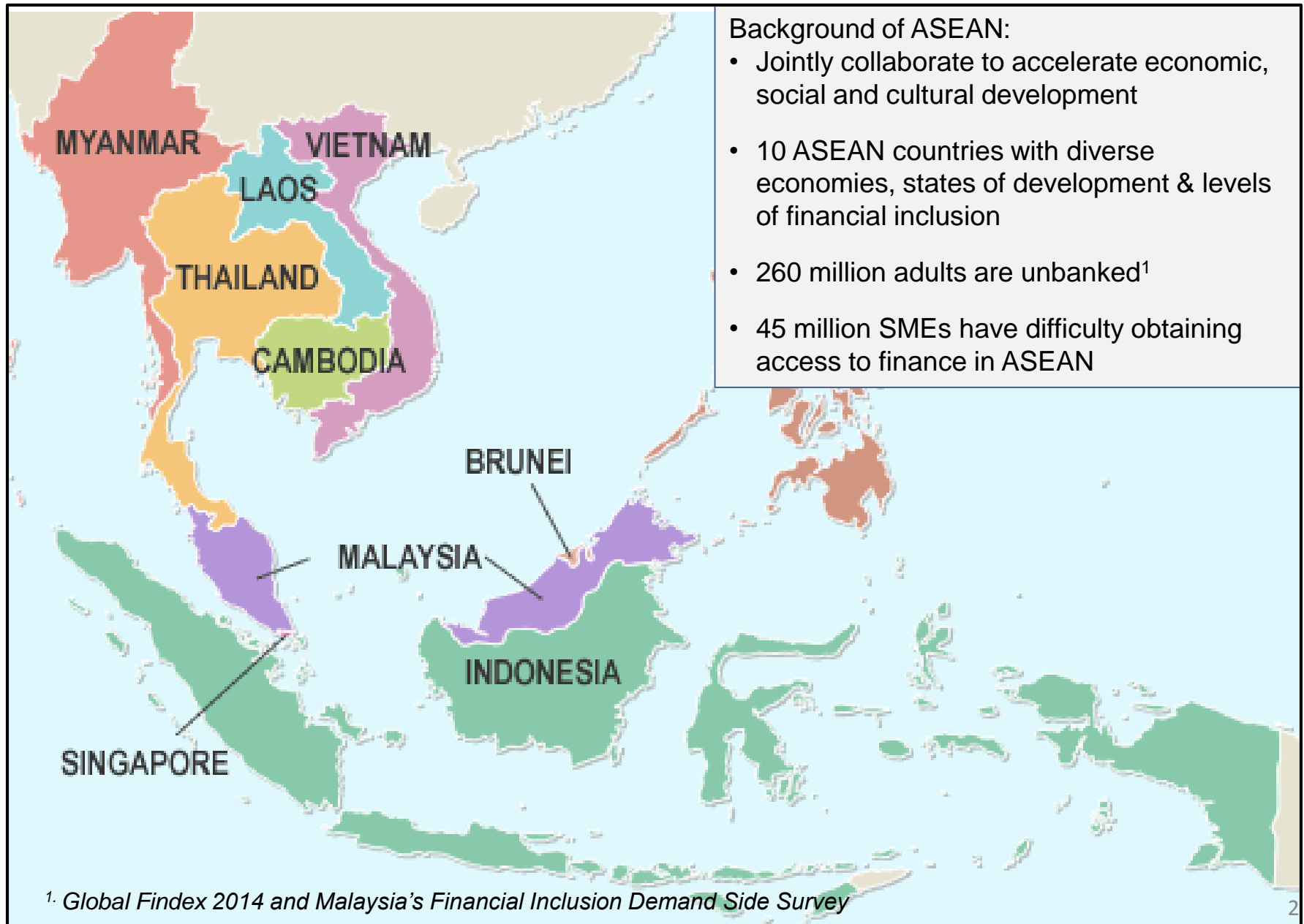


afi Alliance for
Financial Inclusion
Bringing smart policies to life

**Session 1:
Promoting Regional Collaboration for Financial Inclusion**

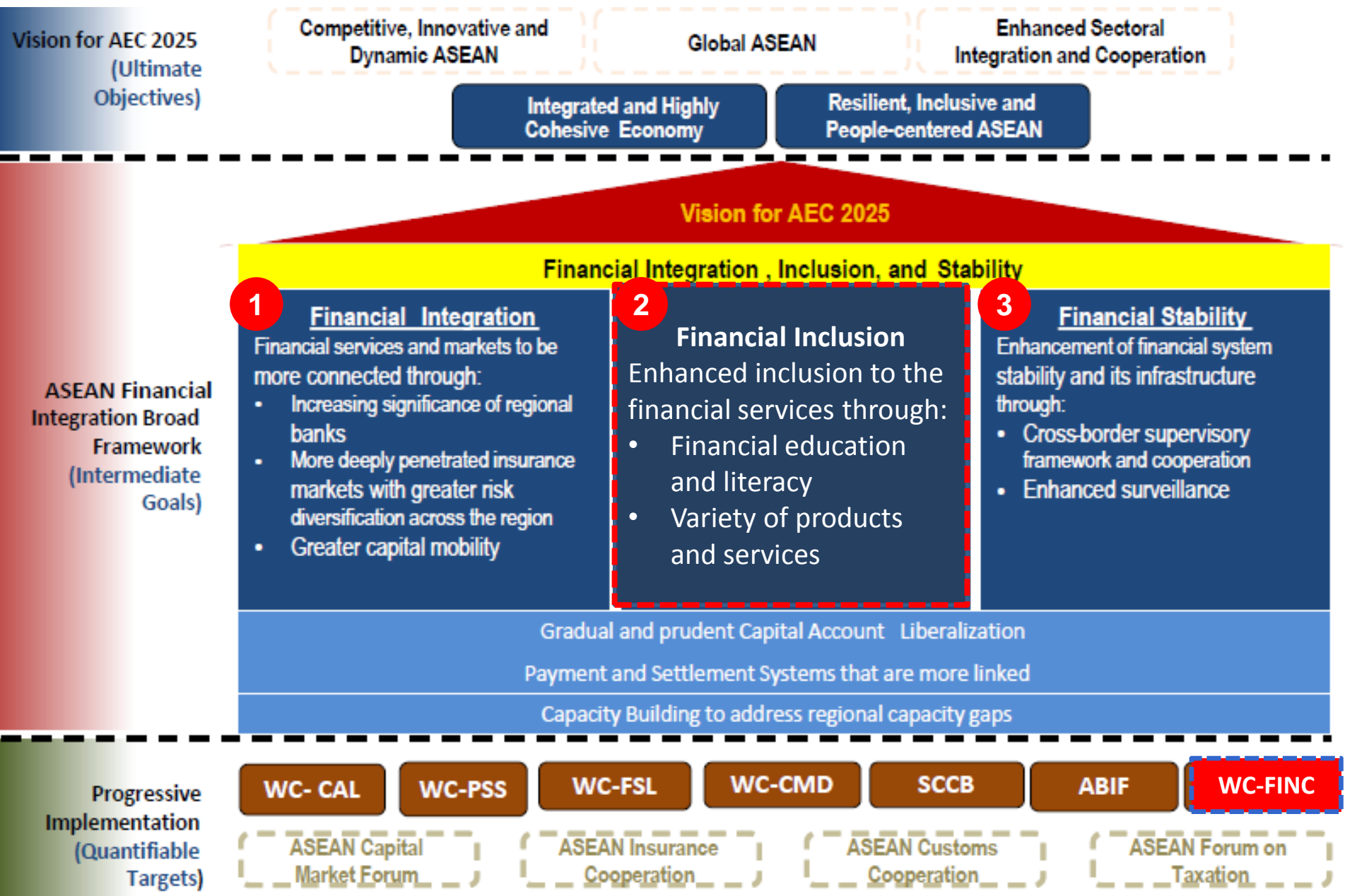
A

Establishment of the ASEAN community for shared prosperity



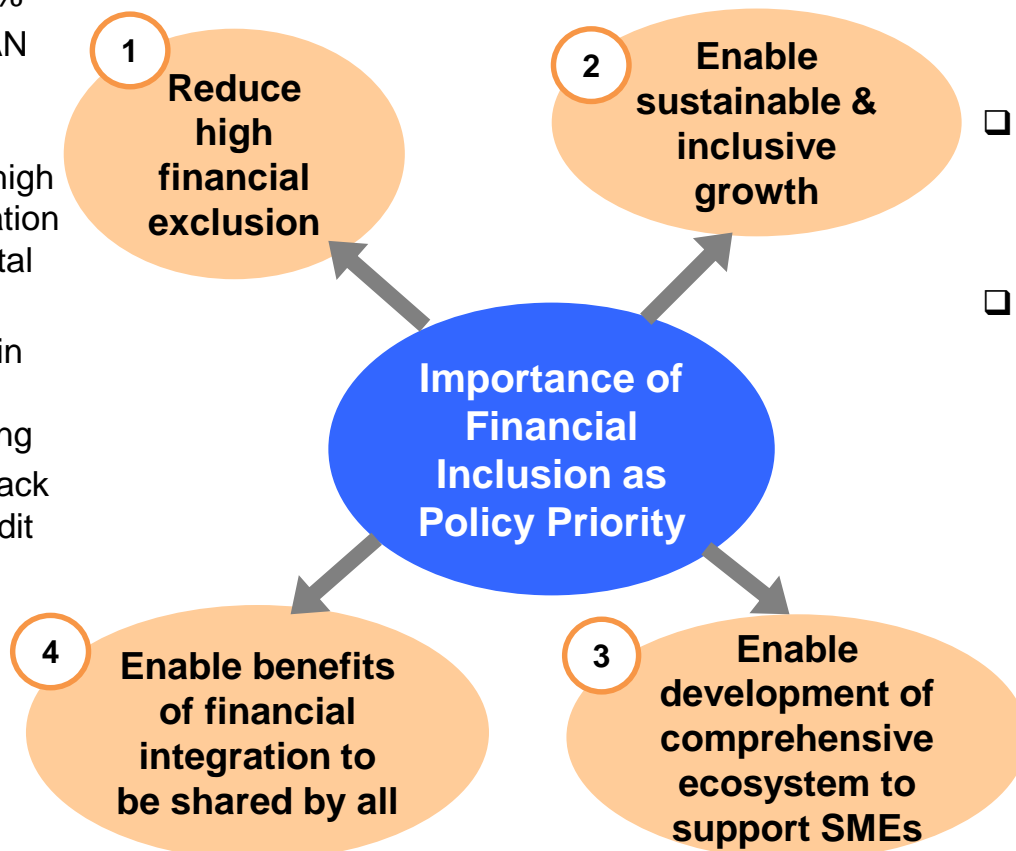
Financial inclusion one of the pillars of ASEAN Financial Integration Plan Post-2015

Establishment of an ASEAN Working Committee on Financial Inclusion (WC-FINC)



C Financial inclusion as a policy priority for ASEAN enables sustainable and equitable growth

- ❑ 260 million or 70% of adults in ASEAN without banking accounts
- ❑ 6 countries with high unbanked population (73% - 96% of total population)
- ❑ 45 million SMEs in ASEAN have no access to financing
 - ❖ Inadequate track records & credit history & no collateral



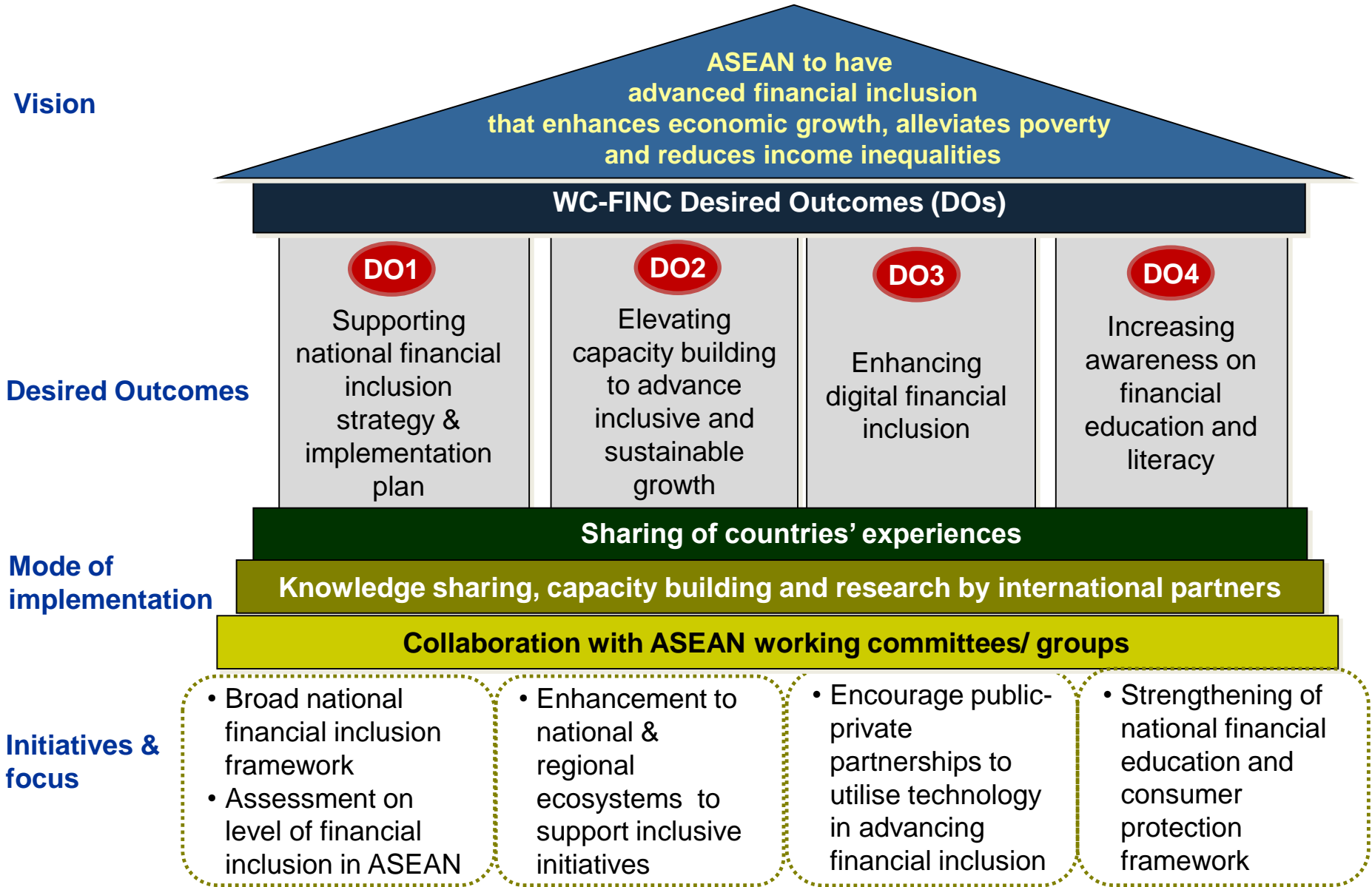
- ❑ Financial inclusion enables sustainable & equitable economic growth and broader job creation.
- ❑ Access to formal financial services empowers families out of poverty and SMEs able to generate income.
- ❑ Improve livelihood of people particularly the lower income segments and the poor

- ❑ Financial inclusion enables the benefits of financial integration to be shared by all
 - ❖ Enhanced access to cross border remittances supports regional labour mobility
 - ❖ Enhanced SME financing for trade and cross border investments enables SMEs to benefit from greater access to markets regionally

- ❑ Financial infrastructure: Financial inclusion framework & policies
- ❑ Financing & guarantee schemes
- ❑ Debt resolution management
- ❑ Avenues for complaints & redress

Subject to national regulations and requirements

D Proposed initiatives by ASEAN FI Committee to reduce financial exclusion



Financial inclusion in ASEAN

Private sector

Utilise technology in advancing financial inclusion

- ASEAN Marketplace (aMP) E-Commerce Portal
 - ❑ Business directory of SMEs
 - ❑ Information on business environment in each country
 - ❑ Enhance market access
- ASEAN Payment Network (APN)
 - ❑ Allows withdrawal of money in all member countries
 - ❑ Contribute to growth of tourism and retail sector
- Biometric national identification
 - ❑ Facilitate KYC for opening of accounts
 - ❑ Expand outreach to unbanked

8 ASEAN Working Committees

Streamline initiatives and minimise duplication of works

- **Working Committee on Financial Inclusion (WC-FINC)**
- SME Working Group (SME WG)
- Working Committee on Payment Systems and Settlements (WC-PSS)
- Steering Committee for Capacity Building (SCCB)
- ASEAN Banking Integration Framework (ABIF)
- Working Committee on Financial Services Liberalisation (WC-FSL)
- Working Committee on Capital Account Liberalisation (WC-CAL)
- Working Committee on Capital Market Development (WC-CMD)

International partners

Tapping expertise to enhance capacity building

- Alliance for Financial Inclusion (AFI)
- World Bank
- UN Capital Development Fund (UNCDF)
- Organisation for Economic Co-operation and Development (OECD)
- South East Asian Central Banks (SEACEN) Research and Training Centre

F

Guiding principles of establishing a sustainable regional cooperation model

Regional cooperation initiatives consider the following:

- 1 Form decisions based on partnerships and **mutual consensus** of all countries; *the ASEAN Way*
- 2 Recognise that each country are at **different levels of development**
- 3 Be facilitating and **not imposing** on the sovereign states.
- 4 Strive to **value add** upon the existing national financial inclusion strategies.
- 5 Establish a **Terms of Reference (TOR)** which clearly specifies the scope, governance and deliverables to ensure all countries are clear of their roles and expectations in the regional working committee

Thank you