

# THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

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## Second Meeting 2012

22 May 2012

2:00 PM – 4:00 PM

Sabah Room, Basement II, Shangri-La Hotel Kuala Lumpur  
Kuala Lumpur, Malaysia

## Meeting Paper 5-A

# Program of the 2012 ADBI-AFDC-ABAC Asia-Pacific Financial Inclusion Forum 25-27 June 2012 Shanghai, People's Republic of China

### Banking with the Poor Network

<b>PURPOSE</b>	For consideration.
<b>ISSUE</b>	Program of the 2012 ADBI-AFDC-ABAC Asia-Pacific Financial Inclusion Forum to be convened on 25-27 June 2012 in Shanghai, People's Republic of China.
<b>BACKGROUND</b>	Financial inclusion is a very important tool in poverty reduction efforts. In the last decade microfinance institutions showed tremendous success in outreaching and serving poor. Millions of people with low income had a chance to improve their lives. Despite of it according to statistics about 80% of households in the world are still excluded from the formal financial services. Developing the outreach practices by improving their quality is main direction of capacity development activities in the region. The preliminary agenda for this workshop includes the following topics: (i) innovative approaches to promote financial literacy; (ii) Information, credit bureaus and regulations; (iii) micro-finance regulations; (iv) consumer protection; and (v) facilitating cross-border microfinance.
<b>PROPOSAL</b>	N.A.
<b>DECISION POINT</b>	Endorse the program.



## **Asia-Pacific Forum on Financial Inclusion: Approaches, Regulations and Cross-Border Issues**

Shanghai, China, 25-27 June 2012

Jointly organized by:

**Asian Development Bank Institute  
Asia-Pacific Finance and Development Center  
APEC Business Advisory Council**

**In Collaboration with  
Banking With The Poor Network  
China Association of Microfinance  
Citi Foundation  
The Foundation for Development Cooperation**

### **Background**

Financial inclusion is a very important tool in poverty reduction efforts. In the last decade microfinance institutions showed tremendous success in outreaching and serving poor. Millions of people with low income had a chance to improve their lives. Despite of it according to statistics about 80% of households in the world are still excluded from the formal financial services. Developing the outreach practices by improving their quality is main direction of capacity development activities in the region.

Governments play a crucial role in promoting or hindering the development of microfinance. Recent stories of predatory microfinance in some South Asian countries demonstrated acute importance of development of financial services with a very careful analysis and ethic approach. In this regard, the important role of policymakers is to develop a balanced regulatory system that encourages MFIs for expansion and self-sustainability and the same time to protect consumers from predatory lending and harassment.

Among others the increasing financial literacy and improving availability of information are the crucial factors in development resilient financial inclusion policies. Under the leading role of government agencies the active involvement in the process of other stakeholders such as financial institutions, trade associations, civil society organizations, and educational institutions is needed. The wider usage of modern technologies in financial services will accelerate the process of building solid base for trustful relationship between providers and their consumers of financial services.

The growing international labor mobility among countries in Asia has amplified the necessity to develop pertinent policies in cross-border microfinance. In order to address this issue, countries in the region should activate the financial cooperation both in public and private sectors in this area.

The preliminary agenda for this workshop includes the following topics: (i) innovative approaches to promote financial literacy; (ii) Information, credit bureaus and regulations; (iii) micro-finance regulations; (iv) consumer protection; and (v) facilitating cross-border microfinance.

## **Outputs**

- (i) Better understanding of how to improve financial inclusion.
- (ii) Policy recommendations for financial inclusion.
- (iii) Closer cooperation among key stakeholders handling this issue.

## **Participants**

- (i). Governments from each of the following countries will be invited to nominate one participant who could provide a regulatory perspective and one who could provide a development policy perspective on financial inclusion issues: Bangladesh, Cambodia, India, Indonesia, Lao PDR, Malaysia, Mongolia, PRC, Philippines, Pakistan, Sri Lanka, Thailand, and Viet Nam.
- (ii) Asia-Pacific Financial Development Center (AFDC) will invite Chinese representatives from relevant area and expertise.
- (iii) Relevant representatives from business and civil society sectors.

## PROGRAM

<b>25 June 2012, Monday</b>	
09.00 – 09.30	Registration
09.30 – 09:45	Opening Remarks <ul style="list-style-type: none"> <li>● Li Kouqing, Deputy Director-General of Asia-Pacific Finance and Development Center</li> <li>● Wang Lili, Executive Director and Senior Executive Vice President Industrial and Commercial Bank of China (ICBC)</li> <li>● Dr. Jae-Ha Park, Deputy Dean for Special Activities, Asian Development Bank Institute (ADB)</li> </ul>
09.45 – 09:55	<b>FINANCIAL INCLUSION AT A GLANCE</b> Bob Annibale, Global Director of Citi Community Development & Microfinance
09.55– 10:40	<b>SESSION 1:            APPROACHES TO PROMOTE FINANCIAL LITERACY</b> This session will focus on approaches to promote financial literacy through web-based education and information dissemination and collaboration and allocation responsibilities among financial institutions, government agencies, trade associations, civil society organizations and educational institutions.  <i>Session Chair:</i> Dr. Julius Caesar Parrenas, Coordinator, Advisory Group on APEC and Advisor on International Affairs, Bank of Tokyo-Mitsubishi UFJ, Ltd.  <i>Speakers:</i> <ol style="list-style-type: none"> <li>1. Jeroo Billimoria, founder and managing director of Child and Youth Finance Intl – (focus – multi-stakeholder cooperation from a development perspective)</li> <li>2. Mr. Elie Beyrouthy – Head of WSBI Institutional Relations Department (focus - banking industry-government cooperation)</li> <li>3. Mike Kubzansky, Monitor (Bridging the Gap: the business case for Financial Capability)</li> </ol>
10:40 - 11:15	<b>Open Discussion</b>
11:15 – 11:30	<b>Group Photo and Coffee Break</b>
11:30 – 12:30	<b>SESSION 2:            FINANCIAL IDENTITY</b>  <i>Session Chair:</i> Bob Annibale, Global Director of Citi Community

	<p>Development &amp; Microfinance</p> <p>Session two will focus on financial identity through regulations on sharing customers' information among private credit bureaus/financial institutions and accessing customer's information collected by non-financial institutions.</p> <p>Some technical considerations, guidelines and regulations for integration into credit reporting of microfinance institutions and popular savings and loans sectors could be discussed on this session. Some questions will be addressed such as what is the role of public credit bureaus and national microfinance associations in promoting financial inclusion? how central banks and regulators can use credit bureau data to monitor financial inclusion, guard against over-indebtedness challenges in lower income segments?</p> <p><i>Speakers:</i></p> <ol style="list-style-type: none"> <li>1. Robin Varghese, Senior Fellow &amp; Vice President of International Operations PERC (focus – alternative data)</li> <li>2. Matt Gamser, Principal Advisory Services East Asia-Pacific Region IFC</li> <li>3. Sophea Hoy, General Secretary Cambodia Microfinance Association, CMA (focus – credit bureau reporting requirements for MFI's)</li> <li>4. <i>ADB-invited regulator</i> (focus-country experience)</li> </ol>
12:30 - 13:15	<b>Open Discussion</b>
13.15– 14.:45	<b>Lunch</b>
14.45 – 16:15	<p><b>SESSION 3: MICRO-FINANCE REGULATION</b></p> <p><i>Session Chair:</i> Peng Runzhong, Director, Asia-Pacific Finance and Development Center</p> <p>Key issues to be explored during this session include:</p> <ul style="list-style-type: none"> <li>● Rationale for micro-finance specific regulations</li> <li>● Impact of Basel III on financial inclusion</li> <li>● Branchless and mobile banking and recognition of mobile e-money</li> <li>● Regulation and promotion of deposit-taking MFIs; Recommended best practices, regulatory principles and proportionate regulatory arrangements</li> <li>● Incentive structures for banks and MFIs to operate viable business models acceptable to banking regulators</li> <li>● Regulatory aspects involved in broadening of financial services through major utilities and mobile phones.</li> <li>● Country experiences:</li> </ul> <p><i>Speakers:</i></p> <ol style="list-style-type: none"> <li>1. Ken Waller, Director of AASC</li> <li>2. Eric Duflos, Regional Representative for East Asia and the Pacific CGAP (focus - Responsible Finance - Putting Principles</li> </ol>

	<p>to Work)</p> <ol style="list-style-type: none"> <li>3. Katharine McKee, Senior Policy Advisor of CGAP - Protecting Branchless Banking Consumers: Policy Objectives and Regulatory Options)</li> <li>4. Octavio Peralta, Secretary General ADFIAP (focus – Asian experience)</li> <li>5. Abdul Awal, Executive Director CDF Bangladesh (focus - regulation on Social Performance - country experience)</li> <li>6. <i>ADB I-invited regulator</i> (focus-country experience)</li> </ol>
16:15 – 16:30	<b>Coffee Break</b>
16:30 - 17:30	<b>Open Discussion</b>
18:00 – 20:00	<b>Cocktail Dinner</b>
<b>26 June 2012, Tuesday</b>	
09.30-10.45	<p><b>SESSION 4: CONSUMER PROTECTION.</b> <i>Session Chair:</i> Dr. Yuqing Xing, Director, Capacity Building and Training, ADBI</p> <p>Questions and key elements to be explored during the session:</p> <ul style="list-style-type: none"> <li>● Smart Campaign’s Client Protection Principles</li> <li>● Consumer protection regulations</li> <li>● Transparency issues</li> <li>● Information disclosures</li> <li>● Codes of Conducts</li> <li>● Arguments for new special consumer protection regulations governing MFIs</li> <li>● Country experience presentations</li> </ul> <p><i>Speakers:</i></p> <ol style="list-style-type: none"> <li>1. Michael Schlein, President &amp; CEO of Accion International (focus –Road Map for the Microfinance Industry: Focusing on Responsible and Client-Centered Microfinance)</li> <li>2. Katherina McKee, Senior Policy Advisor of CGAP - Responsible Finance - Putting Principles to Work</li> <li>3. Giorgio Trettenero Castro, Secretary General FELABAN (focus – Latin American experience)</li> <li>4. Ms Aban Haq, COO Pakistan Microfinance Network (focus – Asian Chair of Social Performance task force - country experience)</li> <li>5. <i>ADB I-invited regulator</i> (focus-country experience)</li> </ol>
10.45-11:00	<b>Coffee Break</b>
11:00 – 12:00	<b>Open Discussion</b>
12:00 – 13:30	<b>Lunch</b>
13:30 - 14:45	<b>SESSION 5:</b>

	<p><b>FACILITATING CROSS-BORDER MICROFINANCE</b>  <i>Session Chair:</i> Chandula Abeywickrema, Chair man BWTP (also to speak on product devt)</p> <p>The growing international labor mobility among countries in Asia has amplified the necessity to develop pertinent policies in cross-border microfinance. In order to address this issue, countries in the region should activate the financial cooperation both in public and private sectors in this area.</p> <p>Question and issues to be explored during the session</p> <ul style="list-style-type: none"> <li>● Possibility/regulations on cross-border cooperation of microfinance institutions</li> <li>● Facilitating product development for migrant families, securitization of migrants’ remittances and diasporas bonds</li> <li>● Regulations/policies on internet/mobile phone remittances</li> <li>● Legal recognition of electronic and mobile money</li> <li>● Transnational implications of electronic money;</li> <li>● Pilot on cross-border credit information flows with focus on select countries with large migrant labor force</li> </ul> <p><i>Speakers:</i></p> <ol style="list-style-type: none"> <li>1. Pedro de Vasconcelos, Manager of Financing Facility for Remittances IFAD (focus – innovative remittance markets)</li> <li>2. Philip Yen, Group Head – Emerging Payments for Asia Pacific, Middle East &amp; Africa, MasterCard (focus –mobile prepaid regulatory solutions)</li> <li>3. Joachim Bartels, Managing Director BIIA (focus - cross-border credit information flows)</li> <li>4. Norbert Bielefeld, Deputy Director, European Savings Bank (TBC) (focus- diaspora bonds) _</li> <li>5. <i>ADBI-invited regulator</i> (focus-country experience)</li> </ol>
14:45 – 15:45	<b>Open Discussion</b>
15:45 – 16:00	<p><b>CONCLUDING REMARKS SESSION</b></p> <ul style="list-style-type: none"> <li>● Li Kouqing, Deputy Director-General of Asia-Pacific Finance and Development Center</li> <li>● Representative of ABAC China (TBC)</li> <li>● Dr. Yuqing Xing, Director, Capacity Building and Training, ADBI</li> </ul>
<b>27 June 2012, Wednesday.</b>	
09:00	<b>Field Trips</b>
<b>End of the Workshop</b>	