in Morocco now have access to the formal financial sector, up from just 29% in 2017. The country's longstanding efforts to enact legal and regulatory reforms supporting financial inclusion has contributed to this upward trajectory.

The National Financial Inclusion Strategy (NFIS), launched by Morocco's Bank Al-Maghrib and Ministry of Economy and Finance in 2018, has set ambitious targets to increase the country's financial inclusion rate to 50% by 2023 and 75% by 2030.

Despite progress, 15 million Moroccan adults remain unbanked, with women and rural communities facing significant barriers to financial access. In 2021, while 56% of men held accounts, only 33% of women did—a gap that has remained nearly unchanged since 2017 when 41% of men and 17% of women had accounts. Moreover, just 6% of adults in Morocco report owning a mobile money account, highlighting the need for further



Morocco Head of Government Aziz Akhannouch greets Queen Máxima ahead of a bilateral meeting in Rabat on 22 March 2023. Photo: Patrick van Katwijk

efforts to promote digital financial services and address gender disparities in financial inclusion.

UNSGSA Queen Máxima visited Morocco from 20-22 March 2023 to discuss the importance of financial inclusion in the country and to identify opportunities for progress with key government

officials, international development partners, and private sector stakeholders.

This included meetings with Head of Government Aziz Akhannouch, Secretary-General of the Government Mohamed El Hajoui, Economy and Finance Minister Nadia Fettah Alaoui, Industry and

Trade Minister Ryad Mezzour, Delegate-Minister to the Head of Government in charge of Digital Transition and Administration Reform Ghita Mezzour, Bank Al-Maghrib Governor Abdellatif Jouahri, and Moroccan Capital Market Authority President Nezha Hayat.

The Special Advocate also embarked on a pair of field visits, traversing between Casablanca and Rabat, to engage with local financial services providers and customers to gain insight into how financial services can lead to positive outcomes in their lives.

## Key Priorities

Three key priorities to boost financial inclusion in Morocco were identified during the discussions.

### 1. Digital Payments as an Entry Point for Inclusive Finance

The Special Advocate met with Head of Government Akhannouch, among others, to highlight how Morocco's financial inclusion efforts could be further improved by promoting digital payments. This is important as cash remains dominant—according to data collected by the World Bank, only 34% of small merchants had heard of mobile payments and 76% were conducting payments to clients in cash. To encourage adoption, the country could create more use cases, customize products, and improve merchant acceptance. Steps to achieve this include digitizing

government-to-person and person-to-government payments, as well as setting up a national payments council to coordinate the digitization of payment flows.

### 2. Fintech can Help Financial Inclusion Flourish

Morocco has emerged as the Arab world's third largest fintech hub with 40 fintech solutions (CGAP, 2020). For the fintech sector to grow, a supportive regulatory environment is key. This includes comprehensive oversight of fintechs and a mechanism that will allow a test-and-learn approach. The UNSGSA and Governor Jouahri also discussed opportunities to create more customized financial services through open finance arrangements and data sharing between

banks, telecommunications companies, and fintechs.

### 3. Inclusive Green Finance is Growing in Importance

Morocco is a leader in addressing climate change through financial policies. The country's roadmap to align the financial sector with sustainable development, along with regulations requiring credit institutions to manage climate-related risks, puts Morocco in a strong position to integrate financial inclusion as a key pillar of its climate finance strategy. Queen Máxima suggested to leaders to include IGF as a key pillar in the next NFIS, as well as to work with technical partners to scale IGF products, such as weather index insurance for smallholder farmers.



Queen Máxima and Morocco's Economy and Finance Minister Nadia Fettah Alaoui speak during a meeting in Rabat on 22 March 2023. Photo: Patrick van Katwijk

## CLIENT STORY

# Chari Facilitating Digital Transformation and Financial Inclusion for Mom-and-Pop Shop Owners

Mom-and-pop shops represent the economic center of rural communities across Morocco. With supermarkets being expensive and often out of reach, many Moroccans head to corner stores to purchase essentials, sometimes making three to four trips a week. Goods are often purchased on informal credit, tracked by paper ledgers, and help manage household cash flow needs.

Most of these mom-and-pop shops in Morocco are run by one individual. When inventory becomes low, many are forced to shut down their stores and travel to the closest large retailer or wait for distributors to come to them. This means losing out on sales, sometimes for weeks, until new products arrive.

Moroccan start-up Chari aims to improve the distribution model for small merchants across the country by offering an online platform and mobile app for the purchase of inventory. With 25,000 registered shops using the service, Chari provides small merchants with the convenience and transparency of purchasing goods online, and free delivery within 24 hours.

One of those small merchants is 29-year-old Ismail Berkouk, who owns a local store selling snacks



UNSGSA Queen Máxima meets with Ismail Berkouk, a small merchant who sells snacks at his store, during a field visit on 20 March 2023 in Casablanca. Photo: Patrick van Katwijk

like sunflower seeds and spices in Casablanca. Berkouk, who does not have a bank account, bought the shop approximately 2.5 years ago using his savings and borrowing money from family and friends.

Berkouk tried Chari's app two years ago. He explained to the UNSGSA during her March visit that the service has been helpful for him, making it easier to procure stock for his shop, quickly receiving deliveries instead of intermittently closing his store's doors to order the items in person.

Chari is leveraging the trust it has created with local neighborhood stores to support digital and financial inclusion of small merchants. It recently received

a non-bank payment service provider license from the central bank of Morocco, Bank Al-Maghrib, and aims to expand into digital financial services, including payment and eventually digital credit. The company also acquired digital platform Karny, which provides credit and bookkeeping services, and hopes to build a credit score for merchants and offer them credit in the future.

Looking ahead, Chari has set its sights on becoming a leading e-commerce and fintech platform for French-speaking Africa, with plans to expand into Tunisia and Côte d'Ivoire. Chari's expansion plans offer important opportunities to support the digital and financial inclusion of SMEs across West and North Africa.

CLIENT STORY

## Microcredit, Microinsurance Gives Boost to Small Business Owners

Arrawaj Foundation, created in 1996, aims to reach finance microentrepreneurs and businesses typically excluded from the formal financial system. The organization offers microcredit (MAD 50,000 maximum or nearly USD \$5,000), microinsurance, and non-financial services like training, advice, and client support.

Its microinsurance products cover risks such as death, disability, hospitalization, and housing—critical to help people build financial resilience to economic and climate shocks. Arrawaj Foundation's clients can receive their insurance compensation directly to a mobile payment account, meaning there is no need to travel to an agency, a first in Morocco and for the country's microfinance sector.

Morocco's microfinance sector serves approximately 843,000 clients and has historically played an important role in financial inclusion efforts in the country. Microfinance is a particularly important tool to promote women's economic empowerment. Providing loans for women entrepreneurs to begin at-home businesses can facilitate greater economic independence.

A landmark microfinance law introduced in Morocco in July 2021



The UNSGSA visits Rabat's historical Medina to meet with a local entrepreneur who produces leather goods to learn about his experiences with microfinance institution Arrawaj Foundation on 21 March 2023. Photo: Patrick van Katwijk

has created fresh opportunities for microcredit organizations to play a larger role in deepening financial inclusion. The law allows for non-profit organizations to transform into for-profit finance companies and widens the range of permissible activities to include the direct provision of microinsurance, savings, and deposit products. This reform is critical to support sectoral

growth, attract fresh investment, and provide meaningful savings products that can build resilience for low-income clients. There is also substantial opportunity to grow the microfinance sector through embracing digital transformation, including by partnering with fintechs.

# TANZANIA

## Digital Public Infrastructure Investment Key to Driving Financial Inclusion



UNSGSA Queen Máxima and Tanzania President Samia Suluhu Hassan share pleasantries ahead of a bilateral meeting to discuss opportunities to boost financial inclusion during the Special Advocate's visit on 19 October 2022 in Dar es Salaam. Photo credit: Patrick van Katwijk

Financial inclusion has improved significantly in Tanzania over the last decade. According to the Global Findex (2021), the number of financially included adults (aged 15+) has risen substantially from 17% in 2011 to 52%. This increase can unlock numerous new economic opportunities for the population. However, a lot of

work remains to reach the 48% of adults in the country still excluded from formal financial services—including a gender gap of 13 percentage points.

To help identify and discuss opportunities for inclusive finance, the UNSGSA visited Tanzania from 17–19 October 2022. While

in the country, she met with top government officials, international development partners, and members of the private sector.

During her visit, the UNSGSA held meetings with President Samia Suluhu Hassan, Bank of Tanzania (BOT) Governor Florens Luoga, Deputy Minister of Finance

and Planning Hamad Hassan Chande, and Deputy Minister of Information, Communication and Technology (ICT) Eng Kundo Mathew, among others. She also participated in a fintech roundtable with private sector leaders to explore how innovation can better support digital and financial inclusion.

Additionally, the Special Advocate conducted three field visits between Kilimanjaro and Dar es Salaam, speaking with local customers to hear firsthand how they have benefitted from various financial services and products. These meetings were an opportunity to witness the potential of digital and financial inclusion to transform the lives of many Tanzanians, notably underserved groups such as the poor, women, smallholder farmers, and small businesses.

## Key Priorities

During her meetings, the following key priorities were discussed:

### 1. Investing in Digital Public Infrastructure

The UNSGSA met with President Samia, among others, to discuss how to ensure that investments in digital public infrastructure (DPI) and policies are inclusive and pro-poor. They highlighted the importance of DPI like connectivity, digital IDs, interoperable payments, digital literacy, and data governance and privacy. They also discussed promoting the rapid rollout of a digital national ID number and

encouraging attendant regulatory reforms.

After the visit, the Bill & Melinda Gates Foundation (BMGF), a member of the UNSGSA Reference Group, along with the World Bank's ID4D Initiative, partnered to explore support in making IDs more inclusive and affordable. Tanzania also built on its phase one rollout of its instant payments system (TIPS), which began with person-to-person and person-to-business payments in 2022. With support of the BMGF and Financial Section Deepening Trust (FSDT), the BOT is incrementally adding B2B, request-to-pay, and government payments as its next use cases.

### 2. National Financial Inclusion Framework

Queen Máxima emphasized to the Bank of Tanzania and Ministry of Finance the importance of their coordinated work to develop and implement the country's third National Financial Inclusion Framework (NFIF). The NFIF could include greater focus on developing the next generation of a digital financial services ecosystem, and enhanced competition and consumer protection. This could boost innovation, address risks from digital adoption, and increase financial inclusion and resilience. The UNSGSA and her technical partners offered support to coordinate with the government and private sector to help the framework be successful.

### 3. A Fintech Ecosystem that Supports Financial Inclusion

The emergence of a fintech ecosystem in Tanzania could benefit the country by expanding the range of services and customer-centric approaches beyond person-to-person and cash-in/cash-out transactions. The UNSGSA voiced support for an independent fintech association, dialogue between the BOT and fintechs, and the creation of an innovation office or sandbox.

This helped result in the establishment of the Tanzania Fintech Association (TAFINA). The UNSGSA's technical partners also provided inputs to the central bank's sandbox regulatory framework and engaged on a draft fintech policy.

### 4. Making Mobile Financial Services More Affordable

The Special Advocate and her partners discussed with government leaders, including President Samia, the importance of understanding the cost drivers and pricing of digital financial services to ensure affordability, especially for low-income households. In early 2023, the BOT launched a project to examine the affordability of digital financial services.

## CLIENT STORY

# Protecting Women's Health by Digitally Transforming a System of Care

In Tanzania, expectant mothers should receive free, basic prenatal care through government programs. However, there are many gaps in the system, including supply chain challenges, limited financing, and a lack of transparency and accountability. As a result, many women must pay out of pocket for much of their care during pregnancy, with many vital services like ultrasound scans not included.

To close this gap and ensure pregnant women receive the care to keep themselves and their babies healthy, PharmAccess launched MomCare—a demand-side model aimed at improving maternal care in Tanzania. In October 2022, the UNSGSA met with women participating in MomCare at Charlotte Health Centre in West Kilimanjaro.

MomCare enables payments and collects data via digital technology, reimbursing hospitals and clinics for patient services.

The program, which reaches over 26,000 women in Tanzania, assists them in paying for prenatal care and tracks their medical histories. This enables providers to monitor care quality and service usage. On their initial clinic visit, pregnant women can easily register, receive a card from Selcom for mobile payments, and use it for



At Charlotte Health Centre in West Kilimanjaro, Tanzania, on 18 October 2022, Queen Máxima speaks with Victoria Mollel (middle) and Lillian Kahakwa about how access to a digital demand-side finance model called MomCare helped them receive healthcare during their pregnancies. Photo: Patrick van Katwijk

subsequent visits. Additionally, they can enroll themselves and up to five dependents in the enhanced Community Health Fund (iCHF), an insurance program pioneered by PharmAccess before government adoption and nationwide implementation.

Clinic staff utilize a digital MomCare app to collect patient medical data and track service usage, with reimbursement provided monthly.

MomCare's data, collected since its 2019 launch, highlights notable improvements. Initial baseline data indicated only 17% of women attended the mandated

four prenatal visits, but by year three, this rose to 58%. Skilled deliveries in participating facilities increased from 47% to 69% during that period. Moreover, MomCare facilities saw an average rise in their SafeCare quality score from 41% to 57%.

MomCare not only improves health outcomes for women and their babies, but also drives transformative changes to Tanzania's health financing. By leveraging program data, advocates are urging the Ministry of Health to shift from a supply-side model to a demand-side system that empowers women to access the care they need for themselves and their families.

# ANNEX



UNSGSA Queen Máxima presents her 2022 Annual Report to UN Secretary-General António Guterres at the 77<sup>th</sup> General Assembly at UN Headquarters in New York on 21 September 2022. Photo: Richard Koek

## About the UNSGSA

H.M. Queen Máxima of the Netherlands was appointed United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA) by former UN Secretary-General Ban Ki-moon in 2009. Today, she continues in the role for Secretary-General António Guterres. The UNSGSA is a leading global voice on advancing universal access to and responsible usage of affordable, effective, and safe financial services that lead to positive outcomes. She stresses financial inclusion accelerates progress toward numerous development and economic goals such as poverty reduction, job creation, food security, gender equality, and equitable growth.

Through close collaboration with global and national partners, the UNSGSA raises awareness, encourages leadership, and supports action to address barriers and expand inclusive finance. She draws on firsthand experiences gained via country visits and conversations with low-income families, small business owners, smallholder farmers, governments, private-sector leaders, and others, to identify financial services and policies that make a difference to people's lives, livelihoods, and communities.

Queen Máxima regularly consults with and convenes stakeholders from diverse sectors—linking government leaders, finance authorities, telecommunications companies, agriculture experts,

fintech companies, development partners, and others—helping people and institutions learn from one another and form new collaborations. Within the UN system, she engages with programs to share best practices on how financial inclusion complements and advances their missions.

She has been Honorary Patron of the G20 Global Partnership for Financial Inclusion (GPI) since 2011. She is a member of the Stewardship Board of the WEF Initiative on Shaping the Future of Financial and Monetary Systems and a "Champion" of the Edison Alliance. She also convened the CEO Partnership for Economic Inclusion.

## Advisory and Administrative Arrangements

The UNSGSA works in partnership and with wide consultation among many stakeholders advancing financial inclusion—and those affected by it. In addition to an advisory Reference Group of leading international organizations in financial inclusion, she 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 Reference Group

- Alliance for Financial Inclusion
- Better Than Cash Alliance
- Bill & Melinda Gates Foundation
- Consultative Group to Assist the Poor
- International Finance Corporation
- International Monetary Fund
- Omidyar Network
- The World Bank
- United Nations Capital Development Fund
- United Nations Development Programme
- United Nations Department of Economic and Social Affairs

## UNSGSA Working Groups

A wide range of organizations provide invaluable research and guidance to the UNSGSA on her strategic areas of advocacy. Active working groups include the Financial Health Working Group and Inclusive Green Finance Working Group. To learn more about these and former groups, visit the UNSGSA Partners page at [www.unsgsa.org/partners](http://www.unsgsa.org/partners).

## The Office of the UNSGSA

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's Bureau of External Relations and Advocacy in New York. It is funded by the Bill & Melinda Gates Foundation.

Pia Bernadette Roman Tayag	Director
Ruth Torres	Executive Associate
Nancy Widjaja	Policy Advisor
David Symington	Policy Advisor
Peter McConaghy	Policy Advisor
Christopher Hughes	Communication Advisor
Andreea Grigorescu	Program Analyst

## Financial Inclusion and Entrepreneurship in the Netherlands

Queen Máxima champions financial inclusion, entrepreneurship, financial health, 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 Netherlands Committee for Entrepreneurship, which encourages entrepreneurship for MSMEs, and Honorary Chair of the Money Wise Platform, a national partnership that promotes financial literacy, as well as Honorary Chair of the Debt Lab.



# ACTIVITIES 2022–2023

## AUGUST 2022

### MEETINGS

**New Delhi, India**  
29 August 2022

The UNSGSA met with leaders of the 2023 India G20 Presidency to discuss the importance of financial inclusion and digital public infrastructure. In addition to a high-level dinner, she met with H.E. Draupadi Murmu, President of India, H.E. Nirmala Sitharaman, Minister of Finance and Corporate Affairs, Mr. Shaktikanta Das, Governor of Reserve Bank of India, Mr. Chanchal Sarkar, G20 GPMI Coordinator and Economic Advisor, and Mr. Amitabh Kant, India G20 Sherpa.

## SEPTEMBER 2022

### SPEECH (PRE-RECORDED)

**9 September 2022**

**Pre-recorded video address for the Egypt International Cooperation Forum/African Ministers of Finance, Economy, and Environment Meeting for COP27**

*“A collective effort—that is gender inclusive—is needed to make African economies resilient to climate change, providing solutions that safeguard its vast natural resources and empower its young population.”*

### MEETINGS (VIRTUAL)

**14 September 2022**

Call with Mr. Nandan Nilekani, Co-Chair of India's G20 Task Force on Digital Public Infrastructure for Economic Transformation, Financial Inclusion and Development, to discuss the UNSGSA's August 2022 visit with leaders of the 2023 India G20 Presidency.\*

### SPEECH (PRE-RECORDED)

**20 September 2022**

**Pre-recorded message for India Global Fintech Fest 2022**

*“Digital financial products and services should not only do no harm; they should also do good. ... How can the public and private sector come together to effectively design, invest in, and govern digital public goods?”*

### MEETINGS

**New York, USA**  
21 September 2022

#### United Nations General Assembly (UNGA)

At the 77<sup>th</sup> UN General Assembly (UNGA), the UNSGSA presented her 2022 Annual Report to UN Secretary-General António Guterres and delivered remarks at the UNDP side event, “The Future of Digital Cooperation, focusing on safe, trusted, and inclusive digital public infrastructure. Bilateral meetings on inclusive finance were held with His Highness Muhammadu Sanusi II, UN SDG Advocate and Former Emir of Kano, Nigeria, H.E. Mdm. Liberata Mulamula, Minister of Foreign Affairs of Tanzania, and Co-Develop CEO C.V. Madhukar. For the first time since the COVID-19 pandemic, the UNSGSA convened an in-person meeting of her Reference Group of financial inclusion advisors, who share their expertise and suggest strategic opportunities she can advance through advocacy and partnerships.

### MEDIA INTERVIEW

**New York, USA**  
23 September 2022

#### CNN International

In this recorded interview, the UNSGSA highlighted new Global Index data that shows tremendous growth in financial inclusion over the past decade and spoke about the importance of financial health and resilience, including for the women and smallholder farmers she met with on country visits to Côte d'Ivoire and Senegal.

### MEETING

**Brussels, Belgium**  
28 September 2022

Meeting with Ms. Margrethe Vestager, European Commissioner for Competition, to discuss digital public infrastructure.

## OCTOBER 2022

### SPEECH (PRE-RECORDED)

**4 October 2022**

**Pre-recorded video remarks for the G20 Global Partnership for Financial Inclusion (GPMI) Symposium**

*“Renewing our commitment to support women, youth, and MSMEs is essential for inclusive, equitable and sustainable growth. We can help them thrive—by embracing digital uptake, investing in skills, and improving the finance ecosystem.”*

### SPEECH

**Amsterdam, The Netherlands**  
10 October 2022

**Keynote remarks at the Sibos 2022 conference, Progressive Finance for a Changing World**

The Special Advocate also met with Mr. Ravi Menon, Managing Director of the Monetary Authority of Singapore, to discuss digital public infrastructure, and with Ms. Shamina Singh, President of the Mastercard Center for Inclusive Growth, to discuss financial health.

*“Just as we should not innovate for innovation's sake, we should not design products simply to maximize short-term returns.”*

## MEETINGS

Washington, D.C., USA  
14–15 October 2022

**IMF–World Bank Annual Meetings**

Together with U.S. Acting Comptroller of the Currency, Michael J. Hsu, the UNSGSA co-hosted a salon dinner on financial health. In addition to a pull-aside meeting with Dr. Kristalina Georgieva, the Special Advocate also met with Dr. Agustín Carstens, General Manager of the Bank of International Settlements (BIS), as well as ministers of finance and central bank governors from Nigeria, the BCEAO, Morocco, Indonesia, Pakistan, and Fiji.

## SPEECH

Washington, D.C., USA  
14–15 October 2022

**Remarks at the IMF–World Bank Annual Meetings**

The UNSGSA provided opening remarks at Risks and Rewards, a panel discussion on central bank digital currencies (CBDCs) for financial inclusion co-hosted with Dr. Kristalina Georgieva, IMF Managing Director. She also delivered keynote remarks at the event, Building Resilience: Accelerating Financial Inclusion through Digitalization, held on the sidelines of the Annual Meetings.

*“Prioritizing policies that build financial health will help ensure a focus on resilience in the face of growing economic and climate shocks.”*

TANZANIA  
COUNTRY VISIT

17–19 October 2022

The UNSGSA’s country visit to Tanzania focused on the country’s national financial inclusion framework and enabling an inclusive digital economy, including support for innovative fintech and investment in digital public infrastructure. During her visit, the Special Advocate held bilateral meetings with development partners and top government officials, including H.E. Ms. Samia Suluhu Hassan, President of Tanzania, and Prof. Florens Luoga, Governor of Bank of Tanzania. She also met with deputy ministers from the Ministry of Finance and Planning and the Ministry of ICT, as well as the Director of the National Identification Authority. In addition, the UNSGSA attended a roundtable meeting on inclusive fintech with private sector stakeholders. Queen Máxima conducted three site visits, meeting with smallholder farmers who have benefited from low-cost digital insurance and with women who are paying for prenatal care digitally and reaping the health benefits for themselves and their babies.

## NOVEMBER 2022

## SPEECH (VIRTUAL)

7 November 2022

**Live virtual remarks for the European Commission and European Central Bank conference, Towards a Legislative Framework Enabling a Digital Euro for Citizens and Businesses**

*“If designed and implemented with inclusion in mind, central bank digital currencies can offer a powerful tool to help meet [financial inclusion] challenges. But they can also pose new risks, which require sound governance to overcome.”*

## SPEECH (VIRTUAL)

7 November 2022

**Welcome remarks for the FSI–CGAP workshop, Proportionality and Financial Inclusion: Implications for Regulation and Supervision**

*“...without access to accounts, credit, payments and savings, people simply cannot withstand financial shocks. Equally important? Using a range of products and services that actively promote financial health and a more prosperous future. This will only be possible in enabling regulatory and supervisory environments.”*

## MEETING (VIRTUAL)

11 November 2022

**UNSGSA Inclusive Green Finance Working Group meeting**SPEECH  
(PRE-RECORDED)

14 November 2022

**Pre-recorded video address for the B20 Summit Indonesia, Advancing Innovative, Inclusive and Collaborative Growth**

*“Greater connectivity, and digital IDs, allow access to financial services for millions previously left behind. Fair competition, and interoperable payment systems, help markets work better for even the smallest-scale customers. Cybersecurity, consumer protection, data governance, and digital literacy help marginalized communities navigate these services in ways that work for them.”*

## SPEECH (VIRTUAL)

24 November 2022

**Virtual keynote address for the 2022 Nigeria International Financial Inclusion Conference**

*“This new strategy offers a genuine chance to achieve our common vision—that every Nigerian, no matter their background, geography, or gender, can improve their lives through access to quality financial services.”*

## DECEMBER 2022

## SPEECH (VIRTUAL)

1 December 2022

**Virtual keynote address to launch the Cambridge Centre for Alternative Finance’s (CCAF) Regulator Knowledge Exchange (RKE)**

*“At every stage of innovation, let us ask how it will impact the lives of the poor and underserved, and how can innovation make their lives better?”*

## MEETING

The Hague, The Netherlands  
12 December 2022

A bilateral meeting with H.E. Mr. Pham Minh Chinh, Prime Minister of Vietnam, focused on digital public infrastructure and inclusive green finance.

## SPEECH (PRE-RECORDED)

13 December 2022

### Pre-recorded video keynote address for G20 India's Development Working Group side event on data for development, The Role of the G20 in Advancing the 2030 Agenda

*"The better the data, the bigger the impact on people's lives. However, a lot of data remains siloed within companies or government agencies, essentially a stranded asset."*

## MEETING (VIRTUAL)

The Hague, The Netherlands

16 December 2022

The UNSGSA held a call with Mr. Nandan Nilekani, Co-Chair of India's G20 Task Force on Digital Public Infrastructure for Economic Transformation, Financial Inclusion and Development, for a follow-up discussion of her August 2022 visit with leaders of the 2023 India G20 Presidency.

## JANUARY 2023

### MEETINGS

Davos, Switzerland

18–19 January 2023

#### World Economic Forum Annual Meeting

The UNSGSA attended the World Economic Forum (WEF) Annual Meeting where she gave remarks and participated at an event, "Financial Inclusion Beyond Access, which focused on the role of innovative technologies and cross-sector collaboration in delivering quality financial services to underserved individuals and businesses. The Special Advocate also met with heads of state, government ministers, central bank officials, development partners, and private sector leaders. Bilateral meetings were held with H.E. Mr. Guillermo Lasso, President of Ecuador, H.E. Mr. Aziz Akhannouch, Prime Minister of Morocco, and H.E. Ms. Zainab Shamsuna Ahmed, Minister of Finance, Budget, and National Planning of Nigeria. The UNSGSA attended a breakfast meeting with the CEO Partnership for Economic Inclusion (CEOP), a group she first convened at the WEF Annual Meeting 2018, and met with the President of the Bill & Melinda Gates Foundation, Mr. Rodger Voorhies, and corporate leaders from Mastercard, Nedbank, and Bradesco.

### MEDIA INTERVIEW

19 January 2023

#### CNBC

The UNSGSA participated in an exclusive interview with CNBC's Tania Bryer while at the WEF Annual Meeting in Davos. The discussion covered why financial inclusion is critical for positive development, the importance of digital public infrastructure and financial health, the UNSGSA's visits to Côte d'Ivoire, Senegal and Tanzania, and more.

## MARCH 2023

### MEETING (VIRTUAL)

13 March 2023

#### UNSGSA Inclusive Green Finance Working Group meeting

## MOROCCO COUNTRY VISIT

20–22 March 2023

Digital payments, fintech, and inclusive green finance were focus areas for Queen Máxima's country visit to Morocco, which she discussed with key government officials, development partners, and private sector stakeholders. The UNSGSA held bilateral meetings with Her Royal Highness Princess Lalla Meryem of Morocco, H.E. Mr. Aziz Akhannouch, Head of Government, Mr. Mohamed El Hajoui, Secretary-General of the Government, Mr. Abdellatif Jouahri, Governor of Bank Al-Maghrib, Ms. Nezha Hayat, President of the Moroccan Capital Market Authority, as well as several government ministers. The Special Advocate attended a private sector roundtable with leaders from the financial and mobile sectors and met with the Morocco Fintech Association. On field visits to Casablanca and Rabat, she engaged with local financial services providers, including fintech startup Chari, and local entrepreneurs who were benefiting from microinsurance and digital payments.

### SPEECH (PRE-RECORDED)

21 March 2023

#### Keynote address for the Bank for International Settlements (BIS) Innovation Summit

*"One innovation can set off a chain of benefits. But it can also bring new risks, in both advanced economies and emerging markets."*

### MEDIA INTERVIEW

21 March 2023

#### L'Économiste Maroc

During her country visit to Morocco, the UNSGSA was interviewed by L'Économiste Maroc, in which she discussed promoting access to financial services for the underserved, addressing the financial inclusion gender gap in Morocco, the National Financial Inclusion Strategy (NFIS), and financial education.

### MEETING (VIRTUAL)

27 March 2023

Call with Mr. Amitabh Kant, India G20 Sherpa, to discuss the India G20 Presidency's focus on digital public infrastructure and its importance for financial inclusion.

### SPEECH

Brussels, Belgium

30 March 2023

#### Keynote remarks at the Thirteenth Annual European Financial Services Stakeholder Round Table (EFR)

The UNSGSA provided remarks on the steps that financial services providers could take to support financial health and participated in a panel discussion with Steven van Rijswijk, Chair of the Executive Board of ING, and David Cole, Chair of the Supervisory Board of the NN Group.

## APRIL 2023

### MEETINGS

Washington, D.C., USA

13–15 April 2023

#### Spring Meetings of the World Bank and IMF

The UNSGSA provided opening remarks at the IMF seminar, Digital Public Infrastructure: Stacking Up the Benefits, and spoke briefly at the Mastercard Center for Inclusive Growth and the Aspen Institute 2023 Global Inclusive Growth Summit about the importance of financial health and resilience in the context of financial inclusion. The Special

Advocate also participated in a Reference Group Meeting of her financial inclusion advisors during the Spring Meetings.

## JUNE 2023

### BRAZIL COUNTRY VISIT

4–7 June 2023

Financial health, an ongoing pro-competition approach to developing an inclusive digital finance ecosystem and infrastructure, and inclusive green finance were focus areas for Queen Máxima’s country visit to Brazil, which she discussed with key government officials, development partners, and private sector stakeholders. The UNSGSA held bilateral meetings with Minister of Finance Fernando Haddad, Banco Central do Brasil (BCB) President Roberto Campos Neto, Social Development, Assistance, Family and Fight against Hunger Minister Wellington Dias and Caixa Econômica Federal (CEF) President Rita Serrano. The Special Advocate attended a pair of public-private sector roundtables on financial health and fintech. On field visits around São Paulo, she engaged with local financial services providers and their clients. This included Dinie, a pioneering fintech that offers embedded lending and digital working capital to MSMEs and merchants on e-commerce platforms, and Kovi, an auto financing company with a non-traditional approach that makes it easier for groups traditionally underserved by the formal financial system to access a car loan.

### MEDIA INTERVIEW

5 June 2023

#### Valor Econômico

During her country visit to Brazil, the UNSGSA was interviewed by Valor Econômico, in which she discussed the importance of financial inclusion to lead to good financial health, and inclusive finance opportunities and challenges in the nation.

### SPEECH (VIRTUAL)

26 June 2023

#### Remarks for the World Food Programme (WFP) Executive Board Annual Session

*“Unfortunately, the many benefits of financial inclusion have yet to reach most people in crisis ... We need to close this gap for good. That is why the cash policy that WFP is considering today gives room for hope. As the world’s preeminent humanitarian organization, WFP can bring financial inclusion to places where it is needed most.”*

## JULY 2023

### SPEECH (PRE-RECORDED)

6 July 2023

#### Remarks for the Center for Financial Inclusion (CFI) Responsible Finance Forum (RFF)

*“The use of digital financial services is accelerating. In just the last four years, nearly 40% of adults in developing economies opened their first account to receive a wage or government payment. And the benefits ripple from households to entire economies.”*





# UNSGSA

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