



مبادرة الشمول المالي
للمنطقة العربية
FIARI | FINANCIAL INCLUSION FOR
THE ARAB REGION INITIATIVE



صندوق النقد العربي
ARAB MONETARY FUND

Demand-side Surveys Model for the Arab region

Financial Inclusion in the Arab Region Initiative (FIARI)



صندوق النقد العربي
ARAB MONETARY FUND

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Today's session provides an overview of Arab Region efforts in promoting Financial Inclusion Agenda and FIARI Initiative and we will go through the customized Demand-side Surveys for both Households and MSMEs tailored to the Arab region

1



Financial inclusion in the Arab Region: Key Facts

2



Arab Regulators and AMF efforts in Financial inclusion

3



Financial Inclusion for the Arab Region Initiative (FIARI)

4



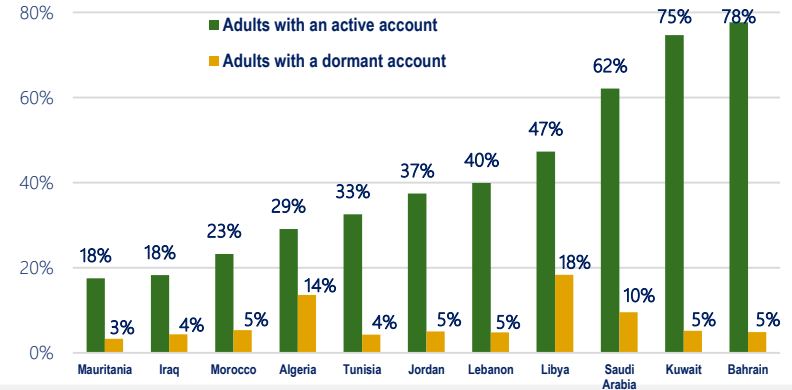
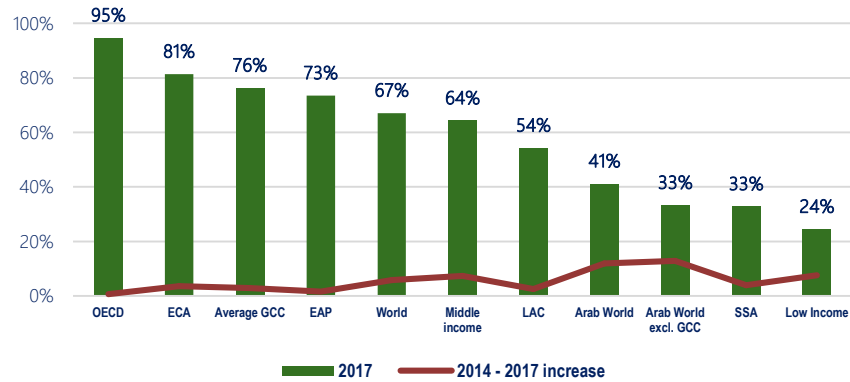
Demand-side survey framework for individuals & MSMEs

5

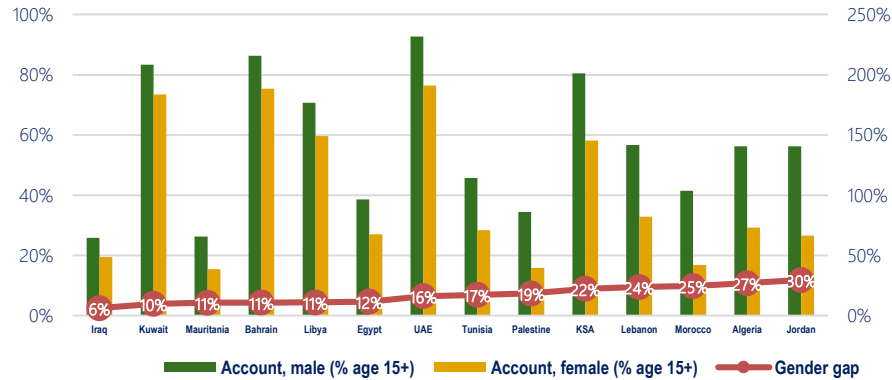


Financial Inclusion Indicators and Index

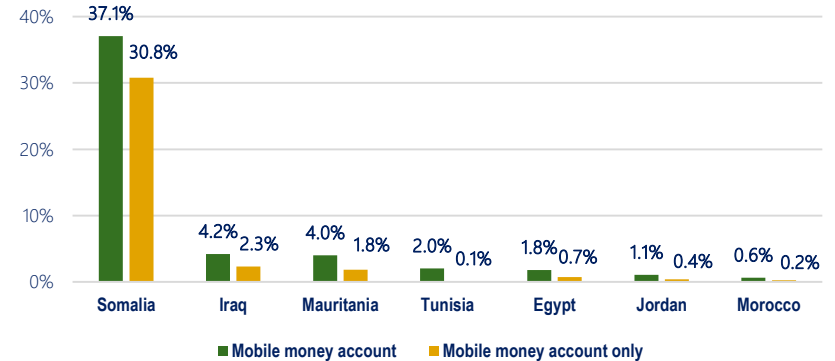
Account ownership and usage



Comparison between 2014 and 2017



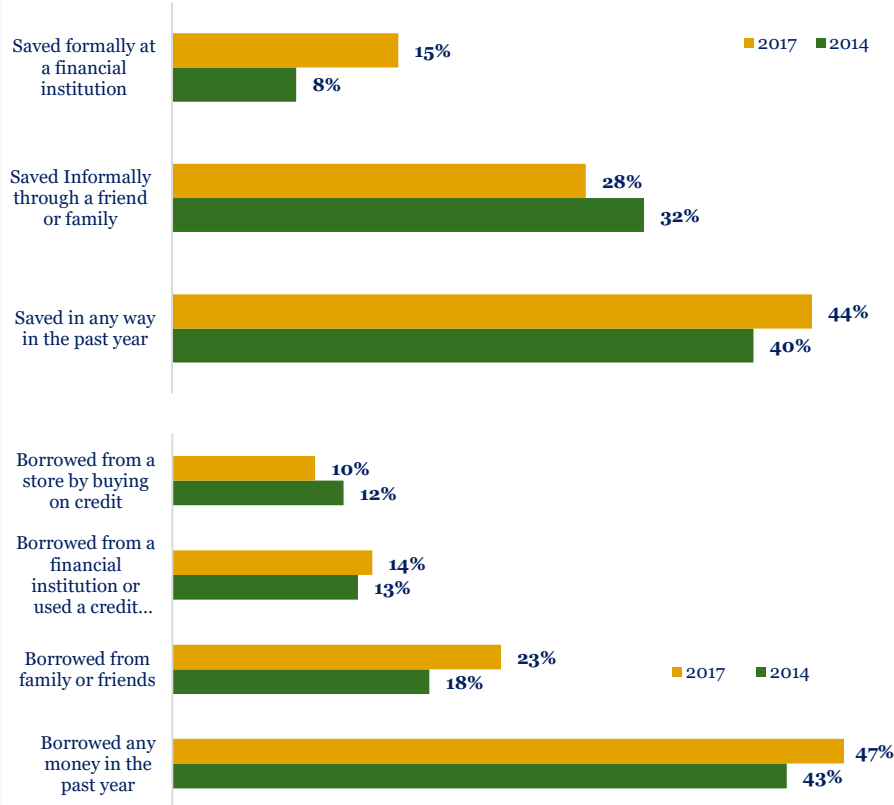
Data as of 2017



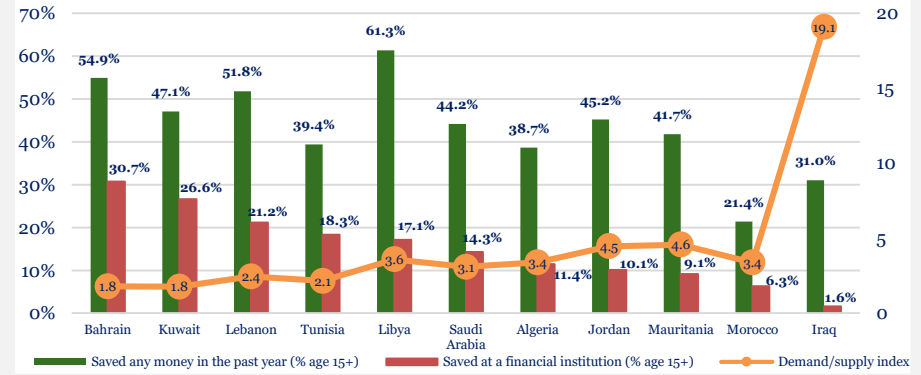
Data as of 2017

Data as of 2017

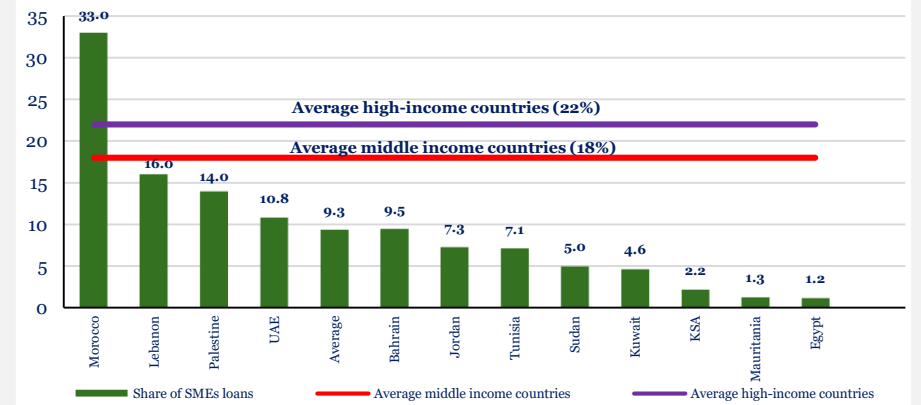
Saving & Borrowing behavior / Untapped demand



Data as of 2017



Data as of 2017



Data as of 2017



Conferences, Trainings & Capacity Building

- Financial Inclusion & Financial stability.
- Financial Inclusion. measurement
- Building National Financial Inclusion Strategies.
- Financial Education in the Arab region.
- De-risking & Financial Inclusion.
- Payment Aspects for Financial Inclusion (AMF-BMGF 2018)

Publications

- SME Finance.
- Women Financial Inclusion.
- Financial Education.
- Startups finance.
- Digital Financial Services.
- AMF-TCBI Financial Inclusion and SMEs trainings.

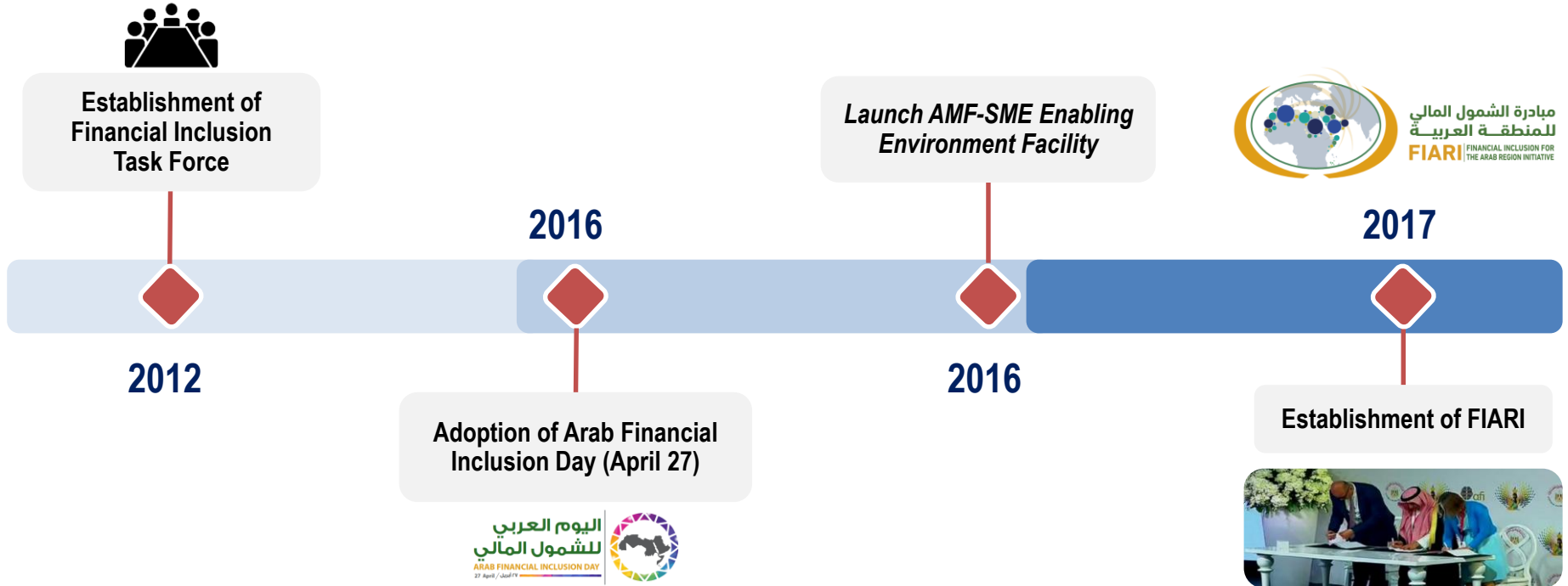
Effective delivery through

- AMF platform for coordination and consultation (Committees & task forces, Council of CB and MoF)
- Close collaboration with regional and international development institutions on financial inclusion agenda.

- Consumer protection.
- Building financial inclusion plan, NFIs.
- Data measurement framework and indicators.
- SME Finance.
- Building regional Payment system.
- Loans and financial supports

Technical Assistance

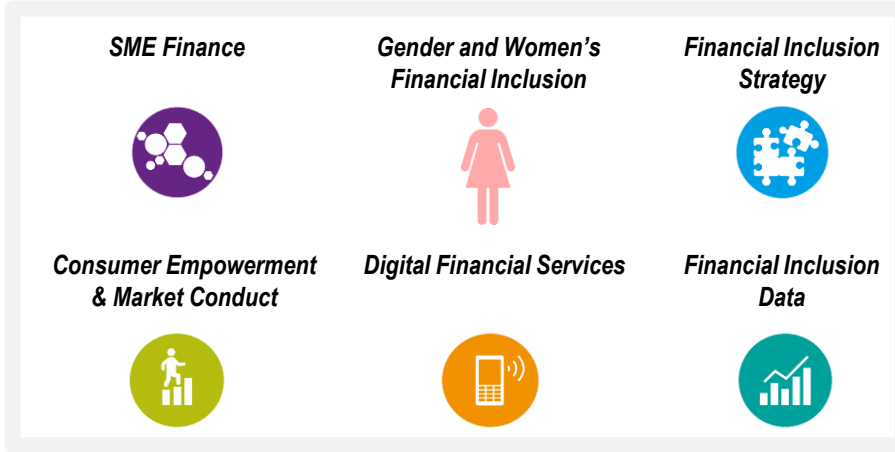
In the framework of AMF strategic plans and in line with its mandate of Secretariat for the Council Arab Central Banks and Monetary Authorities, four main milestones have been achieved over the past years:



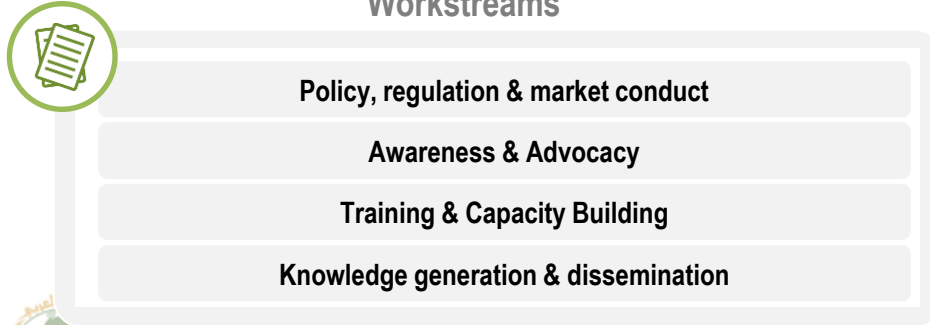
The AMF, GIZ, AFI and World Bank Partnership already in place ahead of establishment of FIARI Initiative

A partnership between AMF, GIZ, AFI and the World Bank, establishing under the auspice of the Council of Arab Central Banks' Governors, peer-learning and capacity building platform for the financial policymakers and regulators in the Arab region.

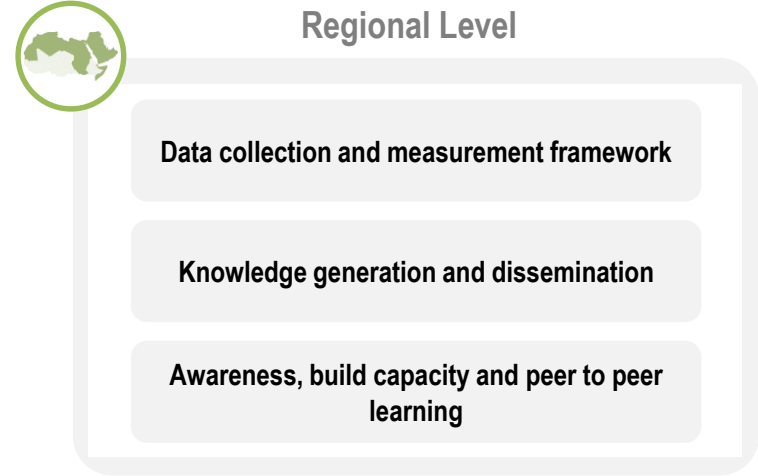
Thematic priorities areas



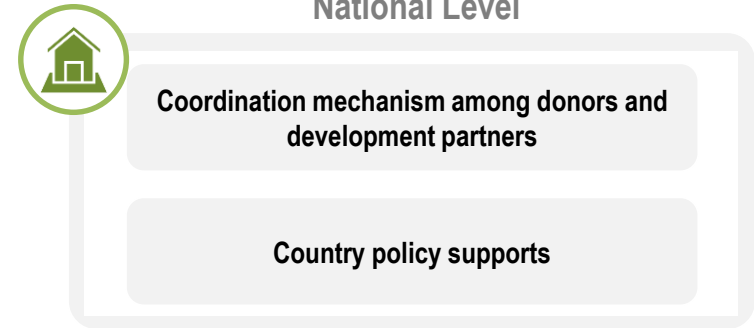
Workstreams



Regional Level



National Level



There is a need for a more comprehensive common toolbox for financial inclusion demand-side surveys across Arab countries.

Common toolbox for demand side data



Domestic data collection, monitoring and analysis for developing national policy priorities and reaching stated financial inclusion goals



Cross-country comparison and analysis to provide continuity with the existing domestic and international demand-side surveys, while allowing customization to reflect the national specificity and needs to reach the stated goals

Toolbox: Components



Harmonized modular survey instrument, customizable at the country level and compatible with global surveys



Common implementation methodology



Glossary of terms and definitions



Common set of indicators



Coordinated frequency and timing of various national surveys across the Arab region

Survey framework



General surveys



In-Depth surveys



Additional Thematic mini-surveys

The Structure of the Harmonized Financial Inclusion Demand-Side Survey

1 GENERAL SURVEY

General and simple survey on the use of financial services



Individuals & Households



Micro & Small Businesses (MSME)

2 IN-DEPTH SURVEY

In-depth survey on the usage of financial services and demand conditions

I. Introduction

II. Payments / Transactions

III. Borrowing

IV. Saving and Investing

V. Insurance

VI. Financial Management

VII. Financial Literacy

VIII. Perceptions & Trust

IX. Financial Position

X. Demographics

3 MINI-SURVEYS

Additional mini-surveys related to financial inclusion

Additional menu of options to allow deep dive into specific issues / topics that may not be relevant or a priority for other countries, or where the specific country situation makes the core harmonized survey difficult to apply (optional)

1

GENERAL SURVEY (HOUSEHOLDS / INDIVIDUALS)

Questions

Demographic data

?

Do **you** have or had in the **past 12 months** any of the following **financial services or products**?



Gender



Age

Educational
AchievementMarital
Status

?

Does **anyone else** in your **household** currently has or had in the **past 12 months** any of the following **financial services or products**?

Employment
StatusAverage
Monthly
Income# People in
HouseholdHousing
Tenure

2

IN-DEPTH SURVEY (HOUSEHOLDS / INDIVIDUALS)

	Core	Optional
Section I (Introduction)		
Total	4	3
Financial Inclusion Questions		
Section II (Payments)	16	23
Section III (Borrowing)	10	9
Section IV (Saving)	8	2
Section V (Insurance)	5	5
Section VI (Fin management)	5	1
Section VII (Fin literacy)	5	0
Section VIII (Trust)	1	3
Total	50	43
General Questions		
Section IX (Financial position)	12	3
Section X (Demographics)	10	0
Total	22	3
TOTAL	76	49

1

GENERAL SURVEY (MSME'S)

Questions

?

Does **your business** have or had in the **past 12 months** any of the **following financial services or products**?

Demographic data



Type of
Business



Industry



Age



Size



Location



Markets



Owner
Characteristics



Other Info



2 IN-DEPTH SURVEY (MSME'S)



Characteristics of the firm



Sources of financial services



Awareness, perceptions and use of finance in the future



Balance sheet, income and expenses



Additional mini-surveys



CHARACTERISTICS OF THE FIRM



Organization demographics



Personal characteristics of the owner(s)



Records



SOURCES OF FINANCIAL SERVICES



Use of deposit services (checking and savings accounts)



Use of credit and financing (by type of financing)



Most recent loan



Use of other financial services



Relationships with financial institutions



Trade credit



New equity investment in the firm



AWARENESS, PERCEPTIONS AND USE OF FINANCE IN THE FUTURE



MSMEs awareness of different types of finance



SME perceptions of raising finance



Growth



Use of finance in the future and discouragement



BALANCE SHEET, INCOME AND EXPENSES



Income and expenses



Assets



Liabilities



Credit history



ADDITIONAL MINI-SURVEYS



Product-specific surveys (e.g., trade credit, factoring, leasing, insurance, etc.)



Informal sector business activities



Angel financing / crowdfunding



Equity and micro-equity



Financing social enterprises



Financing ethnic and minority businesses



Start-up financing

	Content	Target Group	Outcomes	Pro's	Con's
SIMPLE	Use / non-use of financial services	MSMEs incl. informal firms	Inclusion / exclusion indicators Market monitoring	Simple Cheap Repeatable	Limited data Focused on current usage
CREDIT SURVEY	Use / non-use of credit services	MSMEs incl. informal firms	Indicators on use / non-use of credit	More detailed	Little data on firms
FULL ENTERPRISE SURVEY	Use of Financial Services Firm finances	Formal MSME	Inclusion / usage indicators Financial data on firms	Detailed Comprehensive	Expensive Complex Formal firms
MINI SURVEY	Specific types of financial services	Specific to the type of services	Detailed data on market segment	Simple Low-cost	Limited to specific service / issue

The model of AMF Financial Inclusion composite index is currently being developed

Indicators / Regional baseline

G20 indicators Individuals

- Item by item comparison of various dimensions
- Supply side, usage and market conditions (mix of inputs and outputs)

G20 / AFI Indicators for MSMEs

- Formally banked enterprises
- Enterprises with an outstanding loan or credit from a regulated financial institution
- Credit barriers / SMEs providing collateral.

G20 Indicators for Market

- Formally banked enterprises / Credit Barriers
- Interoperability of Points of Service
- Disclosure Requirements / Dispute Resolution

Additional indicators

- % of MSMEs seeking/approved for/rejected/discouraged from external financing
- Awareness of financing options
- Pricing of financing available to small businesses (pricing index)

Financial Inclusion Index

Total Financial Inclusion (TFI) Index (I and II)

- Comparison of usage and non-usage with market segmentation
- No supply side and market conditions (outputs)

Composite Index of Financial Inclusion (CIFI)

- Unique measure of financial inclusion for each country

Financial Inclusion Score (FIS)

- Endogenous benchmarking of financial inclusion as a system

Weighted Financial Inclusion (WFI) Score

Financial Exclusion

Supply Gaps

Usage indicators

- TFI I / II plus some G20 indicators
- Other indicators : Trust / confidence / Levels of satisfaction

Composite Index

- Options for consideration (AFI, IMF, SFINX, AMF index)

Thank You

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