



Unlocking Public and Private
Finance for the Poor

HOW **FINANCIAL INCLUSION** STRATEGIES SUPPORT **INCLUSIVE GROWTH: THE** ROLE OF **COUNTRY-LEVEL** **DIAGNOSTICS AND DATA**

WHAT: Side event hosted by UNCDF in the margins of the ECOSOC Special Meeting on Inequality

WHEN: 30 March 2016, 1:15pm to 2:30pm
(light luncheon to be provided from 1pm)

WHERE: UN Conference Building – Conference Room 7

»»» BACKGROUND

High or rising income inequality characterizes many countries. A significant majority of households in developing countries—more than 75 percent of the population—are living in societies where income is more unequally distributed than it was in the 1990s.

Financial inclusion can support overall inclusive growth and the achievement of broader development goals. It is a key enabler to achieving a number of SDGs and can support efforts to reduce poverty, end hunger, ensure healthy lives, achieve gender equality, and promote entrepreneurship; small and medium enterprises; and inclusive growth. There is also evidence that increased financial inclusion can promote pro-poor growth and reduce inequalities. This can work, for example, by disproportionately relaxing the credit limitations on poor people who do not have collateral or credit history or by ensuring that women can open an account without seeking permission of their husband or father.

Considerable progress has been made in expanding financial services to unbanked populations. Between 2011 and 2014, the unbanked population dropped by 20 percent, from 2.5 billion to 2 billion. However, there still remain many opportunities to increase financial inclusion. Understanding market dynamics and client needs at the country level is essential to that end. Financial service products need to respond to the specific contexts and cultures of different clients and countries. As the Consultative Group to Assist the Poor notes in updated guidance to funders, “the

diagnostic process is the backbone of a market systems approach. It is the critical entry point for establishing contacts with market actors, galvanizing potential partners, bringing people into the process, sharing initial ideas, and in so doing, gaining buy-in from stakeholders who are indispensable to the process."

Through its Making Access Possible (MAP) diagnostics and stakeholder processes, UNCDF provides a statistically significant data set on demand for and supply of financial services, as well as legal and regulatory and other contextual factors. This "reveals" potential markets and helps governments to define their own financial inclusion strategies and roadmaps based on detailed data and solid analytics. This informs policymakers, regulators, financial service providers, other private sector actors, and donors on how best to expand financial inclusion and align resources and investments with financial market and development priorities.

In the margins of the ECOSOC Special Meeting on Inequality and the first Preparatory Meeting of Experts for the comprehensive high-level midterm review of the implementation of the Istanbul Programme of Action for the Least Developed Countries, this side event seeks to share lessons from UNCDF's MAP tool and how it is supporting the expansion of access to financial services for low-income households; micro and small enterprises; and, for example, building solid eco-systems that will enable the adoption of digital financial services at scale.

Specifically, the side event will discuss findings from the MAP Global Insights Notes which synthesise the learnings across MAP pilot countries. The findings are providing unique insights into a range of issues such as the importance of placing customers at the centre of analysis to drive policy and regulation; shifting financial inclusion measurement away from focusing solely on access to usage, to closely match how adults live their financial lives; why most adults still rely on locally delivered financial services as opposed to remote services; and what are the different user experiences with mobile money in different countries.

»»» OBJECTIVES

- »»» To share lessons about the various opportunities and challenges in using country-level data to improve decision-making and reveal markets for expanding access to financial services;
- »»» To discuss how better diagnostics and data can help ensure that financial inclusion strategies help tackle inequalities; and
- »»» To share cross-country lessons and findings emerging from the Making Access Possible programme's findings in its six pilot countries and what the implications of these lessons are for the future direction of financial inclusion strategies.

»»» FORMAT

Opening remarks:

- »»» **Ms Judith Karl**, Executive Secretary of the United Nations Capital Development Fund
- »»» **H.E. Mr Durga P. Bhattarai**, Ambassador and Permanent Representative of Nepal to the United Nations

Technical presentation on MAP:

- »»» **Ms Kameshnee Naidoo**, MAP Programme Advisor, United Nations Capital Development Fund

Discussants:

- »»» **Mr Adebayo Babajide**, Minister Counsellor, European Union Delegation to the United Nations
- »»» **Mr Anne Poorta**, SDG and FFD Coordinator, Permanent Mission of the Kingdom of the Netherlands to the United Nations

Interactive Q&A with audience

Moderator: Mr Henri Dommel, Director of Inclusive Finance, United Nations Capital Development Fund