Asia-Pacific Financial Inclusion Forum 2021
Emerging Priorities in the COVID-19 Era

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Emerging Financial Inclusion Priorities in the COVID-19 Era
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Outline

Introduction APEC Asia-Pacific Financial Inclusion Forum

Background and Context

Supporting Economic Recovery and Building Resilience

Emerging Financial Inclusion Challenges and Opportunities in a World Disrupted by COVID-19
Introduction to the APEC Asia-Pacific Financial Inclusion Forum (APFIF)
Overview of APFIF

Establishment

• Established in 2010 as a policy initiative under APEC’s Finance Minister’s process, led by ADB since 2021

Objectives

• Identify concrete actions that policymakers can take to expand the reach of financial services to the underserved
• Build the capacity of policymakers and regulators

2021 Theme: Emerging Priorities in the COVID-19 Era

• Financial inclusion priorities to stimulate economic recovery and build resilience
• Emerging challenges and opportunities as a result of accelerated digital transformation
  ➢ Policy dialogue 25 May 2021
    ➢ Brought together senior government officials from 18 economies as well as nearly 30 policy and industry experts
• Report shared with APEC Finance Ministers in October 2021, ADB report published in December 2021
Background and Context
COVID-19 Pandemic Accelerates Digital Transformation

- The pandemic has accelerated the adoption of digital technologies
- Governments have recognized digital transformation as a key response to recovery
- Addressing the digital divide remains a critical issue
Supporting Economic Recovery and Building Resilience
Financial Inclusion Can Support Economic Recovery and Resilience

- The impact of COVID-19 on poverty has been significant
- Microfinance institutions can help bridge the digital divide
- Investments are needed to support inclusive digital ecosystems
- Innovation is key
Policy Recommendations

1. **Support the capacity of microfinance providers to adopt digital technology to drive financial inclusion and bring the benefits of the digital economy to their clients**

2. **Prioritize investments in open digital ecosystems that accelerate digitization of payments leading to inclusive recovery, resilience, and financial inclusion**

3. **Support innovation as part of COVID-19 recovery strategies**
Emerging Financial Inclusion
Challenges and Opportunities in a
World Disrupted by COVID-19
Pandemic Underpins Emerging Financial Inclusion Challenges and Opportunities

- COVID-19 pandemic has accelerated the evolution of the fintech ecosystem
- New dimensions linked to the digital economy important for financial inclusion strategies
- Partnerships are key to addressing evolving needs
- Emerging innovative financing mechanisms can help address digital infrastructure financing gap

Figure 10: Projected Growth of Digital Infrastructure Financing Gap ($ billion)

Policy Recommendations

4. Reassess financial inclusion strategies to consider the growing use of digital financial services

5. Take steps to promote greater stakeholder cooperation to progress digital financial inclusion at the base of the economy

6. Explore the potential of innovative fintech financing mechanisms for digital infrastructure development needs
Thank you very much!

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APFIF 2021 Report
Emerging Priorities in the COVID-19 Era

Asian Economic Integration Report 2021
Making Digital Platforms Work for Asia and the Pacific

Edited Volume
Managing the Development of Digital Marketplaces in Asia

Conference Highlights
ADB-IGF Special Working Paper Series

Questions / Comments / Feedback?
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