



## FIGI Country Implementation Programs

FIGI funds national implementations in three countries—China, Egypt and Mexico. These countries were selected using a range of factors,<sup>1</sup> including the level of political and private sector commitment to financial inclusion, the number of unbanked people who could be reached through digital financial services, and the potential for reforms to encourage innovation and the use of digital technologies to expand financial access.

FIGI country programs provide tailored technical support (including diagnostic assessments, advisory services, technical assistance, capacity-building, and pilots of innovative approaches) relevant to digital financial inclusion, with a focus on improving the legal and regulatory framework, financial markets infrastructure, and ICT infrastructure.

The country programs are designed to strengthen and implement core drivers of financial inclusion to reach universal financial access: financial product design (including digital payments and other financial services), financial literacy and awareness, diversifying access points, and leveraging large-volume, recurring payment streams.

*The recent COVID-19 pandemic has expanded rapidly from a health emergency to an extraordinary shock to the global economy with far reaching consequences for financial markets. Emerging markets and developing countries, some of which were prone to financial market volatility before the coronavirus pandemic, are especially exposed. Governments and policymakers around the world, including in FIGI countries, are taking swift action to respond to COVID-19 and offset negative effects on firms and vulnerable individuals. A subset of the many financial inclusion and telecommunication related policy responses that have been enacted by FIGI countries is presented in this document.*

- **FIGI Egypt:** The FIGI project supports the Egyptian authorities in their efforts to expand financial inclusion by helping authorities develop and modernize payments systems and strategies (including retail payments), improve consumer protection, leverage innovative technologies and data-driven solutions for financial inclusion,

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<sup>1</sup> FIGI country selection was based on a systematic evaluation against the PAFI guiding framework, using data from the World Bank's Global Payment Systems Survey, Global Findex, World Development Indicators, IMF's Financial Access Survey, and ITU's ICT Development Index, among other sources.

further expansion of digital financial products and services and improve ICT for digital financial services. Most recently, the Central Bank of Egypt (CBE) and the Financial Regulatory Authority (FRA) finalized their respective financial consumer protection regulations with technical inputs from the FIGI project. These regulations are harmonized across common products that are regulated by the two institutions. The CBE recently adopted and circulated these in a [circular](#) dated 19<sup>th</sup> February, 2019 on Banking Sector Consumer Protection. The comprehensive financial consumer protection guidelines document by FRA was also approved by the FRA Board in March.

**COVID-19 response in Egypt:** In Egypt, interest rates on loans have been reduced and limits on electronic payments via mobile phones has been raised. In addition, authorities worked with telecommunication operators to grant free minutes and data to all COVID-19 related doctors, nurses, and other related staff and personnel.

- **FIGI China:** The Financial Inclusion Global Initiative supports the Chinese authorities in their efforts to expand financial inclusion by helping provide assistance around developing innovative products and services targeted to meet the needs of China's underserved populations, enhancing the usage of products and services through agents, leveraging innovative technologies to improve current infrastructures, developing enabling legal / regulatory frameworks for Fin- Tech to promote financial inclusion and improving ICT for digital financial services.

**COVID-19 response in China:** Some policy responses in China include extending credit to micro and small enterprises, providing tax relief and waiving social security contributions, delaying loan payments for eligible SMEs and households, and allowing higher NPLs by epidemic-hit sectors and SMEs. Authorities also provide up-to-date information on the COVID-19 crisis.

- **FIGI Mexico:** The Financial Inclusion Global Initiative supports the Mexican authorities in their efforts to expand financial inclusion by helping provide assistance around enhancing the usage of products and services through agents and electronic payments, leveraging innovative technologies and solutions to improve identification and know-your-customer regulations for financial services, developing enabling legal / regulatory frameworks for FinTech to promote financial inclusion, enhancing consumer protection, awareness and financial literacy, improving the delivery of social benefit programs nationwide and improving ICT for digital financial services. Recently, the FIGI Mexico team worked closely with the Mexican authorities on the release of [secondary regulations](#) (following the FinTech law) around the registration of FinTech companies as Financial Technology Institutions. The FIGI Mexico team also supported a Financial Education Workshop for Policy Makers in Mexico held In July 2019.

***COVID-19 response in Mexico:*** In Mexico, policymakers have advanced pension payments to the elderly, frontloaded social pension and disability payments by four months, opened financing facilities for commercial and development banks to foster lending to MSMEs and individuals affected by the COVID-19, and allowed workers to access loans against social security accounts. Authorities have also worked with mobile operators to enable free, temporary voice calling and message (SMS) packages for prepaid users, and users can continue, at no cost, placing calls to emergency services and browsing government's coronavirus webpages and mobile applications (hosted by the Ministry of Health).

FIGI country programs are closely coordinated with the FIGI Working Groups to bring innovative approaches, best practices, toolkits and policy recommendations developed by the working groups to the country implementation programs to be considered by the country authorities for piloting and implementation. Learnings and progress are reported during the Global FIGI Symposia.

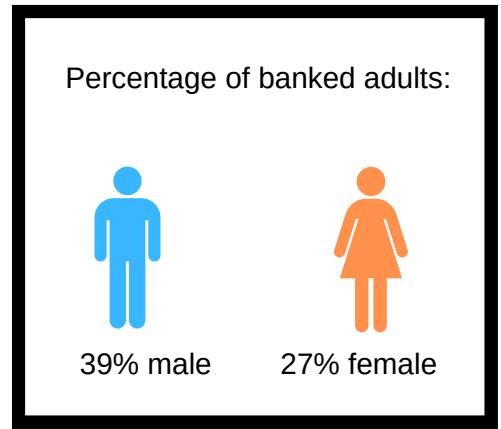
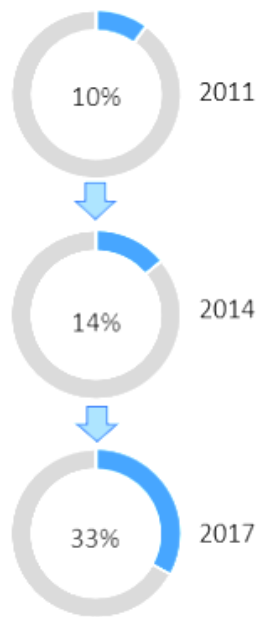
# EGYPT



## FINANCIAL INCLUSION AT A GLANCE

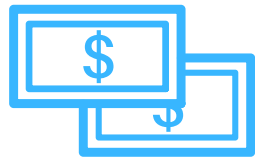
### INCREASE IN TRANSACTION ACCOUNTS IN ADULTS OVER THE YEARS

Over the last decade, Egypt has made reasonable progress in financial inclusion with a 23% increase in banked adults (age 15+) from 2011 to 2017, but the country is still far from realizing its digitization potential. Eight million people (around 8.2% of the population) still receive their wages in the form of cash. Uneven access to finance across the country is still prevalent, with 1 out of 3 people excluded from the formal banking system.



# 20%

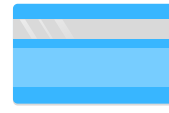
Sent or received remittances in this past year, but only



**REMITTANCES**

# 3%

Own a Credit Card



**CARD PENETRATION**

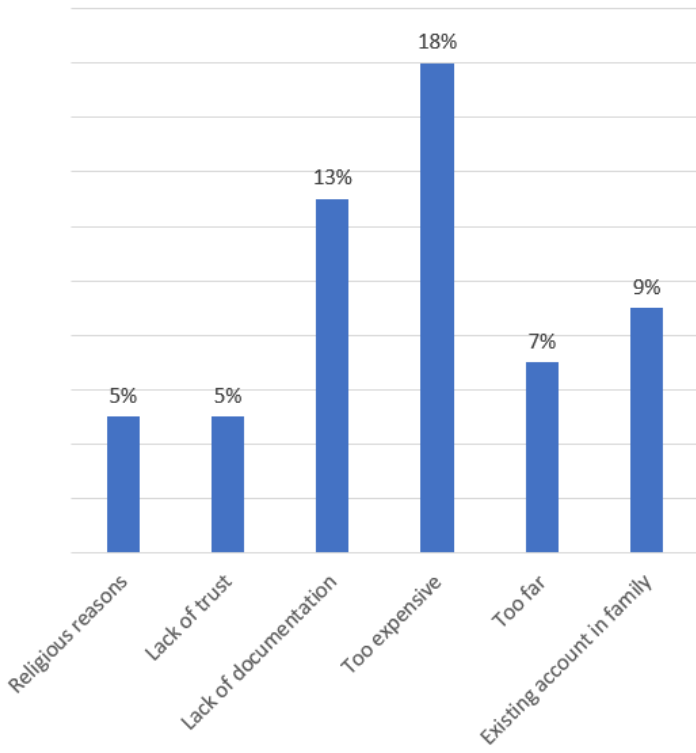
# 25%

Own a Debit Card

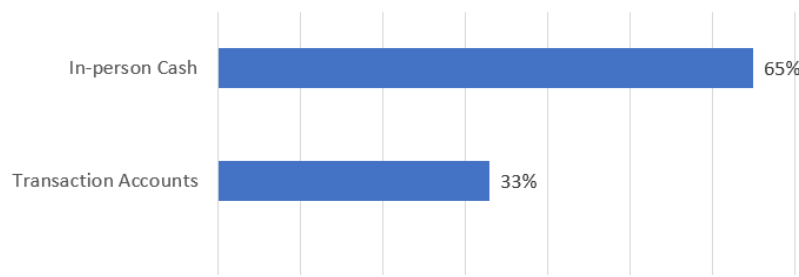
# 5%

Used a formal financial account for the same

### KEY BARRIERS FACED BY THE UNBANKED



### AMONG THOSE RECEIVING WAGES - METHODS INCLUDE



### METHODS FOR PAYING UTILITY BILLS



1% Used Bank Accounts



1% Used Mobile Payments



98% Used Cash-only methods

## DIGITAL FINANCE



1% adults used mobile phones to access a financial institution account



3% adults used the internet to pay bills or buy something online



23% adults made or received digital payments in the past year

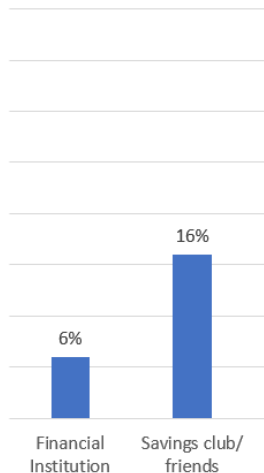


1% adults sent or received domestic remittances through a mobile phone

### SAVINGS

# 31%

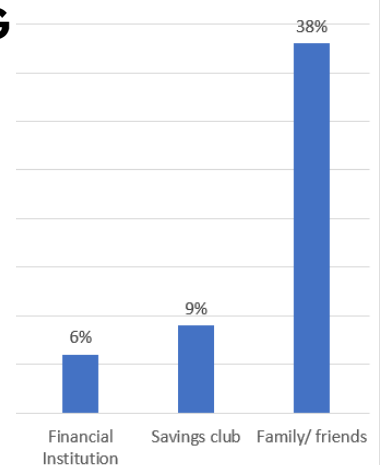
SAVED THIS PAST YEAR



### BORROWING

# 49%

BORROWED THIS PAST YEAR



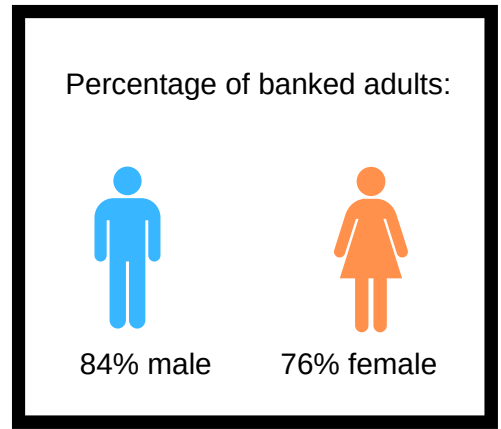
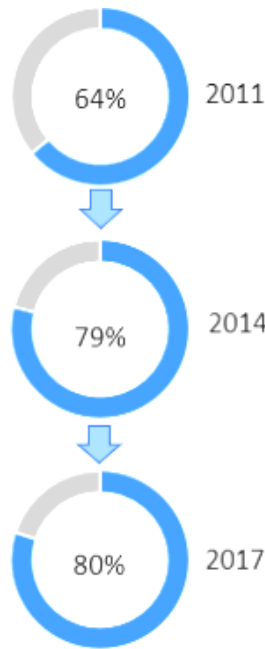
# CHINA



## FINANCIAL INCLUSION AT A GLANCE

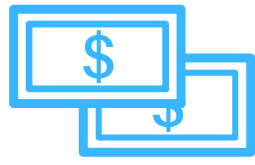
### INCREASE IN TRANSACTION ACCOUNTS IN ADULTS OVER THE YEARS

China has made significant progress in expanding financial inclusion among adults (age 15+) this past decade going from 64 percent in 2011 to 80 percent in 2017. The network of bank branches, point-of-sale (POS) terminals, automatic teller machines (ATMs), and agents nationwide have increased, and government transfers like health subsidies, and poverty alleviation programs have also largely moved to digital platforms.



# 26%

Sent or received remittances in this past year, but only



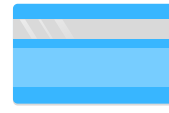
**REMITTANCES**

# 15%

Used a formal financial account for the same

# 21%

Own a Credit Card

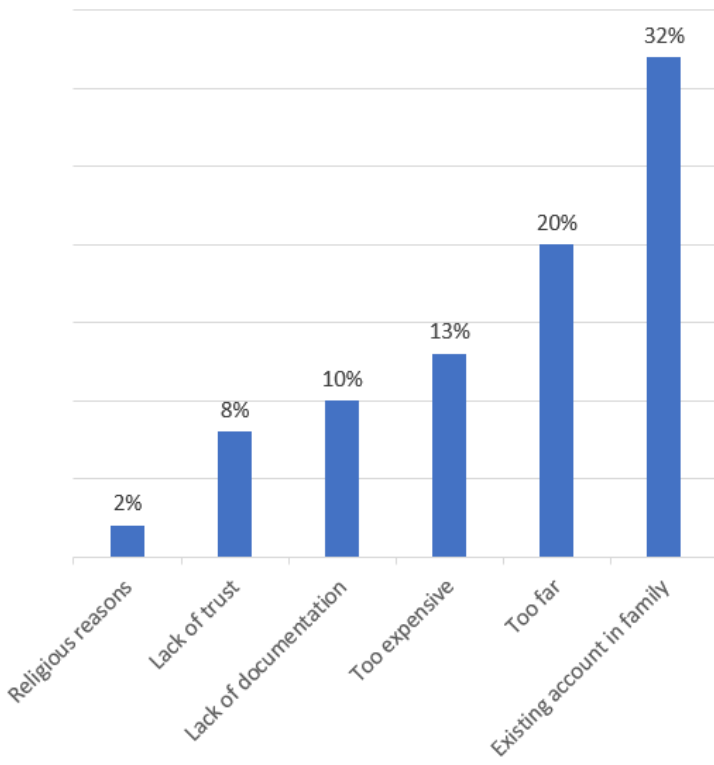


**CARD PENETRATION**

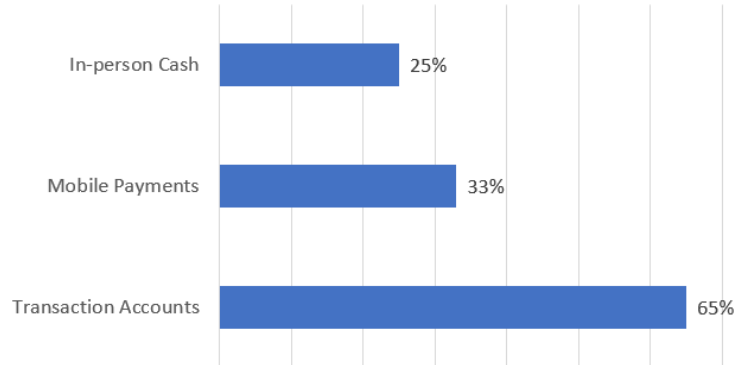
# 67%

Own a Debit Card

### KEY BARRIERS FACED BY THE UNBANKED



### AMONG THOSE RECEIVING WAGES - METHODS INCLUDE



### METHODS FOR PAYING UTILITY BILLS



38% Used **Bank Accounts** - 18% increase from 2014



25% Used **Mobile Payments** - 23% increase from 2014



53% Used **Cash-only methods** - 27% decrease from 2014

## DIGITAL FINANCE



40% adults used mobile phones to access a financial institution account



49% adults used the internet to pay bills or buy something online



68% adults made or received digital payments in the past year

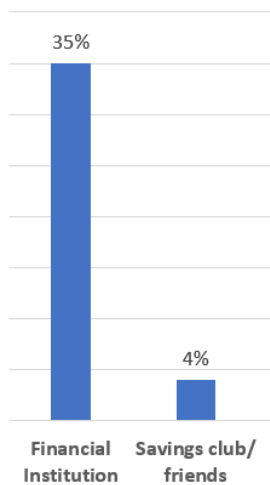


14% adults sent or received domestic remittances through a mobile phone

### SAVINGS

# 51%

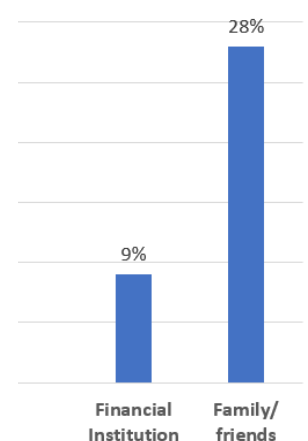
SAVED THIS PAST YEAR



### BORROWING

# 45%

BORROWED THIS PAST YEAR



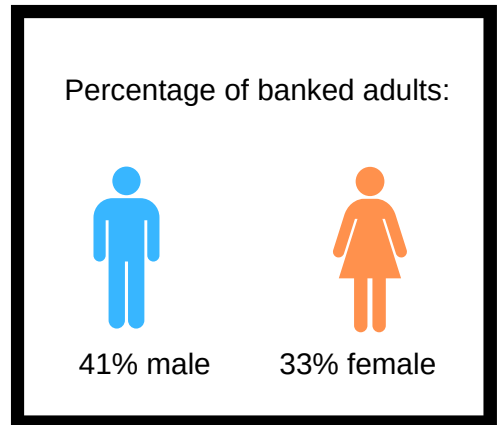
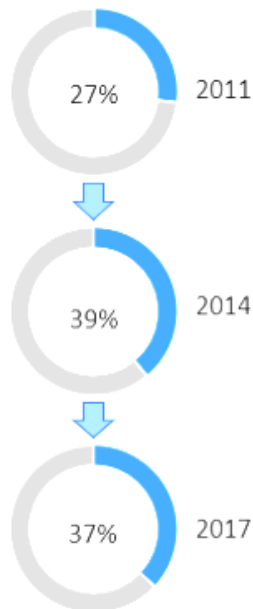
# MEXICO



## FINANCIAL INCLUSION AT A GLANCE

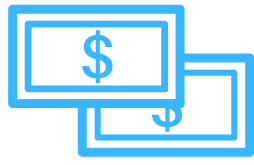
### INCREASE IN TRANSACTION ACCOUNTS IN ADULTS OVER THE YEARS

Mexico has made significant process in financial inclusion over the past decade among adults (age 15+), with a 10 percent increase in transaction accounts from 2011-2017. However, cash remains the preferred instrument for consumer payments. With close to 58 percent of the population employed in the informal sector, most wage payments are also cash-based. Payments for utility bills, school fees, and retail transactions are primarily cash-based as well.



# 16%

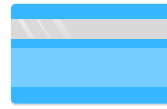
Sent or received remittances in this past year, but only



**REMITTANCES**

# 10%

Own a Credit Card



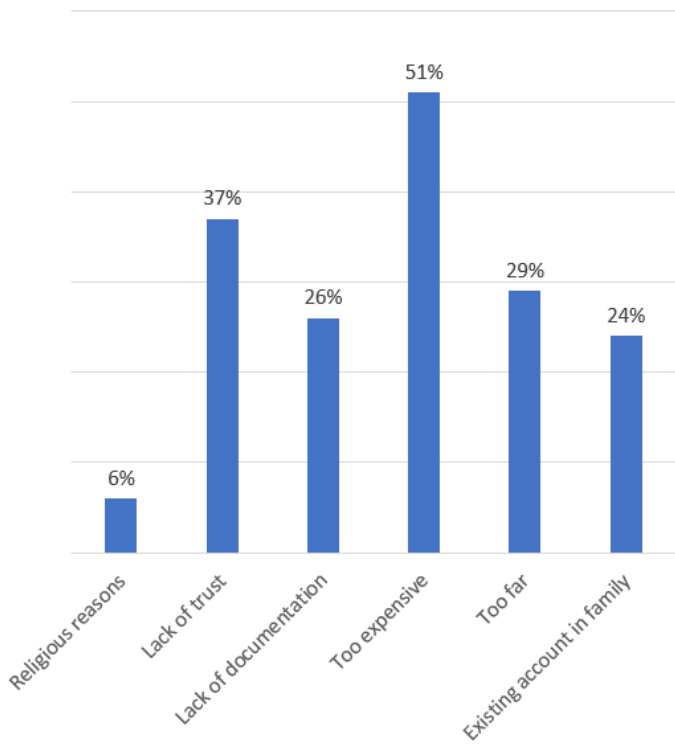
**CARD PENETRATION**

# 25%

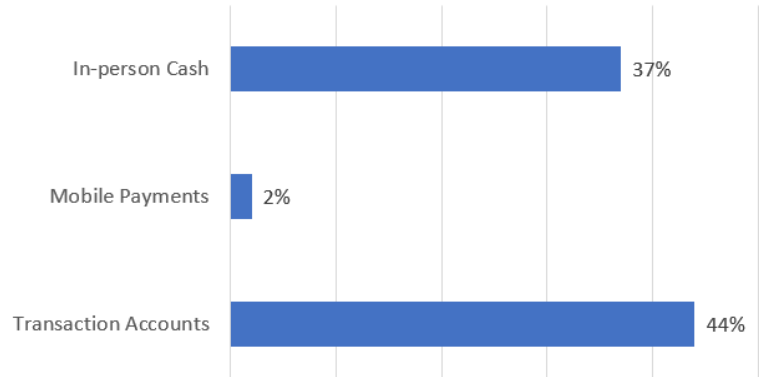
Used a formal financial account for the same

Own a Debit Card

### KEY BARRIERS FACED BY THE UNBANKED



### AMONG THOSE RECEIVING WAGES - METHODS INCLUDE



### METHODS FOR PAYING UTILITY BILLS



12% Used **Bank Accounts** - 1% increase from 2014



5% Used **Mobile Payments** - 2% increase from 2014



80% Used **Cash-only methods** - 9% decrease from 2014

## DIGITAL FINANCE



6% adults used mobile phones to access a financial institution account



13% adults used the internet to pay bills or buy something online



32% adults made or received digital payments in the past year

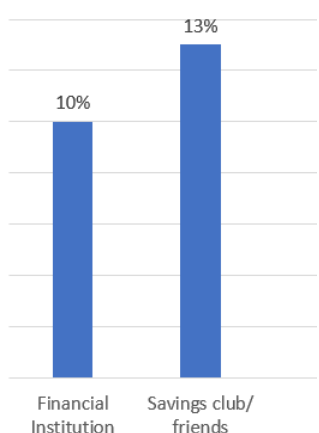


2% adults sent or received domestic remittances through a mobile phone

### SAVINGS

# 41%

SAVED THIS PAST YEAR



### BORROWING

# 32%

BORROWED THIS PAST YEAR

