



MED MSMEs

Policies for inclusive growth

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Support to an Enabling Business Environment for MSMEs Development & Financial Inclusion



Financial Inclusion Policies and Innovative MSME Financing in the South Med

Jordan National Financial Inclusion Strategy

Brussels, December 1 - 2, 2022

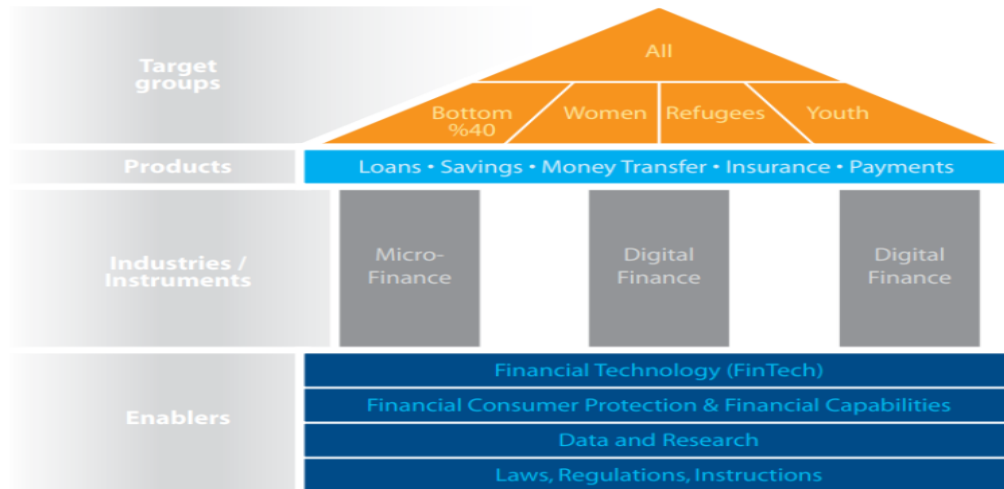




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National Financial Inclusion Strategy 2018-2020

Central bank of Jordan set their financial inclusion strategy 2018-2020 in cooperation with the strategic stakeholders and was successful to achieve their goals and commitments



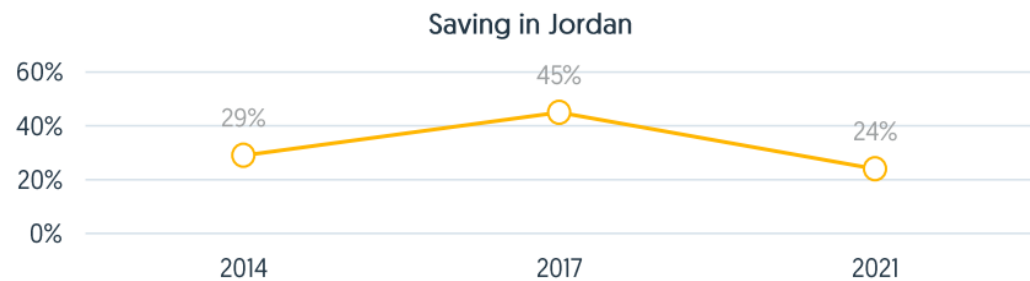
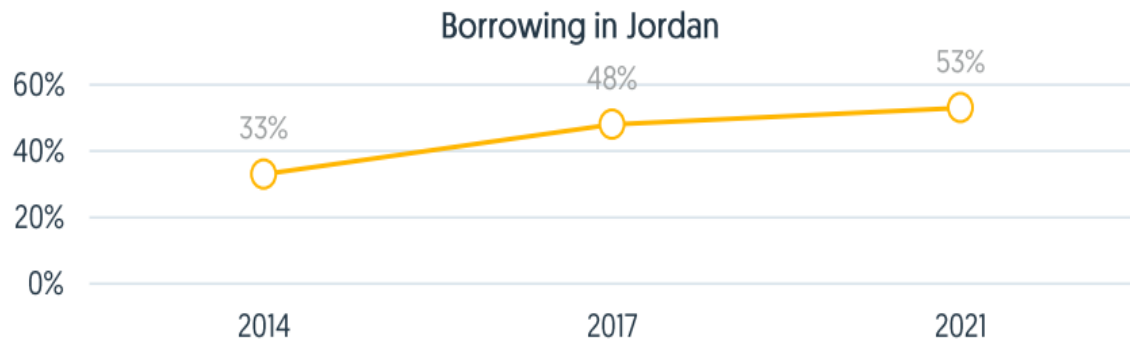
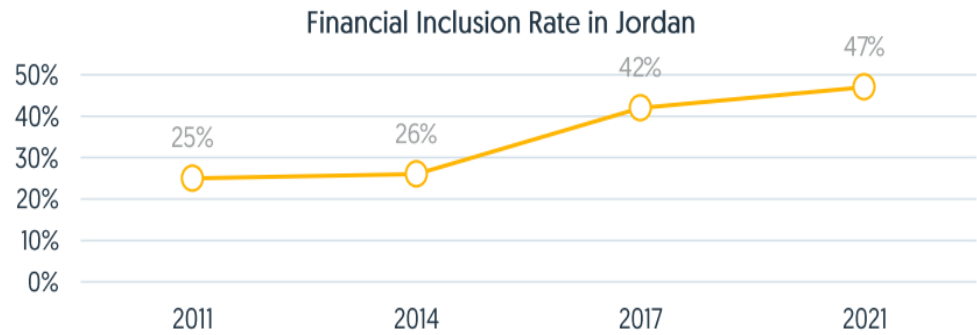
National Financial Inclusion Strategy 2018-2020 targets



- In the NFIS, Jordan committed to increase the share of adults with an account from 33.1% in 2017 to 41.5% by 2020 and to decrease the gender gap in account ownership from 53% to 35%.
- In addition to accounts, these targets recognize borrowing, saving, digital payments and insurance as key product categories. And in addition to focusing on women as a key segment through the gender gap calculation, the NFIS recognizes young people, refugees, and low-income households as priority segments that are relatively disadvantaged in terms of financial inclusion.



Financial inclusion in statistics



*Based on the global Findex 2021 report of the world bank



Key financial inclusion indicator Jordan 2021



Financial Account
Ownership
47.1%

Financial Institution
Account Ownership
43.4%

Mobile Money
Account Ownership
10.7%

Account Ownership
Among Males
58.6%

Account Ownership
Among Females
34.1%

Gender Gap
24.5%

Debit / Credit Card
Ownership
32.5%

Saved Any Money
24.1%

Borrowed Any
Money
53.5%

Purchased Online Via
Mobile Phone or
Internet
14.3%



Measuring financial inclusion



➤ Financial inclusion is usually measured with a combination of demand-side indicators obtained from users of financial services and supply-side indicators obtained from financial service providers. The Central Bank of Jordan (CBJ) commissioned a large-scale survey of 1,000 adults in 2017, which was the main source of demand-side data used as a basis for the NFIS.



➤ A follow-up survey was conducted in March-April 2022 (following a postponement due to the COVID-19 pandemic)

Financial Inclusion For Women In Jordan

- The **National Financial Inclusion Strategy** included several goals and objective that **focused specially on women**, in its different pillars, such as in the financial Capabilities, Consumer Protection, and Microfinance Pillars:



- **Financial Capabilities**
- Developing **financial capabilities** for **women**; through Preparing and launching training **workshops** and programs on financial literacy for women financial consumers.
- **Financial services for women microfinance**
- **Microfinance** companies shall develop **financial services** targeting **women**, youth and low-income clients.





Initiatives support Financial Technology (FinTech) In Jordan

Mobile Money for Resilience (MM4R) .



Jordan Regulatory Sandbox



Digitizing Government's Payments In Jordan.

The Prime Minister issued a decision to form a committee for Digitizing Government Payments In Jordan

Opportunities

- Implementing a digital data collection platform in CBJ to enhance collecting data and develop studies about financial inclusion
- CBJ have issued instructions dealing with consumer protection, EKYC (digital onboarding), basic bank account & open finance instructions
- CBJ announced Maya declaration in 2016 to enhance financial capabilities in the kingdom.
- There exists a high demand and appetite for FinTech in the Jordanian market
- Microfinance Bylaw (5/2015) which became effective on June 1, 2015 and mandates the CBJ to license, regulate and supervise microfinance companies and issued new Finance Companies Bylaw that include all finance companies under supervision of CBJ.
- Implementing the Payment Systems Strategy 2013-2016, and finalized drafting the new National Electronic payment systems strategy for 2023-2025 to promote digital economic>



Key Challenges

- Jordan has low financial literacy rate which is lower than most of Arab countries
- FinTech companies and start-ups are currently facing registration, financing and regulatory requirements in Jordan, limiting their ability to establish business, grow and expand.
- Jordan is a highly cash-based society, suggesting a slow transition to DFS
- The financial inclusion levels of small and medium-sized enterprises (SMEs) with respect to credit are low and among the lowest worldwide



Next Steps

Central Bank of Jordan start with their strategic stakeholder to formulate the new financial inclusion strategy for 2023-2027





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