CGAP
WEBINAR
Advancing DFS Reforms Through Public-Private Dialogue
Lessons for Funders
February 27, 2020
9:00 am - 10:00 am (US ET)
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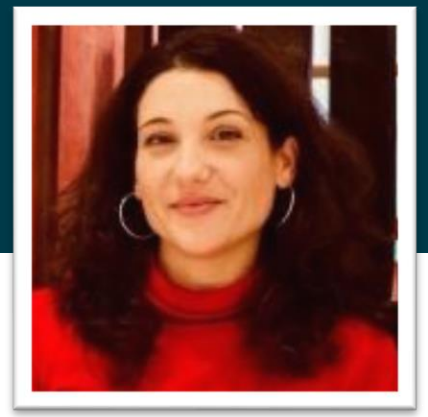
Speakers

Silvia Baur-Yazbeck
Consultative Group to Assist the Poor

Ilya Sverdlov
Alliance for Financial Inclusion

Bilal Yan Hagen
Deutsche Gesellschaft für Internationale Zusammenarbeit



Laura Atienza
European Commission,
Directorate General International Partnerships

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Agenda

9:00	Introduction
9:05	AFI's Public-Private Dialogue Platform
9:15	The DFS Council in Jordan
9:25	Building Staff Capacity for PPD Facilitation
9:35	Moderated Discussion
9:50	Q&A

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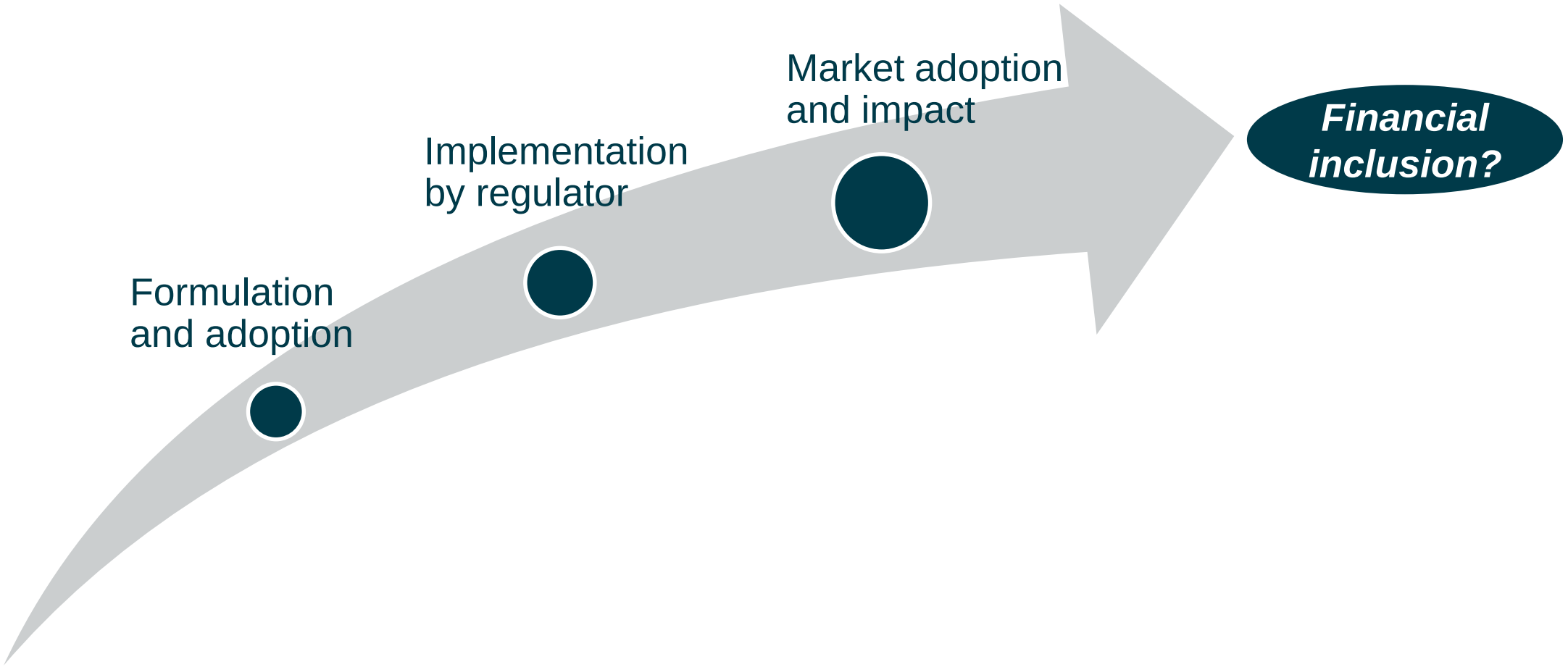
Where and why does PPD matter for DFS regulatory reform



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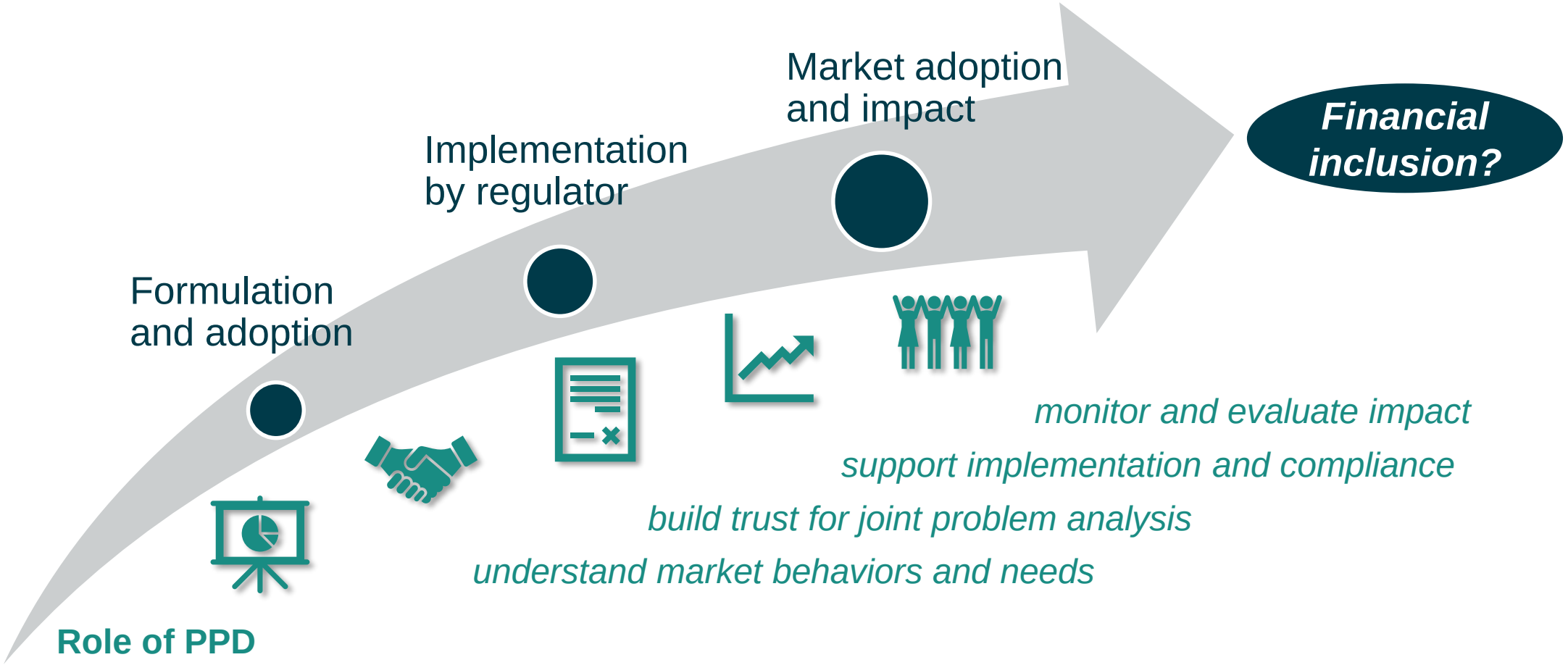

AFI's Public-Private Dialogue Platform

Ilya Sverdlov, Head of Global Partnerships,
Alliance for Financial Inclusion (AFI)

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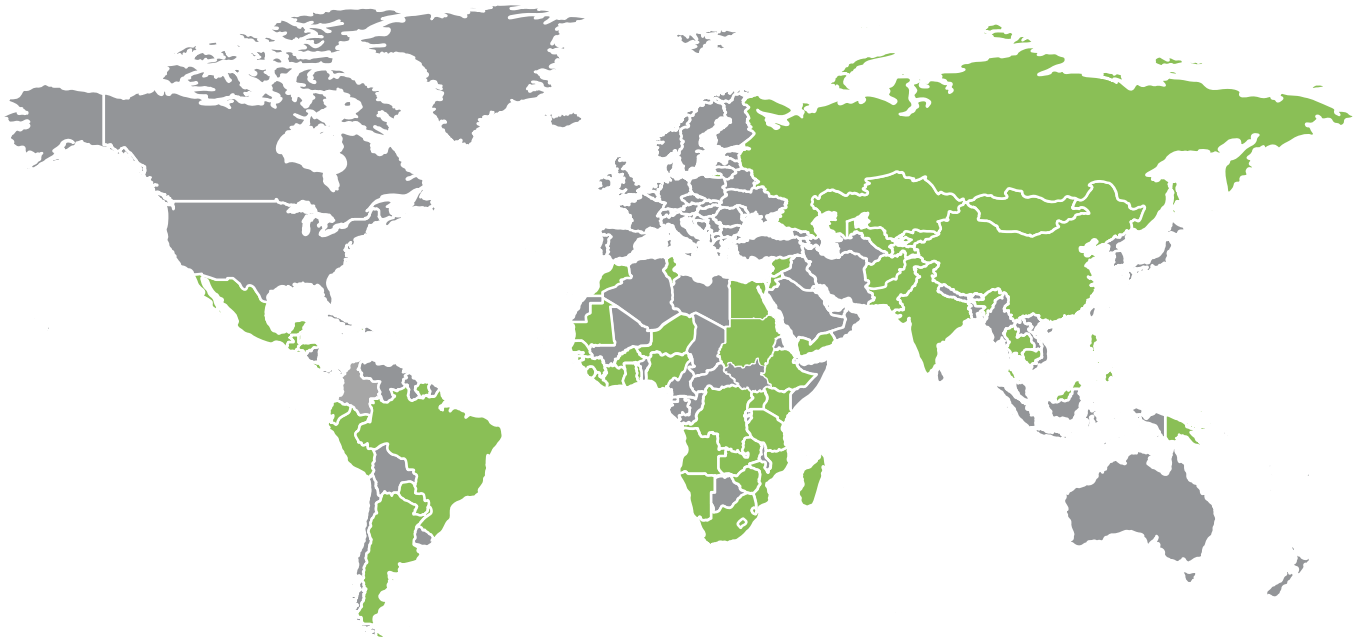
#afiGlobal

www.afi-global.org

100 financial sector policymakers and regulators from **89** emerging and developing countries, working together to advance financial inclusion

Representing about **85%** of global unbanked population



> **AFI's institutional identity is marked by a real sense of member ownership and peer exchange, which has never been done before on this scale.**

Prof. Benno N'dulu, former Governor of the Central Bank of Tanzania, former AFI Chair

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AFI Public-Private Dialogue (PPD) Platform

Objective

Leverage private sector expertise to provide AFI members with the tools and resources to develop, share and implement cutting-edge financial inclusion policies

PPD Activity Pillars

1. Leaders' dialogue and knowledge exchange
2. Technical training of AFI members delivered by private sector partners
3. Private sector insights to AFI knowledge products

AFI's PPD Partners

Banks, payment platforms, telcos, technology innovators, other industry stakeholders

PPD benefits to members and partners

BENEFITS FOR AFI MEMBERS (POLICYMAKERS)

- Enriched understanding of market opportunities and realities
- Capacity building through customized training
- Technical inputs from private sector in specific policy areas
- Early exposure to innovations to scale up policy solutions
- Market information and data from private sector
- Cross-border perspectives

BENEFITS FOR PRIVATE SECTOR PARTNERS

- Systematic engagement with senior policymakers and regulators
- Timely insights on new and emerging policy issues and decisions
- Opportunity to assist policymakers in identifying and addressing regulatory and policy barriers
- Open minds, open ears

Progress

200 policymakers trained each year by PPD partners.
Dozens of policy reforms informed through PPD.

2020 Mitigating extended risks of emerging technologies**: consumer protection, data privacy.**

2019 AFI's Guideline Note on **Cybersecurity** for Financial Inclusion; and **Responsible Digital Credit in Africa**.

2018 Digital cross-border payments (global) and AFI's Policy Framework for Innovative **Cross-Border Remittances in Africa**.

2017 Consensus on "Harnessing Potential of Emerging Technologies to Close the Financial Inclusion **Gender Gap**."

2016 Consensus on "Key Regulatory and Market Challenges to **Scaling DFS in Emerging Markets**"

2015 AFI **PPD Engagement Principles** agreed during 2015 World Economic Forum, Davos , Switzerland

2014 **Launch of the PPD** Platform at AFI Global Policy Forum in Trinidad, September 2014

Success factors, lessons

- **Protocols** must be adhered to.
- Win-win topics, focus on **non-competitive** issues.
- Systematic and honest dialogue **builds trust**, over time.
- Policymakers' "turf" **empowers** both sides and strengthens engagement.
- Agendas **driven by participants**, not donors or development partners.
- Policy dialogue on emerging technologies must be combined with technical **capacity building**.
- PPD is not a standalone. Should lead to **practical policy follow up**, be part of a broader policy work scope.

and:

- Public and private sector must commit to ensure the PPD is **financially sustainable**.

Mindset changes
Landscape shifts
Convergence of interests

> **We, Central Bank Governors, increasingly view ourselves as champions of private sector development in our markets…this requires a different kind of thinking.**
>
> *Prof. Njuguna Ndungu, former Governor of the Central Bank of Kenya and former AFI Chair*

The DFS Council in Jordan

Bilal Yan Hagen, Head of Project,
Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ)

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

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DIGI#ANCES

Improving Access to Remittances and other Financial Services through Digital Solutions in Jordan

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

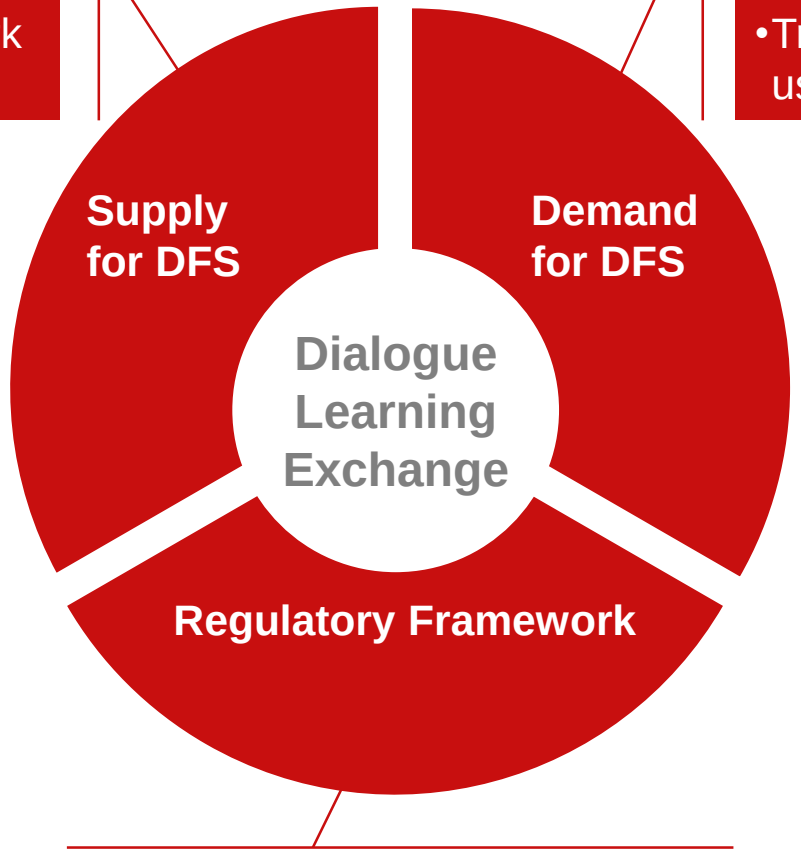
1. Jordan’s fin. ecosystem at a glance

- High influx of **refugees**
- 42.5% of the adult population (15 years old and older) has access to **financial services**
- **Remittance** inflows are 11+ % of Jordan’s GDP (2017)
- 6 licensed payment service providers (PSPs) to offer their **digital financial services (DFS)**

2. Our Approach

- Connecting humanit. payments with mobile wallets
- Improve agent network
- Pilot CBR corridor

- Awareness raising
- Coordination
- Training of end-users



- Support CBJ in capacity building
- Support CBJ in regulatory adoptions or introduction if necessary

3. Background DFS Council I

When

DFS Council was established in **2015**

Why

Until 2015 **no regulation** for DFSs (new area of expertise for the Central Bank of Jordan)
Until 2015 **no Payment Service Provider** in the market
Need for stakeholders (e.g. CBJ, PSPs, humanitarian organisations, MFIs) to **exchange and co-create**

Objective

Counsel the CBJ (regulator) and **enrich knowledge** of its members on topics relevant to the growth of the DFS sector

Discuss suggestions and concerns of private sector in a dialogue during the development of new regulations and guidelines

Exchange experiences, learn form each other and jointly contribute to the **development of DFS sector in Jordan**

4. Background DFS Council II

How (role of the secretariat)

Identify relevant stakeholders

Identify relevant topics and external speakers/guests in coordination with partner

Deals with administrative and logistics tasks

5. Methodology

- DFS Council was set in a consultative process with mainly CBJ and key stakeholders
- Different stakeholders were hosting the DFS Council on a rotative basis (until reshaping in 2019)
- Frequency is every 3-4 months (formerly 5h - now 2h)
- Each stakeholder participates with max. 2 persons, who are expected to be always the same in order to provide continuity
- Facilitation of the meeting is ideally done by neutral side (e.g. GIZ)
- Different methodologies are used during the meeting: mix participants on different tables or working groups with presentation of results in plenary, input from experts with Q&A, fishbowl discussions etc.

6. Members

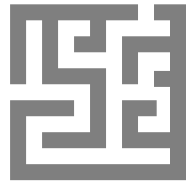
Central Bank of Jordan, other regulatory bodies, private sector stakeholders (PSPs), selected expert and humanitarian organisations

Exclusive platform that is not open to the public

2019 change of format – from **40** member organizations to **28**

6. Main Achievements and Challenges

- Successful creation and shaping of DFS sector in Jordan
  - broad usage of DFSs and increasing number PSPs
- Participatory
  - trust to speak openly
- High motivation in first years to create and shape the market
- Strong interest of private and public sector



- Limits of DFS Council (it is not a decision making tool but a dialogue platform)
- Need to reshape DFS Council setting in 2019
  - Change of focus due to the maturity of the sector (more specific needs and concerns instead of elementary topics at the beginning)
- Create ownership of the Council by CBJ (tasks of secretariat, incl. organisation of venue, topics, invitations and follow up should be taken over by partner in order to assure sustainability)

Building Staff Capacity for PPD Facilitation

Laura Atienza Urcelay

Policy Officer, Private Sector and Trade

European Commission, DG International Partnerships

Laura.atienza@ec.europa.eu

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European Commission

This presentation is about

- Why Devco is working more in PPD
- Why are we developing more capacity in PPD
- How are we doing it

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European Commission

6 Commission priorities for 2019-24

A European Green Deal

Striving to be the first climate-neutral continent

An economy that works for people

Working for social fairness and prosperity

A Europe fit for the digital age

Empowering people with a new generation of technologies

Promoting our European way of life

Building a Union of equality in which we all have the same access to opportunities.

A stronger Europe in the world

Europe to strive for more by strengthening our unique brand of responsible global leadership

A new push for European democracy

Nurturing, protecting and strengthening our democracy

European Commission

DG International Cooperation and Development (Devco)

- Mission: Eradicate poverty and foster sustainable development
- Geographical scope: non industrialised third countries
- Around 900 staff in headquarters and 4000 in 123 EU Delegations

The External Investment Plan (EIP)

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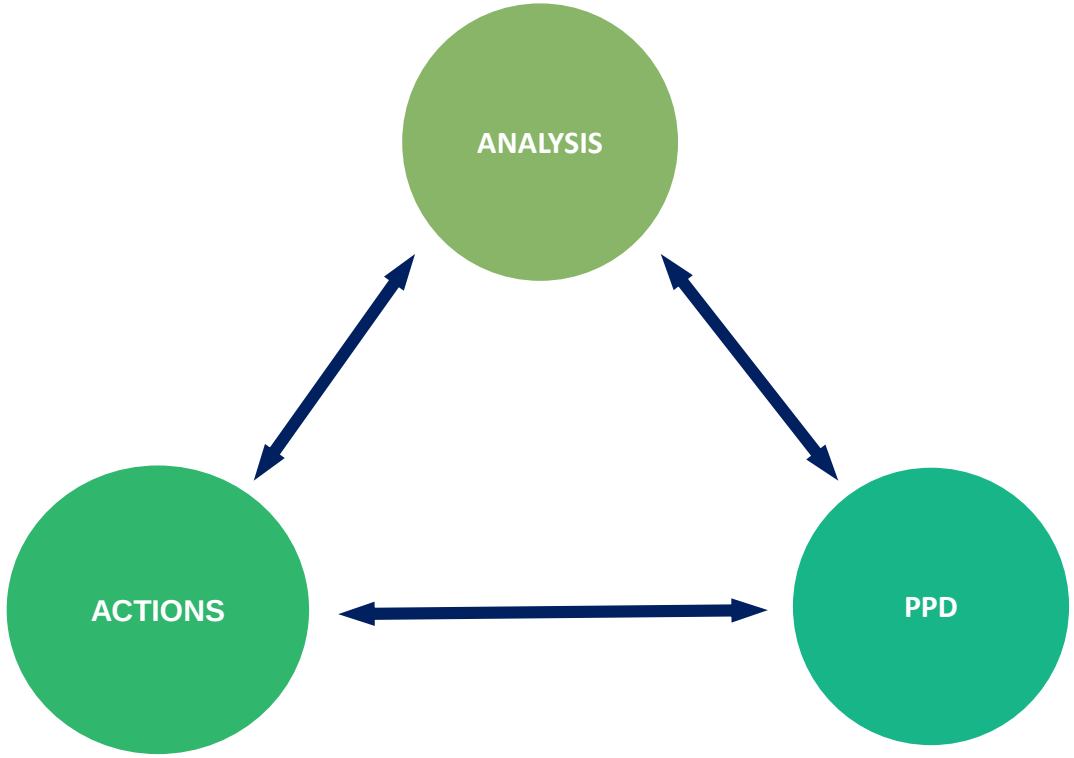
EIP Pillar 3: Investment climate improvement



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Increasing EU support to PPD

- **Improve capacities:** investment climate analysis; facilitation of public-private dialogue and in the design, implementation and follow up of priority actions, through:

  - « Programme approach » in policy implementation: the Sustainable Business for Africa platform (SB4A)
  - In house long-term approach knowledge development
  - Internal Capacity building
  - Short term consultancy support for EU Delegations
  - With support from the TPSD Facility managed by DAI

- Further coordination/joint work with the EU Member States

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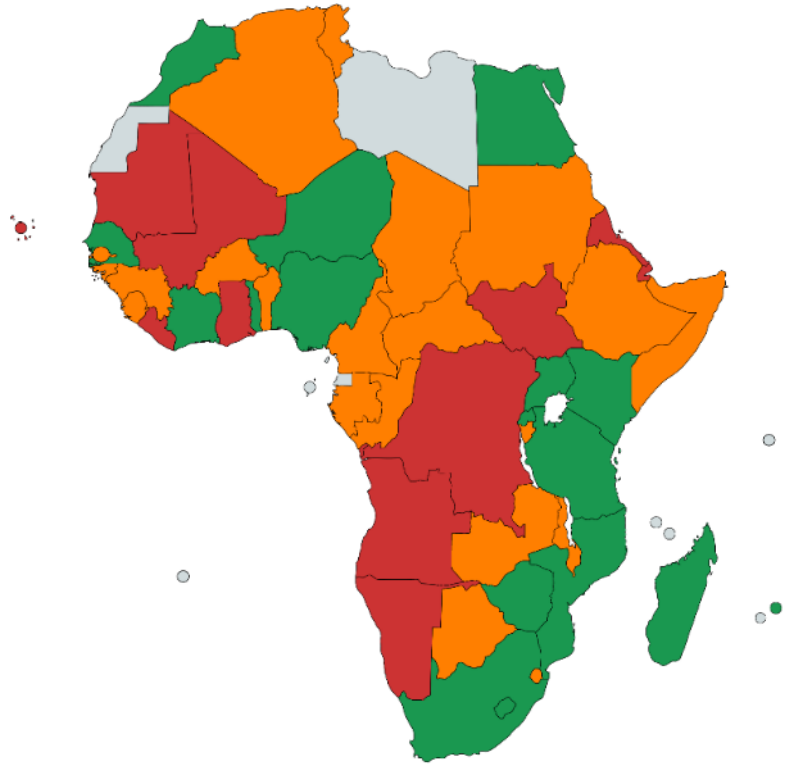
Baseline

- February 2019: Survey to all African EU Delegations (49) about their knowledge and role in facilitating local PPDs, and about the situation of PPD in the country.

- SB4A Country profiles
- Map of SB4A status
- Yearly exercice



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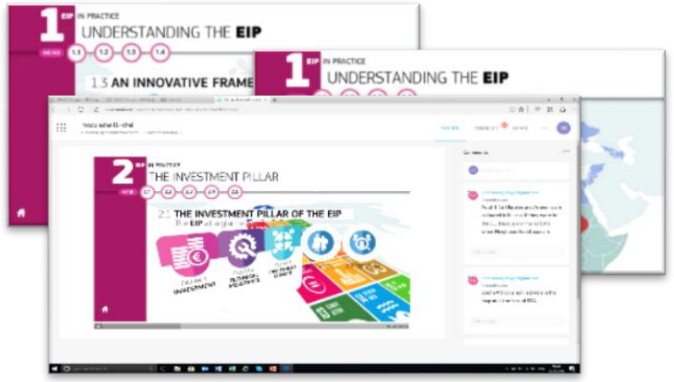
Learning

- More than 800 people trained (physical) on the EIP in 2018 and 2019 (including a specific module on PPD), and other private sector and trade matters (WEE, MSME, Aid for trade)

- Learning videos and Infopoint sessions on PPD and PPD in fragile context, focusing on case studies/examples (Liberia and Tanzania)



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Guidelines/reference documents

- Sustainable Business for Africa (SB4A) guidelines on PPD
- Investment Climate Handbook on implementing pillar 3
- Business Environment Reform (BER) guidelines
- Under preparation: Thematic Note on PPD including a specific chapter of PPD in fragile context

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Peer exchange and support

- Daily contact and support to colleagues
- SB4A Network (around 300 people from Delegations and HQ interested in PPD/BER): regular newsletter/emails of information
- SB4A Annual meeting: focus on practical examples and exchange between peers; Interviews and videos
- Sharepoint for Delegations and headquarters
- Webstream/videos: last Infopoint followed by 25 Delegations

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Short-term technical assistance

As of February 2020:
32 missions in 26 countries
(at the demand of EU Delegations)

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Examples of results

- Mapping of the private sector and PPD Roadmap (Benin, Chad, Guinea Conakry)
- Mainstreaming PPD in existing and new programmes: Budget support programmes (Senegal, Ivory Coast)
- New PPD processes facilitated by the EU: SB4Uganda
- Bilateral Business Forums EU-Togo, EU-Ghana, EU-Uganda…

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What's Next

New programmes to support PPD and investment climate

- Three programmes implemented by a consortium of EU Member States, the World Bank and a consortium of international organisations
- At the demand of EU Delegations and partner countries
- Contact: Miguel.campo-llopis@ec.europa.eu

Further develop specific areas: Digital, WEE

- Knowledge to be developed and disseminated in specific subjects
  - how the use of technologies can be used/of benefit of PPD processes and BER
  - how to ensure an adequate WEE approach in PPD; BER and Gender
  - business and human rights: successful examples
- « Globalisation » of the EIP approach to other regions: further coverage and case studies

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Q&A with Speakers

Please submit your questions using the chat box on the right.
Please send to “all participants” to ensure everyone sees your question.

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Thank you

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Sida

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CREDIT SUISSE

CDC
Investment works

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