



FINANCIAL INCLUSION DATA
(FID) WORKING GROUP



SME FINANCE (SMEF)
WORKING GROUP

RESERVE BANK OF VANUATU CO-HOSTS AFI FIDWG & SMEFWG JOINT WORKING GROUP MEETING

PORT VILA/KUALA LUMPUR (16 March 2021) - [Reserve Bank of Vanuatu](#) (RBV) and the [Alliance for Financial Inclusion](#) (AFI) co-hosted the 23rd [Financial Inclusion Data Working Group](#) (FIDWG) Virtual Meeting and the 16th [SME Finance Working Group](#) (SMEFWG) Virtual Meeting on 16-17 March 2021.

RBV has played a central role in the AFI network since joining in August 2009, including as an active participant in six working groups. As a committed member and former chair of the [Pacific Islands Regional Initiative](#) (from 2016 to 2019), it has worked hard to reduce the number of unbanked, including through the establishment of specific financial inclusion taskforce, [eight Maya Declaration targets](#) and a national financial inclusion strategy (NFIS).

The central bank, one of the network's longest serving members, has benefited the Alliance by championing the strengthening of micro, small and medium enterprises (MSMEs) financing as a critical element in generating employment and economic and social well-being and growth.

"The pandemic gave rise to central banks doing more than just managing inflation and interest rates. RBV has had to consider unconventional policy responses as part of the COVID-19 policy response. Central banks are now also required to keep pace with the rapid transformation in societies be it in relation to the COVID-19 pandemic and the new normal, gender equality financing, FinTech, green finance and small and medium enterprises (SMEs)," said RBV Director Financial Regulation Department Noel Vari speaking on behalf of RBV Deputy Governor Peter Merakali Tarimakem.

MSMEs, particularly those led by women, were among the worst hit during the pandemic with as many as 70 percent being forced to shutter their operations. But as a major source of growth and employment, including in the Pacific, they can also act as a catalyst of market recovery if governments and regulators facilitate growth and sustainability with relevant fiscal, monetary, structural and balance of payment policy measures.

"Policymakers must use this evidence and design sustainable policy interventions to aid the recovery process. There is no doubt that the success of our post pandemic recovery efforts will largely hinge on how effective our policy interventions will be in reviving the SME sector to recreate jobs and increase productivity," said AFI Deputy Executive Director Norbert Mumba as he addressed over 100 participants. He added that the joint working group meeting enabled the sharing of data and insight to improve the design of responses and policies, boost recovery and consolidate financial inclusion gains achieved so far.

Despite being the backbone of many economies, SMEs face a myriad of problems in accessing credit and reaching their full economic potential. For central banks, it is therefore vital to support SMEs through the various policies and guidelines within their jurisdictions. It is equally important to measure the effectiveness of those policies and guidelines through the collection and analysis of data, which can determine the design of a policy and its effectiveness in achieving its goal.

AFI Deputy Executive Director Mumba also reminded participants of the network's commitment under the [Denarau Action Plan](#) to position access to quality financial services for women as the central feature in recovery plans, provide relief to the women and youth



FINANCIAL INCLUSION DATA
(FID) WORKING GROUP



SME FINANCE (SMEF)
WORKING GROUP

impacted by the COVID-19 pandemic and significant gains towards halving the gender gap in 2021.

Despite the challenges of last year, AFI members reported 141 new policy improvements that were informed by engagement with AFI, including 34 related to digital financial services - such as FinTech, electronic money and national payment systems - and four related to gender inclusive finance. AFI also successfully delivered 18 capacity building events, attended by over 1,300 policymakers from across the global network.

For SMEFWG, last year saw the publication of five knowledge products that explored MSME access to the [finance ecosystem in Africa](#), the role of [education in mitigating information asymmetry](#), maintaining [sustainable businesses](#), [alternative financing](#) and, most importantly, [SME finance responses](#) to guide members through the pandemic.

FIDWG was also very active with a guideline note on [sex-disaggregated data report templates](#) that complements its milestone toolkit developed to enhance data collection that better informs policies to enhance women opportunities on financial inclusion and close the gender gap. The working group also finalized its toolkit on [NFIS monitoring and evaluation](#).

As a precursor to the virtual gathering, leaders from all seven of AFI's working groups gathered via live feed on 2 March to discuss last year's achievements and lessons learnt, planned activities for 2021 and provide strategy updates.

AFI's working groups are the key source of policy development and trends in financial inclusion and serve as "communities of practice" on key financial inclusion issues. They are the primary mechanism for generating and hosting knowledge within the AFI network and provide a platform for knowledge exchanges and peer learning that allow policymakers to share, deliberate and deepen their knowledge and understanding of key financial inclusion issues.

Last week, AFI's [Consumer Empowerment and Market Conduct Working Group](#) (CEMCWG) and [Global Standards Proportionality Working Group](#) (GSPWG) meet for the first joint working group meetings of 2021, co-hosted by [Banco Central de Reserva de El Salvador](#). [Bank of Ghana](#) will then co-host the [Digital Financial Services Working Group](#), [Inclusive Green Finance Working Group](#) and [Financial Inclusion Strategy Peer Learning Group](#) on 23-24 March 2021.

For more information, please contact communication@afi-global.org or rbvinfo@rbv.gov.vu

[About RBV](#)

Established in 1980, Vanuatu's central bank is responsible for the promotion of monetary stability, sound financial structures and fostering financial conditions conducive to the orderly and balanced economic development of Vanuatu. Its vision is to provide the conditions for Vanuatu to build a strong economy by ensuring confidence and stability in our financial system. <https://www.rbv.gov.vu/>

[About AFI](#)

AFI is the world's leading organization on financial inclusion policy and regulation. Currently, 100 member institutions make up the AFI network including central banks, ministries of finance and other financial policymaking or regulatory institutions from 88 developing countries and emerging markets. AFI empowers policymakers to increase



FINANCIAL INCLUSION DATA
(FID) WORKING GROUP



SME FINANCE (SMEF)
WORKING GROUP

the access and usage of quality financial services for the underserved through sustainable and inclusive policies and an effective use of digital technologies. www.afi-global.org