



Media Statement

The National Treasury of the Republic of South Africa and the Alliance for Financial Inclusion (AFI) will over the next three days host the 4th Global Policy Forum (GPF), the world's leading platform for financial inclusion policy discussions.

Founded in 2008, AFI is a global network of financial policymakers from developing and emerging countries working together to increase access to appropriate financial services for the poor.

Financial inclusion is about ensuring that low income households have greater access to financial services and encouraging financial institutions to provide these services at affordable prices. Access to appropriate and affordable banking, credit, saving and insurance services helps the poor to raise and protect their standards of living. Increasing access to formal financial services for individuals, households and micro, small and medium enterprises (MSME) has substantial benefits for the economy, including job creation and increasing the productive economic capacity and leading to the empowerment of disadvantaged groups.

Whilst an increasing number of people have greater access to financial services, more work still needs to be done to extend these services to an estimated 2.5 billion people around the world that remain financially excluded. During the next three days of GPF 2012, which will be held in Cape Town, more than 350 delegates and policymakers from over 70 countries will share insights and policy approaches on how to improve the lives of the financially excluded by safely and effectively bringing them into the financial mainstream. More than half of the countries in Africa will be represented and delegates will include 14 governors of central banks.

Under the theme of 'Making Financial Inclusion Real', the forum will see active debate about the impact of financial inclusion policies in the real economy across the globe.

At the 2011 GPF in Mexico, AFI launched the Maya Declaration, the first set of global measurable financial inclusion commitments by developing and emerging countries. Participants who made commitments will report on their progress. The 2012 GPF will demonstrate commitment to financial inclusion with Cape Town additions to the Maya Declaration. Countries will be given an opportunity to commit to outcomes that will lead to real change.

This year's forum will also see participants working to strengthen regional cooperation groups. Deliberations at the Africa regional group are expected to focus on plans for the newly created Africa Mobile Financial Services Policy Initiative (AMPI). The AMPI initiative will be looking for ways to utilise existing mobile networks to increase financial services and explore areas of cooperation to accelerate

financial inclusion across the continent. Penetration of mobile phones in Africa far exceeds the level of financial inclusion. Mobile financial services, in various forms, therefore hold dramatic potential to make significant increases in both access to and the usability of financial services.

South Africa, which launched the Financial Sector Charter in 2004 with the commitment of key stakeholders to measurable access targets, presents an interesting study for financial inclusion in the context of the developing world. Financial institutions have committed themselves to access targets in terms of the Charter, to be determined by the Charter Council, comprising government, trade unions, community groups and government representatives. As a result, notwithstanding the country's history of imbalances, 68 percent of the adult population currently has access to some form of financial services from formal service providers. During the GPF this experience will be shared, with the aim of both imparting our experiences as well inviting insights from others to improve the South African approach.

Financial inclusion alone cannot lift people out of poverty but it can provide them with an opportunity to improve their lives. Within financial services, the market conduct of service providers and the continued focus on financial literacy plays a crucial role. In the AFI network these aspects are of increasing importance and will feature in a number of sessions during the GPF.

Extending financial services, particularly in developing nations, will go a long way in reducing poverty. The aim of this forum is to deepen the insight and increase the commitment to improve financial inclusion, to the advantage of particularly the financially disenfranchised in the world.

PLEASE NOTE: The Global Policy Forum is for invited members and partners of the AFI network. However, the opening ceremonies and initial debate sessions will be open for registered members of the media. A live feed of these sessions will also be accessible through the following link: <http://eventscentral.co.za/livestream/afi2012/>

Issued by the National Treasury and Alliance for Financial Inclusion

25 September 2012