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Governor SBP shares developments in financial inclusion and roadmap with special focus on gender mainstreaming with Queen Maxima, UNSGSA

Her Majesty (HM) Queen Maxima of the Netherlands in her role as the UN Secretary General's Special Advocate for Inclusive Finance for Development (UNSGSA) called on Dr. Reza Baqir, Governor State Bank of Pakistan at Islamabad. The Special Advocate and Governor Baqir discussed how inclusive financial technology (fintech) and digital finance represent a great opportunity to improve people's financial lives, while noting it is important to consider and mitigate risks associated with it.

At the outset of the meeting, Governor highlighted SBP's initiatives, commitment and achievements for increasing financial inclusion under National Financial Inclusion Strategy (NFIS) 2023. The Governor also shared with the UNSGSA, the high impact development initiatives including gender mainstreaming in financial inclusion, creation of Innovation Office within the central bank, establishment of Micro Payment Gateway (MPG) and regulatory framework for Fintechs.

The Governor said that SBP, being mindful of the rising gender gap in access and usage of financial services in Pakistan, has decided to launch a policy to reduce the gender gap in financial inclusion. Accordingly, the Governor presented the draft policy on gender mainstreaming to the UNSGSA, which aims to introduce a gender lens within the financial sector through identified pillars and specific measures.

Governor Baqir also deliberated that SBP is exploring ways to encourage innovation for financial inclusion through fintech by creating an Innovation Office at SBP. The Governor while appreciating the UNSGSA, for her efforts to promote financial inclusion globally invited her to share her views on both the SBP initiatives of policy for reducing gender gap in financial inclusion and innovation office.

Speaking on the occasion, UNSGSA Queen Maxima remarked that she was very happy to return to Pakistan and valued the discussion with State Bank on financial inclusion. She appreciated the progress made by SBP and Pakistan with respect to financial inclusion while focusing on gender mainstreaming and digital financial services. The UNSGSA pointed out that Pakistan is in good position for a boost in technology-enabled financial inclusion and that in the last five years, Pakistan's start-up tech and fintech ecosystems have made some notable progress with improving their supporting networks.

The UNSGSA mentioned it could be helpful to establish a pro-poor gateway for the wider acceptance of micropayment methods, introducing consumers to micropayments on a large scale. She was supportive of the steps taken by SBP to create a micropayment gateway in 2020. She, however, added that while resolving technical issues are important, it is more challenging to encourage people in engaging with digital modes of payment. Adding further, the UNSGSA emphasized that in this regard inclusion of new players is important, whereby they should not only be competing but participating to expand the delivery of services as well.

Finally, the Governor and the UNSGSA agreed to continue sharing ideas and follow up on agreed tasks for promoting financial inclusion. The Governor thanked the UNSGSA, Queen Maxima for personal commitment and pushing forward the agenda of financial inclusion as a means for achieving inclusive development.
