

This first Refresh focuses on three key partnership areas: inclusive digital finance, inclusive financial supervision and regulation, and gender equity in Morocco.

# FINANCIAL INCLUSION REFRESH

JANUARY 2022



accelerator  
labs



SUSTAINABLE  
DEVELOPMENT GOALS



## ACKNOWLEDGMENTS

This refresh has been a joint effort. Most appreciation goes to **Hakima El Alami**, Bank Al-Maghrib Director of Payment Systems and Means Oversight and Financial Inclusion **Ibtissam El Anzaoui**, Head of Financial inclusion for extensive inputs and guidance. With thanks to **Roxani Roushas**, **UNDP Regional Innovation Analyst** for her helpful advice on various technical issues examined in this Paper.

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**Through United Nations Development Programme in Morocco strategic partnership with Bank al-Maghrib on driving forward strategic innovation and advancing digital finance, we hope to effect real change at the country level and see the impacts of financial inclusion on accelerating the local digital economy.**

FINANCIAL INCLUSION REFRESH

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## MESSAGE

### FROM BANK AL MAGHRIB GOVERNOR

It has been more than a decade that Bank Al-Maghrib has stood out for financial inclusion as one of its strategic orientations because of its contribution to the economic and social development of the Kingdom.

Moving forward, the National Financial Inclusion Strategy represents a key step in this process building on national and international experiences to define the levers to explore as part of public-private framework.

Our collaboration with the UNDP confirms our strong commitment and determination to overcome the remaining challenges and to provide the required support to the ecosystem especially in the most critical areas such as digitization, FinTech and green finance. Indeed, our collaboration sets as the main ambition to reach the underserved, leaving no one behind, thanks to transformative approaches and tools that can accelerate the deployment of inclusive models.

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**Abdellatif Jouahri**

**GOVERNOR, BANK AL MAGHRIB**

## MESSAGE

FROM UNDP MOROCCO  
RESIDENT REPRESENTATIVE

**Financial inclusion and digital livelihoods are an evidence-based enabler of a broader development impact —fulfilling the promise of the United Nations Sustainable Development Goals (SDGs).**

There is no going back in today's growing reliance on technological innovation and digital financial services. This presents us with an unprecedented opportunity to reap their benefits for financial inclusion, but also with a multitude of trade-offs and new caveats like financial security and cybersecurity that require the Moroccan financial regulator to keep pace with reflexive, iterative, and SDG aligned regulations.

We are very pleased to join forces with the Moroccan Central Bank, which has made significant strides in framing the national financial inclusion discussions in recent years. To deliver on the National Financial Inclusion Strategy and help curb the mounting costs of gender digital divides, we are set on utilizing non-traditional data and experimental design as well as help raise development funds dedicated to Fintech start-ups that are specifically creating solutions for underserved, low-income people's financial inclusion.

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**Dr. Edward Christow**

**UNDP MOROCCO RESIDENT  
REPRESENTATIVE**

# FINANCIAL INCLUSION AT A GLANCE

The 2019 National Financial Inclusion Strategy was drafted by Morocco Central Bank that is known for its independence and successful low inflation policies, is albeit a good start. But a set of new drawbacks that stem from technology acceptance are still has to be overcome. For instance, mobile money is yet to achieve widespread uptake.

This sheds light on the need to double down on the demand of digital financial services in addition to their supply.

A stark financial inclusion gender gap: 17% of adult women have a bank account, compared to 41% of men. Whereas 34% unemployed men are banked vs. 14% of women only.

## HIGHLIGHTS

- Morocco has the largest proportion of unbanked citizens, standing at 71%. (Merchant Machine UK, 2021)
- Morocco was ranked 29th by the 2019 Global Microscope, which assesses how enabling countries' environments are for financial inclusion and the expansion of digital financial services.

## MOBILE MONEY UPTAKE



GSMA Mobile Money Prevalence Index 2020 has graded Morocco's Mobile Money adoption as very low

Mobile Phones are highly accessible, yet the volume of Mobile Money transactions fails to reach a scale that could make these viable. This makes Morocco one of the late adopters at the continental level, missing out on the opportunity of cutting costs associated with cash-based transactions.

**45%** people in rural areas cannot afford internet

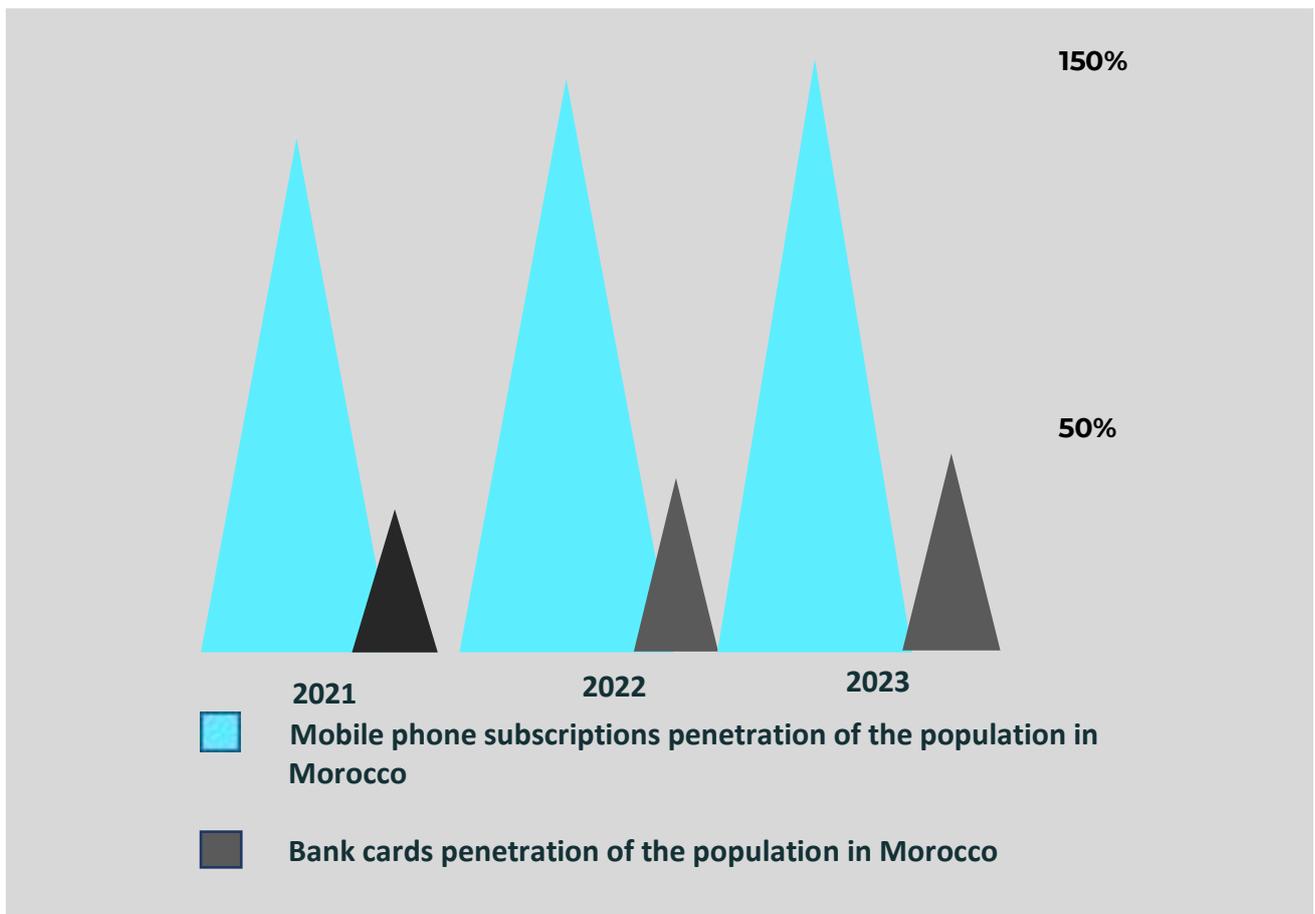


**INCOME POVERTY – PARTICULARLY FOR THE 38% OF THE POPULATION THAT LIVE IN RURAL AREAS, SINCE 45% OF THIS SEGMENT CAN NOT AFFORD USING THE INTERNET.**



**0.6%**

**OF MOROCCANS HAD A MOBILE MONEY ACCOUNT IN 2019, AND THERE IS A SIGNIFICANT GENDER GAP.**





### DIGITAL DIVIDE

Digital Finance relies on steady, high-speed fixed Internet connections, but as of January 2021, most of the people who use the internet rely heavily on mobile data and remain offline from time to time.

### SHORTAGE OF SKILLS

Digital finance requires literacy and numeracy skills. It can also require digital skills, including the ability to understand digital media, to find information, and to use these tools to communicate with others. Even if access to the internet were suddenly improved in rural regions, illiteracy rates would remain a limiting factor.

## Gender digital divide

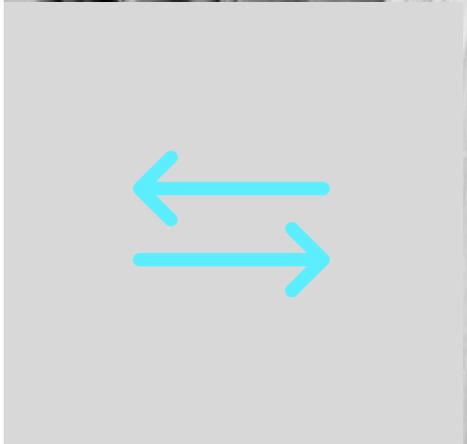
**Women make up only 35% of Morocco's professional and technical workers and only 25% of Morocco's total labor force. gender disparities in literacy and vulnerable employment ARE EVEN MORE PRONOUNCED. Nearly half of rural Moroccans are illiterate, and the majority are female.**



## LOCAL TRANSACTIONS ECOSYSTEM

The number of bank cards in circulation increased by 6.3% to 17.2 million at the end of 2020. However, changing Moroccan cash habits seems to be a complex systems related issue especially that **convenient stores which represent the ultimate last mile touch points, are yet to be incentivized.**

**Even for the banked, unmaturing transaction ecosystem result in low user-activity rates.**



**1 FOR 7384 PEOPLE**

**There is less than one point of access to financial services per 7384 adults in rural areas**

Banks tend to be concentrated in urban metropolitan areas. There are ten times fewer bank branches in rural areas than in urban areas.



**Information gaps and affordability (e.g. minimum balances, maintenance fees)**

Reasons for financial exclusion are multiple, starting with accessibility. The lack of affordability is further amplified by a lack of information in low-income settings.



**Local financial services offerings were not designed to meet the needs of people with low to middle incomes**

More often than not, vulnerable segments of the population are unaware of existing possibilities and options, confused and ill-equipped to trust the institutions that offer them.

**UNDP'S THOUGHT PARTNERSHIP IS HELPING EXPERIMENT, ANTICIPATE AND SCLAE INNOVATIVE FINANCIAL SOLUTIONS THAT CAN DRIVE FINANCIAL INCLUSION**

**AS WELL AS ADVISING RELEVANT REGULATORY SOLUTIONS THAT CAN BE IMPLEMENTED LOCALLY, INCLUDING THE USE OF ENHANCED SUPERVISORY TOOLS LIKE SANDBOXES**

In Morocco, [the National Financial Inclusion Strategy](#) was officially adopted in 2019 during the first national council chaired by the Minister of Finance. It represents the national framework for financial inclusion promotion towards the different segments of the population particularly women, youth, rural populations, and very small businesses. Aligned with this national vision and ambitions, several public and private stakeholders joined their efforts to overcome the challenges and barriers hindering formal financial services' accessibility, affordability and convenience for responsible and

effective usage and this way to unlock the population's economic potential. Bank Al-Maghrib and UNDP's strategic partnership aims to support this vision through evidence-based approaches while leveraging digital financial inclusion opportunities, supporting the implementation of innovative regulatory interventions and building capacities of the ecosystem.

UNDP is the knowledge frontier organization for sustainable development in the UN Development System and serves as the integrator for collective action to realize the Sustainable Development Goals (SDGs).

# MOBILE MONEY'S SLOW UPTAKE AND WHY BEHAVIORAL INSIGHTS COULD HELP?

Although m-wallet subscriptions are increasing, mobile money has still not been able to really take off despite existing infrastructure and regulations. To get to the bottom of this behavioral challenge, UNDP Morocco has employed behavioral science, rooted in psychology, neuroscience and other disciplines, to uncover insights related to the design and implementation of public policies around financial inclusion

There have been positive trends in mobile payments since 2020, possibly as a result of the Covid-19 pandemic. By way of illustration, the number of M-wallet subscriptions rose from 1.4M at the end of 2020 to 3.4M by the end of October 2021. In terms of transactions, this development is slower compared to initial forecasts and is marked by an increased use of M-wallets for bill payments. Acceptance is not yet sufficiently developed at the merchant level. The volume of transactions was 1.4M at the end of 2020 against 4,985,350 transactions at the end of June 2021. This volume is set to evolve more quickly, once the institutional communication, directed by Bank Al Maghrib, is launched in order to communicate widely on the different uses of mobile payment. Through UNDP Morocco's work with [The](#)

[Behavioural Insights Team](#) and UNDP's regional innovation team, we have sought to better understand the unique opportunities and barriers women microentrepreneurs face in accessing financial services, through the lens of behavioral science.

Specifically, we focused on the design of "Nudges": small, choice-preserving interventions that could encourage women microentrepreneurs, their clients and partners, to make use of digital financial services and mobile money transactions

## BROAD OVERVIEW OF

# THE BEHAVIORAL INSIGHTS STUDY UNDP CONDUCTED IN MOROCCO

Target

Explore

Solution

Trial

Scale



Defining the problem and measurable target outcomes.

Mapping relevant behaviors and barriers to those behaviors in the user journey.

Considering and designing the intervention(s).

Designing and launching trials, evaluating, learning and adapting.

Increasing adoption of effective interventions.

Using the COM-B model<sup>1</sup> of behavior change developed by University College London, we have been prototyping behavioral interventions over the course of a year, looking for solutions that drive measurable change in the lives of women living in the most under-served settings. For the purpose of this study, we explored barriers and biases for rural women entrepreneurs.

<sup>1</sup> COM-B Model: Capability and opportunity influence motivation, and not only do all three influences behavior change but are also influenced by the change which occurs.



# BEHAVIORAL INSIGHTS PRELIMINARY FINDINGS

## ○ Status quo bias

is an emotional preference for the current situation. In economics, status quo bias can cause individuals to make seemingly non-rational decisions to stay with a sub-optimal situation. Here we sensed an overestimation of the difficulty of switching to a new method of making payments which seems to prevent potential users from switching from cash to digital services.

## ○ Entrenched Payment Habits

Habits are hard to break and can be even harder to undo given the overestimation of the difficulty of switching from cash to digital services. Content analysis revealed that the main perceived barriers to the adoption of Mobile Money were habits and limited transactions possibilities.



## ○ Ambiguity aversion

Ambiguity aversion, or uncertainty aversion, is the tendency to favor the known over the unknown, including known risks over unknown risks. We have an instinctive avoidance of the unknown. This surfaced as an obvious barrier to use mobile payments. In addition to persisting barriers around trust, and other barriers like mobility, self-efficacy, and information gaps.

## ○ Local agent networks are a deal-breaker

Many digital financial services are not entirely “digital” in nature and rely heavily on local agent networks to facilitate transactions with underbanked populations. Therefore, interventions that target agent behavior are potentially important for affecting broader outcomes.

## THE METHODOLOGY

The first step was to explore the relevant barriers and drivers to awareness, usage, and adoption. This was achieved through both reviewing the existing literature, as well as through primary research investigating the attitudes and experiences of prospective, successful, and unsuccessful users. The resulting insights were mapped onto the COM-B model of behavior. These insights and typologies allowed us to develop a range of behaviorally informed strategies, interventions, and communication ideas, which would overcome the behavioral barriers. Recommendations are continuously refined during the collective thinking done by the taskforce with Bank Al-Maghrib, and further quantitatively tested by UNDP's Accelerator Lab.

### ○ Unlock

Unlocking belief in abilities is a critical component of success, creating the conditions for confidence.

### ○ Advance

Once previously underserved people are inspired to move forward, they need to feel they can move forward and keep progressing.



### ○ Inspire

Messages need to tap into the vision and goals that prospective users identify with most strongly, to bring affordability and simplicity top of mind.



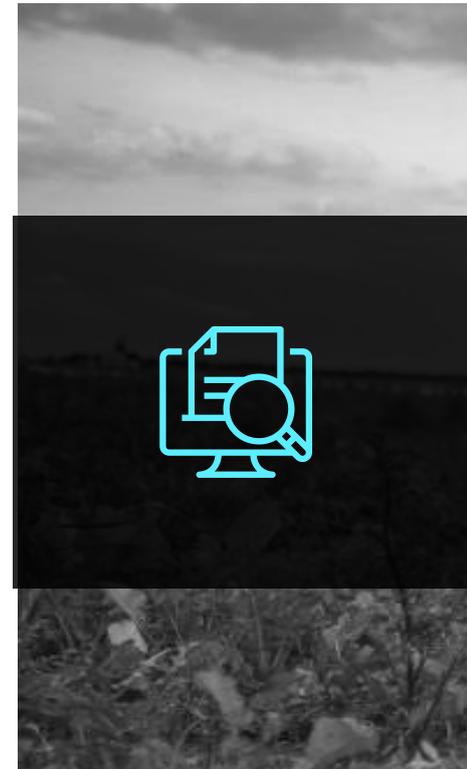
### ○ Equip

Low-income users also need reassurance that they will have access to the support and guidance they need to succeed and keep using digital payments.



# BEHAVIORAL INSIGHTS ROLL OUT

From testing our initial messaging, it was clear that to help mobile money gain traction, it would not be enough to simply motivate people of its benefits. We also need to give people the best chance to progress by reducing friction points, and wherever possible, creating the conditions for them to build their confidence in making the most out of it. We therefore recommended a strategy composed of four pillars, each associated with a different combination of communications and non-communications-based interventions:



## 01 FIRST STRATEGIC LEVER

Behavioral insights-based messaging and voice messaging through a WhatsApp chatbot developed with Viamo. Targeting two behavioral barriers: Belief in Abilities and Prompts.<sup>2</sup>

## 02 SECOND STRATEGIC LEVER

Loyalty programs providing users with points or cash-back on every purchase and the money they win stays in their mobile wallet and can only be spent using mobile payments at any store accepting this payment method.

## 03 THIRD STRATEGIC LEVER

Addressing misperceptions of Mobile Money's security by adding specific features designed to make users feel more secure.



## 04 FOURTH STRATEGIC LEVER

Based on behavioral science evidence on saving products in low-income settings, designing micro-saving nudges that could lead to higher savings rates on mobile money products and will help make sure women not only have access to financial services but are also able to use them to change their lives for the better. Increasing the uptake and usage of mobile money as a savings device.

<sup>2</sup> Belief in Abilities: Unlocking belief in the users abilities is a critical component of success, creating the conditions for confidence. Prompts: Participants also need reassurance that they will have access to the support and guidance they need to succeed.



**SHOWCASING REAL PEOPLE AND REAL STORIES, DIFFUSED WITH THE VALUES IDENTIFIED BY THE STUDY AS TOP PRIORITIES: AFFORDABILITY AND SIMPLICITY**

**DIGITAL WOMEN-ONLY SPACES**

Women helping in the onboarding process and more importantly, the opportunity to explore mobile money transactions and savings as a continuum – allowing people to choose the route most suited to them

Based on the above, we identified a few more interventions, including a safe digital women-only space to explore options and ask questions. Mobile money users will be able to have their questions answered in a confidential and non-judgemental space. For instance, [Mobile Vaani, a voice based social network for rural India](#) developed platforms exclusively for women and have experienced strong uptake.



Illustrating the value propositions of mobile money transactions and savings through testimonials, stories, and snapshots of real life

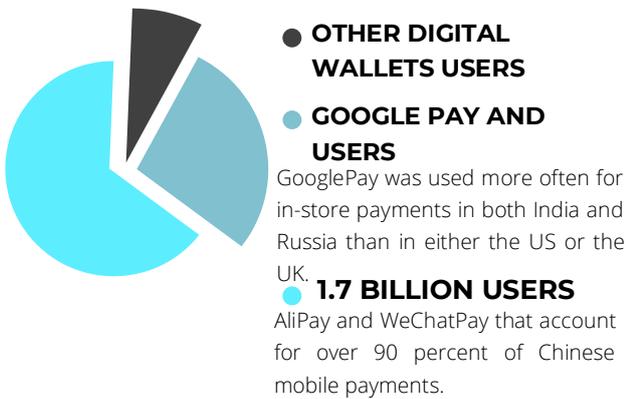
# GLOBAL CONTEXT

## BIRD'S EYE ANALYSIS

The most successful model in the world for early adoption and uptake is the Chinese concept of "an app within an app" proximity mobile payment ecosystem: Payment apps stem from what originally was social platforms and do not need a separate stand-alone app to function.

The overwhelming ascension of Big Techs is right now one of the greatest examples of how fast digital innovation can disrupt markets and changes the competition game. This takes **efficiency** and **financial inclusion** to new levels, particularly in emerging market and developing economies, but also surfaces new concerns for policy and global governance. For example **credit markets around the world are undergoing a deep Fintech and Big Tech-led**

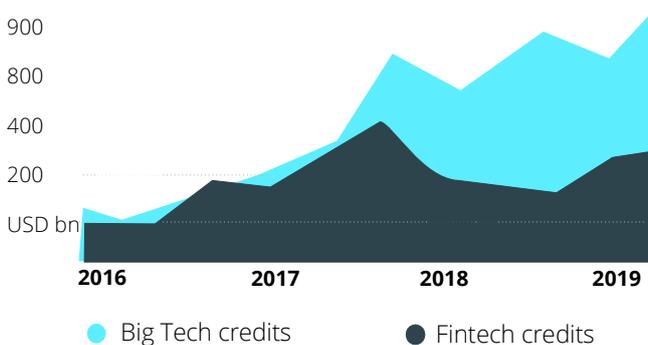
Digital Wallets Are Now the Most Popular Payment Method in the World



### Fintech and Big Tech

Authorities with a mandate for guaranteeing financial stability need to access timely information about fintech and big tech credit in their own economy and economies around the world.

Fintech and Big Tech Credit Are Sizeable in Some Economies



### MOROCCO GENDER GAP IN ECONOMIC PARTICIPATION AND OPPORTUNITY



RANKING 148 AMONG 156 COUNTRIES

[Global Gender Gap Index](#) in 2021



**MOST DIGITAL FINANCE USERS IN THE WORLD LIVE IN THE FAR EAST AND IN CHINA**

Number of active online banking users worldwide in 2021, by region (in millions). [Statista 2021](#)

# HOW CAN REGULATION ADVANCE FINANCIAL INCLUSION IN MOROCCO

## CLOSING THE GAPS WITH SMART POLICY

Developing a real-time and near zero-cost digital payments open public infrastructure, upon which all fast retail payment systems are built. For instance, CoDi in Mexico, and Faster Payments System in Russia.

## DIGITAL COMMITMENT SAVINGS PRODUCTS

[Research](#) shows that commitment savings products help people living in low-income settings overcome behavioral and social barriers preventing them from reaching their savings goals.

## CONDUCTIVE REGULATIONS

Developing reflexive and iterative regulation that can keep up with the advent of the global BigFintech locally and help uphold financial stability and market integrity.

The enhancement of financial services regulatory compliance through the promotion of local FinTech innovation, the facilitation of

regulatory technology (RegTech) development. Enabling RegTech empowered supervision and oversight financial inclusion for those unbanked groups as well as the segments most affected by the de-banking.

## ANTICIPATING RISKS

Anticipating the new (very real) risks to financial stability and consumer rights. This requires regulatory approaches that can be helpful in addressing risks relating to consumer protection, fraud, cybersecurity, misuse of sensitive information, and privacy rights.



**MODERNISED  
ANTI-TRUST  
COMPETITION TO  
ADDRESS BIG  
FINTECHS**



**DATA  
PROTECTION  
EPISTEMIC  
RIGHTS**



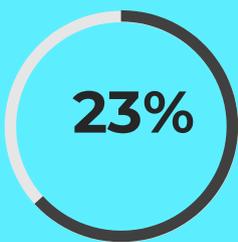
**OPEN NEAR ZERO-  
COST DIGITAL  
PAYMENTS PUBLIC  
INFRASTRUCTURE**

How can we increase the uptake and usage of mobile money?



SDG target 10. c calls for reducing the transaction costs of remittances to less than 3%. The current average cost to send money to Morocco is 6%.

Morocco is quite close to the SDG goal of 3.0% with end-to-end digital channels costing 3.7% of the send amount, compared to 7.8% for cash-to-cash methods.



Households rely on remittances in Morocco.



Remittances Inflows. Making Morocco the third country in Africa that receives the most remittances after Nigeria and Egypt.

Source: World Bank, 2020.

DIGITAL REMMITANCES



Digital Remittances have the potential to boost women's financial inclusion

More policies are needed to make it easier for migrants to send money back to Morocco. For instance, Mobile wallets are [considered as a new more effective channel for international remittances.](#)

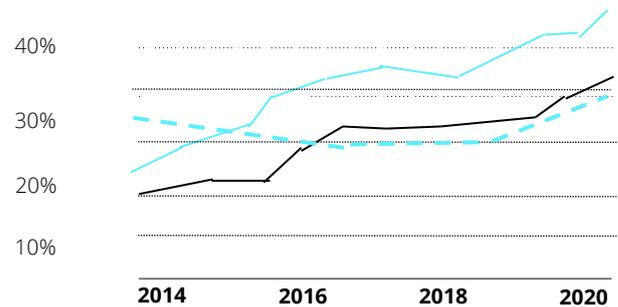


## THE ECONOMIC IMPACT OF WOMEN'S DIGITAL EXCLUSION

**CLOSING THE DIGITAL GENDER GAP IN THE NEXT FIVE YEARS GIVES GOVERNMENTS A \$524 BILLION USD OPPORTUNITY.**

Missing out on hundreds of billions of dollars has been highlighted by [this study](#) measuring the economic cost of digital exclusion of 32 low and lower-middle income countries (LLMICs) including Morocco, October 2021.

### GENDER GAP IN INTERNET USE

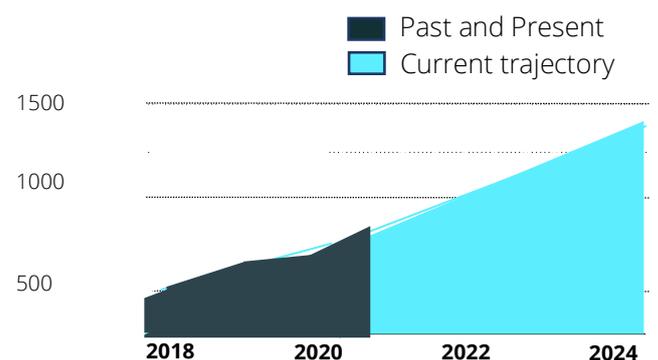


Source: Alliance for Affordable Internet, 2021

- Internet users (% men)
- Internet users (% women)
- - - Gender gap in internet use

### CUMULATIVE COSTS IN LOST GDP, 2011-2025

Estimated GDP Lost to Digital Gender Gap (in Billions USD)



Alliance for Affordable Internet (2021). The Costs of Exclusion: [Economic Consequences of the Digital Gender Gap](#). Web Foundation.

# WHY SHOULD WE ELEVATE INFORMAL ONLINE BUSINESS?

The local economy had a recent surge in informal online business that refers to business-deals solely concluded over social media platforms like Instagram and WhatsApp that rely heavily on-cash-delivery payments options.

Informal online commerce offers greater flexibility and agility to micro-businesses, and has created a space that formal e-commerce does not reach (CGAP, 2021). And since formal ecommerce is still nascent and fragmented in Morocco, this makes this space even more valuable for businesses and small informal businesses. Informal online business has been organically used by small sellers and small buyers. Both sides are predominantly made up of women placing orders as a result of social media encounters and not including the payment, delivery, and customer services. Informal online business seems to be particularly suited for creating opportunities for women's livelihoods given the low barriers. It provides a kind of playground for innovation and the formation of new business models. Some of the pros of digital informal networks also include taking advantage of the business disruption that can arise thanks to the possibilities created by its for low-income women.

grassroot ingenuity and its inherited features catered to the many barriers of low-income women that would previously simply not be able to start their business.

Therefore, catalysing suitable funding mechanisms can unlock massive livelihoods opportunities

## Business Her Own Way: Creating Livelihoods Through Informal Online Commerce" (CGAP 2021):

"...governments commit to advancing financial inclusion [. . .] and closing the gender gap, Informal Online Commerce offers an opportunity to advance these goals".

## FINTECH'S INCLUSION EFFECT

### NEW POSSIBILITIES FOR CLOSING THE GENDER GAP

Even the most conservative studies suggest that developing the fintech local ecosystem could be a powerful way to lower costs, increase speed, allow for human-centric designs at scale, and take women's inclusion to the next levels. To encourage the development of financial innovation driven by the Fintech sector, the one-stop shop for Fintech companies, created by Bank Al-Maghrib in 2019, received in 2020 more than 18 Fintech, et 19 in 2021 and 4 in 2022, thus bringing the number of supported companies since the creation of the one-stop shop to 66. This entity's main role is to advise and guide these structures on legal and regulatory aspects.

Indeed, the contribution of fintech to the development of financial are increasing lately. During the pandemic, fintech around the world have shown themselves to be sufficiently present and responsive to meet specific customer needs. It is therefore essential to support these new players, both in legal and regulatory terms and in operational terms. Therefore, and during 2020, around forty Fintechs approached the One Stop Shop Fintech, to expose their business models, services and added values to the market.

#### FINTECH ECOSYSTEM IS CONSIDERED AS FINANCIAL INCLUSION 3.0

Based on fintech potential to scale digital financial services for the low-income segment, the underbanked and micro, small-and medium-sized enterprises (MSMEs).

#### LEARNING TO CYCLE BACK-AND-FORTH BETWEEN GENDER-INTELLIGENT DESIGN AND WOMEN-LED PROGRAMS CREATES AN OUTSIZED POSITIVE EFFECT ON FINANCIAL INCLUSION

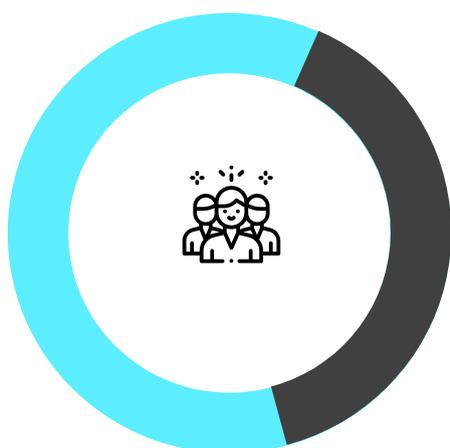
Women's high rates of phone ownership make fintech a great entry point for locally grown digital financial services that are dedicated to underserved women.

**3<sup>RD</sup>**  
FINTECH  
ECOSYSTEM IN  
THE ARAB  
REGION

**13%**  
OF TOTAL 400  
FINTECH IN THE  
REGION \*(CGAP,  
2021)

# ELEVATING THE COLLECTIVE VOICE AND PROTECTING THE MOST VULNERABLE

When digital financial services consumers have a voice in financial consumer protection regulation, it makes it much more effective.



● **22 Million**  
NUMBER OF ACTIVE  
SOCIAL MEDIA USERS IN  
MOROCCO

[STATISCA, 2021](#)

## ELEVATING THE COLLECTIVE VOICE AND PROTECTING THE MOST VULNERABLE CUSTOMERS.

We have been exploring ways, the Bank of Morocco,, as a financial regulator can design new AI-powered platforms that enhance the collective voice in [Financial Regulation](#).

## AUDIO PLATFORMS CAN RAISE THE VOICE OF THE DIGITALLY EXCLUDED

Considering that the number of social media users is more important than literacy rates in Morocco, audio platforms can raise the voice of the digitally disconnected in the most effective and efficient ways.

## SUPTech HELPS UNCOVER UNMET CONSUMER PROTECTION NEEDS

Suptech (innovative technology use by supervisors) can be a great listening tool for financial authorities to understand consumer experiences ([CGAP, 2021](#)). We have been exploring ways we can use social media data and insights to detect market misconduct.

[Global Partnership for Financial Inclusion:](#)  
“Effective financial consumer protection is an essential element of ‘financial inclusion’ [. . .] as the concept of ‘responsible delivery’ presupposes both responsible market conduct by providers and **effective financial consumer protection oversight.**”

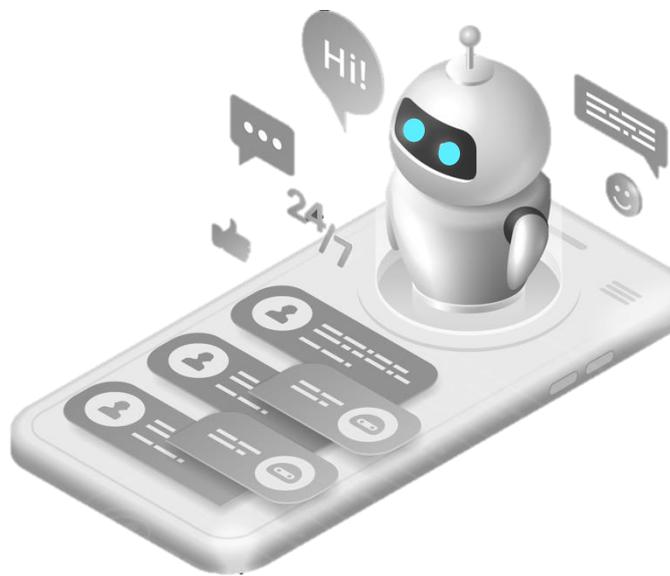
Our joint solution delivering country-wide digital financial literacy micro-training using Interactive Voice Response (IVR) as a medium to reach out to people with low literacy levels.

## HOW A CHATBOT SOLUTION CAN HELP BOSTLE FINANCIAL INCLUSION

Based on the enormous demand for digital and financial skills, this social media chatbot developed with Viamo is part of spurring digital finance and innovation in Bank Al-Maghrib digital literacy and social protection programs. The solution is meant to reach out massively to people with varying literacy levels and elevates their voice by highlighting their experience.

The solution uses automated data generation along with a combination of digital channels (social media and website such as YouTube), high-profile endorsements, direct and customised outreach to identified segments, technical digestible trainings.

Literature on financial education suggests that the most effective interventions are based on evidence



collected from the financial market/ecosystem. This is why we are thinking of ways we can monitor the progress of the solution and make sure it is producing the intended impact as well as regularly visualizing the outcomes over time.

# REGULATORY SANDBOXES

## FINANCIAL INCLUSION



SANDBOX

Regulatory sandboxes are frameworks that are gaining a lot of traction among financial regulators that sets them up as a controlled environment for live experiments conducted by fintech startups and innovators, and closely supervised.

Regulatory sandboxes are not a regulatory loophole and tweaks can lead to greater impacts on financial inclusion (CGAP, 2017).

Fintech regulatory sandboxes need to be designed as Minimal Viable Products (MVPs) to be able to quickly cater to the local intricacies and be continuously refined based on feedback from early users. [Emerging evidence](#) shows how regulators need first to design sandbox MVPs that keep evolving and adapting to fit local market conditions.

Here, we see a unique opportunity to design an inclusion-themed sandbox as an MVP and leverage the sandbox to bring down the cost and risk of

innovation and reduce barriers to entry. We are developing an in-depth actionable guide to help roll out an inclusion-themed sandbox that provides a closely supervised playground that unleashes local fintech's potential to set new records as a result of live experimentation in a controlled environment. The guide will facilitate Bank Al-Maghrib's understanding of emerging technologies and support evidence-based approaches to regulation that advance the goals of financial inclusion, financial stability and integrity, as well as consumer protection.

# IN THE END

## FINANCIAL INCLUSION MEANS FUTURE-FIT FINANCIAL SERVICES



### GROWING A LOCAL PURPOSE-DRIVEN FINTECH ECOSYSTEM AS AN INSTRUMENTAL PART IN ADVANCING FINANCIAL INCLUSION AT SCALE

Digital financial services are putting a great deal of emphasis on propelling the right kind of local fintech start-ups.



### INTERNATIONAL COOPERATION BETWEEN FINANCIAL SERVICES REGULATORS TO WORK ON INNOVATION-RELATED TOPICS

[Global Financial Innovation Network](#) could be a great way to jet pulse the national financial inclusion and financial stability through innovation in financial services. GFIN facilitates responsible cross-border experimentation of innovative ideas and other forms of regulatory collaboration.



### PUBLIC-PRIVATE ENGAGEMENTS TO SOLVE REGULATORY CHALLENGES

Collaborative data can help meet unmet needs and develop emerging models for managing FinTech innovations.

## Leveraging the potential of behavioral science to inform regulations

### THE CONCLUSIONS

Our initial study is paving the way forward for more behavioral policy design at

scale that can further serve the National Financial Strategy.



**NUDGING AS AN IMPACTFUL LEVER OF DIGITAL INNOVATIONS TO ENCOURAGE MICRO-SAVING AND MICRO-INVESTING.**



# ABOUT UNDP'S ACCELERATOR LABS NETWORK



Co-built as a joint venture with the Qatar fund for development and the federal ministry for economic cooperation and development of Germany, UNDP's global accelerator lab network is tapping into local innovations to create actionable insights and reimagine sustainable development for the 21st century.

The fast and the curious: our story so far presents early reflections on our ambitious journey to become the world's fastest learning network on sustainable development challenges.

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