

Accelerating Inclusive Growth through Technology and Collaboration

2017 Asia-Pacific Forum on Financial Inclusion

Hoi An, Vietnam
10-11 July 2017



Hosted by



Organized by



In Partnership with

Citi Foundation



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This report reflects the views of the authors based on presentations by and discussions among participants at the Forum, and not necessarily those of the Advisory Group on APEC Financial System Capacity Building, APEC Business Advisory Council, Asian Development Bank Institute, the Foundation for Development Cooperation, nor of any of the other collaborating institutions. The terminology used may not necessarily be consistent with Asian Development Bank official terms.

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Abbreviations

ABAC	APEC Business Advisory Council
ADB	Asian Development Bank
ADBI	Asian Development Bank Institute
AFI	The Alliance for Financial Inclusion
APFF	Asia Pacific Financial Forum
DLT	Distributed Ledger Technology
FDC	The Foundation for Development Cooperation
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IFC	International Finance Corporation
KYC	Know Your Client
MIR	Microinsurance Roadmap
MSME	Micro, Small and Medium Enterprise
RFPI	Regulatory Framework Promotion of Pro-poor Insurance Markets
SBV	State Bank of Vietnam
SCF	Supply Chain Finance
SME	Small and Medium Enterprise
VBARD	The Vietnam Bank for Agriculture and Rural Development
WSBI	The World Savings and Retail Banking Institute

Forum Host

The State Bank of Vietnam (SBV) is a ministerial agency of the Government - the Central Bank of the Socialist Republic of Vietnam. The operations of the SBV aim at stabilizing the value of Vietnamese currency, ensuring safe and sound banking operations and the system of credit institutions, ensuring safety and efficiency of national payment system, and contributing to socio – economic development under the socialist orientation. www.sbv.gov.vn

Forum Organizers

The Asia-Pacific Economic Cooperation (APEC) Business Advisory Council (ABAC) was created by the APEC leaders in 1995 to advise APEC on the implementation of its agenda and to provide the business perspective on specific areas of cooperation. ABAC is comprised of up to three members from each of APEC's 21 member economies, representing a range of business sectors. ABAC holds an annual dialogue with the APEC leaders and engages in regular discussions with APEC ministers in charge of trade, finance, and other economic matters. www.abaonline.org

The Foundation for Development Cooperation (FDC) is an independent Australian foundation committed to building prosperity in developing countries in the Asia Pacific region by pursuing initiatives that reduce poverty and promote equitable growth. We achieve this by researching, piloting and promoting development initiatives that are market-based and innovative, drawing on the collective skills, knowledge and resources of organisations from across the public, private, NGO and academic sectors. Established in 1990, FDC has its head office in Brisbane. www.fdc.org.au

Forum Partners

The Citi Foundation works to promote economic progress and improve the lives of people in low-income communities around the world. We invest in efforts that increase financial inclusion, catalyze job opportunities for youth, and reimagine approaches to building economically vibrant cities. The Citi Foundation’s “More than Philanthropy” approach leverages the enormous expertise of Citi and its people to fulfill our mission and drive thought leadership and innovation. www.citifoundation.com

The Asian Development Bank Institute (ADBI), located in Tokyo, is a subsidiary of the Asian Development Bank. It was established in December 1997 to respond to two needs of developing member economies: identification of effective development strategies and improvement of the capacity for sound development management of agencies and organizations in developing member economies. As a provider of knowledge for development and a training center, ADBI serves a region stretching from the Caucasus to the Pacific islands. www.adbi.org

The Asian Development Bank (ADB), based in Manila, is dedicated to reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth, and regional integration. Established in 1966, it is owned by 67 members – 48 from the region. www.adb.org

World Savings and Retail Banking Institute (WSBI) is the global representative of savings and retail banks, representing about 7,000 banking institutions from about 80 countries. Member banks are proximity banking institutions, offering their services mainly to private clients, micro and SMEs and local authorities. WSBI represents the interests of its members towards international policy makers and standard setters on the main regulatory and other issues that shape international retail banking policy. They also promote a vision for a pluralistic banking model and an enabling environment for financial inclusion. WSBI has the additional role of bringing together members to exchange knowledge through meetings at regional and international level as well as technology platforms. www.wsbi-esbg.org

The Vietnam Bank for Agriculture and Rural Development (VBARD) is the only 100% state-owned commercial bank in Vietnam. During nearly 30 years of operation, VBARD has always been the largest commercial bank in Vietnam in terms of total assets, branch network, number of employees, client base and proportion of loans to agriculture, rural areas, and farmers. www.agribank.com.vn

Executive Summary

The Asia-Pacific Forum on Financial Inclusion is a policy initiative under the APEC Finance Ministers Process that has been entrusted to the APEC Business Advisory Council (ABAC) and managed by the Foundation for Development Cooperation (FDC). The Forum provides an important opportunity for stakeholders to review current trends, recent achievements, ongoing challenges and opportunities relative to financial inclusion in the region. The primary purpose of the Forum is to provide priority recommendations to APEC policy makers and regulators to progress financial inclusion throughout the region. The agenda for the 2017 ABAC Asia-Pacific Forum on Financial Inclusion provided a platform to facilitate discussions amongst nearly 200 key financial inclusion stakeholders to develop recommendations in a collaborative forum for policy reform and strengthening. This report includes an overview of these recommendations.

The 2017 Asia-Pacific Forum on Financial Inclusion was hosted by the Asia-Pacific Economic Cooperation (APEC) and the State Bank of Vietnam and organized by the Foundation for Development Cooperation (FDC) and the APEC Business Advisory Committee (ABAC) in partnership with the Citi Foundation, the Asian Development Bank Institute (ADBI), the Asian Development Bank (ADB), the Vietnam Bank for Agriculture and Rural Development (VBARD) and the World Saving and Retail Banking Institute (WSBI). Additional support for the Forum was provided by the International Finance Corporation (IFC), the Alliance for Financial Inclusion (AFI), Deutsche Bank and the GIZ Regulatory Framework Promotion of Pro-poor Insurance Markets.

Madam Nguyen Thi Hong, Deputy Governor of the State Bank of Vietnam, opened the Forum remarking that despite the achievements made for financial inclusion globally, many challenges remain. These challenges include a broad range of issues such as the lack of formal financial services, gender inequalities, income gaps, development disparities, low levels of financial literacy and education, the quality of regulatory frameworks for consumer protection and supervision, insufficient investment for financial infrastructure and the cyber security threats in the digital age. To overcome these challenges, Madam Hong encouraged stakeholders to seek opportunities to collaborate, develop effective financial inclusion strategies and learn from the lessons and experiences of other economies.

The Asia-Pacific Forum on Financial Inclusion has provided an important opportunity for stakeholders to gather and develop partnerships, programs and new ideas to support their financial inclusion efforts. The following sections of this report provide a brief overview of each of the topics discussed along with a summary of the specific recommendations for the consideration of APEC policy makers and regulators.

Defining Financial Inclusion

Financial inclusion is a multi-dimensional concept and as such it is not easy to define or to measure. While there is wide consensus that it is a key component of human wellbeing and has a positive effect on economic growth and development, there is no common definition of financial inclusion. Each economy is unique and determines its definition depending on the specific characteristics of its financial sector and set priorities. Even so, it is essential to have a definition of financial inclusion as it provides the parameters for strategy development, target setting, measurement of progress and impact assessment.

Recommendations

- As a multi-stakeholder development issue, regulators need to engage with multiple stakeholders, including practitioners and other government agencies, to develop a shared understanding or definition of financial inclusion. Achieving this will enhance strategy development, execution and measurement. However, the creation of a universal standard should not delay nor displace the focus each economy needs to give to the local ecosystem.
- Regulators should seek to adopt a framework for defining financial inclusion which includes all of its key dimensions including access, usage and quality.
- A framework for defining financial inclusion should include considerations for several relevant aspects including providers (formal and informal), delivery channels and products. The framework should also promote customer centricity and identify clear target groups including both individuals and MSMEs.
- When defining financial inclusion stakeholders should take care not to lose sight of its overall purpose; that financial inclusion is not the end in itself, but that it is a key element for shared goals like poverty alleviation, inclusive economic growth, sustainable development.

Agrifinance

Agriculture remains a major source of livelihood for the majority of population living in rural areas in developing countries. The most compelling aspects of agrifinance is ensuring that this primary sector of the economy receives sufficient access to appropriate financial products and services which will also smoothen consumption and savings. Improving both public investments in agri or agri-aligned sectors and private investments are vital. Specific policy support is required from the government to enable solutions that will improve access to finance for farmers. With the impacts of climate change becoming more prevalent on the agriculture industry, policies which support climate resilience are also increasing in their importance.

Recommendations

- As the coordination among the value chain actors and price pressure on the agricultural commodities are the main challenges, it is necessary to provide price stabilization mechanism for better price realization by the smallholder farmers.
- The focus on agri-technologies and finance supply chains needs to be urgently increased to meet food supply needs and to de-risk current threats – such as climate change – to agricultural production.
- To improve efficiency, financial services to agriculture need to be bundled with non-financial services (e.g. technical support, extensions services, capacity building) and risk management through a portfolio supervision mechanism.
- Agriculture still remains a major source of livelihood for the majority of population in the Asia-Pacific region. Policies should be formed which support the resilience of clients in agriculture value chains against potential climate-related shocks.
- Technology platforms for agrifinance have the potential to provide significant benefits, including reducing costs and increasing yields. Regulatory frameworks need to be structured that support the implementation of such technologies.
- Much of the agriculture sector within APEC economies is almost entirely cash-based. Regulators need to prioritize methods which will enable the digitization of the economy as a way to significantly increase efficiency, cost-benefits and provide secure and traceable transactions.
- The reduction of food loss by introducing new and innovative products for post-harvest management will help to broaden the ambit of agricultural finance and private sector participation.

Distributed Ledger Technology (DLT) Across Financial Services: Prospects and Emerging Policies

Advanced technologies like the Distributed Ledger Technology (DLT) can play a major role in re-shaping the future of financial services. However, these new technologies and the new business models that they create may not comfortably fit within existing regulatory categories, which could eventually cause an imbalance between inclusiveness, innovation and risks to inhibit the benefits that society could have received. To facilitate better outcomes, a better understanding is needed of the prospects and implications of DLT, related emergent financial services models and the legal and regulatory considerations.

Recommendations

- Regulators need to be open to distributed ledger technology and work with the relevant stakeholders to understand its potential for financial inclusion and associated risks. DLT should not, however, be considered a “one-size-fits-all” application and should be examined within the local context of the economy to determine how it can be most appropriately integrated.
- Proportionate regulation is important to balance innovation with trust and market integrity. Regulators also need to consider how to achieve fair and equitable competition; particularly as DLT solutions would likely co-exist with formal banking channels and leverage on each other.
- Attention is needed on cross-border harmonisation of similar regulatory approaches to DLT applications to support scalability of solutions and to minimise risks of fragmentation of regulatory approaches that can result in unintended barriers.
- Appropriate governance frameworks are needed that can promote technological interoperability with traditional payment systems, appropriate scalability and support transparency for data collection to facilitate monitoring and regulatory/ policy calibrations.

Financial Education

Financial education is a major issue impacting many APEC economies. Financial literacy can help spur economic growth by improving management of savings and investment. Although many economies in have experienced strong economic growth, financial literacy in remains low. Financial literacy is increasingly important as technology brings financial services to people who have not previously had access to financial services; consumers and small- and medium-sized enterprises need financial education to understand how to securely and effectively utilize the new financial services. Financial education can also help strengthen retirement planning and mitigate the challenges faced by aging societies.

Recommendations

- Regulators need to consider ways to work effectively with the industry to develop and implement new methods of reaching target audiences for financial education. Some examples of such collaborations include incorporating financial education into school curriculums or introducing financial training programs within workplaces.
- Each economy should develop their own financial inclusion strategy. These strategies should include considerations for the many different models needed for different target groups (i.e. adults vs youth) as well as economy-specific elements based on the local context and needs.
- Financial education needs to focus as much on knowledge and awareness about finance and its products, as it does on building trust in fast-moving developments in areas such as digital and mobile finance if financial inclusion using these more dynamic technologies will be achieved.

- Procedures to monitor the progress of financial literacy and the effectiveness of financial education programs should be put in place, and the results of such monitoring should be used to revise financial education strategies and programs as needed.

Creating an Enabling Environment for Micro-financial Products and Services

Client-centric financial products and services which are designed to address the constraints and challenges faced by different types of clientele are essential to successful financial inclusion strategies. Agencies aiming to achieve financial inclusion through responsive product design are generally lacking in adequate information regarding customers' demand, knowledge and perception about the financial products and services on offer. They are also faced by the challenge of creating a regulatory environment that allows ease of access to services for a diverse set of clientele in an efficient and cost-effective manner. Policy makers and regulatory bodies are also challenged by the need to regulate and supervise a range of financial service providers. The goal of sustainable financial inclusion through the provision of client-focused financial products and services to micro finance clients requires responsive policy and an enabling regulatory environment that can support product design and innovation, regulate and supervise a range of service providers and delivery channels.

Recommendations

- The last three decades have seen a significant increase in the number of products and services becoming available; and the rise of fintech and digital has created even greater opportunities than ever before. In order for regulators to keep up with the fast-moving developments of new technologies, they need to ensure regular interaction with market players.
- Eligibility for access is a major barrier for inclusion which can largely be addressed through new technologies such as bio-metric card systems that can reach the mass of population. Regulators have an important role to play by ensuring that regulations enable the necessary investment and innovation takes place as the industry increasingly moves towards digital solutions
- Regulators should encourage the development of new products that address asset creation and risk-mitigation such as investment tools linked with savings and a wider range of affordable and effective insurance products.
- Enhanced monitoring and supervision will result in greater trust and confidence among consumers. This should include processes which will enable prompt action on unfair practices, improved consumer protection and grievance redressal mechanisms. Furthermore, regulators must help ensure that the private sector, including technology companies and mobile operators, understand that the responsibility of consumer protection is shared by all agencies involved, and not a burden for the government to bear alone.

Developing Microinsurance Roadmap for APEC Emerging Economies

The Microinsurance Roadmap (MIR) is being developed to assist policy makers, regulators, insurance industry and other stakeholders with their respective roles in expanding access to microinsurance products and develop greater awareness among consumers about the benefits of insurance. As part of the MIR's development cycle, stakeholders are invited to provide inputs on several aspects of the roadmap such as specific elements which can contribute to increasing access to inclusive insurance, resources (both public and private) that can be drawn to support the MIRs implementation, methods to engage the government sector to secure their support for the MIR and approaches to implement the roadmap considering sub-regional grouping, economy contexts and maturity levels of various financial inclusion environments.

Recommendations

- In order for the APEC Microinsurance Roadmap to be successful, governments need to ensure an enabling policy and regulatory environment is in place and introduce specific incentives to support implementation through the private sector.
- Governments can also play a lead role in promoting awareness among consumers to help them understand the value of insurance and to better determine which products would be most suitable for their needs.
- The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) - Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI Asia) which is leading the Microinsurance work stream in the APFF will further bring the MIR to a broader stakeholders consultation. The next MIR roundtable meeting will be held on November 7, 2017 in Lima Peru as a pre-conference event to the 13th International Microinsurance Conference.

Online Supply Chain Finance: Key Challenges and Policy Requirements

Supply Chain Finance (SCF) is a way to organize and optimize financial services by leveraging the commercial and social relationship on a chain. In recent years, more and more SCF players are moving to the Internet-based platforms in the Asia Pacific Region. This has proved to be useful for scaling up credit and other financial services to MSMEs, rural and agricultural businesses, suppliers, distributors and traders, etc. There are several key challenges relating to SCF, including the need for specific legislative, policy or regulatory reforms to expand access; particularly to rural and agricultural clients.

Recommendations

- Governments need to establish the necessary legal foundations for the use of receivables and inventory as collateral, and to provide creditors with appropriate priority and enforcement rights. Achieving this may require reforms in secured transaction law, insolvency law, e-commerce law and laws relevant to the digital transfer of documents.
- Regulators should seek to develop a friendly business environment for both banks and non-deposit taking lenders to originate, underwrite and manage SCF services efficiently. In particular, regulators should not place undue constraints on SCF business models.
- Regulators should encourage the creation of electronic finance platforms by different players. Where necessary, business associations and government development agencies can also set up market level platforms that operate on an open and commercial basis. Government support for MSME finance can be channeled through such platforms in a commercially sustainable way.
- Regulators should promote cross-border SCF which will in turn help to deepen regional trade and economic integration. Among others, regulators should develop practical KYC and other data transfer requirements. Credit reporting information also needs to be made available to the cross-border SCF players.

Digital Identity

As finance, payments and personal money-management increasingly become all-digital, one thing is clear: creating, managing and protecting digital identities for individuals has become a critical need. Discussions and collaborations between stakeholders is crucial to understand the diverse perspectives of the pioneering digital identity initiatives around the world, best practices and key areas of focus. Discussion and debate is also needed to identify who, in the increasingly complex digital world, is best placed to manage the new type of digital identities everyone will need and how regulatory and legal frameworks need to adapt.

Recommendations

- Regulators need to understand that the ability of individuals to be able to prove their unique identity in real time, on location as well as remotely, is fundamental to realising the full value that sits across the financial inclusion spectrum.
- Regulators should make it a priority to design and universally roll out digital identity and authentication mechanisms, with due consideration to privacy and data security.
- Regulators need to seize the short-term opportunity to make digital-identity frameworks interoperable, in support of lowering the cost of financial services, reducing friction in cross-border trade and remittances, enhancing AML, KYC and prevention of terrorism funding and improving data flows.

Introduction

The Asia-Pacific Forum on Financial Inclusion has been hosted annually, following the successful holding of the first Forum in Sapporo, Japan and the endorsement of its regular convening by the APEC Finance Ministers at their 2010 annual meeting in Kyoto. The Forum is a policy initiative under the APEC Finance Ministers' Process that is entrusted to the APEC Business Advisory Council (ABAC). The 2017 Asia-Pacific Forum on Financial Inclusion was hosted by the State Bank of Vietnam and co-organized by ABAC and the Foundation for Development Cooperation (FDC), in partnership with the Citi Foundation, the Asian Development Bank Institute (ADBI), the Asian Development Bank (ADB), the Vietnam Bank for Agriculture and Rural Development (VBARD) and the World Saving and Retail Banking Institute (WSBI). Additional support for the Forum was provided by the International Finance Corporation (IFC), the Alliance for Financial Inclusion (AFI), Deutsche Bank and the GIZ Regulatory Framework Promotion of Pro-poor Insurance Markets.

The Forum provided an opportunity for stakeholders to review the current trends, recent achievements, ongoing challenges and opportunities relative to financial inclusion in the region. By providing this platform for high-level dialogue amongst policy makers and regulators across the region, the Forum aimed to strengthen their capacity as well as provide priority recommendations for policy related issues impacting financial inclusion.

The Forum consisted of eight sessions that addressed a range of topics including:

- (i) defining financial inclusion,
- (ii) agrifinance,
- (iii) distributed ledger technologies
- (iv) financial education
- (v) creating an enabling environment for micro-financial products and services
- (vi) microinsurance
- (vii) online supply chain finance and
- (viii) digital identity.

Madam Nguyen Thi Hong, Deputy Governor of the State Bank of Vietnam, opened the Forum remarking that despite the achievements made for financial inclusion globally, many challenges remain. These challenges include a broad range of issues such as the lack of formal financial services, gender inequalities, income gaps, development disparities, low levels of financial literacy and education, the quality of regulatory frameworks for consumer protection and supervision, insufficient investment for financial infrastructures and the cyber security threats in the digital age. To overcome these challenges, Madam Hong encouraged stakeholders should seek opportunities to collaborate, develop effective financial inclusion strategies and learn from the lessons and experiences of other economies.

In total, the Forum was attended by over 200 participants including representatives of government, the private sector, academic institutions and civic organizations. This report provides a detailed overview of the discussions which took place at the Forum including the recommendations that were made for the consideration of APEC policy makers and regulators.

Chapter 1: Defining Financial Inclusion

Session Chair:

- Mr. Charles Marwa, Senior Monitoring and Evaluation Specialist, Alliance for Financial Inclusion (AFI)

Panelists:

- Mr. Dinh Xuan Ha, Head of Research on Development of Financial Institutions Division, State Bank of Vietnam
- Mr. Winfield Wong, Country Head of Wholesale Banking, HSBC Vietnam
- Mr. Alwaleed Alatabani, Lead Financial Sector Specialist, World Bank, Vietnam
- Mr. Sean Preston, Country Manager for Vietnam, Cambodia and Laos, Visa

Financial inclusion is a multi-dimensional concept and as such it is not easy to define or to measure. While there is wide consensus that financial inclusion is a key component of human wellbeing and has a positive effect on economic growth and development, there is no common definition. Each economy is unique and determines its definition depending on the specific characteristics of its financial sector and priorities. Even so, it is essential to have a definition of financial inclusion as it provides the parameters for strategy development, target setting, measurement of progress and impact assessment.

The Different Perspectives of Financial Inclusion

Institutions across APEC's economies view financial inclusion in different ways. These different perspectives can create challenges for developing unified solutions for financial access. How a government or institution defines financial inclusion will determine who the stakeholders are that might play a role in developing or implementing solutions. Furthermore, different perspectives also impact which groups are considered as the target beneficiaries for financial inclusion programs. For example, some institutions view financial inclusion as a means for providing greater financial access to micro, small and medium enterprises (MSMEs), whereas others might view it as the provision of financial products and services to low income or unbanked individuals.

The World Bank has recently reported on evidence which clearly shows that that economies which have adopted a formal financial inclusion strategy are far more successful in expanding access to financial services than those which do not have a formal strategy.¹ However, developing these strategies is quite challenging without first having a clear definition of financial inclusion. An effective definition will set the boundaries of the financial inclusion strategy and also establish the basis for measurement processes to track results.

¹ See: http://www.afi-global.org/sites/default/files/publications/fisplg-state_of_practice.pdf

In Vietnam, the State Bank of Vietnam (SBV) has been tasked with leading the economy's financial inclusion strategy. When trying to decide how financial inclusion should be defined they encountered difficulties with translating it into the Vietnamese language; particularly as it is still a relatively new concept in Vietnam. Eventually they were able to settle on defining financial inclusion as the *access and usage of formal financial products and services in a convenient and appropriate way and at an affordable cost for people and businesses*. This definition has enabled SBV to frame the overall vision of their financial inclusion strategy and develop specific goals and concrete targets.

From the private sector perspective, financial inclusion represents a very important part of many commercial strategies as it relates to consumption smoothing and greater protection for households. The main factors creating financial exclusion are often cited as low incomes, lack of identification or credit history, distance to access and trust in the financial system. The challenge of financial inclusion from this perspective is not limited to developing economies, with these issues also prevalent in developed economies with mature financial markets.

Multilateral agencies such as the World Bank and the United Nations define financial inclusion in broader terms, with the UN focusing on access to financial services at a low cost, whereas the World Bank emphasizes meeting the needs of consumers.

Developing a Framework for Defining Financial Inclusion

With so many different stakeholders influencing various perspectives of financial inclusion, agreeing on a common definition may not be realistic. However, by reaching agreement on core aspects of financial inclusion a framework could be developed which would provide useful guidance for stakeholders in the process of formulating their own definition.

The Alliance for Financial Inclusion (AFI), which is a global association of central banks and other financial regulatory institutions, recently surveyed their members to determine how many of them had adopted a formal definition for financial inclusion. Out of 94 members surveyed, AFI found that 55 of them had a formal definition. After examining the definitions which had been adopted by these 55 central banks, AFI found a number of commonalities in relation to key aspects of how financial inclusion was being defined. These commonalities, which could be described as three central themes or dimensions of financial inclusion, are: access, usage and quality.

Financial access relates to the ability of a person or business to successfully connect with financial products and services whereas usage relates to how they then interact with these products and services in meaningful ways. The third dimension, quality, refers not only to how well the product or service fits the needs of the consumer, but also includes additional important elements such as consumer trust or convenience.

In addition to these three dimensions, stakeholders need to also consider other relevant aspects of financial inclusion such as the identification of (formal and informal) providers, delivery channels and products. Central to the concept of financial inclusion should always be the needs of customers. So the framework should also promote customer centricity and identify clear target groups.

By focusing on these three dimensions and other priority considerations, stakeholders can develop a framework for defining financial inclusion which will help to ensure that the core dimensions are being addressed. Such a framework, if adopted, would enable greater common understanding among APEC economies and stakeholders despite the varying perspectives they may currently have. By developing definitions which fit within this framework economies will also be able to achieve more effective strategy development and measurement processes.

Recommendations

- As a multi-stakeholder development issue, regulators need to engage with multiple stakeholders, including practitioners and other government agencies, to develop a shared understanding or definition of financial inclusion. Achieving this will enhance strategy development, execution and measurement. However, the creation of a universal standard should not delay nor displace the focus each economy needs to give to the local ecosystem.
- Regulators should seek to adopt a framework for defining financial inclusion which includes all of its key dimensions including access, usage and quality.
- A framework for defining financial inclusion should include considerations for several relevant aspects including providers (formal and informal), delivery channels and products. The framework should also promote customer centricity and identify clear target groups including both individuals and MSMEs.
- When defining financial inclusion stakeholders should take care not to lose sight of its overall purpose; that financial inclusion is not the end in itself, but that it is a key element for shared goals like poverty alleviation, inclusive economic growth, sustainable development.

Chapter 2: Agrifinance

Session Chair:

- Dr. Prasun Kumar Das, Secretary General, Asia-Pacific Rural and Agricultural Credit Association (APRACA), Bangkok, Thailand

Keynote Speech:

- Mr. Pham Duc An, Vice Chairman of the Board, Vietnam Bank for Agriculture and Rural development (VBARD)

Panelists:

- Dr. Peter Lovelock, Director and Founder, TRPC Pte Ltd
- Ms. Zoraida M. Libunao, Finance Director, ASKI, Philippines
- Ms. Dianne Rajaratnam, Asia Pacific Regional Lead, The Better Than Cash Alliance, United Nations
- Mr. S. Adikesavan, Chief General Manager (ABU), State Bank of India

Agriculture remains a major livelihood source for the majority of rural populations in developing economies. As a primary sector of many economies ensuring that it receives adequate access to financial products and services, including smallholders, can have a significant impact on economic growth and development. However, despite its importance, effective delivery of agrifinance products, a lack of coordination among the value chain actors and the need to apply price pressure on agriculture commodities represent persistent constraints. The impacts of climate change on the agriculture industry are also becoming more prevalent and represent major challenges.

To overcome these constraints and challenges actions are needed to increase both public and private investments in agri or agri-aligned sectors and private investments. Recent innovations have also paved the way for several new and promising delivery mechanisms for agri products and services and are creating important opportunities for the sector to grow. To be successful these solutions need to be supported by government through the development of enabling regulatory frameworks and policies which support climate resilience.

Agrifinance is Needed to Meet Rising Demand

It is estimated that a food production increase of 100% is needed by 2050 to supply an expected global population of 10 billion and that the majority of this production will take place within developing economies.² In order to meet this rising demand, a significant number (estimated up to 75%) of the poor living in developing economies which rely on farming for revenue and their own food source will need better access markets and the ability to effectively enter the value chain.

2 See: http://www.fao.org/fileadmin/templates/wsfs/docs/Issues_papers/HLEF2050_Global_Agriculture.pdf

Expanding access to rural smallholders requires a number of considerations and approaches. For example, providing smallholders with financial literacy training has been shown to increase yields and incomes.³ New loan models that enable smallholders to utilize their crops as primary collateral are also becoming more common.⁴ The digitization of the value chain has the potential to progress financial inclusion significantly, particularly when coupled with other technology solutions such as mobile payments as ways of expanding access to the formal financial sector.

Without access to finance rural smallholders are extremely limited in their ability to expand and meet the rising demand for agriculture. The fusion of agriculture and technology, also referred to as “agtech” provides important opportunities for farmers to increase their profits. By utilizing new technologies smallholders can find ways to reduce their reliance on chemicals, collect and use data more effectively to increase productivity, reduce waste or access better market information. The application of digital technology in agriculture can also potentially reduce environmental risks by providing technology support to farmers and help them combat the impacts of climate change.

Policy Solutions to Improve Access to Finance for Farmers

There are a number of ways which policy makers and regulators can support the increased provision of formal finance to the agriculture sector. The most critical factor in this is the establishment of a conducive legal and regulatory environment which enables innovation and promotes the sector. Following from this support additional measures can be taken to increase levels of financial literacy among smallholders and also build their skills in relation to technology. While governments can support measures which aim to increase the amount of agtech and other digital platforms used to increase financial access and profits of smallholders, these measures will only succeed if the smallholders are also willing and able to utilize the required technologies to take advantage of these opportunities.

There are a number of other ways in which governments can play a lead role in supporting the growth of the agriculture industry. Some examples include supporting the availability of lines of credit through both public and private financial institutions for smallholders, provide agricultural information for insurance markets, incentivize banks to extend partial credit guarantees to farmers, utilize subsidies to enable sustainable financing for farmers or set up the necessary financial infrastructure such as credit bureaus or collateral registries for farmers in rural areas.

3 See: <https://www.ifc.org/wps/wcm/connect/55301b804ebc5f379f86bf45b400a808/Innovative+Agricultural+SME+Finance+Models.pdf?MOD=AJPERES>

4 See: <http://hanoitimes.com.vn/economy/agriculture/2016/03/81e0a0d1/vietnam-supported-in-sustainable-agrifinance/>

Recommendations

- As the coordination among the value chain actors and price pressure on the agricultural commodities are the main challenges, it is necessary to provide price stabilization mechanism for better price realization by the smallholder farmers.
- The focus on agri-technologies and finance supply chains needs to be urgently increased to meet food supply needs and to de-risk current threats – such as climate change – to agricultural production.
- To improve efficiency, financial services to agriculture need to be bundled with non-financial services (e.g. technical support, extensions services, capacity building) and risk management through a portfolio supervision mechanism.
- Agriculture still remains a major source of livelihood for the majority of population in the Asia-Pacific region. Policies should be formed which support the resilience of clients in agriculture value chains against potential climate-related shocks.
- Technology platforms for agrifinance have the potential to provide significant benefits, including reducing costs and increasing yields. Regulatory frameworks need to be structured that support the implementation of such technologies.
- Much of the agriculture sector within APEC economies is almost entirely cash-based. Regulators need to prioritize methods which will enable the digitization of the economy as a way to significantly increase efficiency, cost-benefits and provide secure and traceable transactions.
- The reduction of food loss by introducing new and innovative products for post-harvest management will help to broaden the ambit of agricultural finance and private sector participation.

Chapter 3: Distributed Ledger Technology (DLT) Across Financial Services: Prospects and Emerging Policies

Session Chair:

- Mr. Boon-Hiong Chan, Director and Head of Market Advocacy, Asia-Pacific, Middle East and North Africa, Deutsche Bank AG

Panelists:

- Mr. Kazuyuki Shimamura, Director, Financial System Stabilization Planning Office, Financial Services Agency of Japan
- Mr. Jason Van, Principal, threepercent
- Mr. David Moskowitz, Board Member, ACCESS Singapore; and Co-Founder, Attores

Blockchain and Distributed Ledger Technologies (DLT) have attracted interest from a wide array of spectators, media, governmental instrumentalities and financial institutions. While the application of this set of technologies can provide solutions for a range of problems where other technology solutions have failed, such as tracing conflict-zone diamonds, registering land titles or creating insurance packages, the majority of discussions about its application currently focus on how it can be used to move financial transactions.

The introduction of DLT into the global market is creating new and unique opportunities for economies to strengthen their financial systems due to the inherent security that is included in each transaction and the reduced cost of management. However, like any new technology DLT also poses unique risks which must be understood in order for governments to provide appropriate regulation. As DLT continues to develop the opportunities for financial inclusion will also expand and become increasingly apparent. If adopted appropriately, DLT can enable significant advances in financial inclusion.

Advanced technologies such as DLT will play a major role in re-shaping the future of financial services. However, these technologies and the new business models that they can create will challenge existing regulatory categories. This has potential to cause an imbalance between inclusiveness, innovation and benefitting society, if not navigated well. To facilitate beneficial outcomes, a constructive understanding is needed of the prospects and implications of DLT, related emergent financial services models as well as the legal and regulatory considerations.

Is DLT a Viable Solution for Financial Inclusion?

Types of digital currencies have increased significantly in recent years with various kinds of crypto currencies gaining popularity in the global market. While there exists a number of stronger varieties of crypto-currency technology available (such as Bitcoin, Ethereum, Stellar, Hyperwallet, to name a few), there are now over 1200 crypto-currencies being traded globally.

Blockchain technology, which is a type of DLT, is the core of crypto-currencies. Compared to traditional financial transaction technologies, a blockchain transaction takes longer and requires greater supporting infrastructure. In order for crypto-currencies to become adopted within a larger mass market, a greater emphasis needs to be applied to the infrastructure and adaptive techniques.

Due to the infancy of the market, there are generally small teams of people working to develop DLT platforms and supporting infrastructure, comparative to traditional financial products. While there have been instances of reaching important development milestones through those smaller efforts, (such as some crypto currencies being able to be exchanged for real cash), larger continuing efforts are still needed to create a truly viable wholesale solution for financial inclusion. Collaboration is key to making this possible.

Despite the immediate technology hurdles, blockchain technologies have already disrupted the traditional financial systems with almost every major financial institution globally already investing in DLT and blockchain solutions. It is widely accepted that it will be difficult for regulators to keep up with the latest developments and ensure that appropriate consumer protection policies are in place unless they adopt open acceptance policies. Such policies will lead to genuine flexible deployments of DLT as a way of solving financial inclusion issues; particularly as a method of establishing greater connectivity between buyers and sellers.

Effective Regulatory Approaches to DLT

Due to the varied applications and stages of development of blockchain generally, DLT should be examined within the local context of the economy to determine how it can be most appropriately integrated.

By applying proportionate regulation to DLT governments can attempt to achieve a balance between innovation, consumer trust and market integrity. Each of these aspects represent key elements of the successful application of DLT. Since DLT solutions would likely co-exist with formal banking channels and leverage off each other, regulators also need to consider ways to achieve fair and equitable competition between these stakeholders to ensure that the DLT applications are being implemented appropriately and with the greatest efficiency.

Blockchain is becoming an increasingly important part of the financial institutional fabric in developed economies today. Its increase in strength arrives from the integration with traditional financial systems and interfaces. As the evolution of the development of interfaces occurs in the marketplace, regulators will be need to increase their own understanding of these technologies to ensure appropriate regulatory frameworks are developed. As blockchain and DLT not only supports financial transactions but also supports secure data transactions, regulators should also review and consider the use of these technologies in support of additional functions such as identity management or contracts management.

Blockchain technologies also have the potential to impact cross-border remittances and as a result enable significant financial inclusion outcomes for migrant workers and their families. To address this, regulators need to consider ways to promote cross-border harmonization of similar regulatory approaches to DLT applications to support its potential for reduced cost remittance.

Effective governance frameworks are needed to guide and influence the development and implementation of blockchain and DLT solutions. These frameworks should aim to promote technological interoperability with traditional payment systems to increase accessibility and promote a level of self-governance, security and best-practice development, management and compliance. Such frameworks should also promote scalability and transparency for data collection so that effective monitoring and measurement can occur with a view of assisting in calibrating the regulatory and policy approaches.

Recommendations

- Regulators need to be open to distributed ledger technology and work with the relevant stakeholders to understand its potential for financial inclusion and associated risks. DLT should not, however, be considered a “one-size-fits-all” application and should be examined within the local context of the economy to determine how it can be most appropriately integrated.
- Proportionate regulation is important to balance innovation with trust and market integrity. Regulators also need to consider how to achieve fair and equitable competition; particularly as DLT solutions would likely co-exist with formal banking channels and leverage on each other.
- Attention is needed on cross-border harmonisation of similar regulatory approaches to DLT applications to support scalability of solutions and to minimise risks of fragmentation of regulatory approaches that can result in unintended barriers.
- Appropriate governance frameworks are needed that can promote technological interoperability with traditional payment systems, appropriate scalability and support transparency for data collection to facilitate monitoring and regulatory/ policy calibrations.

Chapter 4: Financial Education

Session Chair:

- Dr. Peter Morgan, Senior Consulting Economist, Asian Development Bank Institute (ADBI)

Panelists:

- Dr. Naoyuki Yoshino, Dean, Asian Development Bank Institute (ADBI)
- Ms Flore-Anne Messy, Head of the Financial Affairs Division, Organisation for Economic Co-operation and Development (OECD)
- Dr. Jennifer Isern, Practice Manager, East Asia and Pacific, Finance & Markets, World Bank Group
- Ms. Mearia Hamzah, Senior Vice President, Head, Community Business, Bank Simpanan Nasional Malaysia

Financial literacy can help spur economic growth by improving management of savings and investment. Although many APEC economies have experienced strong economic growth, overall levels of financial literacy remain low. Financial literacy is increasingly important as technology brings financial services to people who have not previously had access to financial services; consumers and small-and medium-sized enterprises (SMEs) need financial education to understand how to securely and effectively utilize the new financial services. Financial education can also help strengthen retirement planning and mitigate the challenges faced by aging societies. APEC economies need to adopt effective financial education strategies to help raise financial literacy levels.

Financial Education Strategies

The basic objective of financial education should be to improve the financial capability of individuals and increase the quality of their financial decisions and interactions with the formal financial sector. By doing so, these individuals and the organizations they may represent can thereby benefit from increased financial inclusion and improve their financial well-being. Increasing financial literacy can also be a way to encourage household savings and expand savings at the macroeconomic level.

To successfully achieve these outcomes, the development of domestic-level financial education strategies can have a significant impact. Important groups to target include students, the elderly, small and medium-sized firms, farmers and rural dwellers, migrant workers, minority groups and women. Financial education strategies need to be coordinated among each of the key stakeholders, including the central bank, financial regulators, relevant ministries as well as related private sector players such as bank associations, securities companies and insurance companies and civil society. Any financial education strategy should also form part of an economy's overall financial inclusion strategy as well to maximize outcomes and impact.

Once established, the financial education strategy needs to be implemented including an effective process to monitor and evaluate programs to learn what works and what doesn't. This evaluation process is also needed to make adjustments to the strategy and various programs when needed. To track progress, regular assessments of financial literacy should also be carried out. These assessments will help to identify gaps in the strategy and determine which programs are most effective and can be potentially replicated or scaled-up.

Financial Education Programs

To be effective, financial education programs need to be aligned with the interests and demands of the target groups. This includes focusing on so-called “teachable moments,” important life stages such as graduation, buying a financial product, getting a job, getting married, migrating abroad and retirement. Financial education programs should also ideally aim to impact people early in their lives. An effective way to achieve this is to integrate financial education with the domestic school curriculum with different objectives for different school levels. Such a strategy will enable children to begin exposure to financial concepts as early as age seven. A major challenge with this, however, is ensuring that teachers of financial education receive adequate training and resources themselves, including textbooks and lectures, plus adequate allocation of time and priority level within the school curriculum.

Financial education programs can be enhanced and reach greater audiences by leveraging social networks such as families or the workplace. While workplace financial education programs can be particularly effective through large organizations such as government agencies or corporations, it is less effective as a method to reach SMEs.

As digital financial products and services become increasingly available, financial education programs should include a specific focus on digital finance while being aware that financial digitalization can potentially be exclusive rather than inclusive, because of differing access to technology applications. By applying a specific focus on digital finance, individuals and organizations can not only increase their understanding of these services, including fintech-related threats such as identity theft, but these programs can also serve as an important mechanism to build consumer trust.

Recommendations

- Regulators need to consider ways to work effectively with the industry to develop and implement new methods of reaching target audiences for financial education. Some examples of such collaborations include incorporating financial education into school curriculums or introducing financial training programs within workplaces.
- Each economy should develop their own financial education strategy as part of their general strategy for financial inclusion. These strategies should include considerations for the many different models needed for different target groups (i.e. adults vs youth) as well as economy-specific elements based on the local context and needs.
- Financial education needs to focus as much on knowledge and awareness about finance and its products, as it does on building trust in fast-moving developments in areas such as digital and mobile finance if financial inclusion using these more dynamic technologies will be achieved.
- Procedures to monitor the progress of financial literacy and the effectiveness of financial education programs should be put in place, and the results of such monitoring should be used to revise financial education strategies and programs as needed.

Chapter 5: Creating an Enabling Environment for Micro-financial Products and Services

Session Chair:

- Ms. Nina Nayar, Associate, The Foundation for Development Cooperation (FDC)

Panelists:

- Mr. Jason Van, Principal, threepercent
- Mr. Tony Lythgoe, Global Head, Credit Infrastructure, Finance & Markets Global Practice, World Bank Group
- Mr. Eiichi Sasaki, Senior Financial Specialist, Asian Development Bank (ADB)
- Mr. Nhan Phan Cu, Director, Communication and International Co-operation Department, Vietnam Bank for Social Policies (VBSP)

Client-centric financial products and services which are designed to address the constraints and challenges faced by different types of clientele are essential to successful financial inclusion strategies. Agencies aiming to achieve financial inclusion through responsive product design are generally lacking in adequate information regarding customers' demand, knowledge and perception about the financial products and services on offer. They are also faced with the challenge of creating a regulatory environment that allows ease of access to services for a diverse set of clientele in an efficient and cost-effective manner. Policy makers and regulatory bodies are also challenged by the need to regulate and supervise a range of financial service providers. The goal of sustainable financial inclusion through the provision of client-focused financial products and services to micro finance clients requires responsive policy and an enabling regulatory environment that can support product design and innovation, regulate and supervise a range of service providers and delivery channels.

The Impact of Fintech on Financial Inclusion

Over the last three decades there has been a significant increase in the number of microfinance products and services becoming available in the market. The majority of these products have been credit related and primarily designed to address the needs of businesses and households. However, there are an increasing number of additional products being introduced which go beyond credit and savings such as insurance, payments, leasing, remittances and pensions. To support the growing variety of products and services new delivery channels are also being established including mobile and branchless banking models. Another important development is the significant array of non-financial services being linked to financial products including agriculture or energy services which is enabling greater development opportunities.

With the rise of digital financial services, or fintech, the opportunities developing new products and services and reaching previously unreachable markets is greater than ever before. The rise of fintech and the opportunities it brings for financial

inclusion are significant, however, it also brings its own set of risks which the industry needs to continuously address. The continued success of the microfinance industry, including the integration of digital technologies, relies heavily on having a conducive regulatory environment that enables innovation and development while also providing appropriate measures to protect consumers.

Keeping up with the fast-moving pace of development within the fintech industry and the new innovative products and delivery channels being created as a result of this new technology becoming available can be a daunting task for regulators and policy makers. To be successful, collaboration is key between government agencies and market players. These engagements should aim to build understanding and cooperation to achieve a shared goal of financial inclusion.

Investing in the Digital Revolution

A major barrier for financial inclusion is eligibility requirements to access financial services. The lack of formal identification is a key element of this particularly as it relates to low-income population segments across the region. The introduction of new technologies provides potential opportunities to overcome a number of these barriers. One such example of this is the development and adaptation of bio-metric identification cards. Using modern technology, bio-metric information such as a person's fingerprint or DNA sequence can be stored on microchips. By storing this data on a person's identification card through these microchips a more accurate and cost effective identification system can be put into place which would enable banks and other service providers to provide access to a much larger portion of the population.

The deployment of technology solutions like bio-metric cards not only requires a regulatory environment that is conducive to innovation, but also supports an environment which encourages investment in such technologies. Investment is needed to support these new technologies through all phases of their development and governments play a key role to ensure these opportunities are available. As the finance industry increasingly becomes more digitized, technology investments are going to play a more influential role in the evolution of the finance industry as these new technologies become increasingly important for solving financial inclusion issues.

Moving beyond Credit and Building Consumer Trust

While technology is enabling financial service providers to offer customers greater access and convenience through branchless mechanisms, there remains a particular need for product development to go beyond traditional credit and savings products. Financial services must address the need for asset creation as well as risk management. There is an expressed need for various types of insurance products including life, health, property and business insurance. Also, there is a demand for a wider range of savings instruments that can help individual and household financial management and enable individuals and families to plan for the future, for both specific purposes or to cope with shocks.

Engendering trust and confidence among consumers is essential to financial inclusion. Enhanced monitoring and supervision of financial service providers can help in the timely identification and appropriate action against unfair practices against customers. Furthermore, there is an identified need for regulatory bodies to not only ensure comprehensive consumer protection guidelines and grievance redress mechanisms, but take the requisite steps to ensure compliance.

Consumer protection becomes more challenging when financial services overlap with digital and mobile phone technology for cost, convenience of delivery or access. In these cases, it is common that some agencies involved in the service delivery will not come under the purview of the Central Bank or relevant financial sector regulatory body. This creates a risk of consumers falling in between the cracks as no one will bear responsibility or can be held accountable when some misconduct occurs. Governments can play an important role in addressing this issue by helping all agencies, including technology companies and mobile operators, understand that they also bear some part of the burden of responsibility for consumer protection.

Recommendations

- The last three decades have seen a significant increase in the number of products and services becoming available; and the rise of fintech and digital has created even greater opportunities than ever before. In order for regulators to keep up with the fast-moving developments of new technologies, they need to ensure regular interaction with market players.
- Eligibility for access is a major barrier for inclusion which can largely be addressed through new technologies such as bio-metric card systems that can reach the mass of population. Regulators have an important role to play by ensuring that regulations enable the necessary investment and innovation takes place as the industry increasingly moves towards digital solutions.
- Regulators should encourage the development of new products that address asset creation and risk-mitigation such as investment tools linked with savings and a wider range of affordable and effective insurance products.
- Enhanced monitoring and supervision will result in greater trust and confidence among consumers. This should include processes which will enable prompt action on unfair practices, improved consumer protection and grievance redressal mechanisms. Furthermore, regulators must help ensure that the private sector, including technology companies and mobile operators, understand that the responsibility of consumer protection is shared by all agencies involved, and not a burden for the government to bear alone.

Chapter 6: Developing Microinsurance Roadmap for APEC Emerging Economies

Session Chair:

- Dr. Antonis Malagardis, Program Director, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI Asia)

Panelists:

- Mr. Ellison Pidik, Assistant Governor, Bank of Papua New Guinea
- Mr. Yoga Prasetyo, Head of Credit Life and Emerging Consumers, Allianz Life Indonesia
- Mr. Yves-Daniel Cochand, Deputy CEO, Vietnam National Reinsurance Corporation
- Ms. Tran Thanh Ha, Head of Life Insurance Division, Insurance Supervisory Authority, Ministry of Finance of Vietnam

The Microinsurance Roadmap (MIR) is being developed to assist policy makers, regulators, insurance industry and other stakeholders with their respective roles in expanding access to microinsurance products and develop greater awareness among consumers about the benefits of insurance. As part of the MIR's development cycle, stakeholders are invited to provide inputs on several aspects of the roadmap such as specific elements which can contribute to increasing access to inclusive insurance, resources (both public and private) that can be drawn to support the MIRs implementation, methods to engage the government sector to secure their support for the MIR and approaches to implement the roadmap considering sub-regional grouping, economy contexts and maturity levels of various financial inclusion environments.

Background of the MIR

The development of policy and regulatory frameworks which support the growth of the microinsurance industry across APEC economies has been included as part of the APEC Finance Minister's Cebu Action Plan for enhancing financial resilience. In response to this, ABAC's Asia Pacific Financial Forum (APFF), which has been tasked with supporting the implementation of the Cebu Action Plan, has lead the development of a microinsurance roadmap. The purpose of the MIR is to promote the adoption and implementation of rules and practices for the development of microinsurance across APEC member economies. Furthermore, the roadmap aims to support the development of strong, viable, sustainable and inclusive insurance markets in the region. By achieving these objectives, the MIR will ultimately accomplish its overall goal which is to enhance financial resilience in the region.

The Four Pillars of the MIR

The MIR consists of four pillars which are used to define the key issues which the roadmap aims to address. Each pillar represents a specific challenge and provides the basis for an action plan which consists of various programs and other activities to achieve short, medium and long-term results.

The first pillar of the MIR is the establishment of policies and proportionate regulations for Inclusive insurance and microinsurance. The actions under this pillar include drawing on the support of various international organizations to form a regional association and facilitate workshops, exchanges and other learning opportunities; to develop standard language across APEC economies for the establishment of legal frameworks; to establish a monitoring and reporting system that tracks the development of the microinsurance market; to develop clear regulatory guidelines for informal insurance, complementation between insurance and social protection schemes and the use of fintech to facilitate the distribution of insurance and claims processing; and to formulate regulatory impact studies that will assess the relevance and influence of proportionate regulations in expanding the insurance market.

The second pillar is the adoption of scalable business models, for example by using fintech for inclusive insurance. The actions to take place under this pillar include the establishment of peer-to-peer learning platforms to facilitate the sharing of information to broaden the understanding of insurance market; develop new business models that utilize technology as a way of increasing outreach; the creation of a cross-border network of large aggregators engaged in the delivery and distribution of insurance to facilitate the adoption of good practice; and to facilitate the collection, use and sharing of big data in the development of relevant insurance products.

The MIR's third pillar calls for the establishment of an inter-agency coordination and private-public sector coordination mechanism to support inclusive insurance. This includes facilitating the coordination between insurance regulatory agencies and government agencies engaged in the provision of social protection schemes; specifying policies which can be included as part of the economy's financial inclusion strategy; and facilitating high-level discussions between the stakeholders in the public and the private sector engaged in the provision of insurance.

The final pillar of the MIR is the adoption and implementation of financial literacy and consumer protection measures for insurance clients. Specific activities include establishing a code of conduct for insurance providers; adopting domestic strategies that promote insurance literacy and awareness among key stakeholders; creating a platform for sharing experiences in promoting insurance awareness and buy-in of various sectors of the economy (e.g. farmers, fisherfolk, micro and small entrepreneurs); and to promote insurance inclusion and literacy through the APFF.

Stakeholder Inputs on the MIR

As part of the 2017 ABAC Asia Pacific Forum on Financial Inclusion, various APEC stakeholders were asked to provide input on the draft MIR to assist with its continued development. When asked what specific elements should be built into the roadmap there were several points made for potential ways in which the MIR could potentially be improved to increase its effectiveness. For one, the MIR should seek to build and improve public confidence in insurance products. Achieving affordability should also be considered as a priority and relevant products should be designed to be both effective and low cost to be accessible to clients. Similarly, the business models for microinsurance needs to be addressed with scale being a major issue. As a microproduct, achieving significant scale and within a very short period is of critical importance and the roadmap should specifically seek ways to address this. Lastly, the success of the industry relies on the level of engagement from the private sector. The MIR could seek to address this by providing guidance for ways in which governments can provide clear and effective incentives to engage the private sector.

Next, stakeholders were asked to explain what they believed were the necessary resources (public and private) that should be mobilized to support the implementation of the MIR. In response to this, there was a consensus that in order to provide microinsurance products that are easy to understand and simple to use, partnerships and collaboration among practitioners was key. Due to their influence, governments needed to play a lead role in facilitating these collaborations through engagements with the private sector and ensuring a conducive regulatory environment.

To implement the roadmap, a specific strategy is needed. The consensus among stakeholders was that this strategy should initially focus on enhancing customer awareness. Since the target client for microinsurance is typically low-income households or individuals, their awareness and financial capability is also typically low. Governments can play a lead role in this to help clients understand what products are most suitable for their needs. Furthermore, government interventions in this way will also help to support building trust among consumers which is significantly important for the adoption phase of any new product or service; particularly when technology is being used for new delivery channels.

Recommendations

- In order for the APEC Microinsurance Roadmap to be successful, governments need to ensure an enabling policy and regulatory environment is in place and introduce specific incentives to support implementation through the private sector.
- Governments can also play a lead role in promoting awareness among consumers to help them understand the value of insurance and to better determine which products would be most suitable for their needs.
- The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) - Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI Asia) which is leading the Microinsurance work stream in the APFF will further bring the MIR to a broader stakeholders consultation. The next MIR roundtable meeting will be held on November 7, 2017 in Lima Peru as a pre-conference event to the 13th International Microinsurance Conference.

Chapter 7: Online Supply Chain Finance: Key Challenges and Policy Requirements

Session Chair:

- Mr. Jinchang Lai, Lead Financial Sector Specialist, and Lead for Financial Infrastructure, East Asia & Pacific, Finance & Markets, IFC, World Bank Group

Panelists:

- Ms. Gloria Obrero Pasadilla, Senior Analyst, APEC-Policy Support Unit
- Mr. Liu Tianmin, Vice President, CreditEase
- Ms. Chulida Tanpetcharat, Executive Vice President, Head of Commercial Credit Products Division, Bank of Ayudhya Plc. (BAY)
- Mr. Shigehiro Shinozaki, Financial Sector Specialist (SME Finance), Asian Development Bank (ADB)

Supply Chain Finance (SCF) is a way to organize and optimize financial services by leveraging the commercial and social relationship on a chain. In recent years, more and more SCF players in the Asia Pacific region are moving to internet-based platforms. This has proved to be useful for scaling up credit and other financial services to a variety of stakeholders including micro, small and medium enterprises (MSMEs), rural and agricultural businesses, suppliers, distributors and traders. There are several key challenges relating to SCF, including the need for specific legislative, policy or regulatory reforms to expand access; particularly to rural and agricultural clients.

Supporting the Development of Online Supply Chain Finance

SCF, also known as value chain finance, is the provision of financial services to value chain actors in an optimized way by leveraging the commercial relationship and social capital on a chain. The financial services provided can include not just financing, but also risk mitigation, payments and settlements or information. Modern production of goods is mostly done through collaborations among value chain players; and, as a result of moving goods and services between these parties there are frequent changes in receivables and inventory. By leveraging the changing accounts receivables and inventory of these players along the value chain, a greater degree of financing can be made available for MSMEs, lead firms or service providers. Further, if these value chain players are moved to an electronic platform, the visibility of the chain will greatly increase and thus also significantly increase the amount of financing available.

There are different types of electronic platforms which can be developed to facilitate SCF more efficiently. These platforms are generally based on one of three core data sets: buyer information, seller information or SME information. There are a variety of organizations which can take the lead in developing these platforms, such as lenders (bank or non-bank), government agencies, business associations, third party private companies, or payments institutions, etc.

To successfully promote electronic platforms for SCF, governments can play a major role. The establishment of the necessary legal foundations, such as secured transactions law, a central and Web-based collateral registry or insolvency law, is one crucial area that governments need to act upon. Other important actions governments might take include recognizing digital or online transactions legally, not imposing undue constraints on SCF operators, encourage the establishment of business associations and alliances that can facilitate value chain players to cooperate with each other, build the capacity of SCF providers and enable the availability of credit information on both clients and customers (receivables account debtors, i.e. buyers).

Why is Online Supply Chain Finance Important?

Traditional finance systems suffer many constraints which online SCF can help to alleviate. On the demand-side, some of the major constraints of traditional finance for MSMEs include the lack of formal contracts, lack of credit history or collateral, lack of production records, lack of reliable storage facilities or unstable production and income. On the supply-side, the major difficulties include the high transaction costs of micro lending, difficulties with know your client (KYC) protocol, high default risk or regulatory constraints. By introducing online SCF platforms many of these constraints can be addressed.

Some of the important advantages which online SCF has over traditional financing models include the ability to reach significantly higher number of customers along the value chain due to the increased efficiencies and lower costs. Online SCF can also enable a greater range of credit scoring models such as quantitative analysis of big data gathered through the platform. With regard to performance, research has found that enterprises which have access to online SCF often experience decreased purchasing costs and increased capital turnover rates.

The impact of online SCF on MSMEs can be significant as it allows for greater efficiencies and reduced costs. This is particularly important from a development perspective due to the major role MSME's play in the global economy; thus making the opportunity of online SCF is particularly evident in emerging markets where the economic benefits would be most significant.

Recommendations

- Governments need to establish the necessary legal foundations for the use of receivables and inventory as collateral, and to provide creditors with appropriate priority and enforcement rights. Achieving this may require reforms in secured transaction law, insolvency law, e-commerce law and laws relevant to the digital transfer of documents.
- Regulators should seek to develop a friendly business environment for both banks and non-deposit taking lenders to originate, underwrite and manage SCF services efficiently. In particular, regulators should not place undue constraints on SCF business models.
- Regulators should encourage the creation of electronic finance platforms by different players. Where necessary, business associations and government development agencies can also set up market level platforms that operate on an open and commercial basis. Government support for MSME finance can be channeled through such platforms in a commercially sustainable way.
- Regulators should promote cross-border SCF which will in turn help to deepen regional trade and economic integration. Among others, regulators should develop practical KYC and other data transfer requirements. Credit reporting information also needs to be made available to the cross-border SCF players.

Chapter 8: Digital Identity

Session Chair:

- Mr. Andres Wolberg-Stok, Global Head of Policy for Citi FinTech

Panelists:

- Ms. Dianne Rajaratnam, Asia Pacific Regional Lead, The Better Than Cash Alliance, United Nations
- Dr. Peter Lovelock, Director and Founder, TRPC Pte Ltd
- Ms Flore-Anne Messy, Head of the Financial Affairs Division, Organisation for Economic Co-operation and Development (OECD)

As finance, payments and personal money-management increasingly become all-digital, one thing is clear: creating, managing and protecting digital identities for individuals has become a critical need. Discussions and collaborations between stakeholders is crucial to understand the diverse perspectives of the pioneering digital identity initiatives around the world, best practices and key areas of focus. Discussion and debate is also needed to identify who, in the increasingly complex digital world, is best placed to manage the new type of digital identities everyone will need and how regulatory and legal frameworks need to adapt.

The Key to Unlocking Financial Products in an Increasingly Digitized World

Mobile phones are a truly transformative piece of technology. Every individual equipped with a smartphone has instant access to extensive knowledge and information as well as a plethora of other features. This includes access to an increasing range of financial products and services which makes these mobile devices a major delivery system for financial providers as they seek to reach significantly greater numbers of people and at lower cost. However, just having a mobile phone is not enough to truly unlock access to these new technology-driven products and services. Customers lacking formal forms of identification is a major barrier for accessing many financial services. The development of digital identity platforms can be an effective solution for overcoming this barrier.

To function in the modern world, particularly within the digital economy, people and businesses need digital identities. Without a digital identity a person cannot exist within the digital space and thus are denied access to a number of basic financial processes and are thus limited in opportunities for economic growth. This makes digital identities the primary enabler for access to digital financial products. As the finance industry continues to evolve and increasingly adopts digital products and delivery channels, the lack of digital identities may actually create new forms of financial exclusion. Due to its importance, solutions are needed which enable the establishment of effective digital identities as a strategic priority for the development of the finance industry.

Challenges with Digital Identity

There are several risks and challenges associated with establishing and using digital identities. The high number of stakeholders providing, or are interested to provide, digital identities such as Facebook, fintechs or banks, can create confusion among customers and result in difficulties due to the non-universal acceptance of these identities and lack of interoperability. If digital identification is improperly used, fraud and other risks can also occur. Within the digital economy fraud is particularly risky as it can happen at a much larger scale. In order to plan successfully, all stakeholders need to be aware of the unique risks posed by digital services.

From a financial inclusion perspective, a major challenge is that governments typically struggle to develop and implement digital identification systems due to the initial high start-up costs and perceived limited scope for return on the investment. However, governments should be aware of the broader spectrum of the potential uses of digital identity and how it can be applied to a wide range of other issues such as education, tax or health care. When viewed in this manner, the return on the investment becomes a multiplier of everything governments want to achieve.

Historically, establishing digital identity systems has been very fragmented. For example, the development may be led by a particular government agency or NGO, but with limited cooperation between other stakeholders. Such efforts are typically based on trying to provide a particular function rather than enable the identification for broader uses.

Cultural issues also create significant challenges for establishing digital identities. In some cultures, particularly developed countries, digital identities are disliked by consumers due to perceived privacy violations which make it politically difficult for governments to implement digital identity schemes. Despite the massive benefits that it could provide to consumers, as well as significant cost savings for governments, it is often deemed too difficult to pursue due to the stigma. Due to the various cultural considerations across each economy, the establishment of a universal identification system is highly unlikely.

Recommendations

- Regulators need to understand that the ability of individuals to be able to prove their unique identity in real time, on location as well as remotely, is fundamental to realizing the full value that sits across the financial inclusion spectrum.
- Regulators should make it a domestic priority to design and universally roll out digital identity and authentication mechanisms, with due consideration to privacy and data security.
- Regulators need to seize the short-term opportunity to make digital-identity frameworks interoperable, in support of lowering the cost of financial services, reducing friction in cross-border trade and remittances, enhancing AML, KYC and prevention of terrorism funding and improving data flows.

Appendix: Forum Program

DAY 1: 10 JULY	
7:30-8:30	REGISTRATION
8:30-9:30	OPENING SESSION
	<p>Chair:</p> <ul style="list-style-type: none"> ▪ Dr. J.C. Parreñas, APFF Coordinator and Senior Advisor, Nomura Research Institute (NRI) ▪ Welcome Remarks: ▪ Mr. Naoyuki Yoshino, Dean, Asian Development Bank Institute (ADB) ▪ Mr. Heinrich Haasis, President, World Savings and Retail Banking Institute (WSBI) ▪ Ms. Natasha Ansell, Managing Director and Citi Country Officer, Vietnam, Citi ▪ Ms. Michelle Curry, Chief Executive Officer, The Foundation for Development Cooperation (FDC) <p>Keynote Address:</p> <ul style="list-style-type: none"> ▪ Madame Nguyen Thi Hong, Deputy Governor, State Bank of Vietnam
9:30-11:00	SESSION 1: Defining Financial Inclusion (Session Lead: Alliance for Financial Inclusion)
	<p><i>Financial inclusion is a multi-dimensional concept and as such it is not easy to define or to measure. While there is wide consensus that it is a key component of human wellbeing and has a positive effect on economic growth and development, there is no common definition of financial inclusion. Each economy is unique and determines its definition depending on the specific characteristics of its financial sector and set priorities. Even so, it is essential to have a definition of financial inclusion as it provides the parameters for strategy development, target setting, measurement of progress and impact assessment. Is it necessary to have a definition of financial inclusion? Who should develop the definition and what would be the key components of such a definition?</i></p>

	<p>Session Chair:</p> <ul style="list-style-type: none"> ▪ Mr. Charles Marwa, Senior Monitoring and Evaluation Specialist, Alliance for Financial Inclusion (AFI) <p>Panelists:</p> <ul style="list-style-type: none"> ▪ Mr. Dinh Xuan Ha, Head of Research on Development of Financial Institutions Division, State Bank of Vietnam ▪ Mr. Winfield Wong, Country Head of Wholesale Banking, HSBC Vietnam ▪ Mr. Alwaleed Alatabani, Lead Financial Sector Specialist, World Bank, Vietnam ▪ Mr. Sean Preston, Country Manager for Vietnam, Cambodia and Laos, Visa
<p>11:00-11:30</p>	<p>BREAK</p>
<p>11:30-1:00</p>	<p>SESSION 2: Agrifinance (Session Lead: World Savings and Retail Banking Institute)</p>
	<p><i>Agriculture remains a major source of livelihood for the majority of population living in rural areas in developing countries. Improving both public investments in agri or agri-aligned sectors and private investments are vital. What are policy supports required from the government and what are solutions to improve access to finance for farmers? Climate changes are now visibly impacting agriculture in pronounced manner. How can countries institutionalise policies for climate resilient / climate smart agriculture? How can digital technology help reduce agrifinance risk and remove constraints?</i></p>
	<p>Session Chair:</p> <ul style="list-style-type: none"> ▪ Mr Prasun Kumar Das, Secretary General, Asia-Pacific Rural and Agricultural Credit Association (APRACA) <p>Keynote Speech:</p> <ul style="list-style-type: none"> ▪ Mr. Pham Duc An, Vice Chairman of the Board, Agribank Vietnam <p>Panelists:</p> <ul style="list-style-type: none"> ▪ Dr. Peter Lovelock, Director and Founder, TRPC Pte Ltd ▪ Ms. Zoraida M. Libunao, Finance Director, ASKI ▪ Ms. Dianne Rajaratnam, Asia Pacific Regional Lead, The Better Than Cash Alliance, United Nations ▪ Mr. S. Adikesavan, Chief General Manager (ABU), State Bank of India
<p>1:00-2:30</p>	<p>LUNCH</p>

<p>2:30-4:00</p>	<p>SESSION 3: Distributed Ledger Technology (DLT) Across Financial Services: Prospects and Emerging Policies (Session Lead: Deutsche Bank)</p>
	<p><i>Advanced technologies like the Distributed Ledger Technology (DLT) can play a major role in re-shaping the future of financial services. However, these new technologies and the new business models that they create may ill-fit existing regulatory categories, which could eventually cause an imbalance between inclusiveness, innovation and risks to inhibit the benefits that the society could have received. To facilitate better outcomes, this session seeks to stimulate discussions and raise awareness of the prospects and implications of DLT, related emergent new financial services models, and the related legal and regulatory considerations together with the audience. As the field is highly dynamic, the session will also seek to identify next steps, and how such dialogues can viably continue to help the APEC region evolve.</i></p>
	<p>Session Chair:</p> <ul style="list-style-type: none"> ▪ Mr. Boon-Hiong Chan, Director and Head of Market Advocacy, Asia-Pacific, Middle East and North Africa, Deutsche Bank AG <p>Panelists:</p> <ul style="list-style-type: none"> ▪ Mr. Kazuyuki Shimamura, Director, Financial System Stabilization Planning Office, Financial Services Agency of Japan ▪ Mr. Jason Van, Principal, threepercent ▪ Mr. David Moskowitz, Board Member, ACCESS Singapore; and Co-Founder, Attores
<p>4:00-4:30</p>	<p>BREAK</p>

<p>4:30-6:00</p>	<p>SESSION 4: Financial Education (Session Lead: Asian Development Bank Institute)</p>
	<p><i>This session will discuss the issues and challenges facing financial education in Asia. Financial literacy can help spur economic growth by improving management of savings and investment. Although many economies in Asia have experienced strong economic growth, financial literacy in Asia remains low. Financial literacy is increasingly important as technology brings financial services to people who have not previously had access to financial services; consumers and small- and medium-sized enterprises need financial education to understand how to securely and effectively utilize the new financial services. Financial education can also help strengthen retirement planning and mitigate the challenges faced by the aging societies in Asia. This session aims to stimulate discussion and identification of policy reforms and other actions that will strengthen financial education and financial literacy across Asia.</i></p>
	<p>Session Chair:</p> <ul style="list-style-type: none"> ▪ Dr. Peter Morgan, Senior Consulting Economist, Asian Development Bank Institute (ADBI) <p>Panelists:</p> <ul style="list-style-type: none"> ▪ Dr. Naoyuki Yoshino, Dean, Asian Development Bank Institute (ADBI) ▪ Ms Flore-Anne Messy, Head of the Financial Affairs Division, Organisation for Economic Co-operation and Development (OECD) ▪ Dr. Jennifer Isern, Practice Manager, East Asia and Pacific, Finance & Markets, World Bank Group ▪ Ms. Mearia Hamzah, Senior Vice President, Head, Community Business, Bank Simpanan Nasional Malaysia
<p>6:30-8:30</p>	<p>GALA DINNER (Hosted by the State Bank of Vietnam)</p>

DAY 2: 11 JULY

<p>9:00-10:30</p>	<p>SESSION 5: Creating an Enabling Environment for Micro-financial Products and Services (Session Lead: The Foundation for Development Cooperation)</p>
	<p><i>Client-centric financial products and services which are designed to address the constraints and challenges faced by different types of clientele are essential to successful financial inclusion strategies. Agencies aiming to achieve financial inclusion through responsive product design are generally lacking in adequate information regarding customers’ demand, knowledge and perception about the financial products and services on offer. They are also faced by the challenge of creating a regulatory environment that allows ease of access to services for a diverse set of clientele in an efficient and cost-effective manner. Policy makers and regulatory bodies are also challenged by the need to regulate and supervise a range of financial service providers. The goal of sustainable financial inclusion through the provision of client-focused financial products and services to micro finance clients requires responsive policy and an enabling regulatory environment that can support product design and innovation, regulate and supervise a range of service providers and delivery channels. This session will focus on the key challenges and opportunities for policy makers and regulators in supporting product and service design and delivery, with the objective of developing recommendations for future action to enhance financial inclusion.</i></p>
	<p>Session Chair:</p> <ul style="list-style-type: none"> ▪ Ms. Nina Nayar, Associate, The Foundation for Development Cooperation (FDC) <p>Panelists:</p> <ul style="list-style-type: none"> ▪ Mr. Jason Van, Principal, threepercent ▪ Mr. Tony Lythgoe, Global Head, Credit Infrastructure, Finance & Markets Global Practice, World Bank Group ▪ Mr. Eiichi Sasaki, Senior Financial Specialist, Asian Development Bank (ADB) ▪ Mr. Nhan Phan Cu, Director, Communication and International Co-operation Department, Vietnam Bank for Social Policies (VBSP)
<p>10:30-11:00</p>	<p>BREAK</p>

<p>11:00-12:30</p>	<p>SESSION 6: Developing Microinsurance Roadmap for APEC Emerging Economies (Session Lead: GIZ Regulatory Framework Promotion of Pro-poor Insurance Markets)</p>
	<p><i>This session will introduce the draft Microinsurance Roadmap (MIR), including its rationale and relation to the APEC Finance Ministers Process (FMP) Mandate. The discussion will seek to generate inputs on several aspects of the MIR such as specific elements of the roadmap which can contribute to increasing access to inclusive insurance, resources, both public and private, that can be drawn to support the MIRs implementation, methods to engage the government sector to secure their support for the MIR and approaches to implement the roadmap considering sub-regional grouping, economy contexts, and maturity levels of various financial inclusion environments.</i></p>
	<p>Session Chair:</p> <ul style="list-style-type: none"> ▪ Dr. Antonis Malagardis, Program Director, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI Asia) <p>Panelists:</p> <ul style="list-style-type: none"> ▪ Mr. Ellison Pidik, Assistant Governor, Bank of Papua New Guinea ▪ Mr. Yoga Prasetyo, Head of Credit Life and Emerging Consumers, Allianz Life Indonesia ▪ Mr. Yves-Daniel Cochand, Deputy CEO, Vietnam National Reinsurance Corporation ▪ Ms. Tran Thanh Ha, Head of Life Insurance Division, Insurance Supervisory Authority, Ministry of Finance of Vietnam
<p>12:30-2:00</p>	<p>LUNCH</p>

<p>2:00-3:30</p>	<p>SESSION 7: Online Supply Chain Finance: Key Challenges and Policy Requirements (Session Lead: International Finance Corporation)</p>
	<p><i>Supply Chain Finance (SCF) is a way to organize and optimize financial services by leveraging the commercial and social relationship on a chain. In recent years, more and more SCF players are moving to the Internet-based platforms in the Asia Pacific Region. This has proved to be useful for scaling up credit and other financial services to MSMEs, rural and agricultural businesses, suppliers, distributors and traders, etc. What is the state of play in developing online SCF services in different APEC Economies? What have been the key challenges? What further legislative, policy and regulatory reforms are required? What more can be done to make online SCF platforms serve a greater number of rural and agricultural clients? The current Session will present and debate on these issues.</i></p>
	<p>Session Chair:</p> <ul style="list-style-type: none"> ▪ Mr. Jinchang Lai, Lead Financial Sector Specialist, and Lead for Financial Infrastructure, East Asia & Pacific, Finance & Markets, IFC, World Bank Group <p>Panelists:</p> <ul style="list-style-type: none"> ▪ Ms. Gloria Obrero Pasadilla, Senior Analyst, APEC-Policy Support Unit ▪ Mr. Liu Tianmin, Vice President, CreditEase ▪ Ms. Chulida Tanpetcharat, Executive Vice President, Head of Commercial Credit Products Division, Bank of Ayudhya Plc. (BAY) ▪ Mr. Shigehiro Shinozaki, Financial Sector Specialist (SME Finance), Asian Development Bank (ADB)
<p>3:30-4:00</p>	<p>BREAK</p>

<p>4:00-5:30</p>	<p>Session 8: Digital Identity (Session Lead: Citi)</p>
	<p><i>As finance, payments and personal money-management increasingly become all-digital, one thing is clear: creating, managing and protecting digital identities for individuals has become a critical need. This panel pulls together diverse perspectives to paint a comprehensive picture of pioneering digital identity initiatives around the world; best practices; and key areas of focus. Plus, two big questions: in this increasingly complex digital world, who is best placed to manage the new type of digital identities everyone will need? And how do regulatory and legal frameworks need to adapt?</i></p>
	<p>Session Chair:</p> <ul style="list-style-type: none"> ▪ Mr. Andres Wolberg-Stok, Global Head of Policy for Citi FinTech <p>Panelists:</p> <ul style="list-style-type: none"> ▪ Ms. Dianne Rajaratnam, Asia Pacific Regional Lead, The Better Than Cash Alliance, United Nations ▪ Dr. Peter Lovelock, Director and Founder, TRPC Pte Ltd ▪ Ms Flore-Anne Messy, Head of the Financial Affairs Division, Organisation for Economic Co-operation and Development (OECD)
<p>5:30-5:45</p>	<p>CLOSING SESSION</p>
	<ul style="list-style-type: none"> ▪ Mr. Hiroyuki Suzuki, Chair, Asia-Pacific Financial Forum; Member, ABAC Japan; and Vice Chairman, Member of the Board, Nomura Research Institute, Ltd. ▪ Ms. Michelle Curry, Chief Executive Officer, The Foundation for Development Cooperation (FDC)
<p>6:00-7:00</p>	<p>DINNER (Hosted by the State Bank of Vietnam)</p>
<p>7:00-8:30</p>	<p>CITY TOUR (Hosted by Hoi An Administrative Authority)</p>

