

2023 annual session of the Executive Board

Hybrid session

Special address by Her Majesty Queen Máxima of the Netherlands

H.E. Artur Andrzej Pollok, President of the Executive Board (President): Excellencies, distinguished delegates, ladies and gentlemen, it is now an immense privilege for me to welcome Her Majesty Queen Máxima of the Netherlands, the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development.

Your Majesty, the Board is truly honoured with your presence with us today and we want to thank you for accepting our invitation to deliver a special address to this Board session. We are all very much aware that since your appointment as the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development in 2009, you have been a leading global voice on advancing universal access to and responsible use of affordable, effective and safe financial services. We admire your continued commitment to raise awareness, encourage leaders and support actions to expand financial inclusion at the global and country levels all in close collaboration with partners from the public and private sector.

Your Majesty, the Board very much looks forward to hearing from you on how inclusive finance for development can contribute to the activities of WFP. Your Majesty I now have the honour to give you the floor.

Her Majesty Queen Máxima of the Netherlands, United Nations Secretary-General's Special Advocate for Inclusive Finance for Development: Excellencies, ladies and gentlemen, Executive Director McCain.

Humanitarian needs are greater today than at any point in modern history. Conflict has disrupted lives, pushing a record 103 million people from their homes by mid-2022.

Extreme weather events, including fires, floods, and droughts, are profoundly impacting livelihoods and communities.

And every day, 345 million people wake up facing food insecurity. Some will go hungry. Some will make choices such as to feed their children instead of themselves. Recent inflation and rises in food prices are pushing communities further into insecurity.

People caught in humanitarian crises have a multitude of needs: water, medicine, and shelter. Empirical evidence shows that financial inclusion can be an effective tool to help meet these needs and build buffers to weather the worst of a crisis.

For example, people with savings and access to cash have a better chance of finding a way out of crisis.

We saw this when floods swept through Mozambique. Remittances transferred to rural households meant they could obtain food, water and medicine until the waters receded.

People displaced by civil war in Burundi were less likely to remain trapped in poverty when they could participate in a community savings group. They avoided terrible choices, such as to sell off their land or send their children into the workforce.

In Niger, depositing social transfers into women's mobile money accounts gives them greater power and freedom to make their own spending decisions. Often, one of their first choices is to improve household diets.

Unfortunately, the many benefits of financial inclusion have yet to reach most people in crisis. More than 75 percent of people in countries facing crisis are not in any way connected to the formal financial system. And this already high share is getting worse according to the 2021 Findex survey.



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We need to close this gap for good. That is why the cash policy that WFP is considering today gives room for hope. As the world's preeminent humanitarian organization, WFP can bring financial inclusion to places where it is most needed.

With mobile money, WFP can quickly and safely transfer resources so that people in crisis can purchase food and find shelter. It also provides flexibility for recipients to choose how and when to spend their money.

They also gain options to save small sums, prepare for future expenses, and build resilience. With experience in using mobile money, they may build confidence to use other financial services, such as insurance.

Cash transfers have many benefits, even beyond those for individuals. People spending in local shops, for instance, helps local businesses. Every USD 100 in cash assistance can generate up to USD 250 in the local economy. So it is a multiplier effect.

Digital channels can help lower delivery costs—ensuring more resources go directly into the hands of people in need. So, this new policy helps make WFP more efficient.

By many measures, WFP's new policy is a milestone in financial inclusion, deserving congratulations. It emerged from deep engagement with people working on both financial inclusion and humanitarian action.

Now the next step is action, so the policy can realize its promise.

Governments and regulators can set rules so that financial inclusion continues and even expands in crises, such as by guaranteeing access to the formal financial system for people who are not citizens. Other key building blocks include implementing tiered and remote know-your-customer requirements, promoting digital ID, and developing interoperable payment systems. These enablers have comprised an important part of my advocacy with global leaders and policymakers.

Donors and multilateral institutions can find and finance the best local solutions on a broader scale. They can help bring humanitarian and financial actors together to solve problems and realize mutual benefits.

Financial service providers can responsibly innovate in designing products that fit the needs and capacities of this market. Moving forward, emerging fintech models that allow secure data sharing and open finance arrangements can result in more customized and convenient solutions.

Providing financial services to people in crises is one half of the equation. The other is to ensure that digital technology is introduced responsibly and leads to better development outcomes. For this we need to be able to monitor risks, prevent fraud, and build financial knowledge and capabilities.

Women should be at the front and centre of every solution. Restrictive gender norms compound already steep barriers to financial inclusion in crises. Women are 10 percent more likely than men to need help using financial services. Programmes must be deliberately designed so that services reach women, know how to use them, and can make their own financial choices.

Crises are getting worse in today's world, not going away. WFP's new cash transfer policy is a long and welcome step towards the day when all crisis-affected people know that even in dire circumstances, financial access continues. They can still put food on the table, secure health care, seek work and sustain hopes for a better future.

Working together, we can make that happen. Now is the time to act. Thank you.



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President: Your Majesty, thank you so much for this powerful address to the Board. Board members, I will now open the floor for statements. As agreed with the Bureau, each List will have the opportunity to deliver a statement of three minutes. I pass the floor to Argentina on behalf of List C.

The representative of Argentina (original language Spanish): My statement will be here as the coordinator of List C of WFP and this includes all of the countries of Latin America and the Caribbean.

It is for me a great honour to deliver these words on the occasion of the presence of Your Majesty Queen Máxima of the Netherlands as the guest of honour for this annual session of the Executive Board of WFP. As we all are very much aware, the figures in the last SOFI report for 2022 show very alarming trends regarding the evolution of food security and nutrition at the global level, and this really places us very far from achieving the Sustainable Development Goals for the 2030 Agenda particularly SDG 2 zero hunger.

It is inspiring to see here on the podium the synergies developed by the Executive Director, Cindy McCain, and Your Majesty. You are both two women who are leaders, who are committed to the values that embody the fight against poverty and food insecurity for inclusiveness for development and placing a special focus on cross-cutting issues such as women's empowerment and youth.

WFP has one single mandate but that has two faces, saving lives and changing lives. This means that it has to deal with emergencies but also with resilience. These two sides to the same coin do not compete with each other. They are not overlapping rather on the other hand they are and should be synergies. This complementarity means that WFP has to place a priority on emergencies the whole time and humanitarian action whenever necessary, but also investing in resilience and development, focusing on the comparative advantages that WFP has.

Your Majesty, as the Special Advisor to the Secretary-General's of the United Nations on Financial Inclusions for Development, you indeed are carrying forward fundamental actions to promote financial inclusion in order to increase economic opportunities and also opportunities to build resilience in the weakest communities and this allows communities to defend themselves against future adversities that may arise through the strengthening and developing of capacities, through access to innovative technology and by developing and building technology for development, this indeed can be achieved.

Financial inclusion has become a critical element of the Sustainable Development Goals and it is mentioned in at least seven of the 17 SDGs. It is a key facilitating element. The work led by Your Majesty is done through solidarity but also through collaboration, public, private collaboration within the framework of the United Nations, through the G20, through the World Bank and the World Economic Forum, among so many other bodies.

Members States of List C are very much aware that we are working towards achieving the SDGs and in particular SDGs 1 and 2. We would like to look at the underlying causes of the critical crises that many developing countries are facing and we want to ensure that these countries are not left behind because of the consequences.

We thank you for your efforts in bringing and introducing policies that allow us to bridge the gap in terms of financial inclusions, particularly in the Global South, and these factors affect low-income families, small- and medium-sized producers, small-scale farmers, family farmers and the approach has to be one which includes cross-cutting topics such as women's empowerment and inclusion of youth within value chains within agrifood systems.



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Once again, we celebrate your presence here with us at the Executive Board and we look forward to developing alliances, partnerships among ourselves so that we can reduce hunger around the world and provide a dignified future to future generations.

President: Now I give the floor List D. France, you have the floor.

The representative of France (original language French): Your Majesty, I have the honour to deliver this statement on behalf of the 31 Member States of List D. We would like to thank you for your commitment in fostering development through financial inclusion. In recent years significant progress has been made in this area with, in particular, increased access to digital finance. We welcome your convening power and advocacy in this regard since you were appointed as United Nations Secretary-General's Special Advocate for Inclusive Finance for Development.

We fully recognize the importance of financial inclusion in ensuring that no one is left behind and in advancing toward the United Nations Sustainable Development Goals. Indeed we acknowledge that differences in financial inclusion tend to reinforce inequality as people involved in informal economies are more vulnerable to economic shocks and they can less easily benefit from social protection. This matter is particularly relevant in the context of agriculture and food security since greater financial inclusion of rural populations can help reduce income, inequality in urban areas.

We recognize in this regard the critical role played by cash-based transfers, not only in tackling food insecurity but also in fostering digital financial inclusion. Through cash-based transfers WFP is able to target the most vulnerable and crisis-affected people who often need access to financial services the most.

We would like to stress that gender equality should remain a top priority in financial inclusion, even though gender gaps in terms of account ownership are in fact narrowing, action must nevertheless still be taken to eliminate these gaps. This is all the more necessary as access to financial services especially digital services can improve women's autonomy and economic empowerment.

To that end, we support the fact that WFP's cash policy, that will be presented to the Board for approval today, puts a special emphasis on women and girls. Therefore we commend your continued commitment to reducing the financial inclusion gender gap.

Finally, we commend your action to promote inclusive green finance as a key tool to help the most vulnerable to build resilience in the face of climate shocks. In this regard green finance products including payments, savings, credit and insurance can play an important role in bridging the humanitarian-development divide by promoting economic resilience and improved economic opportunities in periods of crisis.

To wrap up, I would like to thank, once again, Your Majesty, for your words here today and we would like to guarantee and offer you our full support for your actions as the Special Advocate of the United Nations Secretary-General.

President: Now I pass the floor to List A. Morocco, you have the floor, please.

The representative of Morocco (original language French): Your Majesty, it is an honour for me, on behalf of List A, to address Your Majesty and express our gratitude for taking the time to speak to us in your capacity as United Nations Secretary-General's Special Advocate for Inclusive Finance for Development.



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Thank you for your participation, for your insightful intervention and for your active role and continuous advocacy for the importance of inclusive finance in achieving economic development goals.

Your Majesty, today more than ever inclusive financing for food security is of crucial importance as the need to do more with limited resources becomes increasingly pressing. Your presence here is a powerful message and a clear indication that food security and inclusive financing are two equally important topics for the success of the international communities' efforts to eradicate hunger worldwide.

We are aware that you hold our continent, Africa, very close to your heart. Your Majesty's visits, including to my country, Morocco, testified to your personal commitment to witness our needs first hand and we are profoundly grateful for that.

Today we have the honour of addressing Your Majesty directly to express our appreciation for your actions and achievements and also to share our concerns relying on your benevolence, humanism and love for Africa. Indeed, as Your Majesty is well aware, our continent faces numerous challenges. Our farmers are predominantly small-scale operators; financial resources for production are limited; storage and post-harvest loss prevention infrastructure are lacking; our continent bears the most severe consequences of climate change; conflicts, unfortunately on the rise, cause internal and external migration crises.

All these challenges hinder the development of small-scale African farmers and weaken their resilience despite being responsible for 80 percent of food production on the continent, thereby enabling nearly 1.5 billion people to meet their food needs.

As a driving force for development and a guarantor of peace and stability access to inclusive and equitable financing has become indispensable for the social and economic development of our continent, as Your Majesty has pointed out. We need innovative solutions, adopted in a coordinated, integrated and multidimensional approach at the global, regional and national levels.

Inclusive human-centred approaches are essential to support the financial well-being and further development of affordable and secure digital financial services, particularly for disadvantaged groups such as small business owners including small farmers and women.

By involving diverse stakeholders considering the needs and perspectives of marginalized communities and promoting equitable access to inclusive financing means, we can create sustainable systems that tackle hunger, poverty, vulnerability and environmental challenges while also ensuring that no one is left behind.

Therefore, Your Majesty, we are grateful for all your efforts and we urge you to continue advocating disadvantaged groups particularly in favour of African women. In this way we can uplift their status and leadership role and also promote women-led small and medium enterprises, guaranteeing their empowerment and development.

We believe that women are the main catalyst for the sustainable strengthening of African capacities, both present and in the future. Your Majesty, Africa, the region most affected by food insecurity, deserves special attention, combating financial vulnerability is essential in achieving Sustainable Development Goal 2, zero hunger. By providing individuals with stable financial means, we can enhance their capacity to access adequate nutrition and invest in sustainable agricultural practices, in order to facilitate greater access to financial services especially digital services for small-scale African farmers. We believe that strengthening fair and inclusive financing mechanisms can improve their resilience and production, thanks to the IFI programmes and the contributions and collaboration of various United Nations agencies.



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Finally, I would like to congratulate Your Majesty for your contributions as a global spokesperson for the promotion of universal access to affordable, efficient and secure financial services and especially for your efforts to consolidate inclusive financial health on our continent.

President: Board members, I will now give the floor to the Executive Director for some remarks.

Ms C. McCain, Executive Director: Your Majesty, welcome to WFP Executive Board and thank you for your inspiring special address. We are honoured to have you with us today and appreciate your insights on the role that cash payments play in empowering vulnerable communities.

Your Majesty, as the Secretary-General's Special Advocate for Inclusive Finance for Development, you know how access to financial services can transform the lives of the world's poorest people. With access to savings accounts, insurance products and small loans they are able to cope better with financial or food security shocks, and critically they can invest in their futures. WFP is the largest global provider of humanitarian cash transfers. Last year we distributed USD 3.3 billion to 56 million people in 72 countries.

Our new cash policy is designed to harness the full potential of our cash operation to deliver long-term benefits to the people we assist. For example, digital cash payments are a powerful tool which can be used to help empower women and support their financial inclusion. When women have accounts in their own names and feel confident using them, they can manage their own affairs, being more resilient financially and build a better future for themselves and for their families.

It is an effective way to support progress on gender equality and break the cycle of poverty and hunger that traps so many women and girls. But there is still a lot more to do. WFP is fully committed to this important agenda and our new cash policy will help fuel further progress.

Your Majesty, thank you for your personal dedication to supporting financial inclusion for all. I look forward to working together to deliver real and lasting change for vulnerable communities everywhere. Thank you, again, for joining us today.

President: I would now like to give the floor back to Her Majesty for some concluding remarks.

Her Majesty Queen Máxima of the Netherlands United Nations Secretary-General's Special Advocate for Inclusive Finance for Development: Well, let me first thank you so much for your time. Thank you very much to Morocco and France who have stressed the importance of financial inclusion and thank you also to Argentina for your great support. Thank you very much for all the support you are providing. We cannot do it alone, we have to do it together. We still have a long way to go for financial inclusion. It is essential that we work together and we put our efforts so that we can really achieve the financial inclusion to change people's lives.

President: Your Majesty, it has been an immense honour to welcome you at our Board and I am sure that your address and all the insights that you have provided will be a source of inspiration to the organization and the countries represented here today. On behalf of the entire Executive Board, allow me to convey to you our deepest appreciation for your presence with us. Thank you very much.

