



اليوم العربي  
للشمول المالي  
ARAB FINANCIAL INCLUSION DAY  
27 April / نيسان ٢٧



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The Secretariat of the Council of Arab Central Banks and Monetary Authorities'  
Governors

Arab Day for Financial Inclusion - April 27, 2021

Under the theme of “Role of Digital Transformation in Increasing Financial Inclusion”

Enhancing and accelerating the transition to digital financial services, and importance  
of raising awareness

Call on to:

**Alignment with the priorities of the Group of Twenty (G20)**

**Promoting digital financial inclusion for young people, women and MSMEs**

**Giving great importance to the applications and issues of Fintech**

**Importance of building a strategy to move to a digital banking system to enhance  
financial inclusion**

**Spread the digital financial literacy to all community categories**

The issue of promoting access to financing and financial services in the Arab countries is receiving great attention from the Council of Arab Central Banks and Monetary Authorities' Governors, in recognition of the potential and great opportunities that can be achieved through enhancing financial inclusion to support inclusive and sustainable economic development, address unemployment challenges, and achieve social justice. There is no doubt that the current developments and the negative repercussions of the COVID-19 pandemic have clearly highlighted the great importance of deploying Fintech for the purposes of financial inclusion, and the need to enhance digital financial services and familiarize users with them. The pandemic has increased the demand for digital financial services and made the need to



accelerated digital transformation and improved digital financial services a critical issue in economic policies in the Arab region.

The available statistics highlight the great opportunities inherent in the development of digital services, as nearly 85 percent of adults in the Arab region have a mobile phone, 48 percent have a mobile phone and can access the Internet at the same time, 7 percent own mobile money account, and 33 percent made or received digital payments in the previous year, compared to nearly 44 percent globally.

In this context, the Council of Arab Central Banks and Monetary Authorities' Governors, considering the growing need to intensify awareness of the importance of financial inclusion among all community categories in the Arab countries, endorsed in 2016 the 27<sup>th</sup> of April as the "Arab Day for Financial Inclusion", celebrated this year under the theme of "**Role of Digital Transformation in Increasing Financial Inclusion**". It is important on this occasion to emphasize support for the efforts of the international community in enhancing financial inclusion, which was adopted by the G20 as one of the main aspects to support the sustainable development goals and enhance financial stability. The G20 pays special attention to supporting the access by young people, women and micro, small, and medium-sized enterprises (MSMEs) to digital financial services using Fintech, in addition to paying attention to digital community awareness and education, which increases the chances of success of efforts and policies in this regard.

The Council is keen to give a great importance to the issues of financial inclusion in the Arab countries, as it welcomed the launch of the "Financial Inclusion for the Arab Region Initiative" (FIARI) by the Arab Monetary Fund in cooperation with several regional and international organisations, to empower capabilities that aim to overcome the challenges of enhancing the financial inclusion indicators in the Arab countries. In this regard, the Council values the FIARI activities that focus on digital financial transformation. The Council calls on the partner organisations to pay more attention to supporting the use of Fintech in enhancing the access of young people, women, and MSMEs to financial services, and welcomes the "Digital Financial Transformation Framework" in the Arab region issued in the framework of FIARI initiative in September 2020, as a roadmap to help develop domestic policies and action plans to create inclusive and secure Fintech ecosystem. The framework is based on a few primary goals to



enhance access and expand usage and quality, and discusses Fintech sandboxes, consumer protection and financial literacy, financial and technical infrastructure, competition, data and cybersecurity, monitoring and cooperation. In this regard, it is important to mention measures and actions taken by the Arab countries to enhance digital financial literacy. Arab countries can also work on developing country action plans that contribute to digitally transforming financial systems and supporting economic development to achieve sustainable growth and poverty alleviation.

The Council also reaffirms the need to integrate all community categories into the formal financial system, especially young people, women, entrepreneurs and MSMEs, to benefit from Fintech and follow-up efforts to raise the awareness of all these categories, protect their financial rights, and improve their knowledge of digital financial issues, so that they can make sound investment decisions. In this context, the ministries of education, culture, and higher education in the Arab region can contribute to strengthening efforts to spread and deepen education and digital financial literacy.

In the context of the increasing importance of using Fintech in the financial and banking sector and the great and rapid growth witnessed by Fintech and related services, the Council commended the role of the “Arab Regional Fintech Working Group” launched by the Arab Monetary Fund in sharing expertise and knowledge about Fintech issues and crystallising different visions on the best way to regulate and put technologies into effect in the Arab countries. In this context, it is worth noting that the Fund issued in 2020 guiding principles to enhance the requirements of digital transformation, specifically the frameworks on digital identity and “e-KYC”, principles for building national strategies for Fintech, and Open banking operations. Arab countries can adopt these guiding principles within the framework of needs and procedures of each country.

On the other hand, the Council values the increasing interest in Fintech issues in the activities of the “Arab Financial Inclusion Task Force”, and its role through developing policies and procedures related to enhancing financial inclusion, ways to improve financial inclusion indicators, working to help Arab countries implement relevant international standards and principles, and strengthening cooperation between various national institutions concerned with financial inclusion issues and between them and the relevant international organisations.



Furthermore, the Council looks forward to pursuing the improvement of financial inclusion indicators, as recent statistics reflect the efforts made by the Arab countries to enhance access to financial services. These statistics reveal that the percentage of the adult population in the Arab countries who have access to formal financing and financial services has risen, on average, to 37 percent, 26 percent for women, and 28 percent for low-income groups. Although these statistics conceal disparities in this regard among Arab countries, they still highlight the great potential opportunities – especially for private financial and banking institutions – that can be exploited to enhance access to financial services in the Arab communities. In this context, it is worth noting the efforts of the Arab countries that have implemented the statistical surveys, and to emphasize the importance of following up its implementation by the rest of the countries, in order to help improve the quality of financial inclusion indicators according to the circumstances of each country.

Before concluding, the Council values the efforts made by the Arab central banks and monetary authorities, the commercial banks and the official financial institutions in the past years to celebrate the “Arab Day for Financial Inclusion” and the related activities and events that contributed to spreading financial literacy among people. Accordingly, the Council calls on all member countries to celebrate the “Arab Day for Financial Inclusion” and encourage large community participation through the implementation of activities and events that enhance knowledge of financial inclusion.

On this occasion, the Director General Chairman of the Board of the Arab Monetary Fund, H.E. Dr. Abdulrahman Al-Hamidy, stressed the importance and the role of financial inclusion in addressing the economic challenges that affect economic growth. He added that this goal can be achieved by mobilising resources to increase investments and create new job opportunities. Dr. Al-Hamidy also praised the increasing attention being paid to issues related to enhancing financial inclusion by policymakers in the Arab countries, which would help to address the challenges of poverty, unemployment and social justice. He then referred to the efforts made by the Arab central banks and monetary authorities and the increasing attention paid to issues of improving financial inclusion and access to quality financial services at reasonable costs. Dr. Al-Hamidy also lauded governors for giving appropriate importance and priority to such issues as part of their economic policies, spreading the culture of responsible finance in the banking



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sector, making use of Fintech in providing financial services, developing legislation, regulations and supervisory frameworks that help improve the spread of financial and banking services, following up efforts to develop sound financial and banking infrastructure systems, encouraging the expansion of non-banking financial services, as well as developing policies and programs that enhance transparency in the financial and banking transactions.

Dr. Al-Hamidy praised the “Buna” Arab payments platform, which was launched recently by the Arab Monetary Fund, and its role in providing innovative services in accordance with international standards and the best practices and technologies. He is looking forward to the platform's role in encouraging the development of digital financial services in the Arab region and linking Arab countries with their main global trading partners.