

Shaping the Future of Financial and Monetary Systems

The World Economic Forum has developed System Initiatives to serve as platforms to bring together leaders and experts to tackle global issues that require public-private collaboration to find viable solutions. Each initiative is comprised of bodies of work with results-oriented projects and activities that mobilize leadership, expertise and resources from business, government, civil society and international organizations.

How the global financial system can reinforce its contribution to sustained economic growth and social development

The global financial system is the cornerstone of economic activity, which is critical for long-term economic growth and development. However, the global financial crisis demonstrated the downside of interconnectedness and revealed a range of systemic vulnerabilities.

As the global financial system recovers, major collaborative efforts are required to rebuild public trust, respond to regulatory and technological change and overcome barriers to financial inclusion.

The World Economic Forum's **System Initiative on Shaping the Future of Financial and Monetary Systems** aims to build a more efficient, resilient and equitable international system by:

- Enhancing financial stability, innovation and economic growth by analysing and assessing the implications of industry transformation in an effort to better understand the competitive, human capital, and regulatory dynamics that will exist in the financial sector of the future
- Promoting global financial inclusion through a portfolio of in-country impact projects, identifying the highest potential opportunities to increase access to quality, affordable financial services for the unserved and underserved
- Better understanding disruptive innovation in financial services by exploring how innovations are changing business models and restructuring ecosystems in specific areas of financial services

Core Activities

The System Initiative's portfolio of projects and activities includes:

Financial Stability, Innovation and Economic Growth

This project is designed to deepen understanding of the implications of industry transformation on the financial system's responsibility to promote economic growth through the efficient allocation of capital while ensuring financial stability in a way that promotes sustained confidence. Areas of focus include:

- Rapid technological transformation in the financial system and its implications on public policy
- Transformative effects of regulatory policy on the financial system
- Impact of alternative methods to curtail or enhance the flow of credit to segments of the economy

Promoting Global Financial Inclusion

Through a global portfolio of "impact" workstreams, this umbrella project aims to identify the best opportunities for increasing access to high-quality, affordable financial services for the unserved and underserved. Areas of focus include:

- *Digital Inclusion*: Accelerating the integration of traditional retail markets into the broader financial sector

- *Beyond G2P*: Developing a sustainable model to deliver financial services to recipients of regular government-to-person payments
- *Humanitarian payment principles*: Drafting principles that will help provide greater direction on the delivery of humanitarian assistance in the form of diverse payments following a crisis

Disruptive Innovation in Financial Services

This project strives to deepen understanding of how innovation, changing dynamics and new players are redefining how financial services are designed, delivered and consumed. Areas of focus include:

- Understanding emerging micro-prudential regulatory uncertainties in an environment of rapid financial innovation
- Defining the role of financial institutions in the creation and operation of a digital identity system that will enable, simplify and de-risk global transactions
- Deepening understanding of decentralized systems

How to Engage

Companies, governments and organizations have multiple opportunities to engage in the initiative:

Stewardship Board: Nominate the global chief executive or chair for consideration on the Stewardship Board, the principal-level, multistakeholder body of 20-40 members that provides strategic guidance to the system. Stewards are automatically members of the Core Community.

Core Community: Appoint senior executives or experts to participate in the multistakeholder Core Community of approximately 100 to 150 leading actors and experts who engage directly in the activities of the System Initiative and work to advance public-private cooperation more broadly on the given topic.

Project Steering Committees: Each project is guided by a Steering Committee that includes appointed experts and senior executives from partnering organizations.

Partnering Organizations

- Alibaba
- AlixPartners
- Algomi
- Bank of America
- Bank of Canada
- Bank of England
- Barclays Capital
- Bill & Melinda Gates Foundation

- Blackrock
- BMO Financial Group
- Deutsche Bank
- Deutsche Borse AG
- DTCC
- Electronifie
- FIS
- Generali
- HSBC
- IEX
- Intesa Sanpaolo SpA
- Itaú Unibanco
- JPMorgan Chase
- Lenddo
- MasterCard
- Oliver Wyman
- OnDeck
- Oscar Health
- Prudential
- Ripple
- SAP
- Standard Chartered
- UBS
- US Treasury
- Western Union
- Zopa

Key Dates

September 2016

- Working Group Meeting, Financial Stability, Innovation and Economic Growth, London, UK (15 Sept.)

October

- Steering Committee Meeting, Financial Inclusion, Washington, DC (7 Oct.)
- Steering Committee Meeting, Financial Stability, Innovation and Economic Growth, Washington, DC (6 Oct.)

November

- Project Series 1 Workshops, Disruptive Innovation in Financial Services, New York, USA (Date TBD)

January 2017

- World Economic Forum Annual Meeting 2017, Davos-Klosters, Switzerland (17-20 Jan.)

Contact

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