



COMMITTEE Chair Report

Inclusive Financial Systems for Sustainable
Development

Deputy Chair: Kirill Bekker

Personal Statements

Deputy Chair – Kirill Bekker

I'm 15 and in 10th grade, I have done MUNISS for 2 years now and this is my first time chairing. I have been delegating before and have chaired during MUN day. MUNISS is a model of the United Nations at ISS. During these conferences, you will be debating on behalf of the country you are given. You and the other delegates in your committee will come up with a resolution for the topics that are in your committee. It is very important to remember you are arguing on behalf of your country and not your own opinion.

The Economic and Social Council (ECOSOC) is one of the six principal parts of the United Nations, established by the UN Charter in 1945. Its primary role is to promote international economic, social, cultural, and environmental cooperation and development. It will be very important for you as a delegate to understand the importance and effects of ECOSOC on the world, and for you to be able to understand the way that countries cooperate to protect their social, economic, cultural, and environmental interests.

Introduction

Financial inclusion represents a cornerstone for achieving sustainable development and reducing poverty worldwide. It entails ensuring that individuals and businesses have access to valuable financial products and services that meet their needs – transactions, payments, savings, credit, and insurance – delivered responsibly and sustainably.

The concept of financial inclusion is integral to achieving the United Nations Sustainable Development Goals (SDGs), particularly Goal 1 (No Poverty), Goal 8 (Decent Work and Economic Growth), and Goal 10 (Reduced Inequalities).

Historically, a significant portion of the world's population has been excluded from formal financial systems, limiting opportunities for personal and entrepreneurial growth. The advent of digital financial services has started to bridge this gap, yet challenges remain.

Despite progress, approximately 1.7 billion adults worldwide remain unbanked, without an account at a financial institution or through a mobile money provider. In many cases, those excluded from the financial system are from vulnerable groups in society, including women, the poor, and residents of rural areas. The COVID-19 pandemic highlighted the importance of digital financial services in maintaining economic activity and expanding access to financial services. In conclusion, the effects of the lack of financial inclusion have affected women, the poor, and residents of rural areas. However, Covid-19 has also brought a great setback to all the progress made. Yet there was a silver lining as the pandemic drew more focus to online banking including more people from around the world much easier.

Glossary

Financial Systems: A set of institutions, instruments, markets, and regulations that facilitate the flow of funds between savers, investors, and borrowers



Sustainable Development: The organizing principle for meeting human development goals while simultaneously sustaining the ability of natural systems to provide the natural resources and ecosystem services upon which the economy and society depend

Issue Explanation

The first issue is access to Banking and Financial Services: Identifying barriers to accessing financial services, including documentation requirements, physical accessibility, and literacy. The second issue is Digital Financial Services: Assessing the Role of Technology in Enhancing Financial Inclusion and the infrastructural and regulatory requirements for its expansion. The third issue is Gender Inequality: Addressing the gender gap in financial inclusion and strategies to ensure financial services empower women and other marginalized groups. The final issue is Financial Literacy: The importance of educating the populace about financial management, digital financial services, and fraud prevention.

History of the Topic

Inclusive financial systems aim to ensure that individuals and businesses, regardless of their economic status, have access to valuable financial products and services such as transactions, savings, credit, and insurance. This accessibility is crucial for poverty alleviation and sustainable development, as recognized in the United Nations Sustainable Development Goals (SDGs). Despite significant advancements, including the proliferation of digital financial services like mobile banking, approximately 1.7 billion adults remain unbanked globally. The push for financial inclusion involves overcoming barriers such as technological access, financial literacy, regulatory frameworks, and the gender gap in financial access. The history of financial inclusion spans from post-World War II development efforts to the microfinance movement in the 1970s and 1980s, and more recently, to the fintech revolution that has reshaped the landscape of financial services. Today's challenges include ensuring the quality and sustainability of these services, protecting consumers, and closing the digital divide. Financial inclusion is not just about access to financial services but also about their impact on people's lives, contributing to a more inclusive and sustainable economic growth.

Any Previous Attempts

Efforts to resolve the challenges of financial inclusion have evolved over decades, beginning with the microfinance movement in the 1970s and 1980s, which demonstrated the viability and impact of providing small loans to the economically disadvantaged. The success of microfinance led to broader approaches in the 1990s, emphasizing the need for a wide range of financial services beyond credit,



including savings, insurance, and payment services. The Millennium Development Goals (MDGs) indirectly supported financial inclusion through their focus on poverty reduction and economic development, though it was the Sustainable Development Goals (SDGs) adopted in 2015 that explicitly recognized financial inclusion's role in achieving sustainable development. The rapid rise of financial technology (fintech) in the 2010s, exemplified by mobile banking and digital payments, has significantly accelerated access to financial services. Global initiatives, such as the Global Partnership for Financial Inclusion (GPII) established under the G20, and the efforts of institutions like the World Bank and IMF, have supported policy and practice advancements worldwide. Despite these efforts, challenges remain in ensuring quality, sustainability, consumer protection, and closing the digital divide, underscoring the need for ongoing innovation and policy development.

Media Contribution

The media has played a pivotal role in advancing the cause of inclusive financial systems by raising awareness, educating the public, and influencing policy changes. Through investigative reporting, feature articles, and multimedia storytelling, media outlets have highlighted the challenges and opportunities within financial inclusion, showcasing the real-life impacts on communities globally. By spotlighting innovative financial inclusion initiatives, such as mobile money platforms in Africa or microfinance programs in South Asia, the media has helped to popularize these concepts, attracting the attention of policymakers, investors, and the general public. Furthermore, media coverage has been critical in advocating for regulatory reforms to support financial inclusion efforts, emphasizing the importance of accessible, affordable, and equitable financial services. In addition, social media and digital platforms have facilitated broader discussions on financial literacy, enabling the dissemination of educational content to underserved populations. Overall, the media's contribution has been instrumental in shaping the narrative around inclusive financial systems, driving momentum towards more inclusive economic policies and practices that aim to reduce poverty and promote sustainable development.

Bibliography

[THE 17 GOALS | Sustainable Development \(un.org\)](https://sustainabledevelopment.un.org)

<https://sustainabledevelopment.un.org>

