
**BUILDING INCLUSIVE FINANCIAL SECTORS FOR DEVELOPMENT:
QUESTIONS FOR MULTI-STAKEHOLDER DISCUSSIONS**

Why Are So Many Bankable Clients Unbanked?

It is recognized that more inclusive financial sector development can lead to broad-based economic growth and poverty reduction. It is important to learn why most bankable households and enterprises in the world are still not banked. Stakeholders from public and private financial institutions, from business and civil society, from high, middle and low-income countries have experiences that when elicited and shared with others can help countries find the way to improving financial access.

The questions that follow aim to facilitate conversations about this key issue in stakeholder discussions that the United Nations General Assembly requested be undertaken as it prepares for the High-Level Dialogue on Financing for Development in 2005 and in the context of the International Year of Microcredit, 2005.

I. DEMAND FOR FINANCIAL SERVICES

In your experience, what holds back the spread of demand for financial services for the poor? Why can't clients access the financial services they require more easily?

Considerations may include:

*confidence/trust
concerns about confidentiality
education/training
financial literacy
socio-economic class*

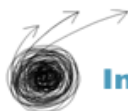
*culture
transaction costs for the clients
geographic location
lack of appropriate services
other?*

In what ways do the factors that you see as responsible differ significantly among potential clients?

Considerations may include:

*Poor vs. very poor clients
In rural versus urban areas,
Among employees versus entrepreneurs
versus farmers,
Active mainly in the formal versus
informal economy,*

*Male versus female clients,
Differentiated by education level,
Differentiated by cultural factors
(mindsets of potential clients),
Other*



III. THE ROLE OF PUBLIC POLICY

In your experience, in what ways do the country economic environment, policies, laws and regulations (as actually applied) impede the spread of financial services to the poor? In particular, what is the consequence of the following? In what ways do these factors above encourage the spread of financial services?

Considerations may include:

- *Macroeconomic conditions (growth/stability, inflation, exchange rates)*
- *Financial sector policies (including interest rate regulations, privatization, deregulation, foreign entry)*
- *General commercial law and its enforcement (contracts, property rights),*
- *Accounting standards and regulations*
- *Regulation and supervision of bank and non-bank financial institutions,*
- *Role of government in the provision of financial services, in providing subsidies*
- *Tax policy,*
- *Other*

IV. OTHER

What other constraints have you experienced?

V. THE MOST IMPORTANT CHALLENGES AND OPPORTUNITIES

What have been the most significant constraints overall? What are the major challenges to the development of inclusive financial sectors serving households and micro, small and medium enterprises?

In the next year

In five years

In ten years?

What are the most promising opportunities? How do you envisage current and new market players acting on them?

What is your vision of building an inclusive financial sector?