51st Edition

Findey Cyberletter

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EDITOR'S NOTE

Welcome to Gallup Pakistan's FinDev Cyberletter!

The principal purpose of this Cyberletter is to inform its readers of the latest developments in the financial industry across the globe, particularly in the realms of Financial Inclusion and Digital Financial Services (DFS), where efforts are being undertaken by both private and government sectors. This is the 51st issue of the FinDev Cyberletter series (For January). Each issue of the FinDev Cyberletter will focus on a particular theme within the broader area of financial inclusion and related topics. This newsletter is divided into three main sections.

The sections are:

1. NEWS ROUNDUP – This section will cover the latest happenings in the financial services industry in Pakistan and around the world.
2. INITIATIVES – Constant work is being undertaken by experts, governments and research organizations in order to enhance the understanding of,and to find solutions to the challenges encountered within the financial services industry. This section will aim to cover some of these research initiatives, both locally and internationally.
3. DATA VISUALIZATIONS & STATISTICAL FIGURES – Research backed by data not only increases its credibility but also helps paint an accurate picture of the situation at hand. This section will contain graphical representations of data on various relevant topics.

A diligent effort has been made to ensure that the content extracted from external sources has been cited and given due credit. In some cases, excerpts from the original sources have been extracted. To access the original sources, please click on the link provided at the end of each article. In case of any errors or omissions, we would like to apologize and would be eager to rectify the changes at the earliest. For feedback, comments or questions, feel free to write to us at caf@gallup.com.pk.

Warm Regards,
The Gallup Pakistan Financial Inclusion Team Led by Bilal I Gilani (Executive Director, Gallup Pakistan)

Highlights

FOSTERING RESILIENCE: HOW MOBILE MONEY TRANSFORMED CRISIS RESPONSE IN CAMEROON

When the next shock—be it related to the climate, security risks, or rising consumer prices—inevitably hits, the Government will have established mechanisms to swiftly and efficiently identify, reach, and assist those in need.

CHAIRMAN BISP EMPHASIZES DIGITAL LITERACY, FINANCIAL INCLUSION OF NEEDY WOMEN

Chairman of Benazir Income Support Programme (BISP), Dr. Amjad Saqib Friday underscored the importance of opening bank accounts for needy women, emphasizing digital literacy and financial inclusion.

PAKISTAN URGES WORLD BANK TO RESTRUCTURE FINANCIAL INCLUSION AND INFRASTRUCTURE PROJECT

MOBILINK BANK AND NIBAF'S SYNERGESTIC INITIATIVE TO FOSTER FINANCIAL INCLUSION

Mobilink Bank, Pakistan's leading digital microfinance institution, has partnered with the National Institute of Banking & Finance (NIBAF) to share its vision and practices with the entire banking industry as a result of introducing an innovative product of Commercial Vehicle.

HOW FOSTERING COMPETITION IN LAC CAN REVOLUTIONIZE FINANCIAL INCLUSION

In recent years, the Latin America and Caribbean (LAC) region has witnessed remarkable progress in advancing financial inclusion. According to Findex 2021, account ownership in LAC saw the largest increase (18 percentage points) of any developing world region since 2017, resulting in 73% of adults with an account in 2021

TRANSFORMING GENDER NORMS FOR WOMEN'S ECONOMIC RIGHTS AND EMPOWERMENT

NEWS ROUNDUP

THIS SECTION COVERS THE LATEST HAPPENINGS FROM THE REALM OF FINANCIAL INCLUSION AND DIGITAL FINANCE

Fostering Resilience: How Mobile Money Transformed Crisis Response in Cameroon

In early 2020, Cameroon had a well-established safety net. The Social Safety Net Project had reached almost 10% of the poor (140,000 households) with either cash transfers or, mainly for youth, temporary employment through public works. More broadly, the project had put in place robust systems to identify beneficiaries, monitor implementation, and handle complaints. While it had recently expanded support to refugees, it remained focused on addressing chronic poverty rather than responding to crises.

The COVID-19 pandemic provided the impetus for change. To mitigate adverse economic effects, the government launched an emergency cash transfer program in urban areas. The goal was to provide income support to 80,000 informal sector workers affected by social distancing restrictions. Yet, it soon became apparent that more agile mechanisms were needed to distribute the aid timely and safely. The government decided that, for the first time, the transfers would be made digitally into beneficiaries' mobile money accounts rather than in cash.

SOURCE: PUBLISHED BY WWW.BLOGS.WORLDBANK.ORG. 29TH JANUARY 2024. CLICK HERE TO ACCESS FULL ARTICLE

Chairman BISP emphasizes digital literacy, financial inclusion of needy women

Chairman of Benazir Income Support Programme (BISP), Dr. Amjad Saqib Friday underscored the importance of opening bank accounts for needy women, emphasizing digital literacy and financial inclusion.

He was presiding over a high level meeting to review the progress on the BISP's key initiatives, including enrollment of widows, inclusion of adolescents in Nashonuma, Hybrid Social Protection Scheme and Benazir Social Protection Accounts.

During the meeting, Dr. Amjad Saqib emphasized the BISP's commitment to serving the impoverished. Secretary BISP, Amer Ali Ahmad provided a detailed overview of the agenda items during the meeting.

SOURCE: PUBLISHED BY WWW.NATION.COM.PK. 13TH JANUARY 2024. CLICK HERE TO ACCESS FULL ARTICLE

Pakistan Urges World Bank to Restructure Financial Inclusion and Infrastructure Project

The government has requested the World Bank for restructuring the “Pakistan Financial Inclusion and Infrastructure Project” to complete the national payment system activities and reallocation of undisbursed funds

Official documents available with ProPakistani revealed that the Financial Inclusion and Infrastructure Project (FIIP) was conceptualized to support the implementation of Pakistan’s National Financial Inclusion Strategy (NFIS) of the State Bank of Pakistan (SBP).

The SBP developed the NFIS with the support of the World Bank (WB) through a Reimbursable Advisory Service (RAS) in 2015. The government requested World Bank support to help meet the objectives of the NFIS through the FIIP; which was approved by the WB Board on June 15, 2017.

SOURCE: PUBLISHED BY WWW.PROPAKISTANI.PK 2ND JANUARY 2024. CLICK HERE TO ACCESS FULL ARTICLE

INITIATIVES

CONSTANT WORK IS BEING UNDERTAKEN BY EXPERTS, GOVERNMENTS, AND RESEARCH ORGANIZATIONS TO ENHANCE UNDERSTANDING AND FIND SOLUTIONS TO CHALLENGES ENCOUNTERED WITHIN THE FINANCIAL SERVICES INDUSTRY. THIS SECTION COVERS SOME OF THESE RESEARCH FINDINGS

Mobilink Bank and NIBAF's synergistic initiative to foster financial inclusion

Mobilink Bank, Pakistan's leading digital microfinance institution, has partnered with the National Institute of Banking & Finance (NIBAF) to share its vision and practices with the entire banking industry as a result of introducing an innovative product of Commercial Vehicle. The idea behind bringing this product is to nurture entrepreneurship and foster economic growth, generating employment opportunities that contribute substantially to societal development.

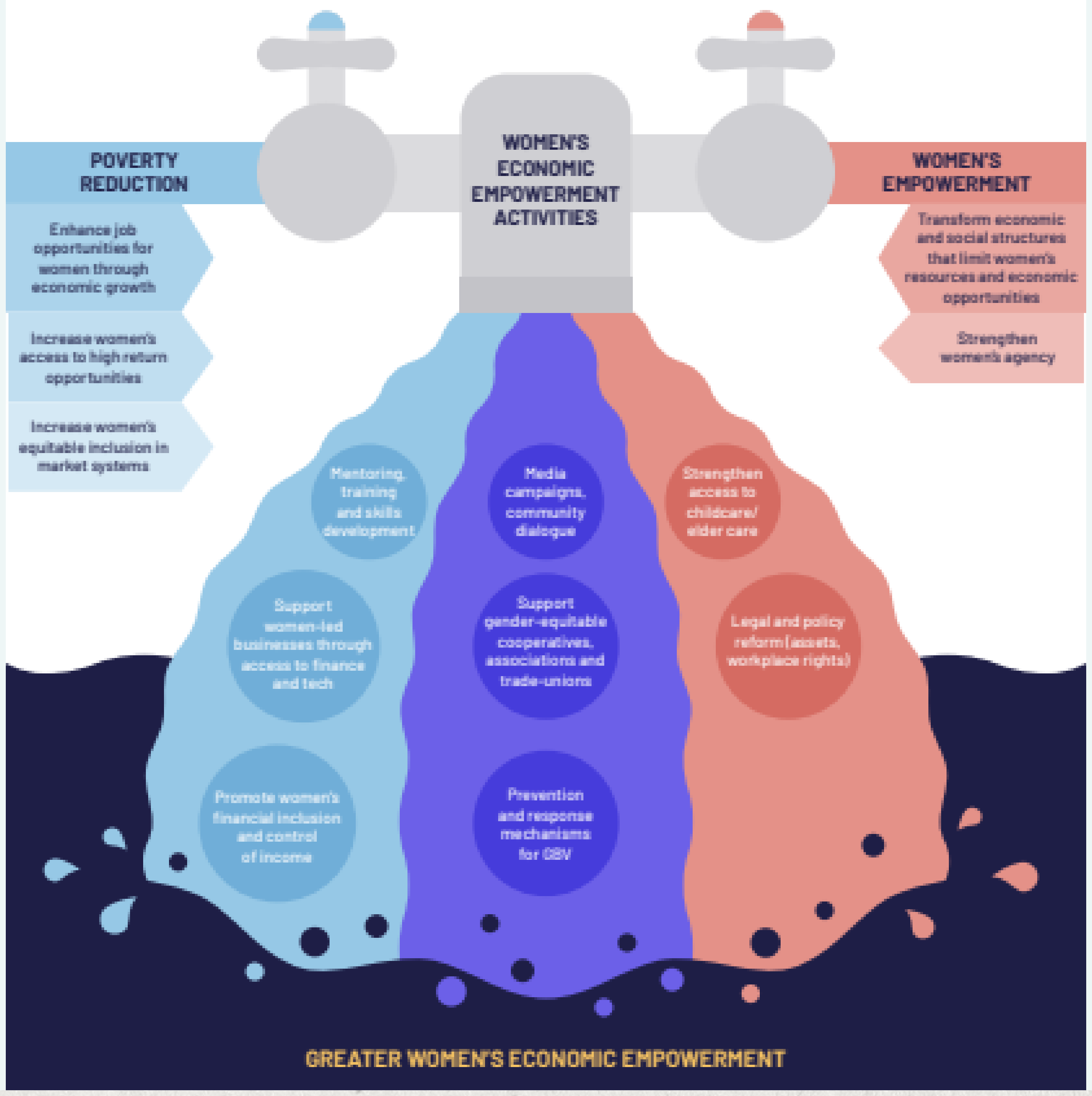
SOURCE: PUBLISHED BY WWW.NATION.COM.PK 5TH JANUARY 2024. CLICK HERE TO ACCESS FULL ARTICLE

How Fostering Competition in LAC Can Revolutionize Financial Inclusion

In recent years, the Latin America and Caribbean (LAC) region has witnessed remarkable progress in advancing financial inclusion. According to Findex 2021, account ownership in LAC saw the largest increase (18 percentage points) of any developing world region since 2017, resulting in 73% of adults with an account in 2021. The Global Microscope 2020 report emphasized that financial inclusion was key to LAC's economic response to the COVID-19 crisis, which induced a recession that ranks among the most severe in a century.

At the same time, the crisis stimulated rapid digitization, which has ushered in a new era of financial solutions globally that have the potential to bring many poor people into the formal financial sector and contribute to sustainable development. Evidence shows that inclusive digital financial services enable 13 of the Sustainable Development Goals (SDGs) and could help the world get back on track to achieve the SDGs by 2030.

SOURCE: PUBLISHED BY WWW.CGAP.ORG 15TH JANUARY 2024. CLICK HERE TO ACCESS FULL ARTICLE



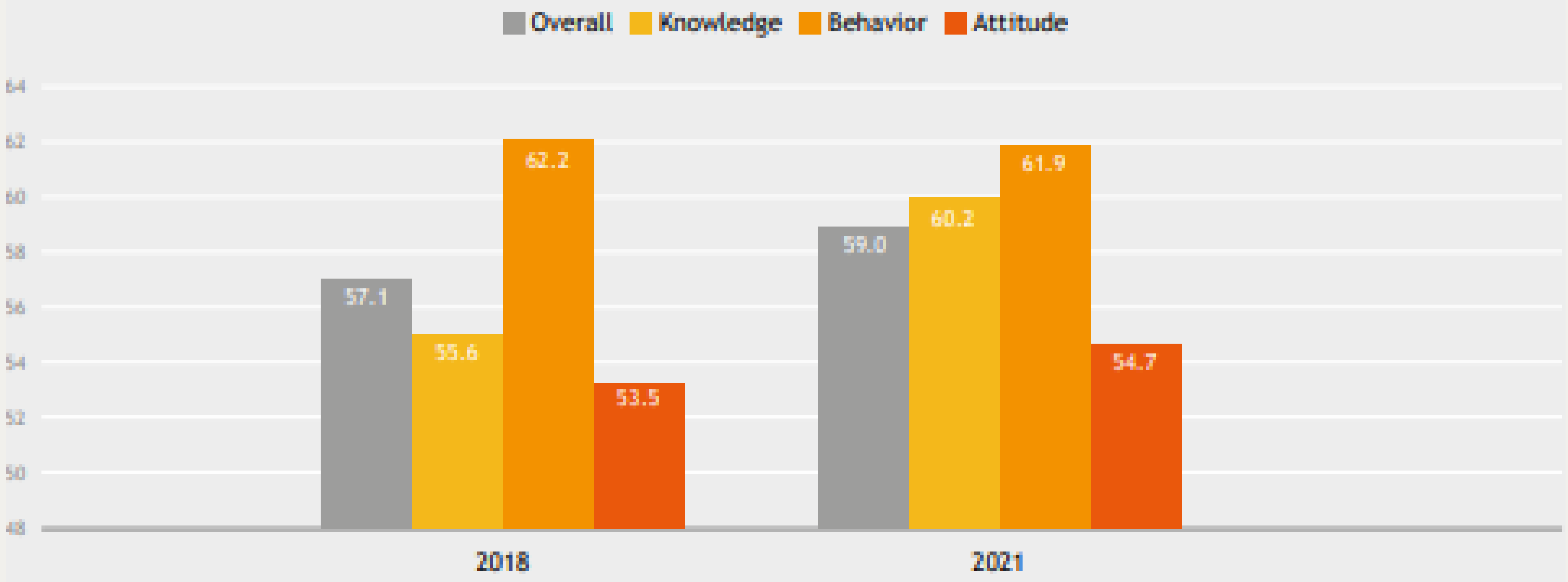
Transforming Gender Norms for Women's Economic Rights and Empowerment

For decades, women's economic empowerment (WEE) has been seen both as a way to reduce these gendered economic inequalities, and as a key element of both personal empowerment and societal transformation (Kabeer, 1999; Micaeli, 2021). There are many defnitions of WEE (see Chapter 2 for more discussion), but all of them emphasise increasing women's control of economic resources, decision-making on economic matters and ability to respond to economic opportunities. Increasing WEE, or reducing gendered economic inequalities, can be seen as one aspect of greater overall economic justice.

SOURCE: PUBLISHED BY WWW.ALIGNPLATFORM.ORG JANUARY 2024. CLICK HERE TO ACCESS FULL ARTICLE

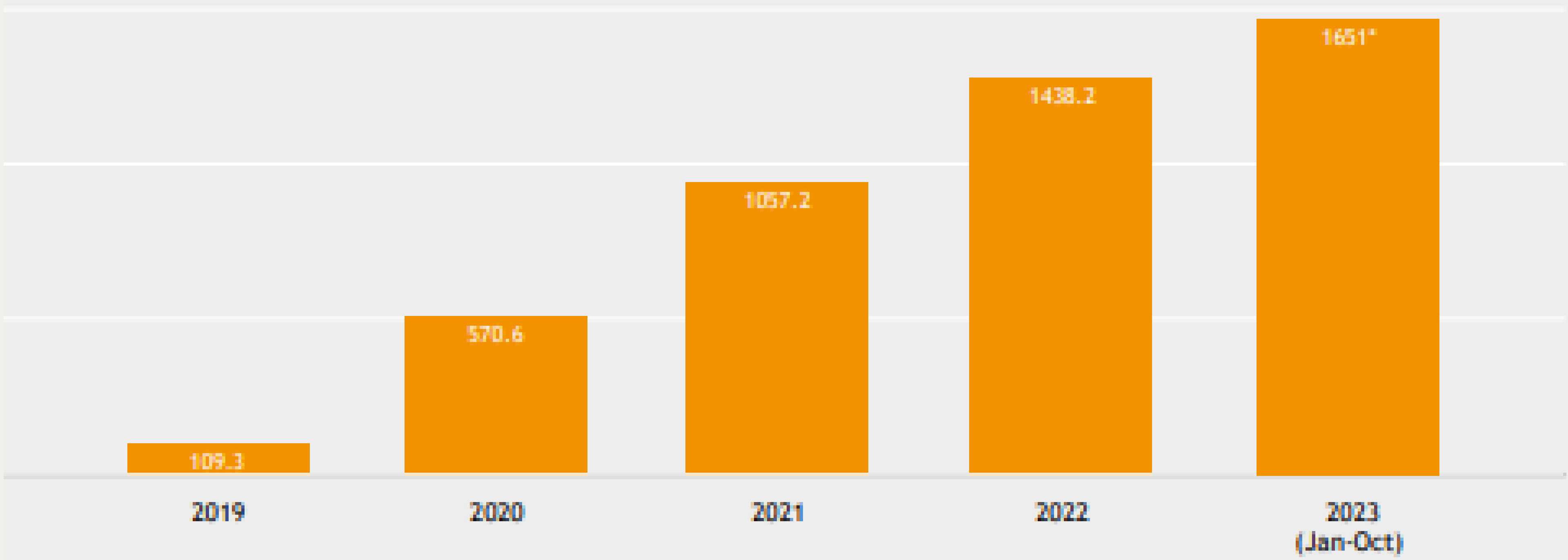
DATA VISUALIZATION

FIGURE 1: MYFLIC INDEX IN 2018 AND 2021[15]



Source: The Financial Capability and Inclusion Demand Side Survey 2021. (n.d.). Retrieved August 11, 2023, from https://www.bnm.gov.my/documents/20124/8440087/fsr22h1_en_box1.pdf

FIGURE 2: THE VOLUME OF REAL-TIME RETAIL PAYMENT PLATFORMS (DUITNOW SERVICES)[16]

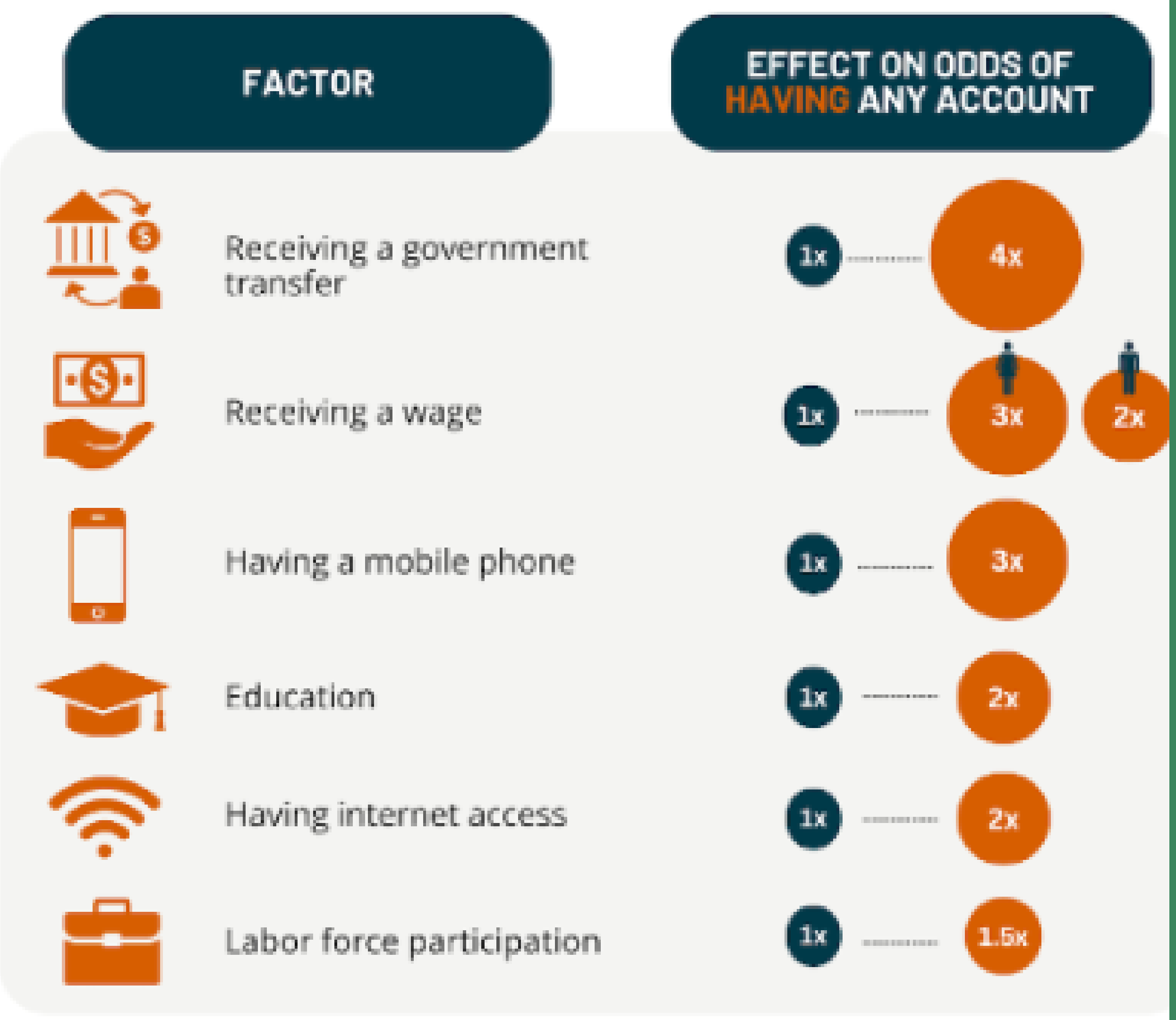


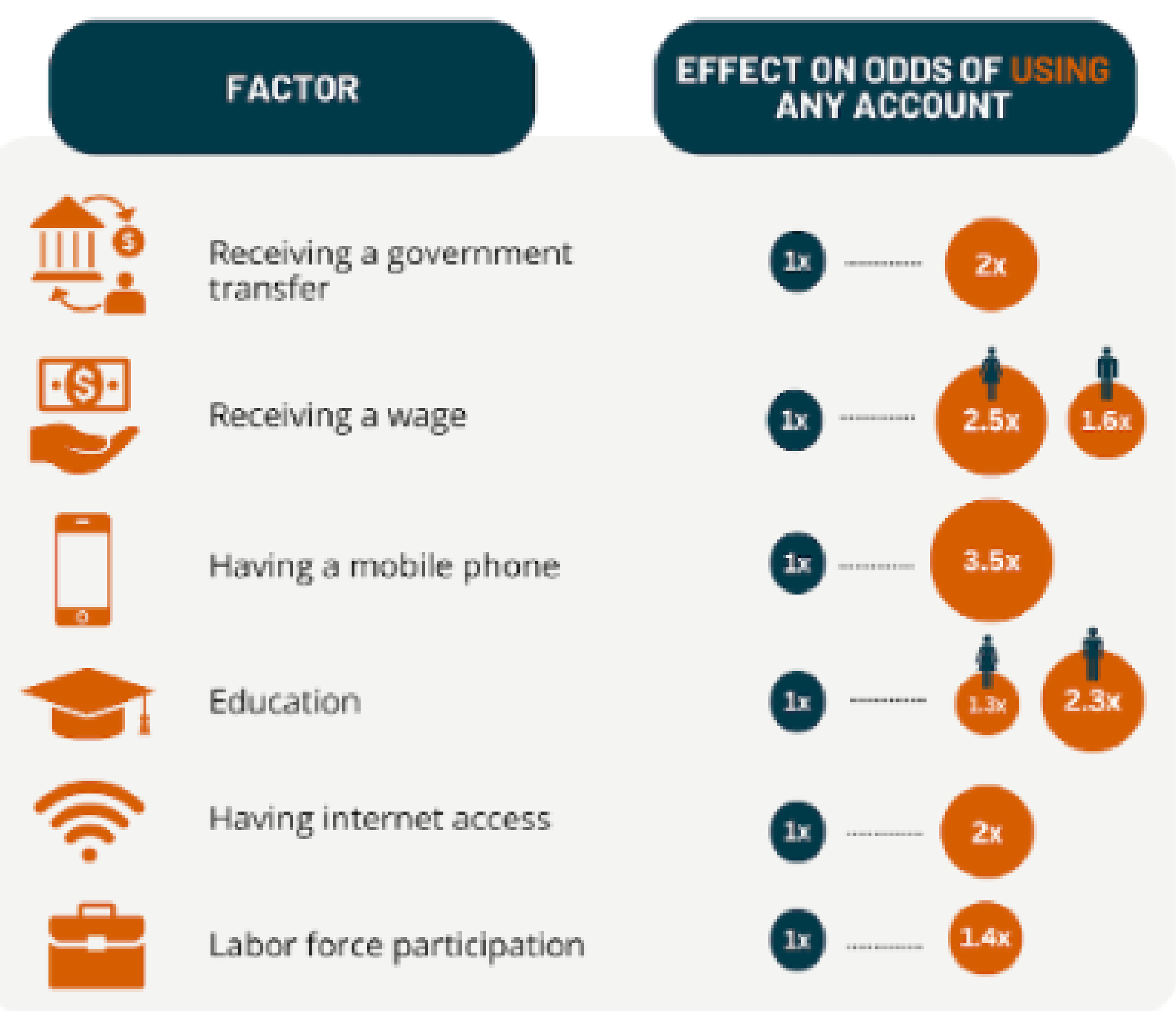
Source: Bank Negara Malaysia. (n.d.). Payment Statistics. Retrieved August 22, 2023, from https://www.bnm.gov.my/payment-statistics

The assessment of the financial literacy landscape in Malaysia is based on the Financial Capability and Inclusion Demand Side (FCI) survey, a triennial initiative conducted by BNM. The survey data serves as the foundation for constructing the Malaysia Financial Literacy and Capability (MYFLIC) Index, offering comprehensive insights into the nation's financial literacy landscape.

Over time, Malaysia has experienced a gradual improvement in financial literacy. This positive trajectory is exemplified by the rise in the MYFLIC Index, increasing from 57.1 in 2018 to 59 in 2021.11 Notably, this improvement can be primarily attributed to advancements in both the knowledge and attitudinal sub-indices within the MYFLIC Index.

SOURCE: PUBLISHED BY WWW.AFI-GLOBAL.ORG 22ND JANUARY 2024. CLICK HERE TO ACCESS FULL REPORT





What drives the uptake of financial services by young people?

Analysis of Findex data for people ages 15-24 revealed that a handful of key factors might be driving the pattern of uptake in adolescence and young adulthood. These include receiving a government transfer, labor force participation, wage income, education, mobile phone ownership, and internet access.

Some factors prove more influential than others. For instance, young people receiving government transfers are four times more likely to have accounts, while those with mobile phones are three times more likely (see the table for details). Access to an internet connection doubles this likelihood, and entering the labor market increases the odds of account ownership by 1.5 times.

SOURCE: PUBLISHED BY WWW.CGAP.ORG 26TH JANUARY 2024. CLICK HERE TO ACCESS FULL REPORT

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