

New York, 12 February 2015

Your Excellencies,

As Co-Chairs of the Group of Friends of Financial Inclusion, we wish to provide our views on such issue as included in the Elements paper which forms part of the preparatory process for the 2nd International Conference on Financing for Development.

Firstly, we wish to express our appreciation to you as Co-Facilitators of the Financing for Development process for the provision of a comprehensive paper which provides a useful framework for the discussions.

In response to your letter dated January 21, we wish to express our support for the recognition of the role that financial inclusion can play in contributing to the implementation of the post-2015 agenda at the national and sub-national levels. The document correctly recognizes that financial inclusion is a cross-cutting issue and can contribute to the Financing for Development agenda in a number of ways. We would like to underscore that the right combination of enabling frameworks and private sector financial products and services can help mobilize and services can help mobilize by bringing informal savings from under the mattress into formal bank accounts or by placing remittances received into formal accounts for later productive investment, rather than using immediately for consumption. Moreover, steps such as digitizing payments — public and private — can help significantly than be invested in public sector priorities. We further note a number of other areas addressed in the Elements paper in which financial inclusion can help

The paper correctly noted the importance of financial markets working in a way that individuals and small and medium enterprises, including women entrepreneurs, have access to the financial products and services required to meet their needs, thereby contributing to the achievement of development goals such as poverty alleviation, food security and nutrition, women's empowerment, economic growth and job creation, as well as contributing to

the generation of additional wealth, creating more jobs, and attracting and leveraging additional sources of capital.

This is particularly true for women and women-owned enterprises.

Such access of women needs to be complemented by adequate resources. Such access, of course, needs to be complemented by adequate resources.

achieved in part through appropriate financial literacy efforts, particularly for first-time users, to transition those financial services into greater income

savings, and investment. By linking to financially inclusive accounts, even achieve more productive lives and for many of them, graduate from these programs, thereby freeing up scarce public resources.

Technology and innovation are rightly called out as conditionals for this agenda. In financial inclusion, new technologies such as mobile money

are changing the way financial services can be made available, spreading them further, faster, at lower cost and more equitably than has previously been possible. By shifting payments, whether made to or from governments, businesses, or people, business costs can be reduced. Payments can be made with more security and quickly.

transparency and accountability can be enhanced and, when made into formal accounts, more people can be financially included. Thus, enhancing national capacity through online transfers, transfer of a safe and reliable technology to developing countries is highly important.

Remittances represent an important flow of resources into many

for a larger proportion of remittances to make it into the hands of those who need them most. Like technology, financial inclusion and remittances continue to ensure that the benefits of remittances are felt in remote

can be a powerful tool and to financial inclusion leading to lasting impact.

National financial inclusion strategies are a powerful way to create

the national vision for financial inclusion at the national level, writing a wide

vision and plan, enabling them each to play their role and facilitating securing the needed technical and financial resources to implement the strategies. These strategies should be developed on the basis of sound financial and technical data and should be based on the following principles:

11. The ability to track progress in the process of launching one of these strategies.

Financial inclusion is a powerful means towards formalization. By drawing the significant informal economic activity into the formal financial system, formalization yields multiple benefits by making vulnerable clients safer, increasing the taxation base and enhancing visibility, thereby combatting illicit flows.

In many, we support the call for the effective monitoring of economic activity on appropriate quantitative and qualitative data. We think that the effective monitoring should be carried out at the country level and that national data should be used as the main basis. To achieve that, international cooperation for enhancing national capacity in collecting accurate data is important. We are pleased to note that this information is available and collected on financial inclusion.

Please accept, Excellencies, the assurances of our highest consideration.



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Ambassador



Tuvako N. Manongi
Ambassador

Indonesia to the United Nations United Republic of Tanzania to the
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Gustavo Meza-Cuadra

Permanent Representative of Peru
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To: Ambassador George Talbot
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Ambassador Geir O. Pedersen
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