

## **Carolina de Assis Barros: G20 – Global Partnership for Financial Inclusion (GPFI)**

Speech by Ms Carolina de Assis Barros, Deputy Governor of the Central Bank of Brazil, at a panel discussion to celebrate the 50th anniversary of the Central Bank of Brazil, Fortaleza-CE, 1 July 2024.

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Ladies and gentlemen, good morning. Welcome to the beautiful city of Fortaleza.

It is an honor to stand before you today/ as we gather for the 2nd plenary meeting of the G20 Global Partnership for Financial Inclusion.

My warmest greetings to all participants: representatives of G20 member countries, invitee countries, implementing partners, and affiliated partners.

Allow me to express our gratitude to the GPFI co-chairs, Ms. Magda Bianco and Mr. Chanchal Sarkar, for their great efforts in coordinating the GPFI initiatives.

We all know that financial inclusion is not merely an economic concept. Access to quality financial services empowers individuals, fosters entrepreneurship, and drives economic growth.

Additionally, it provides the resilience needed by individuals and small enterprises to face extreme climate events-an aspect that sometimes does not receive proper attention until we experience it firsthand.

I'm sure many of you are already aware of the climate tragedy we are facing in the extreme south of Brazil, in the state of Rio Grande do Sul.

Since the end of April, the state has been suffering from storms and floods, which have had a devastating impact on the region.

More than half a million people are displaced, staying in the homes of friends or relatives, and around fifty thousand are in shelters. Unfortunately, more than two hundred people have lost their lives or are still missing.

More than 94% of all economic activity in Rio Grande do Sul has been affected, causing significant damage to communities, businesses, and infrastructure.

To give you an idea, the international airport in Porto Alegre, the state capital, was heavily affected and will remain out of operation until December. Unfortunately, we know that this catastrophe is not an isolated case.

Therefore, financial resilience should be, more than ever, a key outcome sought through global efforts regarding financial inclusion and financial well-being.

We, as GPFI members, need to embrace the challenge of financial inclusion with a vision where no one is left behind, while also being mindful of the quality of this financial inclusion.

Together with the Implementing Partners, through collaboration, research, and innovative solutions, we can break down barriers and contribute effectively to creating an inclusive, sustainable financial ecosystem where individuals, households, and businesses achieve financial resilience, stability, and better financial well-being.

To achieve these goals, this year, the GPFI has been working on three important and challenging deliverables.

First, let's look at the case of preparing a new action plan for financing Micro, Small and Medium-sized Enterprises. While we seek to reducing the financing gap for these enterprises, we need to work on removing constraints to their access to financing.

This includes addressing the misleading perception of higher risk associated with them, ensuring the suitability of financial products and services to their specific needs, and improving the availability of reliable data. Overcoming these challenges requires joint efforts from governments, financial institutions, and entrepreneurs.

Second, in the case of financial inclusion, after having made significant progress for individuals and households, we know how increasingly challenging it is to reach the last mile, even with the new technologies available.

The advance towards last-mile inclusion requires significant efforts in research to understand these segments in depth, their context, and their needs.

It requires even more innovation-not just technological innovation-to ensure that this inclusion is of high quality, meeting their needs in an assertive and affordable way. This means delivering financial products and services responsibly and with robust consumer protection in place. Achieving all of these is not trivial.

Third, on the financial well-being deliverable, I truly believe in the importance of this achievement for the future of financial inclusion.

Thinking about our policies from the perspective of their ultimate results is always more challenging. Hence, having financial well-being as a guide for financial inclusion initiatives is essential if we seek effectiveness and quality in our efforts toward a more inclusive financial future.

Therefore, I am very glad to hear that the Financial Well-Being Subcommittee has made enormous progress on establishing a working definition and a preliminary conceptual framework for financial well-being. An outcome only possible, I was told, through the collaborative efforts of our Implementing Partners, Subcommittee country members, and Her Majesty, Queen Maxima herself.

For all these achievements, the immense value of collective work cannot be overstated. I know that in such a large and heterogeneous group, discussions can be long, tiring, and heated.

I am also sure that these conflicts in the field of ideas and the commitments we make for searching consensus ensure that the results of our work are even better, more robust, and policy-oriented.

In closing, I wish us all a productive and successful meeting. As we engage in fruitful deliberations over the coming days, I am sure that Fortaleza, with its receptive and warm people, vibrant culture, rich history, and stunning coastline, will provide an inspiring backdrop for our discussions.

Thank you.