



POLICY AND REGULATORY REFORMS IN THE AFI NETWORK 2023



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This survey report is a product of the AFI Monitoring and Evaluation Unit.

Contributors:

The survey respondents include the following member institutions: Banco Nacional de Angola, Central Bank of Armenia, Bangladesh Bank, Banque de la République du Burundi, National Bank of Cambodia, Banque Centrale des Comores, Superintendencia de Bancos de la República Dominicana, Superintendencia de la Economía Popular y Solidaria de Ecuador, Central Bank of Egypt, Banco Central de Reserva de El Salvador, Central Bank of Eswatini, Ministry of Finance - Eswatini, Reserve Bank of Fiji, Central Bank of The Gambia, Bank of Ghana, Banque de la République d’Haïti, Comisión Nacional de Bancos y Seguros de Honduras, Central Bank of Jordan, Central Bank of Lesotho, Central Bank of Liberia, Reserve Bank of Malawi, Maldives Monetary Authority, Banque Centrale de Mauritanie, Comisión Nacional Bancaria y de Valores de México (CNBV), Financial Regulatory Commission of Mongolia, Bank Al-Maghrib, Banco de Moçambique, Bank of Namibia, Nepal Rastra Bank, Palestine Monetary Authority, Bank of Papua New Guinea, Banco Central del Paraguay, Superintendencia de Banca Seguros y AFP del Peru, Bangko Sentral ng Pilipinas, National Bank of Rwanda, Banco Central de São Tomé e Príncipe, Ministère des Finances et du Budget du Sénégal, Central Bank of Seychelles, Central Bank of Solomon Islands, Central Bank of Sri Lanka, Central Bank of Sudan, Centrale Bank van Suriname, National Bank of Tajikistan, Bank of Tanzania, National Reserve Bank of Tonga, Autorité de Contrôle de la Microfinance, Banque Centrale de Tunisie, Bank of Uganda, Central Bank of the Republic of Uzbekistan, Reserve Bank of Vanuatu, Banque Centrale des Etats de l’Afrique de l’Ouest (BCEAO), Bank of Zambia, Ministry of Finance and Economic Development Zimbabwe, and the Reserve Bank of Zimbabwe.

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INTRODUCTION

The Alliance for Financial Inclusion (AFI) is a member-driven organization comprised of central banks and financial regulatory institutions from developing and emerging economies, all united by the common objective of advancing financial inclusion at the country, regional, and international levels

AFI provides a peer-learning platform that enables financial regulators and policymakers to learn from their peers in developing and implementing innovative financial inclusion policies across a wide range of topics. This peer-learning approach is built on the belief that through knowledge exchange and cooperation, financial regulators and policymakers from developing and emerging economies can effectively review and enhance their own policy efforts, advancing their financial inclusion agendas.

During the previous strategic period of the network - Phase III (2019 to 2023), AFI positioned itself as a policy leadership alliance with a more proactive role in contributing to the global financial inclusion policy landscape. This approach was guided by three core objectives:

(1) providing guidance to members in devising financial inclusion policies and regulations

(2) facilitating enhanced implementation of evidence-based financial inclusion policies through learning offerings and funding support that boost the technical knowledge and capacity of members to address supervision challenges arising from new technologies and business models

(3) playing a proactive agenda-setting role to advance the global financial inclusion agenda

To monitor the progress made by members within the network, the AFI Management Unit regularly collects information from member institutions on the development and implementation of financial inclusion policies and regulations. The annual policy and regulatory reforms survey serves as a key tool for capturing how members engage with AFI services to contribute to policy and regulatory changes within their respective jurisdictions. Additionally, this information forms the foundation of the network's peer-learning and knowledge exchange materials.

This annual report presents a snapshot of the progress made by member institutions in 2023 and highlights notable financial inclusion policy and regulatory trends during the last strategic phase from 2019 to 2023. Data was primarily collected via a survey sent to all members in January 2024. Supplementary information was gathered through follow-ups with respondents, Working Group meeting minutes, progress reports on Maya Declaration Commitments, In-Country Implementation Reports, and secondary research, including publicly available policies, regulations, and press releases from member institutions.



Unidentified street vendor in historic center of Kathmandu, Nepal. (De Visu/Shutterstock)

OVERVIEW OF POLICY AND REGULATORY REFORMS

In 2023, 35 member institutions from the AFI network reported the development and implementation of 93 policy and regulatory changes aimed at enhancing financial inclusion within their jurisdictions.

This figure is lower than the number of policy changes reported by member institutions in 2022, where 46 member institutions reported 112 policy and regulatory changes. This decline correlates with a lower response rate to the survey. Despite this decline, over the last strategic phase (from 2019 to 2023), 70 member institutions have reported a total of 566 policy and regulatory changes, which accounts for more than half of the reported policy changes since AFI's inception in 2008.

70
member
institutions

Over 70% of AFI member institutions have reported and attributed their policy and regulatory reforms to AFI over the last strategic phase (from 2019 - 2023).

Over the past five years, Digital Financial Services (DFS) accounted for almost a quarter of the policy and regulatory changes reported by member institutions. Following DFS, Consumer Empowerment and Market Conduct, SME Finance, and Financial Inclusion Strategy were the next most prominent focus areas. In 2023, DFS (23 percent), SME Finance (16 percent), and Consumer Empowerment and Market Conduct (14 percent) continued to make up the largest share of policy changes reported by members.

Gender Inclusive Finance

Since the adoption of the Denarau Action Plan by the membership council in 2016, there has been a notable increase in policies aimed at enhancing women's financial inclusion. To date, 90 policy and regulatory changes related to Gender Inclusive Finance (GIF) have been reported by 36 AFI member institutions, representing 42 percent of the network's membership. In 2023 alone, 16 member institutions reported the development and implementation of 20 policy and

regulatory changes in this area. This demonstrates that GIF has been prioritized by member institutions and is increasingly embedded both as a cross-cutting theme and a standalone focus in policy and regulatory frameworks across the network, with 78 percent of respondents to the 2023 Member Needs Assessment indicating that women's financial inclusion is a high priority to their institution, up from 47 percent at the start of the Denarau Action Plan's adoption.

Inclusive Green Finance

Inclusive Green Finance (IGF) has also gained increased prominence among member institutions. Since the adoption of the Sharm El-Sheikh Accord in 2017, 15 member institutions have reported the development and implementation of 27 IGF-related policies and regulations. This policy area has become increasingly prioritized, as reflected in the annual Member Needs Assessment survey. In 2023, over 40 percent of respondents identified IGF as a high priority for their institution, a significant increase from just 11 percent at the beginning of the previous strategic phase in 2019. This trend underscores the growing need to incorporate climate resilience and environmental sustainability into financial inclusion strategies and to ensure that climate risk disclosure frameworks are truly proportional.

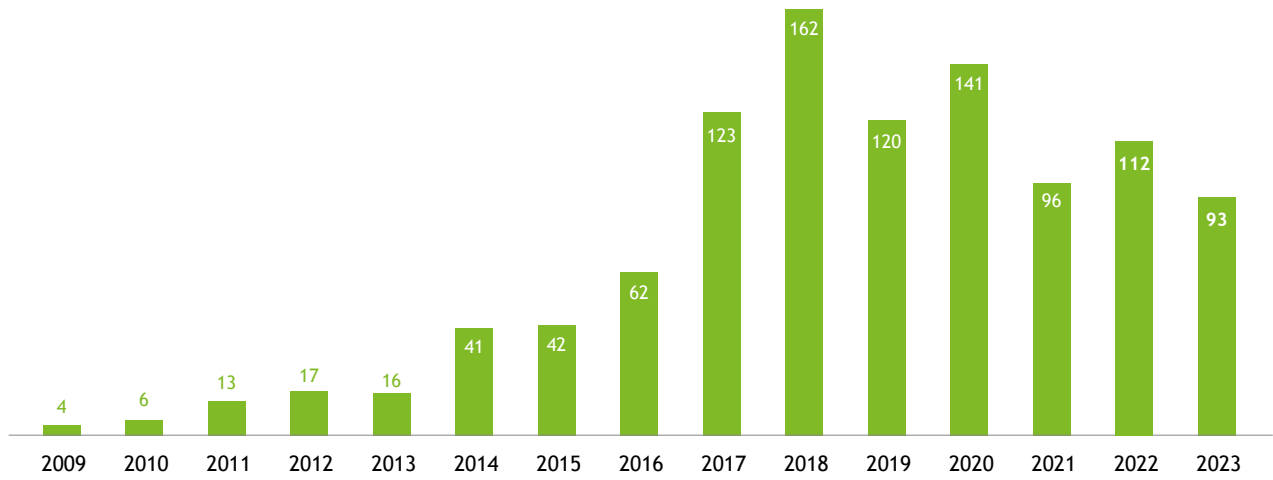
Impact of the COVID-19 Pandemic

The previous strategic phase, covering the network's 2019-2023 period, was significantly impacted by the COVID-19 pandemic, with 16 percent of policy changes reportedly aimed at addressing the immediate negative effects of the pandemic on populations and financial systems. Many of these policies were implemented in 2020, reflecting the urgent response required by policymakers and regulators. Following this period, member institutions gradually returned to more "traditional" policy areas, focusing on strengthening financial systems and creating a conducive regulatory environment to advance the network's collective financial inclusion agenda.

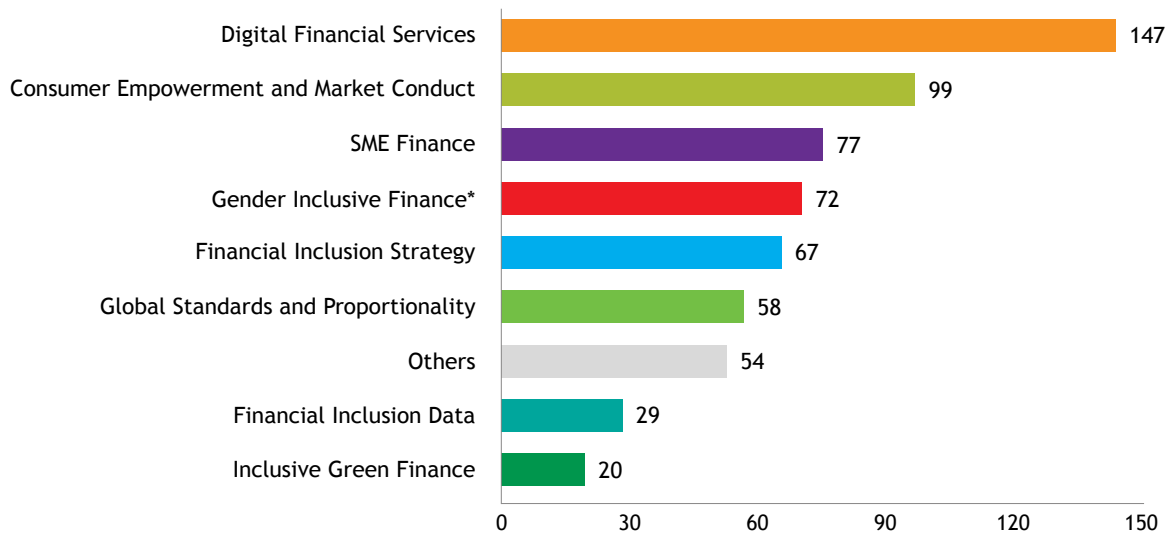
Consistency in Attribution to AFI

Throughout the AFI Strategic Phase III, AFI members consistently attributed their policy and regulatory reforms to AFI at over 60 percent. This affirms the relevance and quality of the services and benefits that AFI has provided to its membership. Additionally, it highlights the effectiveness of the network's peer-learning modality as a vehicle for policymakers and financial regulators to acquire evidence-based knowledge and skills on policy solutions to advance financial inclusion.

POLICY AND REGULATORY CHANGES REPORTED BY AFI MEMBER INSTITUTIONS (2009-2023)



NUMBER OF POLICY AND REGULATORY CHANGES REPORTED BY AFI MEMBER INSTITUTIONS 2019-2023 (BY POLICY AREA)



*Gender Inclusive Finance is a cross-cutting topic, and the number of policy changes shown in the chart above is also counted in other policy areas.

TRENDS IN FINANCIAL INCLUSION POLICY AND REGULATORY REFORMS



CONSUMER EMPOWERMENT AND MARKET CONDUCT



In 2023, 13 policy and regulatory changes related to consumer empowerment and market conduct were reported by 11 member institutions. Over the past five years, 45 member institutions in the AFI network reported developing and implementing 99 policy changes to enhance consumer protection and market conduct as well as to increase financial literacy within their jurisdictions.

Echoing the previous edition of this survey report, an increasing number of member institutions are developing national financial literacy frameworks, strategies, or roadmaps as well as implementing financial literacy initiatives. In the past five years, 23 member institutions have reported doing so, with 10 member institutions reporting having developed dedicated financial literacy and education frameworks, strategies, or road maps.

28 member institutions have reported updating or implementing consumer protection guidelines in the past five years, with six continuing these efforts in 2023. Notably, the Central Bank of Solomon Islands introduced Prudential Guideline No. 21 on Financial Consumer Protection in 2023, which emphasizes fair practices, transparency and disclosure, consumer redress mechanisms, and the protection of consumer data and privacy. It applies to all financial service providers, including those offering digital financial services. The draft guideline was reviewed by the AFI Peer Review through the CEMCWG in 2022.

HIGHLIGHTS



13

reforms were reported by 11 member institutions in 2023.

99

Since 2019, 45 member institutions have reported 99 CEMC-related policy changes.

POLICY TRENDS



Enhancement or enactment of consumer protection laws and regulations; implementation of financial literacy initiatives or setting up financial education strategies or frameworks.

DIGITAL FINANCIAL SERVICES



In 2023, 14 member institutions reported developing or implementing 21 policies and regulations aimed at enhancing digital financial services (DFS) in their respective jurisdictions. Over the past five years, 147 DFS-related policy and regulatory changes have been reported by nearly half the membership.

Building on the trend highlighted in the previous edition of this annual report, the development of FinTech-related policies has continued to gain momentum following the endorsement of the Sochi Accord on FinTech for Financial Inclusion in 2018, with 22 member institutions reporting the implementation such policy and regulatory changes. In 2023, six member institutions advanced these efforts by developing and implementing new FinTech policies.

For instance, Banco Central de São Tomé e Príncipe introduced a Regulatory Sandbox for FinTechs in 2023, with the first phase set to launch in 2024. Additionally, the Council of Ministers of the West African Economic and Monetary Union (UEMOA) adopted the Loi uniforme portant réglementation bancaire dans les Etats membres de l'UMOA (Uniform Law on Banking Regulation in WAEMU) in June 2023. This law introduces specific statutes, including a new framework for supervising FinTech activities. Similarly, the Comisión Nacional de Bancos y Seguros de Honduras issued Resolution GAD No. 393 on 5 June 2023, establishing a Financial Innovation Hub.

Consistent with previous years, policy changes targeting national payment systems remained a prominent focus. For example, Eswatini enacted its National Payments Systems Act in August 2023. Similarly, Banco Nacional de Angola issued Instrutivo N.º. 15/2023 Sistema de Pagamentos: Transferências Instantâneas, Arranjo de Pagamento KWiK, Gestão, Adesão e Participação (Instruction No. 15/2023 Payment Systems: Instant Transfers, KWiK Payment Arrangement, Membership

and Participation) in November 2023. This instruction establishes rules for management, adherence, and participation in the KWiK Payment Arrangement, which operates through the instant transfer system.

Another notable trend, which began in the previous strategic phase (2019 to 2023), involves policy reforms related to e-money. Following the adoption of the Policy Model for E-Money in 2019, which codifies successful approaches within the network into categories critical for a well-functioning e-money environment, sixteen member institutions have reported implementing policy and regulatory reforms related to e-money.

HIGHLIGHTS



21

reforms were reported by 14 member institutions in 2023.

147

Since 2019, 47 member institutions have reported 147 DFS-related policy changes.

POLICY TRENDS



Regulatory sandboxes, national payments systems, e-Money.

FINANCIAL INCLUSION DATA



In 2023, five member institutions introduced policies focused on financial inclusion data and measurement. Since 2019, a total of 28 policy and regulatory reforms were reported by 20 member institutions.

Notably, half of the reforms reported in the previous strategic phase concerning data and measurement have centered on Gender Inclusive Finance. For instance, in 2023, Banco Central de Reserva de El Salvador, Comisión Nacional Bancaria y de Valores de México, and Superintendencia de Banca, Seguros y AFP del Peru implemented new requirements for financial institutions to collect and report sex-disaggregated data.

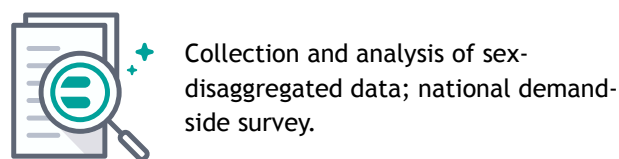
Another significant data and measurement policy change introduced in 2023 is the Instrutivo Aviso N°. 08/2023 - Base de Datos de Contas (Instruction No. 08/2023 Account Database) issued by Banco Nacional de Angola in June 2023. This instruction establishes provisions for the centralization, management, and monitoring of data reporting by financial institutions, focusing on deposit and payment accounts, as well as related information such as agents and operations. The account database is designed to serve as a repository of information, supporting collaboration and the dissemination of macroeconomic indicators, evaluation studies, and statistics.

These policy initiatives highlight the ongoing commitment of AFI members to collect high-quality data that supports evidence-based policymaking.

HIGHLIGHTS



POLICY TRENDS



FINANCIAL INCLUSION STRATEGY



In 2023, eleven Financial Inclusion Strategy-related policy initiatives were introduced by 11 member institutions. Over the past five years, half of the network's members have developed and implemented policies and regulatory reforms related to financial inclusion strategies, with more than 60 member countries to date enacting and implementing their national financial inclusion strategies.

In 2023, the Bank of Papua New Guinea, Ministry of Finance of Eswatini, Central Bank of Jordan, Banque Centrale de Mauritanie, Bank of Tanzania and Bank of Uganda reported the development or launch of their national financial inclusion strategies. Additionally, the Central Bank of The Gambia and Bank al-Maghrib undertook reviews or evaluations of their existing national strategies.

Policy initiatives introduced by the network also include establishing institutional structures to support the development and implementation of financial inclusion initiatives. For instance, Banque Centrale de Mauritanie created a dedicated department within the institution to coordinate the implementation and monitoring of financial inclusion initiatives under the newly launched National Financial Inclusion Strategy. In 2022, Banque Centrale de Mauritanie leveraged In-Country Implementation (ICI) support to conduct financial inclusion diagnostics, develop a national roadmap for the financial inclusion of forcibly displaced persons (FDPs), and establish a governance structure for the National Financial Inclusion Strategy, informing the development of Mauritania's National Financial Inclusion Strategy 2023-2028. Similarly, in September 2023, Banque Centrale des Comores established a separate department dedicated to financial inclusion within the bank.

HIGHLIGHTS



11

reforms were reported by 11 member institutions in 2023.

67

Since 2019, 43 member institutions have reported 67 FIS-related policy changes.

POLICY TRENDS



Development of national financial inclusion strategies; review of existing national financial inclusion strategies.

GENDER INCLUSIVE FINANCE



In 2023, 16 member institutions reported a total of 20 gender-inclusive finance (GIF) policies. Since the adoption of the Denarau Action Plan by the membership council in 2016, 90 policy and regulatory changes related to Gender Inclusive Finance were reported by 36 AFI member institutions, representing 42 percent of the network's membership.

During the previous strategic phase, two key observations emerged:

- (i) women's financial inclusion was prioritized in national financial inclusion strategies by 18 member institutions, and
- (ii) half of the data and measurement-related policy changes focused on the collection of sex-disaggregated demand-side and supply-side data.

Continuing a trend noted in previous editions of this survey, member institutions have been developing standalone GIF-related financial inclusion policies, with 11 institutions doing so over the past five years. For example, in 2023, Bank al-Maghrif initiated the national program for rural women's economic empowerment, which is currently being implemented. This initiative aims to empower rural women economically through four key levers, including financial inclusion. The roadmap and pilot phase of this initiative were developed collaboratively with both public and private sector stakeholders. Another noteworthy example is the Roadmap for the Financial Inclusion of Women in El Salvador, approved by the National Council for Inclusion and Financial Education in December 2023 and coordinated by the Banco Central de Reserva de El Salvador. This roadmap seeks to create a financial system where women can access and use quality financial products and services, while also enhancing their financial capabilities.

HIGHLIGHTS



20

reforms were reported by 16 member institutions in 2023.

72

Since 2019, 35 member institutions have reported 72 GIF-related policy changes.

POLICY TRENDS



Women-focused national financial inclusion policies and frameworks; collection of sex-disaggregated data; standalone GIF policies.

GLOBAL STANDARDS PROPORTIONALITY



Over the past five years, 28 member institutions within the AFI network have developed and implemented 58 policies and regulations related to global standards proportionality (GSP). In 2023 alone, seven member institutions reported the introduction of policy and regulatory changes focused on the proportional application of global standards, aligning financial inclusion, integrity, and stability policy objectives.

Consistent with trends observed in 2021 and 2022, there has been a continued emphasis on financial identity. For instance, the Superintendencia de Bancos de la República Dominicana issued CIRCULAR SB: CSB-REG-202300006 Implementación del sello de identificación de los subagentes bancarios y de cambio de las entidades de intermediación financiera e intermediarios cambiarios, registrados en la Superintendencia de Bancos (identification seal of banking and exchange sub-agent of financial intermediaries entities and exchange intermediaries) in October 2023, which mandates the implementation of an identification seal. This measure is designed to promote trust and reliability between financial intermediaries and their customers, safeguard customer rights, and clearly identify entities approved by the monetary and financial authority through the identification seal.

Another example is the Superintendencia de Banca, Seguros y AFP del Peru, which enacted Resolution SBS N° 0153-2023-MIGRACIONES on 29 July 2023. This resolution approves a contract model for access to the “Online Migrations Services” application of the National Migration Superintendence. The application allows companies operating within the financial system, insurance and reinsurance sectors, and private pension fund administrators to validate the identity of migrants seeking to open bank accounts or conduct financial transactions.

HIGHLIGHTS



9

reforms reported by nine member institutions in 2023.

58

Since 2019, 28 member institutions reported 58 GSP-related policy changes.

POLICY TRENDS



Financial identity; tiered and simplified KYC.

INCLUSIVE GREEN FINANCE



In 2023, 10 member institutions reported the implementation of 12 policies related to Inclusive Green Finance (IGF). Since the adoption of the Sharm El-Sheikh Accord by the membership council in 2017, 15 member institutions have developed or implemented IGF-related policies and regulations.

The prioritization of the IGF workstream has notably increased among member institutions over the past five years. According to the 2023 annual Member Needs Assessment survey, over 40 percent of respondents identified IGF as a priority area, a significant rise from 11 percent at the beginning of the previous strategic phase in 2019. This prioritization is reflected in the policy and regulatory changes reported in 2023. For instance, Banque Centrale de Mauritanie identified the promotion of inclusive green finance as a key strategic objective in its first National Financial Inclusion Strategy 2023-2028. Similarly, the Center for Financial Inclusion (CFI) Eswatini is incorporating green finance as a crucial component in its revised National Financial Inclusion Strategy (NFIS).

During the previous strategic phase (2019-2023), multiple members reported developing and/or implementing Environment and Social Risk Management (ESRM) guidelines. For example, in 2023 the Central Bank of Armenia developed the National Sustainable Finance Roadmap, which outlines the Central Bank's expectations and planned actions for integrating environmental, climate, social, and governance risks into the core processes of financial market participants, thereby supporting Armenia's climate resilience and sustainable economic growth. The draft roadmap underwent AFI Peer Review by the IGFWG in 2023.

Additionally, the Bank of Zambia enacted an internal Green Finance Framework policy in August 2023, which integrates principles of environmental sustainability

into the Bank's monetary, regulatory, and supervisory policies, as well as the operations of financial service providers. The framework also guides the incorporation of international standards on nature and climate-related financial risk assessment and management, disclosures, stress testing, modeling, and reporting within the Bank's supervisory and financial stability frameworks and the risk management practices of its regulated entities.

HIGHLIGHTS



12

reforms were reported by ten member institutions in 2023.

27

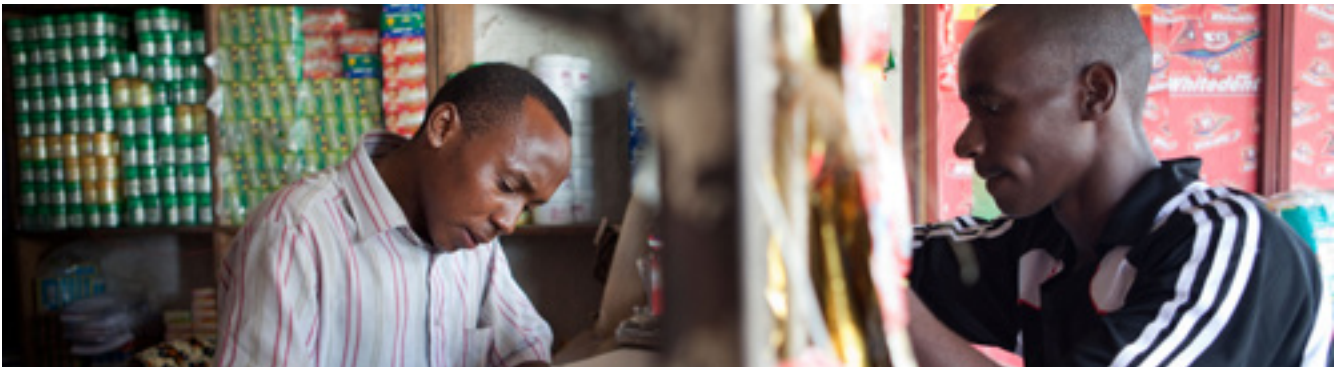
Since 2017, 15 member institutions have reported 27 IGF-related policy changes.

POLICY TRENDS



Sustainable finance; Environment and Social Risk Management (ESRM) Guidelines; green taxonomy.

SME FINANCE



In 2023, 12 member institutions reported the development and implementation of 15 policies focused on SME finance. Over the past five years, 35 member institutions introduced 77 policy reforms aimed at improving access to formal financial services for micro, small, and medium enterprises (MSMEs).

The trend in SME-related policies introduced by AFI member institutions can be divided into two distinct phases. Initially, policies were designed to provide relief and support the recovery of MSMEs from the COVID-19 pandemic. In the last two years, however, there has been a shift towards strengthening the regulatory environment to enhance access to and usage of formal financial services for MSMEs.

One notable example is the Banque Centrale des États de l’Afrique de l’Ouest (BCEAO), which developed “La loi uniforme portant réglementation de la microfinance dans l’UMOA” (Uniform law on microfinance in WAEMU). This initiative aims to create favorable conditions for the balanced development of WAEMU economies by restructuring the decentralized financial sector, ensuring adequate financing, and promoting responsible and sustainable financial inclusion. The eventual adoption of this uniform law is expected to provide WAEMU with a legal framework for the microfinance sector that addresses the challenges faced by the Union’s economies while ensuring financial stability.

A noteworthy trend in SME-related policy reforms over the past two years has been the increased focus on women-owned MSMEs. For example, the Comisión Nacional de Bancos y Seguros de Honduras issued Circular CNBS No.022/2023, which defines the standard categorization of Women MSMEs (Empresa MIPYME Mujer). Similarly, Bangladesh Bank is implementing the Small Enterprise Refinance Scheme for Women

Entrepreneurs. This scheme aims to create more women entrepreneurs by providing them with funds, thereby increasing women’s participation in economic activities and promoting gender equality.

HIGHLIGHTS



15

reforms were reported by 12 member institutions in 2023.

77

Since 2019, 35 member institutions have reported 77 SME-related policy changes

POLICY TRENDS



COVID-19 relief; MSMEs access to credit; women-owned MSMEs.

ATTRIBUTION TO AFI SERVICES AND BENEFITS

This annual policy and regulatory change survey has consistently demonstrated that over 60 percent of member institutions have attributed their financial inclusion advancements to AFI throughout the previous strategic phase. This finding aligns with feedback from the annual Member Needs Assessment, where members affirm the relevance and usefulness of AFI's services in supporting financial inclusion policymaking.

AFI working groups have played a crucial role in knowledge generation and in establishing the network as a center of excellence for financial inclusion.

8.9

This is further corroborated by the Member Needs Assessment, where members rated their perception of AFI's effectiveness at 8.9 out of 10 (with 10 indicating 'strongly agree').

Additionally, these working groups serve as key platforms for peer review of members' financial inclusion policies. Over the past five years, AFI working groups conducted more than 70 peer reviews, with over 40 percent of the membership benefiting from the technical expertise of their peers. Members consistently rated the usefulness of these peer reviews at nine or above (with 10 indicating 'very satisfied'), highlighting the effectiveness of peer-to-peer learning in accessing proven financial inclusion policy solutions within the AFI network.

In the last five years, AFI published over 170 knowledge products, including policy models, frameworks, guideline notes, and toolkits, among others. Members confirmed the relevance and usefulness of these resources, with all seven types of knowledge products receiving a rating of above 8.5 in the past five editions of the annual Member Needs Assessment. Consistent with previous surveys, members cited specific knowledge products they referenced when developing financial inclusion policies, such as the National Financial Inclusion Strategies Toolkit, the National Financial Inclusion Strategy Monitoring and Evaluation Toolkit, and Guideline Note 39 on Sex-Disaggregated Data Report Templates. These

examples illustrate how AFI's knowledge products are utilized by policymakers and financial regulators.

A key objective in AFI's strategic Phase III was to enhance the implementation of evidence-based financial inclusion through learning opportunities and funding support to member institutions. There has been growing demand from members for technical and grant support to develop and implement financial inclusion policies at the country level. During the previous strategic phase, two-thirds of the membership benefited from AFI's In-Country Implementation (ICI) program. The effectiveness of this support is evident in the annual Member Needs Assessments, where members consistently rated the ICI program at about nine out of 10.

Building on the peer-to-peer learning modality, AFI leveraged the technical expertise of its member institutions, with over one-third sharing their knowledge and experience in various capacity-building initiatives annually throughout the previous strategic phase. Consequently, over 80 percent of the network have benefited from these initiatives each year, and more than 60 percent of the policy and regulatory changes reported since 2019 were attributed to AFI's capacity-building efforts.

CONCLUSION



When examining the policy and regulatory changes reported by member institutions over the past years, a clear trend has emerged: a shift towards more refined and targeted reforms.

This trend suggests that member institutions, having previously introduced foundational policies, such as national financial inclusion strategies, national payments system acts, or financial consumer protection regulations, are now in the phase of implementing or reviewing these frameworks. These reviews aim to address emerging challenges and opportunities across the three dimensions of financial inclusion namely access, usage and quality. For instance, recent updates or new policies focus on enhancing financial inclusion through digitization, such as refining payment systems or establishing regulatory sandboxes to support FinTech innovations.

However, it is important to note that the data collected in this survey represents only the policy and regulatory changes that member institutions have reported and attributed to AFI and does not provide a comprehensive record of all financial inclusion policies, regulations, and initiatives introduced across the full scope of their financial inclusion agendas.

Overall, there has been a decreasing trend in the number of policy and regulatory changes reported and attributed to AFI since 2019. This should not be interpreted as a decline in the efforts or focus of members in advancing financial inclusion, rather, it reflects the nuanced and incremental nature of the policy development and implementation process. The annual policy changes reported by members represent the culmination of cumulative efforts by policymakers and financial regulators over time. Financial inclusion policies and regulations are inherently complex and cannot be developed or implemented overnight. Therefore, the quantity of policies and regulations introduced does not necessarily correlate with the breadth or depth of the financial inclusion outcomes achieved by members.

In this context, while the network has made significant strides in advancing its financial inclusion agenda, there remains a need for member institutions to continuously monitor and assess both the intended and unintended impacts of these policies on financial

inclusion, consumer financial health, and the broader financial system. These assessments require ongoing, consistent, and effective data collection, including the use of the AFI Core Set of Financial Inclusion Indicators. Given that the effects of these policies may not be immediately apparent and can take more than a year to materialize, ongoing monitoring is essential to fully understand their long-term impacts.

Alliance for Financial Inclusion

AFI, Sasana Kijang, 2, Jalan Dato' Onn, 50480 Kuala Lumpur, Malaysia
t +60 3 2776 9000 e info@afi-global.org www.afi-global.org

 Alliance for Financial Inclusion  AFI.History  @NewsAFI  @afinetwork