



The overall policy context for enabling inclusive finance



Anne-Françoise Lefèvre
WSBI UNCITRAL Conference on Microfinance
12/13 January 2011

The World Savings Banks Institute (WSBI)

- International retail banking association
- Bringing together individual banks and national banking associations, from « developing » countries and « mature » markets
- 111 members in 90 countries
- Sister organisation: European Savings Banks Group (ESBG) (25 members in 25 countries)
- Advocacy, Consultancy and Training, Business Cooperation services

WSBI Membership

Europe:

36 Members from
30 countries

Asia-Pacific:

22 Members from
16 countries

Americas:

16 Members from
13 countries

Africa:

37 Members from
31 countries

(As of June 2010)

Savings and socially committed retail banks,
which fulfill the **3Rs** criteria: **R**etail, **R**egional
and **R**esponsible

WSBI and inclusive finance

- Of the 1.4 billion accounts existing at institutions within developing economies with an explicit mission to foster access, 1.1 billion are provided by savings banks
- Accessibility, proximity, adapted products and services, social commitment, and long-term trust are the key success factors
- « Doubling the number of savings accounts » project, with the support of the Bill and Melinda Gates Foundation (Burkina Faso, El Salvador, Indonesia, Kenya, Lesotho, Morocco, South Africa, Tanzania, Uganda, Vietnam)

WSBI and microfinance

- An extensive definition of microfinance
 - Includes microcredit but also microsavings, microinsurance, micro-payments and low value remittances services
 - Involves both:
 - ✓ *ad hoc* microfinance vehicles and programmes offered by member banks, eg. *BancoEstado MicroEmpresa Chile*
 - ✓ small scale services provided as part of the regular banking offer, eg. *deposit balance < 15 USD for 3/4 accounts at Tanzania Postal Bank*

Inclusive finance and microfinance

- Inclusive finance/Access to finance/Financial access/Bancarisation
 - = provision of access to a wide range of convenient and affordable financial services to all categories of the population, including the low-income and most vulnerable
- Microfinance is one of the tools to achieve inclusive finance
 - + Financial education, SME financing, Consumer protection, Technology and innovation etc

Political momentum around the issue of inclusive finance

- « *Mutually reinforcing objectives of financial stability, financial integrity, financial inclusion and consumer protection* » G20, Toronto and Seoul 2010 Summits
- On the agenda of banking/financial standard-setters and policy bodies, not only development agencies
- Move from an awareness-raising to a solution development stage

Microfinance as part of a broader inclusive finance agenda

- Inclusive finance strategy to be defined at national government level, incl.:
 - Impact on sustainable economic growth and poverty reduction
 - Proportionate rules and regulations to reach underserved groups
 - Pluralism of the banking system for the provision of broad and deep access for all
 - Encouraging access to formal financial services
 - Diversification of distribution channels to fill the accessibility gap and enlarge the outreach
 - Incentives for the mobilisation of (small) savings

Microfinance as part of a broader inclusive finance agenda

- Proportionate rules to take into account the specificities of reaching out to the underserved groups:
 - Regulatory framework with the right balance between the risks to mitigate and the implementation costs
 - Appropriate supervisory capacities
 - Examples:
 - FATF Guidance on AML/CFT Standards and financial inclusion
 - Basel Committee on Banking Supervision Guidance for microfinance activities

Microfinance as part of a broader inclusive finance agenda

- Diversification of distribution channels to fill the accessibility gap, through partnerships:
 - Banks/MFIs: downscaling for banks/deposit facilities for MFIs + link to the formal sector
 - Financial services providers/non bank players e.g. mobile phone operators, retail outlets (pharmacies, petrol stations, lottery kiosks etc) - « *branchless banking* », *banking beyond branches* »
- ⇒ Enhanced accessibility and proximity for financial services providers/extension of product offer for non bank retailers

Microfinance as part of a broader inclusive finance agenda

- Enabling the setting-up of deposit-taking institutions, provided that the relevant prudential requirements are defined:
 - Protection of depositors' money
 - Long-term trust in the formal banking system
 - Level playing field between all financial services providers ("*Same business, same risks, same rules*")
 - Focus on the microfinance services, regardless of the type of institutions involved

For more information: savings-banks.com

The screenshot shows a Windows Internet Explorer browser window displaying the homepage of savings-banks.com. The address bar shows the URL <http://www.savings-banks.com/PortalHome.aspx>. The browser's menu bar includes File, Edit, View, Favorites, Tools, and Help. The toolbar contains a Google search box, a search button, and various utility icons like Share, Check, Translate, and AutoFill. The website header features the logos for WSBI (World Savings Banks Institute) and ESBG (European Savings Banks Group), along with the tagline "THE GLOBAL VOICE OF SAVINGS AND RETAIL BANKING". Below the header is a search bar and a paragraph of introductory text. The main content area is divided into several sections: a left sidebar with navigation links (WSBI, ESBG, Members area, Contact, Subscribe to News & Views); a central article titled "DOUBLING SAVINGS ACCOUNTS FOR THE POOR" with sub-links for projects, grants, and lessons learned; a right sidebar with a "Press overview" and other publications; and a bottom row of five featured items: "New Publication" (Special issue on EU Retail Banking Reform Right), "Consultants" (CV registration), "Remittances" (international remittance services), "Training" (WSBI Branch Management and Risk Management), and "Conference" (EU Retail Banking Getting reform right). The footer contains the contact information for WSBI-ESBG in Brussels.

Savings Banks - The Global Voice of Savings and Retail Banking - Windows Internet Explorer
http://www.savings-banks.com/PortalHome.aspx

File Edit View Favorites Tools Help

Google Search Share Check Translate AutoFill Sign In

Savings Banks - The Global Voice of Savings and ...

WSBI ESBG THE GLOBAL VOICE OF SAVINGS AND RETAIL BANKING

Search

WSBI (World Savings Banks Institute) and ESBG (European Savings Banks Group) represent the global and European voice of savings and retail banks. All WSBI/ESBG members are Retail oriented, Regionally focused and are Responsible members of their communities.

DOUBLING SAVINGS ACCOUNTS FOR THE POOR

- > [10 projects to double savings accounts](#)
- > [New grant from Bill & Melinda Gates Foundation](#)
- > [Lessons learned](#)

with the support of the Bill & Melinda Gates Foundation

- Press overview WSBI - ESBG
- Publications WSBI - ESBG
- Corporate Social Responsibility
- Training & Consultancy
- SEPA with a view

New Publication

Download the [Special issue of news and views - EU Retail Banking Getting Reform Right](#)

Consultants

CONSULTANTS
Register or update your CV

Remittances

REMITTANCES SWITCH
Receive and send international remittances from and to 90 countries with minimum cost

Training

New programmes:

- WSBI Branch Management
- WSBI Risk Management

Conference

EU Retail Banking Getting reform right
2 December 2010

[Proceedings](#)

© WSBI-ESBG - rue Marie-Thérèse 11 - 1000 Brussels - Tel.: + 32 2 211 11 11

Done Internet | Protected Mode: On 100%



Anne-Francoise Lefèvre

World Savings Banks Institute

anne-francoise.lefevre@savings-banks.com

+ 32 2 211 11 31