



**Advisory Group  
Meeting II  
PAPER 3-A  
Annex**

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# Report: Outcomes of the 2016 ABAC Asia-Pacific Forum on Financial Inclusion

7-8 April 2016, Tokyo, Japan

April 2016

## Forum Partners

- **Organizers**
  - APEC Business Advisory Council (ABAC)
  - The Foundation for Development Cooperation (FDC)
  - Asian Development Bank Institute (ADB I)
- **Partner**
  - Citi Foundation
- **Collaborators**
  - Many!



## Forum Overview

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### **135 participants**

- 30 Government
- 105 Private sector, academic, civic organizations

### **Main topics:**

- Credit bureaus and credit information systems
- Insurance as a foundation of economic growth in the APEC region
- Unlocking cross-border opportunities for the poor
- Promoting savings via formal channels: challenges and opportunities
- Digital finance: extending reach to MSMEs
- Financial literacy through education
- Digital finance and consumer protection
- Insolvency: moving beyond stability to growth

### **Summary Report**

- To be published in July
- Disseminated to over 1,000 APEC stakeholders



## Conclusions and recommendations

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### **Credit bureaus and credit information systems**

- Financial + other data adds value
- Use non-traditional data in credit scoring for small loans
- Data privacy of subjects remains a concern

### **Insurance as a foundation of economic growth**

- Proportional regulation + digital delivery of products requires alignment across ministries and departmental policies
- Need to augment mobile technology with human interaction to build the trust and capability of new clients in different market segments



## Conclusions and recommendations

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### Unlocking cross-border opportunities for the poor

- Increasing focus on packages of products customers seek, and less on single products from individual providers
- Remitters consider convenience and trust as well as cost – government can facilitate transparency and foster competition on remittance options available

### Promoting savings via formal channels

- Regulation needs to be channel-specific, i.e., need clear designation of responsibility between agents and financial services providers
- Financial inclusion and education are ecosystems



## Conclusions and recommendations

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### Digital finance: extending reach to MSMEs

- Systems interoperability can lead to greater efficiency, innovation, lower costs and convenience for consumers
- MSME credit requires supporting services such as financial infrastructure provided by the public and private sector

### Financial literacy through education

- Having a national financial education program and strategy can lead to better overall outcomes
- Integration with national school curricula, tailoring to age groups and training of educators can lead to better outcomes
- E-learning platforms across a range of educational fields are increasing



## Conclusions and recommendations

### Digital finance and consumer protection

- New challenges – different customers, multiple agents, technology interface, who's responsible?
- Suitability of products for clients, privacy and data protection will present increasing challenges
- 'SupTech' and 'RegTech' can ease compliance burdens, enable rapid consumer feedback, early detection of problems, and communication to consumers

### Insolvency: moving beyond stability to growth

- Sound insolvency and secured transactions regimes aid in the effective redeployment of capital and risk assessment
- Balance needed: between rights of creditors and debtors; liquidation & reorganization; efficiency & legal fairness

