The International Review of Financial Consumers
Volume.10 Issue.2 (December 2025)
https://doi.org/10.2478/irfc-2025-0006

The Evolving Landscape of International Cooperation for Financial Inclusion

Peter J. Morgan*

A B S T R A C T

This paper examines the current state of international cooperation in the area of financial inclusion, highlighting key achievements, the diverse roles of international organizations, recent developments in international cooperation, and the continuing barriers to full inclusion. International cooperation plays a key role in promoting financial inclusion and financial literacy, but a comprehensive description of such efforts is lacking. In addition to describing recent progress, it also describes challenges such as cybersecurity threats, data privacy concerns, and the impact of geopolitical fragmentation. A critical shift in focus is observed within international cooperation, moving beyond mere access to prioritizing meaningful financial health, resilience, and broader development outcomes for individuals and businesses globally.

Keywords: international cooperation, financial inclusion, financial literacy

I. Introduction

Global financial inclusion has witnessed substantial advances, propelled in large part by digital innovations and concerted international efforts. Significant progress has been made in expanding access to financial services for individuals and businesses worldwide. However, the journey is far from complete, with a considerable portion of the global adult population remaining excluded. International cooperation has played an important role in promoting financial inclusion and financial literacy, but a comprehensive description of such efforts is lacking. This paper examines the current state of international cooperation in the area of financial inclusion, highlighting key achievements, the diverse roles of international organizations, recent developments in international cooperation, and the continuing barriers to full inclusion. It describes challenges such as cybersecurity threats, data privacy concerns, and the impact of geopolitical fragmentation. It also covers cooperation in the areas of financial literacy and financial education. A critical shift in focus is observed within international cooperation, moving beyond mere access to prioritizing meaningful financial health, resilience, and broader development outcomes for individuals and businesses globally.

Section II provides background on financial inclusion and its international dimensions, section III describes recent achievements, section IV describes the main participants in international cooperation for financial inclusion and their respective roles, section V describes recent trends while section VI reviews challenges and vulnerabilities of current efforts.

*Principal Consultant, PJM Consulting. The author may be contacted at pjmorgan212@gmail.com. This is an invited article.

Section VII provides perspectives on the way forward and section VIII concludes.

II. Defining Financial Inclusion and its Global Imperative

Financial inclusion is fundamentally understood as the ability of individuals and businesses to access and effectively utilize affordable financial products and services that cater to their needs, delivered in a responsible, affordable and sustainable manner (World Bank, n.d. (a)). This is especially applicable for disadvantaged individuals and small businesses. This concept extends beyond simply possessing a financial account; it emphasizes the active use of a comprehensive suite of services, including credit, savings, payments, and insurance. The evolution in the understanding of financial inclusion, from a focus on basic “access” to a more nuanced emphasis on "access and use" and ultimately “quality” of services, signifies a maturing perspective within the international development community. This progression acknowledges that merely providing an account is insufficient; the true measure of impact lies in how these services are genuinely utilized to enhance financial well-being and foster economic participation. This shift implies a move from solely quantitative metrics, such as the number of accounts opened, towards more qualitative and outcome-based assessments of financial empowerment.

Financial inclusion is widely recognized as a powerful catalyst for achieving broader development objectives, including the reduction of poverty, fostering economic growth, and promoting shared prosperity. It plays a crucial role in supporting entrepreneurship and business growth by providing access to credit, capital, secure savings, and efficient payment systems, thereby enabling small businesses to expand and create jobs. Financial inclusion empowers women by dismantling barriers to economic participation, equipping them with the necessary tools to manage household finances and invest in their futures, which in turn narrows gender gaps in financial access and promotes broader social and economic equality. It also builds resilience among populations highly vulnerable to climate change and natural disasters, enabling investments in areas such as eco-friendly agriculture and clean energy. Insurance products can also help protect against climate related shocks. However, while financial inclusion is widely seen as a tool to reduce poverty, empirical evidence on its direct benefits in lifting people out of poverty, measured by income or consumption, reveals substantial gaps and inconsistent effects, with some studies finding only small or nonexistent benefits. Thus, while access to financial services may create an enabling environment for economic activity, their direct causal link to individual poverty alleviation is complex and may require more targeted, integrated interventions to yield measurable improvements in income or consumption (World Bank, n.d. (a)).

The imperative for international cooperation in advancing financial inclusion stems from the inherently cross-border nature of financial systems, the global scale of financial exclusion, and the critical need for harmonized policies and shared learning. Such cooperation involves a diverse array of stakeholders – including international organizations, governments, private sector entities, and civil society – all working collectively to address a multifaceted global challenge.

III. Global Progress and Key Achievements

The past decade has witnessed remarkable progress in global financial inclusion, driven in part by collaborative international efforts and technological innovation. The World Bank Group’s Global Findex 2021 report (Demirguc-Kunt et al., 2022), a definitive source of data on global access to financial services, indicates that 76% of the world's adult population now possesses an account with a financial institution or mobile money provider, a significant increase from 51% in 2011. Developing economies have shown particularly strong growth, achieving a 30-percentage-point increase over the decade to reach 71% account ownership.

The transformative role of digital financial services (DFS) and mobile money has been central to this expansion. Digital technologies have proven vital in broadening both access to and usage of financial services. The COVID-19 pandemic further accelerated the adoption of DFS, with nearly two-thirds of adults globally making or receiving digital payments in 2022 (Demiurgic-Kunt et al., 2022). The evidence strongly suggests that digitalization, particularly mobile money, has emerged as the primary driver of this recent surge in financial inclusion, especially across developing economies. This causal relationship underscores the strategic importance of continued international cooperation in prioritizing the responsible development and scaling of digital infrastructure and services. Sub-Saharan Africa stands out as a global leader in mobile money adoption, with 33% of adults in the region having a mobile money account, compared to a global average of just 10% (Demiurgic-Kunt et al., 2022). Individuals utilizing mobile money services are more likely to send and receive remittances, save, and borrow, and they tend to perceive cash handling as riskier, indicating a fundamental shift in financial behavior (Simione & Muehlschlegel, 2023).

However, despite this progress, a notable gender gap persists, hindering women's full financial participation. This indicates that while broad inclusion initiatives are beneficial, specific, tailored interventions are still crucial for achieving true gender equality in financial access and usage. Such interventions must address unique barriers faced by women, including a lack of formal identification, insufficient collateral, mobility constraints, limited financial literacy, and prevailing social norms that may limit their economic agency. This highlights that a general approach to financial inclusion is often insufficient, necessitating gender-intentional design and policy to ensure equitable outcomes.

Table 1 below provides a concise overview of the global progress in financial inclusion, illustrating the significant growth in account ownership and the trends in gender disparity and mobile money adoption.

Table 1. Global Financial Inclusion Progress (Account Ownership & Gender Gap Trends)

Metric	2011	2017	2021
Global Adult Account Ownership	51%	-	76%
Developing Economies Gender Gap	-	9%p	6%p
Global Mobile Money Account Ownership	-	-	10%
Sub-Saharan Africa Mobile Money Account Ownership	-	-	33%

Source: Demirguc-Kunt et al. (2022), World Bank (2025a).

IV. Pillars of International Cooperation

International cooperation for financial inclusion is built upon several interconnected pillars, involving a diverse array of actors and mechanisms. International cooperation around financial inclusion formally took shape in the early 2000s. The 2006 launch of the Global Microcredit Summit and the 2010 Maya Declaration by the Alliance for Financial Inclusion (AFI) marked critical developments. These were followed by the World Bank's Universal Financial Access 2020 initiative and the Group of 20's (G20) Principles for Innovative Financial Inclusion. The G20 has played a pivotal role by creating the Global Partnership for Financial Inclusion (GPFI) at the Seoul G20 Summit in 2010, which provides a platform for policy coordination and knowledge sharing among G20 and non-G20 countries.

A. Key International Organizations and Forums

The **World Bank Group** offers extensive financing support through loans, credits, and guarantees, and offers advisory services, technical assistance, and capacity building to client countries. It maintains the Global Findex Database (World Bank, 2025a), which serves as a definitive source of data on global access to financial services and supports the development of national payment systems worldwide. The World Bank's Financial Inclusion Global Initiative (FIGI), supported by the Bill & Melinda Gates Foundation, works with the International Telecommunication Union (ITU) and other standard-setting bodies to harmonize digital financial services regulations and infrastructure (World Bank, 2025b).

The **International Monetary Fund (IMF)** integrates climate-related risk assessments and digitalization into its core work, providing technical assistance to strengthen national tax systems and combat illicit financial flows (Furusawa, 2016). It incorporates financial inclusion metrics into its Financial Sector Assessment Programs (FSAPs) and works to evaluate the macroeconomic impacts of financial inclusion.

The **Alliance for Financial Inclusion (AFI)** is led by member central banks and financial regulators in 84 countries (AFI, 2025). The AFI operates on a peer-to-peer learning model, fostering knowledge exchange, capacity building, and policy innovation among its members. Since its inception in 2009, AFI members have developed and implemented over 1,130 policy changes, contributing to bringing 850 million people into formal financial systems. AFI's strategic focus areas include gender-inclusive finance, inclusive green finance, and digital financial services.

The **United Nations Capital Development Fund (UNCDF)** specializes in innovative finance solutions tailored for least developed countries, with a strong emphasis on digital financial services and local development finance (UNCDF, 2025). UNCDF provides targeted technical assistance and strategically leverages Official Development Assistance (ODA) to mobilize and unlock domestic resources. Its programs have demonstrated clear outputs, such as reaching over 300,000 people with mobile money services in the Pacific region.

The **Organisation for Economic Co-operation and Development** (OECD) plays a significant role in promoting international cooperation for financial inclusion, primarily through its focus on financial consumer protection, education, and literacy. As an implementing partner of the GPFI, the OECD works with governments to develop effective financial inclusion policies, ensuring consumers are treated fairly and are equipped with the financial knowledge to make informed decisions. The OECD International Network on Financial Education (INFE) is a key initiative, facilitating international cooperation among policymakers and stakeholders to share best practices, collect comparable data, and develop policy instruments related to financial literacy. This includes supporting the development of national strategies for financial literacy and addressing the needs of specific vulnerable population groups, thereby contributing to broader financial inclusion efforts globally (OECD, 2025a).

The **G20 Global Partnership for Financial Inclusion (GPFI)** (GPFI, 2025) convenes interested stakeholders to implement the G20 Financial Inclusion Action Plan (FIAP) (GPFI, 2023). The 2023 FIAP outlines overarching objectives for 2024-2026, emphasizing the responsible leveraging of digital financial services, promoting open and interoperable digital public infrastructure, and prioritizing consumer protection and financial education.

Standard-setting bodies (SSBs) like the **Basel Committee on Banking Supervision (BCBS)**, **Financial Action Task Force (FATF)**, and **International Association of Insurance Supervisors (IAIS)** have increasingly integrated financial inclusion into their guidance. The FATF is an independent inter-governmental body responsible for setting global standards for Anti-Money Laundering (AML) and Counter-Terrorist Financing (CFT) (FATF, 2025a). FATF's recommendations significantly influence regulatory frameworks worldwide, impacting the operational environment for financial inclusion initiatives. The FATF's revision of its anti-money laundering and combating the financing of terrorism (AML/CFT) standards to accommodate risk-based approaches to onboarding low-income populations illustrates a growing awareness of how rigid regulation can hinder inclusion.

Regional multilateral development banks, including the **Asian Development Bank**, the **Inter-American Development Bank**, the **African Development Bank** and the **Arab Bank for Economic Development in Africa** have strong programs to promote financial inclusion, mainly through infrastructure development and technical assistance programs.

The Consultative Group to Assist the Poor (CGAP), established in 1995, is a global partnership of more than 40 leading development organizations that works to advance the lives of people living in poverty, especially women, through financial inclusion. It works at the frontier of inclusive finance to test solutions, spark innovation, generate evidence, and share insights. Its knowledge helps public and private stakeholders to scale solutions for financial ecosystems to meet the needs of poor, vulnerable, and underserved people and of micro and small enterprises (MSEs), including through advancing women's economic empowerment (CGAP, 2025).

Beyond these major players, other specialized forums like the Inclusive FinTech Forum (IFF) and the Responsible Finance Forum (RFF) contribute to advancing policies and partnerships for financial inclusion, particularly through the lens of financial technology and consumer protection. This multi-stakeholder approach is a significant strength, enabling comprehensive policy development and technical support, but it also necessitates robust coordination mechanisms to avoid duplication and maximize collective impact.

The Better Than Cash Alliance, a UN-hosted partnership of governments, companies, and international organizations, fosters digital payments in emerging markets (Better Than Cash Alliance, 2025). Meanwhile, international initiatives like the Digital Finance for Resilience (DFS4Resilience) program aim to integrate digital finance into broader financial ecosystems.

In addition to these global institutions, regional cooperation platforms are increasingly vital. For example, the West African Economic and Monetary Union (WAEMU) has advanced mobile money regulation across member states, while the Pacific Islands' PIRI initiative within the AFI supports region-specific policy innovation.

B. Policy and Regulatory Harmonization

International cooperation efforts place significant emphasis on policy and regulatory harmonization to create a conducive environment for financial inclusion. The G20 Principles for Innovative Financial Inclusion provide practical recommendations for policymakers, aiming to spur innovation while simultaneously safeguarding financial stability and protecting consumers (GPFI, 2023). The 2023 G20 FIAP elaborates on these objectives for the 2024-2026 period, emphasizing the promotion of responsible digital technology, open and interoperable digital infrastructures, effective access for vulnerable groups, and improved data availability for evidence-based policymaking.

Know Your Customer (KYC), Customer Due Diligence (CDD), and AML/CFT standards are critical areas for harmonization efforts. This includes ways to streamline CDD standards for digital financial services and low-risk bank deposits. New technologies, particularly digital identity solutions, are proving instrumental in overcoming traditional identification barriers and enabling more accurate and proportionate CDD, thereby fostering financial inclusion while managing associated risks. The FATF advocates a risk-based approach to AML/CFT, which is necessary to prevent overly rigid regulations from inadvertently excluding vulnerable populations from the formal financial system (FATF, 2025b). A key theme in regulatory harmonization is the balance required between fostering innovation for inclusion, ensuring financial stability, and protecting consumers. International bodies are actively engaged in developing frameworks that facilitate the rapid expansion of digital financial services while effectively mitigating risks such as fraud, money laundering, and data privacy breaches. The growing interlinkage between financial inclusion and financial stability necessitates more nuanced regulatory frameworks. International cooperation now includes efforts to balance prudential regulation with innovation—particularly in light of new risks arising from fintech and DFS. This requires a continuous process of adaptation, as technological advancements constantly introduce new opportunities and challenges for the regulatory landscape.

C. Cross-Border Initiatives and Technical Assistance

Cross-border initiatives and robust technical assistance programs are an important aspect of international cooperation. The high costs of traditional remittance channels have stimulated work in this area. Digital payments and remittances are a major area of focus, with blockchain-based payments gaining traction due to their potential to reduce costs and increase transaction speed. Practical examples include platforms like Everex and Leaf Global Fintech, which leverage Distributed Ledger Technology (DLT) to offer faster, cheaper remittance services and provide digital wallets for vulnerable populations, including refugees (Bandura et al., 2025; Crypto Altruism, 2025).

International organizations provide extensive technical assistance (TA) and capacity building to client countries, supporting the design of national financial inclusion strategies, facilitating legal and regulatory reforms, building essential financial infrastructure such as modern payment systems, and strengthening overall implementation capacity. The U.S. Department of the Treasury and UNCDF emphasize the importance of rigorous evaluation of TA effectiveness to integrate lessons learned into future activities and ensure optimal resource allocation. The emphasis on technical assistance, capacity building, and peer learning highlights the international community's recognition that policy frameworks alone are insufficient. Effective implementation requires practical support, knowledge transfer, and the adaptation of successful models to local contexts. This signifies a commitment to translating high-level principles into tangible, on-the-ground impact.

The private sector plays a key role in product innovation, service delivery, and customer centric models for financial inclusion. Global financial institutions like Visa, Mastercard, PayPal, and regional fintechs collaborate with governments and development agencies to deploy inclusive financial products. Mastercard's Community Pass platform, for instance, partners with international NGOs and governments to provide digital identity and wallet services to underserved populations (Mastercard, 2025).

Public-private partnerships, brokered by organizations like CGAP, have enabled the co-design of policies and services that expand financial access without compromising consumer protection. International cooperation mechanisms now routinely include financial technology firms in discussions around interoperability, cross-border payments, and regulatory sandboxes.

V. Emerging Trends in International Cooperation

The landscape of international cooperation for financial inclusion is continually evolving along with emerging trends and risks, particularly those arising from rapid technological advancements and changing geopolitical dynamics.

A. Digital Transformation

Technological innovation—especially mobile money, digital wallets, and blockchain-based remittances—is a leading edge of financial inclusion efforts. International organizations and private stakeholders have collaborated to develop digital public goods like digital ID systems, e-KYC (Know Your Customer) processes, and open application programming interfaces (APIs). For instance, India's Aadhaar-enabled payment systems and the Unified Payments Interface (UPI) have become global case studies and templates for digital inclusion.

However, digital divides persist—especially in Sub-Saharan Africa, South Asia and parts of Southeast Asia—and international cooperation has increasingly turned toward capacity building, digital infrastructure financing, and public-private partnerships.

B. Climate Change and Inclusive Green Finance

The nexus between financial inclusion and climate resilience is an increasingly recognized trend in international cooperation. Over 80 percent of the world's unbanked population resides in areas highly susceptible to climate risks, intensifying their vulnerability to economic and environmental shocks (World Bank, 2025a). Financial services can play a pivotal role in enabling individuals and businesses to invest in climate resilient infrastructure, adopt sustainable agricultural practices, and facilitate recovery from environmental disasters through products like insurance and savings. Inclusive green finance is consequently a growing area of focus for organizations such as AFI, reflecting a broader understanding that global challenges are increasingly interconnected. Just as financial exclusion exacerbates vulnerability to climate shocks, inclusive finance can be a powerful tool for climate adaptation and mitigation. This demands a more holistic and cross-sectoral approach in international cooperation, moving beyond traditional financial sector silos to integrate climate considerations into financial inclusion strategies.

For example, initiatives like the Green Inclusive Finance movement (Miller et al., 2023) link climate-resilient livelihoods with inclusive financial services, while global financial inclusion scorecards now include gender-disaggregated metrics. The Women's Financial Inclusion Data (WFID) partnership, supported by Data2X, UNCDF, and the World Bank, fosters international data-sharing and research on gender gaps (Data2X, 2025). Meanwhile, climate finance programs such as the Green Climate Fund are beginning to integrate inclusive financial mechanisms to ensure equitable access to climate-resilient credit and insurance (Green Climate Fund, 2025).

C. Cross-Border Financial Inclusion and Remittances

Remittances—amounting to over US$650 billion annually—are a critical driver of financial inclusion. International cooperation around reducing the cost of remittance transfers has been strong, especially through the G20 and World Bank-led Remittance Prices Worldwide initiative (World Bank, 2025c). Yet challenges remain in ensuring interoperability, compliance with AML/CFT standards, and access to formal services for migrants and refugees.

New partnerships are emerging to address these issues. For example, the International Organization for Migration (IOM), in collaboration with private remittance providers and digital platforms, is supporting financial inclusion of migrants through training and mobile enabled tools (IOM, 2021).

D. Consumer Protection and Financial Literacy

International cooperation has also evolved to include consumer protection and financial literacy as pillars of sustainable financial inclusion. The G20/OECD Task Force on Financial Consumer Protection sets international standards and supports national governments in implementing legal frameworks and institutional mechanisms to protect users, especially vulnerable groups (OECD, 2022).

Global financial literacy campaigns—like the OECD's International Network on Financial Education—are helping countries design context-sensitive education programs and carry out internationally comparable surveys of financial literacy and digital financial literacy. International donors are also supporting national strategies for financial capability, particularly for women and youth (OECD, 2025b).

VI. Persistent Challenges and Vulnerabilities

Notwithstanding notable progress, international cooperation in financial inclusion faces persistent challenges:

- Insufficient progress of financial inclusion, especially among vulnerable groups
- Technology risks including cybersecurity, data privacy, and AML/FTC
- Regulatory fragmentation and misaligned aid
- Geopolitical and economic factors.

A. The Remaining Unbanked Population

A considerable segment of the global population remains excluded from the formal financial sector. The Global Findex 2021 report indicates that 1.4 billion adults worldwide still lack access to formal financial accounts (World Bank, 2025a). Notably, over half of this unbanked population resides in just seven economies. This concentration suggests that, while broad global efforts are effective, targeted interventions in specific high-exclusion countries are still needed.

Several major barriers continue to hinder financial access. A significant obstacle is the lack of formal identification documents, with over 100 million unbanked adults in Sub-Saharan Africa alone lacking the necessary ID to open an account (World Bank, n.d. (a)). Other prevalent reasons for exclusion include insufficient income, the perceived high costs of formal accounts, geographical distance to financial institutions, insufficient financial literacy, and a lack of trust in financial service providers. The “digital divide” also presents a considerable challenge; many individuals in rural or remote areas lack reliable internet access and the requisite digital literacy to utilize available fintech solutions, thereby limiting the reach of these otherwise transformative technologies.

Financial exclusion disproportionately affects vulnerable populations, for whom the barriers are often compounded by unique circumstances. Women, for instance, continue to face a persistent gender gap in financial access, frequently due to a lack of collateral, mobility constraints, lower financial literacy, and restrictive social norms that limit their economic participation. Financial products are often not adequately tailored to their specific needs, further exacerbating their exclusion. Poor and rural populations are also disproportionately affected by limited access to physical bank branches, inadequate IT infrastructure, and financial products that are ill-suited to their economic realities. Furthermore, refugees and displaced persons encounter significant difficulties in accessing financial services due to inadequate identification, discriminatory business practices, and limited financial literacy, often requiring specialized interventions to integrate them into financial systems. The challenges faced by these groups are often compounded by intersectional vulnerabilities. For example, women residing in fragile contexts face heightened susceptibility to climate and other shocks, alongside social norms that restrict their roles as economic actors, in addition to the traditional financial barriers. This complex layering of challenges suggests that international cooperation must adopt more granular, context-specific, and intersectional approaches to address the root causes of exclusion, moving beyond one size-fits-all solutions.

B. Technology Risks

While digital transformation has been a primary enabler of financial inclusion, it presents a double-edged sword, introducing complex and evolving risks. Cybersecurity threats are a major impediment to digital transformation, particularly in developing countries that often lack the institutional capacity and technical expertise to effectively protect digital financial systems. International cooperation is crucial for sharing intelligence, developing standardized security protocols, and building collective cyber resilience. Organizations like AFI are actively developing cybersecurity risk guides, and the World Bank supports national cybersecurity strategies and incident response capabilities (AFI, 2019; World Bank, 2025d).

Data privacy is also a major concern, as digital finance involves the processing of vast amounts of confidential personal and financial data, creating vulnerabilities to fraud and identity theft. Compliance with evolving global regulations such as the General Data Protection Regulation (GDPR) and the Payment Card Industry Data Security Standard (PCI DSS) is essential, yet inconsistencies across jurisdictions pose significant challenges for global financial service providers operating in multiple markets (GDPR.EU, 2025; PCI Security Standards Council, 2024).

Furthermore, there is a constant tension in balancing financial integrity (AML/CFT) with the goal of financial inclusion. While new technologies can enhance AML/CFT efforts by improving risk identification and monitoring, overly stringent or rigid KYC/AML requirements can inadvertently exclude vulnerable populations who lack formal documentation or face other barriers to compliance. International efforts, including those by the FATF and the World Bank, aim to simplify customer due diligence for low-risk financial products and services to promote inclusion while maintaining the integrity of the financial system (FATF, 2025b; World Bank, n.d. (b)). International cooperation is therefore not just about promoting digital access, but critically about establishing a robust, harmonized, and adaptable regulatory environment that manages these risks without stifling innovation or excluding vulnerable populations. This challenge requires ongoing vigilance and collaboration.

C. Regulatory Fragmentation and Misaligned Aid

Regulatory fragmentation and inconsistent licensing requirements across national borders significantly limit the reach and scalability of digital remittance providers, increasing costs and complexity for cross-border transactions (Mercuryo, 2025). This impedes the potential of digital solutions to foster financial inclusion, particularly for migrant workers and their families reliant on remittances. Also, international funding mechanisms can suffer from misaligned aid allocation, where donor-driven priorities may overshadow genuine country ownership and local needs (Hennessy et al., 2023). This can lead to the distortion of national development priorities and, in some cases, the diversion of funds from their intended purpose, undermining the effectiveness and sustainability of financial inclusion initiatives. The challenges of regulatory fragmentation and misaligned aid can impede the effectiveness and scalability of international cooperation. These are not merely operational hurdles but fundamental governance and coordination failures that necessitate high-level political will and institutional reform to overcome.

D. Geopolitical and Economic Factors

Rising geopolitical tensions and escalating geo-economic competition pose a significant threat of fragmenting the global financial system (Tannenbaum & Mohr, 2025). Fragmentation can lead to increased regulatory friction, reduced cross-border investment, diminished global liquidity, and substantial economic losses. Such adverse effects are likely to be unevenly distributed, disproportionately impacting emerging markets and developing economies (EMDEs) that are often the primary targets of financial inclusion initiatives. Geopolitical fragmentation thus represents a major macro-financial headwind to international cooperation for financial inclusion. By increasing the cost of doing business, disrupting cross-border financial flows, and creating an unpredictable operating environment, it undermines efforts to expand and deepen financial access, particularly in vulnerable economies. Therefore, international cooperation needs to prioritize strategies for strengthening financial resilience and promoting integration amidst increasing global instability.

VII. The Way Forward

To consolidate gains and accelerate impact, the future of international cooperation in financial inclusion will likely hinge on:

- Stronger regional coordination mechanisms to harmonize regulation and infrastructure. • Interoperable digital systems, with open standards and inclusive design.
- Enhanced South-South cooperation, where emerging economies share innovations and lessons learned.
- A global financial inclusion observatory or clearinghouse, potentially under the UN or G20, to coordinate efforts and reduce fragmentation.
- Greater investment in research and data systems, particularly focused on marginalized groups and emerging risks.

The international community has made commendable strides in advancing financial inclusion through cooperation across institutions, sectors, and borders. However, a more integrated and adaptive global architecture is necessary to ensure that financial inclusion keeps pace with the rapidly changing financial landscape and delivers on its promise of equitable, sustainable development.

A fundamental shift towards an **outcomes-based approach** is paramount. The focus must move beyond traditional metrics of mere access to prioritize financial health, well-being, and broader development outcomes (Singh et al., 2022). This requires a redefinition of success, measuring what matters most, including the tangible contribution of financial inclusion to people's lives and their ability to manage financial shocks and pursue economic opportunities.

There is a continued need for **enhanced policy coherence and regulatory adaptation**. International bodies must foster coherent policies and regulatory frameworks that are sufficiently agile to adapt to rapid technological changes while consistently ensuring robust consumer protection and financial stability (Molony, 2025). This includes harmonizing KYC/ CDD and AML/CFT standards to prevent financial exclusion while maintaining integrity.

Responsible leveraging of Digital Public Infrastructure (DPI) is also critical. International cooperation should actively promote the development of open, interoperable, reliable, inclusive, and secure digital infrastructures to accelerate digital financial services responsibly (US Dept. of State, 2024). This entails addressing the digital divide by improving internet access and digital literacy and ensuring that digital tools are designed inclusively to serve all populations (UN-Habitat, 2025).

Targeted interventions for vulnerable groups must become more granular and context specific. Future efforts need to address the unique barriers faced by women, the poor, refugees, and those in fragile contexts through tailored financial products, comprehensive financial literacy programs, and localized capacity building initiatives.

Strengthening impact measurement and learning is crucial for continuous improvement. Robust and ongoing evaluation of programs and policies is necessary to understand what truly works, where, and for whom. Peer learning and knowledge exchange mechanisms remain vital for disseminating best practices and adapting strategies to new challenges and opportunities.

Finally, international cooperation must develop proactive strategies to **address macro financial risks**, particularly the impact of geopolitical fragmentation and climate change on financial inclusion. This involves building greater resilience within financial systems and providing targeted support to vulnerable economies to withstand external shocks (IMF, 2023).

VIII. Conclusion

International cooperation for financial inclusion has helped to promote the achievement of significant milestones over the past decade, largely propelled by the digital revolution and the efforts of a diverse ecosystem of global actors. Account ownership has expanded considerably, and digital financial services have proven to be a powerful engine for reaching previously underserved populations, particularly in developing economies. However, the journey towards universal and meaningful financial inclusion is far from complete. Persistent challenges, including the remaining unbanked population, fundamental access barriers, and the compounded vulnerabilities faced by marginalized groups, continue to demand attention.

Moreover, the increasing reliance on digital finance introduces a new wave of complex risks related to cybersecurity, data privacy, and the delicate balance between financial integrity and inclusion. Simultaneously, broader global dynamics, such as climate change and geopolitical fragmentation, present significant macro-financial headwinds that can undermine progress and exacerbate existing inequalities.

The current state of international cooperation calls for a sophisticated, adaptive, and collaborative approach. Future efforts must prioritize not merely expanding access, but ensuring meaningful outcomes that enhance financial health, build resilience, and genuinely improve the lives of individuals and businesses. This requires enhanced policy coherence, responsible leveraging of digital public infrastructure, targeted interventions, robust impact measurement, and proactive strategies to mitigate systemic risks. By embracing these principles, international cooperation can ensure that financial services truly serve as an enabling layer for inclusive, sustainable, and equitable global development.

References

Alliance for Financial Inclusion (AFI). (2019). Cybersecurity for financial inclusion: framework & risk guide. Retrieved from: https://www.afi-global.org/publication/cybersecurity-for-financial-inclusion-framework-risk-guide/

Alliance for Financial Inclusion (AFI). (2025). About AFI. https://www.afi-global.org/

Bandura, R., McLean, M. & Cherquis, E. (2025). Center Unlocking Financial Inclusion: The Power of Innovative Technologies. Center for International and Strategic Studies (CSIS).

Better Than Cash Alliance. (2025). About the Better Than Cash Alliance. Retrieved from: https://www.betterthancash.org/about

Crypto Altruism. (2025). Leaf Global FinTech – A virtual bank for refugees and vulnerable. https://www.cryptoaltruism.org/blog/leaf-global-fintech-a-virtual-bank-for-refugees-and-vulnerable-populations

Data 2X. (2025). Women's Financial Inclusion Data Partnership. Retrieved from: https://data2x.org/financial-inclusion/

Demirgüç-Kunt, A., Klapper, L., Singer, D., & Ansar, S. (2022). The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19. Washington, DC: World Bank.

Financial Action Task Force (FATF). (2025a). The FATF. Retrieved from: https://www.fatf-gafi.org/en/the-fatf.html

Financial Action Task Force (FATF). (2025b). Guidance on Financial Inclusion and Anti-Money Laundering and Terrorist Financing Measures. Paris: FATF.

Furusawa, M. (2016). Financial Inclusion: Bridging Economic Opportunities and Outcomes. Remarks by Deputy Managing Director for the Conference on Financial Inclusion in West Africa (Sept. 16). International Monetary Fund. Retrieved from: https://www.imf.org/en/News/Articles/2016/09/20/sp092016-Financial-Inclusion-Bridging-Economic-Opportunities-and Outcomes/

GDPR.EU. (2025). What is GDPR, the EU's new data protection law? Retrieved from: https://gdpr.eu/what-is-gdpr/

Global Partnership for Financial Inclusion (GPFI). (2025). About GPFI. Retrieved from: https://www.gpfi.org/about-gpf

Global Partnership for Financial Inclusion (GFPI). (2023). G20 2023 Financial Inclusion Action Plan. Retrieved from: https://www.gpfi.org/publications/g20-2023-financial-inclusion-action-plan

Green Climate Fund. (2025). A unique fund for humanity's greatest challenge. Retrieved from: https://www.greenclimate.fund/

Hennessy, J., Mortimer, D., Sweeney, R., & Woode, M.E. (2023). Donor versus recipient preferences for aid allocation: A systematic review of stated-preference studies. Social Science & Medicine 334 116184.

International Monetary Fund (IMF). (2023). Resilience to Shocks. IMF Annual Report 2023. Washington, DC: International Monetary Fund.

International Organization for Migration. (2021). The Future of Family Remittances is Digital. December 9. Retrieved from: https://eca.iom.int/news/future-family-remittances digital/

Mastercard. (2025). Community Pass: Powering inclusive, digital tools and technologies to serve remote communities. Retrieved from: https://www.mastercard.com/global/en/business/governments/community-pass.html/

Mercuryo. (2025). The Hidden Power of Cross-Border Payments: Building the Bridge to Financial Inclusion. Retrieved from: https://mercuryo.io/explore/learn/the-hidden-power of-cross-border-payments-building-the-bridge-to-financial-inclusion/

Miller, H., Krishnan, L., & Ruiz, L.A. (2023). Green Inclusive Finance: A Framework for Understanding How Financial Services Can

Help Low-Income and Vulnerable People Respond to Climate Change. *Centro para la Inclusión Financiera en Acción International*.

Molony, M. (2025). Mind the speed: how regulators can prepare for a faster financial system: Speech by Deputy Secretary General of the Financial Stability Board, at the GFTN Forum Japan, Tokyo, 4 March 2025. Financial Stability Board.

OECD. (2022). G20/OECD High-Level Principles on Financial Consumer Protection: 2022. Paris: OECD.

OECD. (2025a). Financial consumer protection, education and inclusion. Paris: OECD.

OECD) (2025b). International Network on Financial Education. Retrieved from: https://www.oecd.org/en/networks/infe.html/

PCI Security Standards Council. (2024). PCI Security Standards Overview. https://www.pcisecuritystandards.org/standards/

Simione, F.F., & Muehlschlegel, T.S. (2023). Mobile Money, Perception about Cash, and Financial Inclusion: Learning from Uganda's Micro-Level Data. Washington, DC: International Monetary Fund.

Singh, A., Jain, M. & Singh, J. (2022). Why financial health must be treated as the true north to augment the success of financial inclusion. United Nations Capital Development Fund (UNCDF) Blog. https://www.uncdf.org/admin/editors/ArticleItem/Index/7883?articleTitle=why-financial-health-must-be-treated-as-the-true-north-to-augment-the-success-of-financial-inclusion/

Tannenbaum, D., & Mohr, O. (2025). The global financial system keeps the world stable and unified. Here's how to strengthen it. World Economic Forum Annual Meeting. Jan. 23. https://www.weforum.org/stories/2025/01/global-financial-system fragmentation/

United Nations Capital Development Fund (UNCDF). (2025). About UNCDF. https://www.uncdf.org/who-we-are/

UN-Habitat. (2025). Addressing the Digital Divide: Taking Action towards Digital Inclusion. Nairobi: UN-Habitat.

U.S. Dept. of State. (2024). Media Note: Joint Statement on Enhancing Digital Economy Cooperation Between the United States of America and the Republic of Costa Rica. April 11. Washington, DC: US Department of State. https://2021-2025.state.gov/joint-statement-on-enhancing-digital-economy-cooperation-between-the-united-states-of-america-and-the-republic-of-costa-rica/

World Bank. (2025a). The Global Findex 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19. Washington, DC: World Bank Group.

World Bank. (2025b). Financial Inclusion Global Initiative (FIGI). https://www.worldbank.org/en/topic/financialinclusion/brief/figi

World Bank. (2025c). Remittance Prices Worldwide: Making Markets more Transparent. Retrieved from: https://remittanceprices.worldbank.org/

World Bank. (2025d). Supporting Countries in Building Cybersecurity and Resilience of Critical Infrastructure. Retrieved from: https://www.worldbank.org/en/programs/kodi/brief/supporting-countries-in-building-cybersecurity-and-resilience-of-critical-infrastructure

World Bank. (n.d.(a)). Financial Inclusion. https://www.worldbank.org/en/topic/financialinclusion

World Bank. (n.d.(b)). Financial Integrity. https://www.worldbank.org/en/topic/financialmarketintegrity

Received/2025.09.23
Accepted/2025.10.10