

THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

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26 April 2011

14:00 – 16:00

Crystal Ballroom, Lotte Hotel
Seoul, Republic of Korea

Meeting Paper 4-B

Update on Other APEC Activities on Financial Inclusion

Office of the Advisory Group Chair

PURPOSE	For information.
ISSUE	Other APEC Activities on Financial Inclusion
BACKGROUND	The APEC Finance Ministers' launched the APEC Financial Inclusion Initiative in November 2010. This is a report on the progress of work on this initiative.
PROPOSAL	N.A.
DECISION POINT	Note the report.

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Update on Other APEC Activities on Financial Inclusion

The Inaugural Workshop of the APEC Financial Inclusion Initiative (APEC FII) was held on 23-24 February 2011 at the Federal Reserve Bank of San Francisco.

It was held with the goal of delivering concrete and practical guidance for policy makers on government action and leadership to expand the provision and usage of financial services by households, individuals and self-employed entrepreneurs, including those at the bottom of economic pyramid. Armed with this guidance, financial authorities and policy makers across APEC will be better equipped to tailor their financial inclusion action strategies to their needs.

The workshop explored three themes: (1) designing an effective strategy; (2) identifying consumer needs; and (3) fostering collaborative approaches.

Immediately following the workshop, the APEC FII working group met to discuss possible deliverables for 2011, develop a work plan with interim benchmarks and craft a strategy for coordination with other financial inclusion efforts.

Following were the workshop sessions

1. Session I: The Challenge – Provided an update on key dimensions of the challenge, including its depth and breath, the impact on development, obstacles to expanding inclusion and related multilateral work streams.
2. Session II: Leadership in Practice - Identified attributes of government leadership and explore steps in the process of designing financial inclusion strategies.
3. Session III: Building Knowledge of Consumer Demand - Explored potential government role(s), approaches to identifying consumer needs, and the process used to decide which approach to take and questions to ask.
4. Session IV: Financial Viability for Service - Explored non-regulatory hurdles to reaching financial viability for providers of one or more micro-financial service. Considered steps to strengthen the business case for provision of financial services targeted to those at the bottom of the pyramid. Consider potential options for enhancing the financial viability of providers of micro-financial services.
5. Session V: Inclusion Friendly Government-to-Person Payments (G2P) - Explored the role of G2P payments in APEC economies, the transition to electronic G2P from cash/paper, and the key attributes of financial inclusion friendly G2P payments.
6. Session VI: Building Consumer Financial Capacity - Explored approaches used and factors considered by APEC economies to incorporate consumer capacity in their financial inclusion strategies and initiatives.
7. Session VII: Putting Ideas to Work - Explored how to move from paper to action; what APEC FII output / deliverables would be the most useful and how to coordinate with other financial inclusion initiatives and work stream.

The Advisory Group Coordinator made two presentations:

- ♦ Session IV, focusing on Advisory Group recommendations on credit information sharing systems, and
- ♦ Session VII, focusing on the APEC Financial Inclusion Forum.