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# Report: Outcomes of the 2015 ABAC Asia-Pacific Forum on Financial Inclusion

3-4 March 2015, Tagaytay City, Philippines

*April 2015*



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# Forum Partners

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- **Host**
  - Philippines Government
- **Organizers**
  - APEC Business Advisory Council (ABAC)
  - The Foundation for Development Cooperation (FDC)
  - Asian Development Bank
- **Partner**
  - Citi Foundation
- **Collaborators**
  - International Finance Corporation (IFC)
  - Consultative Group to Assist the Poor (CGAP)
  - Japan International Cooperation Agency (JICA)
  - Policy and Economic Research Council (PERC)

# Forum Overview

- **129 participants**
  - 54 Government
  - 69 Private sector, academic, civic organizations
- **Major topics:**
  - Regional developments/review of progress
  - Economy case studies (Mexico, Viet Nam, PNG)
  - Digital finance/customer centricity
  - Credit information systems
  - Legal and institutional frameworks for secured transactions
- **Summary Report**
  - To be published in May
  - Disseminated to over 1,000 APEC stakeholders



# Recommendations: Credit Bureaus and Reporting

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- 1. Need for a whole-of-economy approach to credit reporting.**
  - Public-private cooperation is key.
  - Case studies to show business viability and help lenders expand into new markets.
- 2. Standardization of data and formats.**
  - Opportunity is growing with the growing use of digital systems.
  - Standardized data to especially benefit emerging economies with limited capacity.
  - Help value-added info service providers to develop new tools.
  - Better enable cross-border data flows.

# Recommendations: Credit Bureaus and Reporting (Cont..)

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## 3. Full file credit reporting

- Need better access to public data.
- Using customer digital footprints for reporting.
- International Credit Reporting Committee Guidelines to be used as guidance.

# Recommendations: Infrastructure for Secured Lending

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## 1. Creating enabling infrastructure

- Support for innovative registries (Viet Nam case study).
- Need for comprehensive reforms for market to work.

## 2. Adopting the APEC Model Code

- Should be incorporated into law within APEC economies.
- Will help align economies with global best practice.
- Need 3 or 4 economies to commit to pathfinder initiative.

# Recommendations: Other

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## 1. Adopting a formal definition of financial inclusion

- To cover specific parameters and help compare levels of inclusivity between economies.
- Significant variance across APEC on financial inclusion.
- Standard definition would be a useful guide for policy makers.

## 2. Government Leadership

- Single government organization to be appointed for overall responsibility of financial infrastructure development.
- To provide leadership, coordination and responsibility.
- Approach to increase efficiency and effectiveness.

# Recommendations: Other (Cont..)

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## 3. Keeping up with Digital Technology

- Digital providers = deeper penetration and lower costs.
- Digital finance business models changing the finance environment.
- Emergence of digital finance creates several regulatory issues.
- Digital finance working group within ABAC?



