

GPFI meetings in Antalya

The G20 GPFI (Global Partnership for Financial Inclusion) meeting took place in Antalya, Turkey, on 8-12 September 2015. The GPFI brings together representatives from G20 countries, non-G20 countries and other stakeholders to work on the implementation of the G20 Financial Inclusion Action Plan. InFiNe.lu (www.infine.lu) participated in the roundtables on innovations in agricultural finance, SME finance compact and in the G20 GPFI Forum on private sector engagement.

During the roundtable on innovations in agricultural finance, it was agreed that innovation in this field is a complex issue. The debate underlined the clear need to support women in agriculture: how can women be engaged? How can they get appropriate training or coaching? How can they get access to financial services, to property and to digital information? The discussion underlined how difficult it is to set up a good and sustainable policy in the agricultural context.

SME Finance is a key element of the G20 policy objective to foster economic growth worldwide. Professor Njugina S. Ndung'u, Economist and former Governor of the Central Bank of Kenya, gave a keynote speech at the roundtable on SME finance compact. According to him, a good policy to strengthen SMEs should not only focus on finance but also consider all elements required to develop them in a sustainable manner. In this context, the role of banks is crucial. They should be strong (not necessarily big) and understand the needs of SMEs while offering them a broad range of services. At the same time, governments must also set up a regulatory framework to create a national infrastructure contributing to their development.

Delegates presented and discussed their national SME finance strategies and progress made in line with the SME finance compact. It transpired that although the G20 policy recommendations have a strong influence, there are still many differences. Whereas in some countries, banks play a pivotal role in financing the economy, in others the capital markets are well developed and offer SMEs an alternative way to access capital. In both cases, there is a tendency to move away from a policy exclusively based on loans and to use other possibilities like equity finance. During the session, it was proposed to submit the following action plan to the G20:

- Use the G20 to promote effective practices for inclusive finance with a wider dissemination of best practices;
- Set up a global strategy for financial inclusion and invite the different countries to implement them locally;
- Promote the establishment of SME fora and facilitate data collection and dissemination;
- Promote the development of adequate capital market infrastructures in G20 and non-G20 countries and search for alternative financing solutions;
- Promote capacity building with SMEs, regulators and other closely linked stakeholders to allow for a better, well thought-out and early use of financial innovation;
- Encourage donors and Foreign Direct Investors to better coordinate their actions in a given country;
- Lobby "Basel" to apply proportionality for capital requirements in the case of SME portfolios.

On September 11, the G20 GPMI Forum focused on private sector engagement and its interaction with financial institutions to support financial inclusion. Financial literacy was the key topic of the debates. During her opening address, Her Royal Highness Queen Maxima highlighted the progress made in the sector while mentioning that further actions are still required.

A new G20 paper on how best to implement financial literacy will be published. It will analyse how to foster dialogue between the public and private sector. A strong public-private sector partnership needs to emerge to promote SME finance and financial inclusion. In addition, the G20 will publish guidelines on how financial institutions can appropriately inform their customers.

Finally, the G20 GPMI Forum also stressed the importance of using and accessing digital data for SMEs and of specific policies targeting women and young people.