What is financial inclusion?

- A state wherein there is **effective access** to a **wide range of financial products and services** by all.

**Unserved and Underserved**

- MSMEs
- Low income population
- Population in frontier areas
- Population unserved due to religious barriers
- Farmers, fisherfolk, agrarian reform beneficiaries
International Perspective

- Examples of countries advancing financial inclusion

- **Mexico**
  - Full financial inclusion by 2020 vision
  - Diconsa - government transfer partnership
  - No-frills accounts required by regulation

- **Kenya**
  - National objective to expand access to millions
  - Regulatory changes
  - M-Pesa

- **India**
  - Full financial inclusion government mandate
  - Focus on full scale banking and wide outreach

- **Peru**
  - Superintendency-adopted FI as cross-cutting priority
  - Focus on consumer protection and financial education

- **Brazil**
  - Social transfer payment through agent banking

- **South Africa**
  - Mzansi
  - Wizzit
  - MiniATM
  - Financial Sector Charter
  - Regulatory changes

- **Philippines**
  - Regulatory initiatives
  - Mobile banking (GCash, Smart money)
  - Financial literacy campaign

- **Thailand**
  - Key government leadership
  - Consumer protection and financial education

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unbanked cities and municipalities but if we include other financial service providers...

- Savings: 31.3% adults with a formal account
- Credit: 11.8% adults with a loan from a formal financial institution
- Remittance: 8.5% share of OF remittances to GDP
- Insurance: 1.78% share of insurance premiums to GDP

unbanked cities and municipalities remain unserved
The overall vision is a financial system that is accessible and responsive to the needs of the entire population toward a broad based and inclusive growth. In particular, to ensure that this financial system also serves the traditionally unserved or marginalized sectors of the population. This vision should be guided by a focus on the client.

The NSFI Vision

- Coordination
- Trust building
- Raising awareness and understanding

Toward a common vision and clearly defined inclusive financial system.
The NSFI Process

BSP initiated the NSFI process

Interagency coordination

Structured consultations

Launch and implementation
Success Factors / Lessons Learned

C - Coordination and consultation

NSFI Interagency and Working Group Meetings
15 meetings

Regional Consultations
Manila, Cebu, Davao
May 2015
364 stakeholders*

* Inclusive of resource speakers/persons, participants and media

L - Leadership

- Championing the NSFI and providing necessary Secretariat assistance
Success Factors / Lessons Learned

I - Implementation

• Distilling of Financial Inclusion Tactical Plans
• Signifying commitment through a memorandum of understanding (MOU)

M - Measurement and monitoring

• Establishment of a data and measurement framework

B - Beginning

• Continued efforts in promoting financial inclusion
Summary

- Coordination and consultation
- Leadership
- Implementation
- Measurement and monitoring
- Beginning
Thank You