

Remarks by the President's Global Development Council at Financial Inclusion Forum

Opening: I hope that everyone has had a good morning so far. At least logistically things seem to be running quite smoothly, so that's a testament to everybody's ability to navigate this building, but also their devotion to the cause. I want to introduce our lunchtime program, and I'll turn it over to Alexia Latortue, our Principal Deputy Assistant Secretary on the international side who focuses on these areas at the Department of Treasury. She'll curate a series of conversations on the future of financial inclusion. So thank you to Alexia, and thank you to all of our lunch speakers for joining us today.

Alexia Latortue: Good afternoon. Thank you very much. I hope you all enjoy your lunch. And since this session is over lunch, we have organized it as a series of tapas, or small plates. And those of you who are familiar with tapas know that they're often served in rapid succession, often devoured very quickly, but that does not deter from our ability to savor them. Although tapas are small in size, they are big in flavor. And so, too, will be our four mini-sessions today. With no further ado, I would like to start with the first of our mini-sessions. I'm particularly honored and pleased that the Global Development Council, the President's Global Development Council, has chosen this financial inclusion forum to launch their call to action on financial inclusion. With no further ado, I'll introduce Mary Beth Goodman, Senior Director for Development and Democracy at the National Security Council, who will explain to us what is the Global Development Council. Mary Beth.

Mary Beth Goodman: Hi. Thanks everyone. Pleasure to be here with you today. I'm particularly pleased to be joined by members of the President's Global Development Council. We did something in the first Obama term, which was to get everyone together in a room and think about develop[ment] as a comprehensive topic. We'd often had development policies for particular countries, or particular regions, but we'd never had a comprehensive development strategy, which really focused on the direction that we wanted to have the U.S. Government take in development going forward. Global development efforts had always been a bit stove piped. So one of the things that we did was to create a Presidential Policy Directive on global development -- and you can find some information about that if you were to search online -- but one of the elements that came from that was that we elevated development as a core pillar of our foreign policy, and as our national security policy, on par with diplomacy and defense, because we do so much to engage on development when we interact with countries around the world. And when we interact with partners and helping us deliver on our development goals around the world. One of the efforts that came from the PPD -- every good government process needs an acronym -- so the PPD, as it's known, was to create a

presidential council on global development. So, today, we have two of our members who are here from the GDC. We have been told that we will move very swiftly to do the tapas table here. Without any further ado, I'm just going to turn this over to them to tell you about their report that was most recently done on financial inclusion. James Manyika, who is the co-chair of the Global Development Council, and Gargee Ghosh, who is a member of the Council. I'll turn it over to you, James.

James Manyika: Mary Beth, thank you. We're delighted to have the opportunity to share some of the work we've been doing and offer some of our perspectives when it comes to the question of development. I'm going to take just a couple of minutes to provide a little bit of that context, and then my colleague, Gargee, will talk about the call to action that we're making on financial inclusion, specifically. We think we're at a consequential moment in global development. There's been a raft of technological innovations, innovations in technology, health and finance that are creating new possibilities for how we might think about development. At the same time we now have a much broader range of participants in the topic of development -- and many of them are represented in this room -- from philanthropists, to the private sector, to non-governmental organizations in many, many more varied forms in a way that is quite exciting. At the same time, I think for the first time in a long time, we have the developing countries themselves now able to marshal resources and capacity to the task of development. So it's an exciting moment. But at the same time, I think that the world and all of us are grappling with a few very real things. One is the question of how to drive economic development while being mindful of doing that in a sustainable fashion. We know that discussions are going on in Paris as we speak; that's an important part of the development conversation. Second, there's a question of how do we drive development in a way that is inclusive and allows broader participation. Much of that is captured in the SDGs, which the world had a major milestone achievement in agreeing and committing to those. But I think at the same time we need to be very mindful of the acute, often acute and urgent needs of humanitarian assistance. Typically these are things that happen as a result in the face of pandemic outbreaks, refugees and migration, natural disasters, and often not-so-natural disasters, which create an urgent need that the development community has to respond to. So as we think about all of this, at least as a Council, our view is that the old model of development, of leaving development to just governments and the traditional development actors, is actually, while necessary, insufficient. We don't think it quite captures the possibilities and the potential and the resources and the capacity of many of you in the room, and quite frankly the wider world. So we think the mindset for development has to go beyond aid, and beyond the traditional actors and embrace more innovative approaches, and more diverse approaches to tackling these issues. And that's why we're very pleased to have the people who are here in this room. As

Mary Beth described, the president's Council was established three years ago, and much of our work is actually focused on how we bring external perspectives to this. We have the privilege of working together with some of the key agencies: State, Treasury, as well as Defense and also the MCC, OPIC, and USAID and USTR, so it's a very vibrant group. So far much of our work has focused on four or five key areas. Let me just highlight those. One is the question of how do you galvanize the private sector into the process, and engagement around development. Second, how do we more fully leverage the innovations and financial capacity that have come as a result of some of the things that have happened in the financial world, and much of this discussion is very much about that. Third, how do we promote sustainability and climate-smart jobs and programs; you've seen some of our recommendations on that front. And then fourth, the question of how to drive innovation and use evidence-based methods is very much core to much of the recommendations we've made. And then, finally, this issue of how to do collaborative resource mobilization. And so you've seen some of the recommendations we've made in the past and we're pleased to note, that, in fact, many of the things we've recommended are being embraced by the administration. You may have seen a report that the administration put out describing some of the things related to our recommendations that they put out early this year, so we're quite pleased about that. Let me end on one final note, which is today we are actually launching the most recent and current of our recommendations. This is around the topic of financial inclusion. I'm going to hand over to my colleague, Gargee, who will talk about our call to action.

Gargee Ghosh: Thanks, James. As James said, of the many issues that we look at as a Council, we were quite persuaded that financial inclusion is a powerful tool to help households, including poor households, take control of their financial destiny. We also saw it as an enabler, a catalyst of many of the other development goals we've now committed to. But it's one thing to believe, and another to act, and so our recommendations focus on four ways we think the U.S. Government could do even more than it is today in the area of financial inclusion. First, we see this as a real moment for leadership. Set this as a signature issue of U.S. development, an example of modern public-private innovation-led development at its best, and carry that through to the G20, perhaps by championing a G20 strategy for global financial inclusion. Second, very consistent with leading: support. Lend support for, and fund, financial inclusion. Digital financial services should have dedicated budget allocations, we think, across different agencies: USAID, Treasury, law enforcement. We noted that in Addis, Secretary Lew called for, I believe, a doubling of resources for the Office of Technical Assistance. We think that's a great idea, especially if it includes resources to help countries with digital financial services. Third, innovate. We have talked a lot this morning, and in general on

this topic about the need for regulatory innovation, products, user interfaces. We think the U.S. Government can provide both the vision and the incentives to unlock the American innovation sector in this space, as well as regulatory innovation. We would see that as a challenge rather than an insurmountable obstacle. Fourth, and finally, we'd like to see the U.S. Government staying the course on this. I think it would be too easy to be pleased with today and run off to the next crisis, because those of us who work in development know there will always be another one. Let's not do that, let's invest in the monitoring, the learning, to make sure we're making progress. Let's have the right indicators for progress, in usage not just access and accounts. And let's make sure we're doing the right things to achieve this goal that we've set for ourselves. As a council, we look forward to working with Alexia, Mary Beth and our partners to make progress on these ideas. The report of the Council is available online and on your table, and if you've got comments for us, the email is gdc@usaid.gov. Thank you.

Alexia Latortue: Great. Thank you so much, the three of you. And I think I can speak on behalf of the whole of government to say that we stand ready to respond to your call to lead, to support, to innovate, and perhaps most importantly to stay the course. We will rise to the challenge. Thank you very very much for launching this very important call to action here today. I would just like to underscore Gargee's request for you to give feedback, because you are very much interested in feedback on the recommendations. Are they the right ones? What are your ideas to help implement them? Again, I will repeat, to give you support Gargee, gdc@usaid.gov. They're looking for engagement, so please engage. Thank you very much to the three of you.

Mary Beth Goodman, James Manyika and Gargee Ghosh: Thank you. [Applause]