



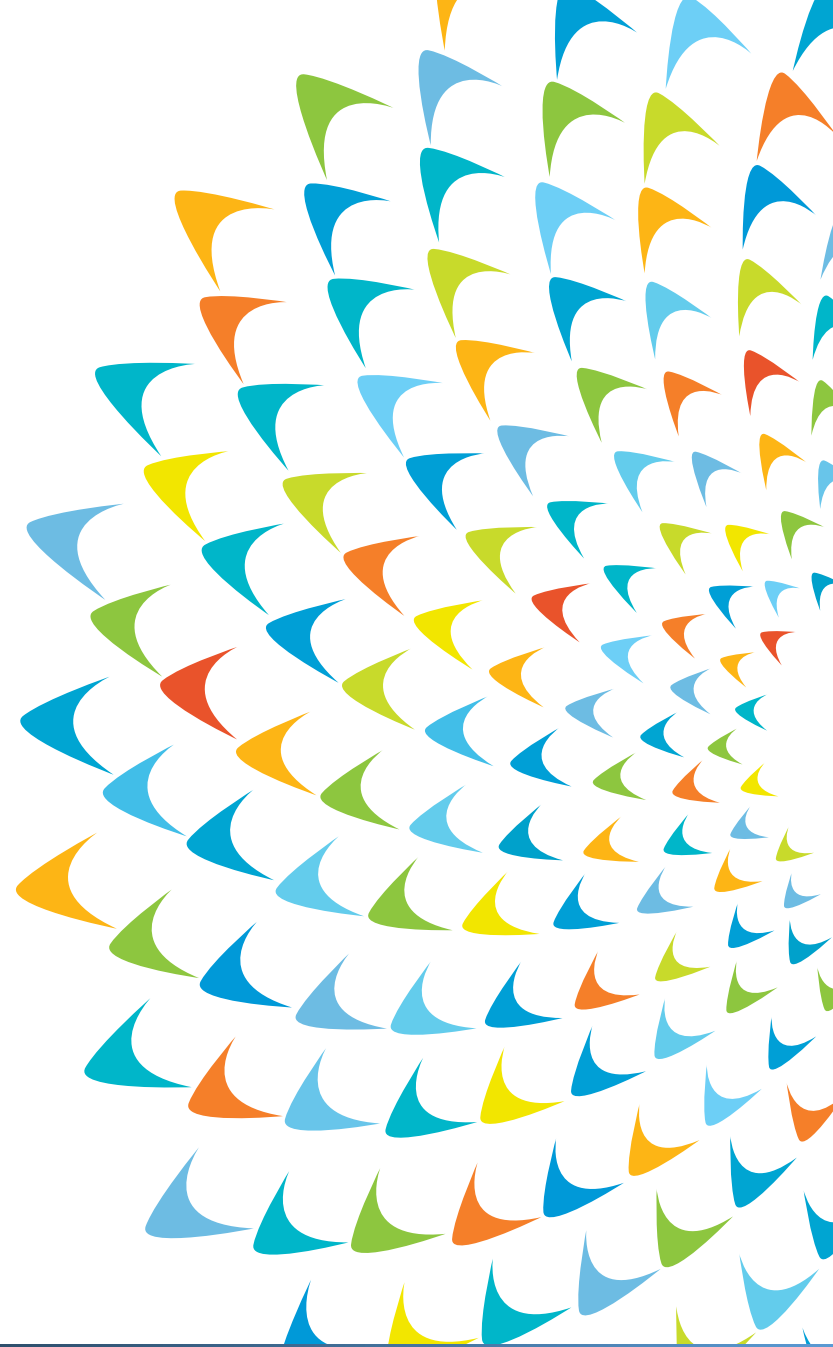
ADB

ADB's Fintech & Financial Inclusion Support for Indonesia:

Promoting Innovative Financial Inclusion Program (PIFIP)

RCI-POD

20 July 2021



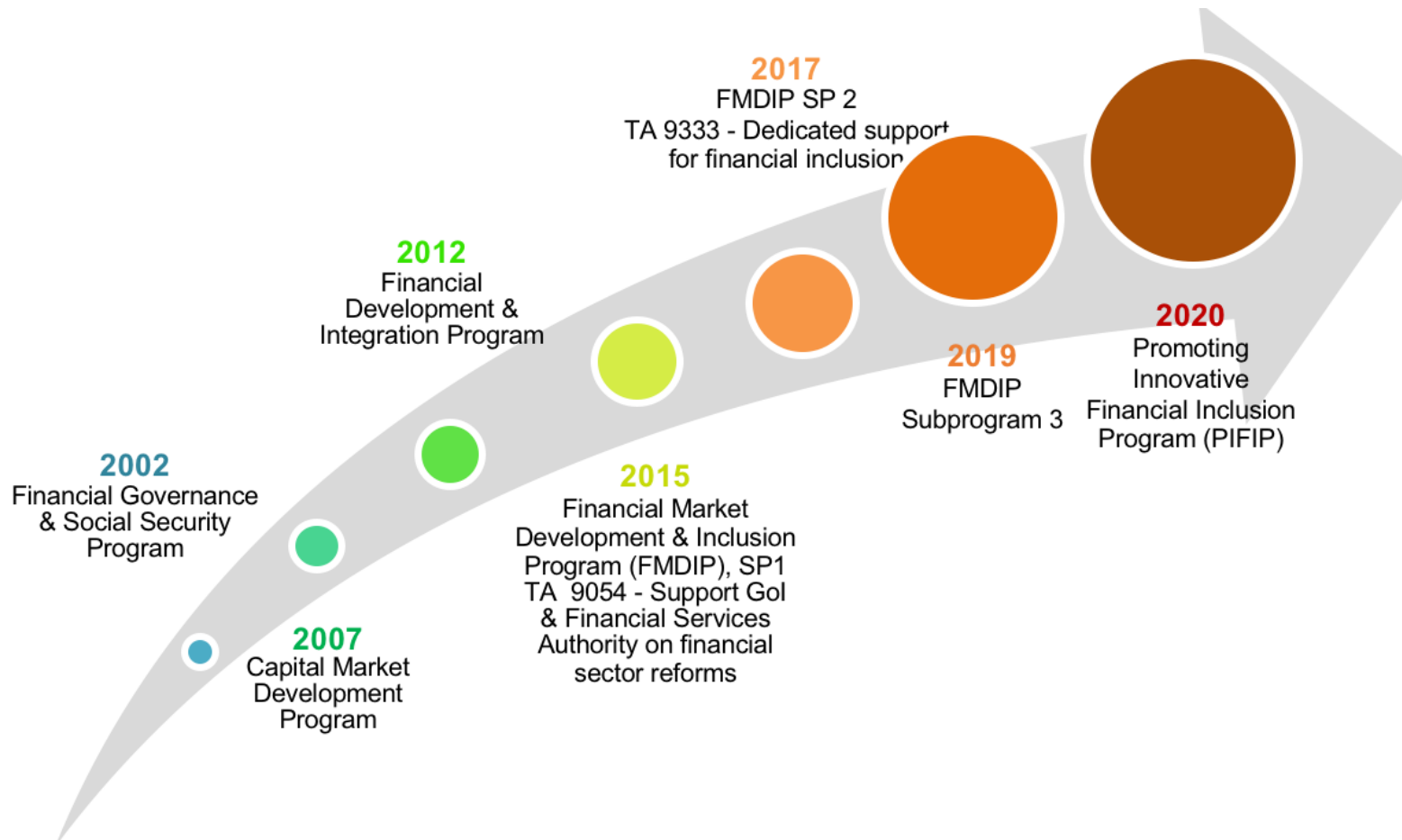
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I. ADB's Engagement in Financial Inclusion in Indonesia



Responsible Financial/Digital Financial inclusion:

- access to finance through innovative approaches
- financial literacy
- consumer protection
- Financial exclusion in Indonesia – 51% (Global Findex 2017)

II. PIFIP Program Design

Reform Area 1

Tools and infrastructure for financial inclusion

- Improved data, analytics, strategies, action plans, and monitoring systems
- Enhanced digital infrastructure

Reform Area 2

Access to finance by MSMEs and marginalized groups including women and youth

- Enhanced systems and private sector collaboration to facilitate MSMEs financing
- Focused efforts to expand access to finance for marginalized segments including women, youth, and climate vulnerable

Reform Area 3

Supervision and consumer protection measures for responsible financial inclusion

- Strengthened supervision and regulatory framework for fintech
- Enhanced dispute resolution, data privacy and security, and financial literacy

Reform Effect:

More inclusive financial services sector promoted

Country's Overarching Development Objective supported by PIFIP:

Public access to formal financial services improved
(National Strategy for Financial Inclusion, 2016)

Subprogram 1: \$500 million, with KfW: €200 million co-financing

Subprogram 2: \$500 million

Executing Agency: MOF, **Implementing Agencies:** OJK, CMEA, and BI

III. Support for Fintech & Financial Inclusion

Reform Area 1: Tools and Infrastructure for Financial Inclusion



- Digital Finance Innovation Roadmap & Action Plan 2020-2024, Regulatory Sandbox
- Indonesia's Payment System Blueprint 2025
- National biometric ID (e-KTP) and e-KYC pilot
- Geospatial financial services mobile application 'Lokasiku'

Reform Area 2: Access to Finance by MSMEs and Marginalized Groups



- Alternative Credit Scoring Regulatory Framework
- Fintech Lending Data Center (PUSDAFIL)
- Eastern Indonesia Financial Innovation Lab (EIFIL)

Reform Area 3: Supervision and Consumer Protection Measures



- Strategic framework on Regtech and Suptech
- Appointing AFTECH as SRO
- Smart Digital Indonesia financial & digital financial literacy series, and Y-Bank pilot

Proactive Approach to Women and Youth Financial Inclusion



- National Women's Financial Inclusion Strategy
- National Youth Financial Inclusion Strategy
- Including actions for digital financial inclusion

THANK YOU!

Poornima Jayawardana

Financial Sector Specialist

Asian Development Bank

Email: pjayawardana@adb.org

