



# UNCDF SHIFT

Financial Inclusion | Women's Economic Empowerment | Innovation

# About UNCDF



Works in **47 least developed** countries



**Last-mile finance** models that unlock public and private resources for **poverty reduction** and **economic development**

Supported implementation of **20 National financial inclusion strategies**

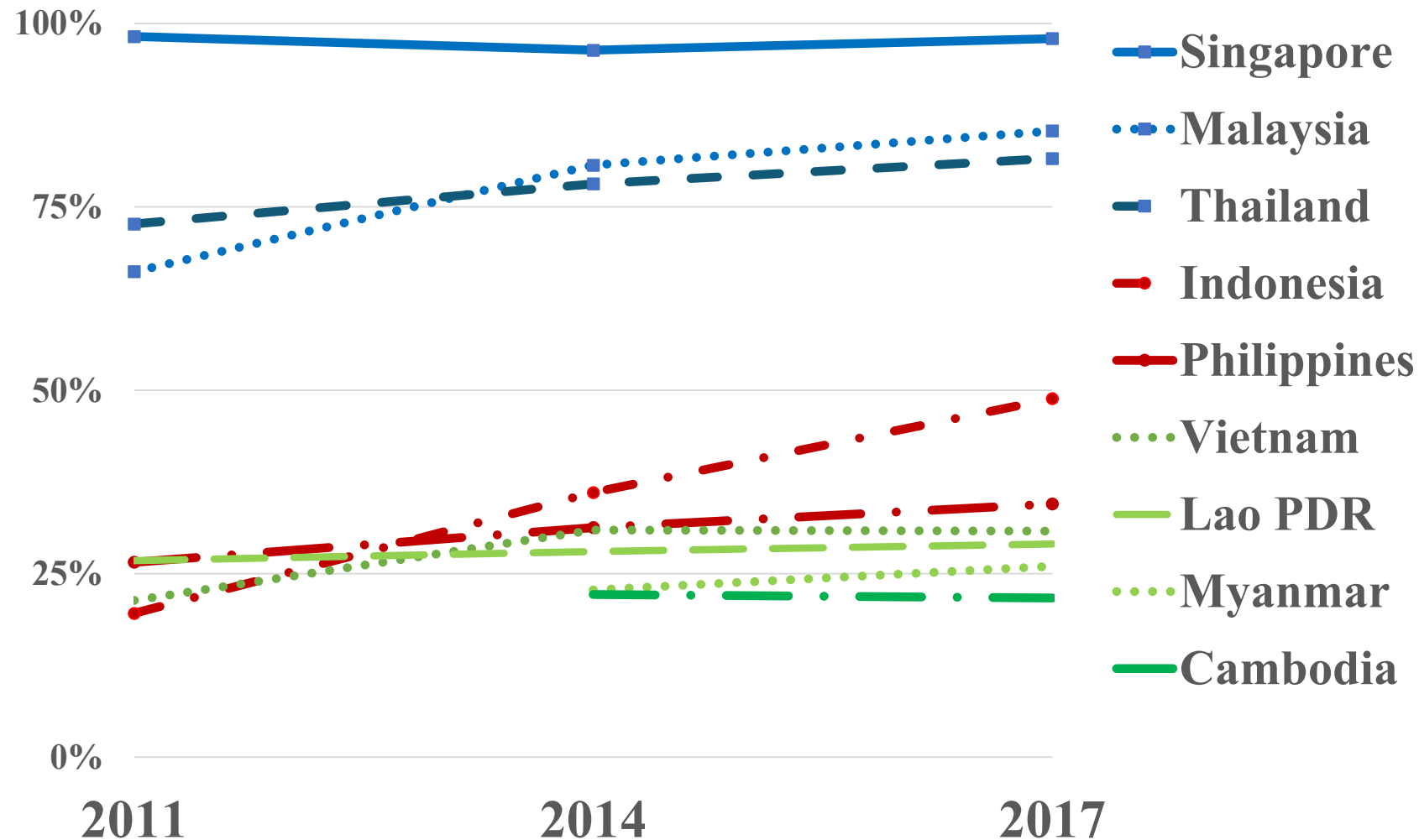


Move from **financial service access** to **usage** that adds value **for people**



# Do we spot a gap in ASEAN Financial Inclusion?

% account ownership in ASEAN

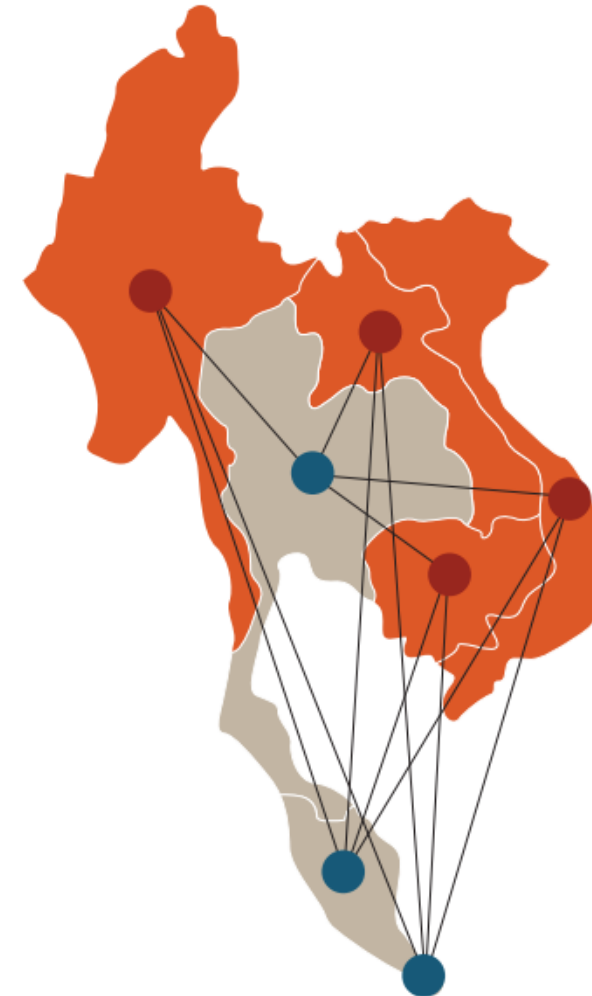
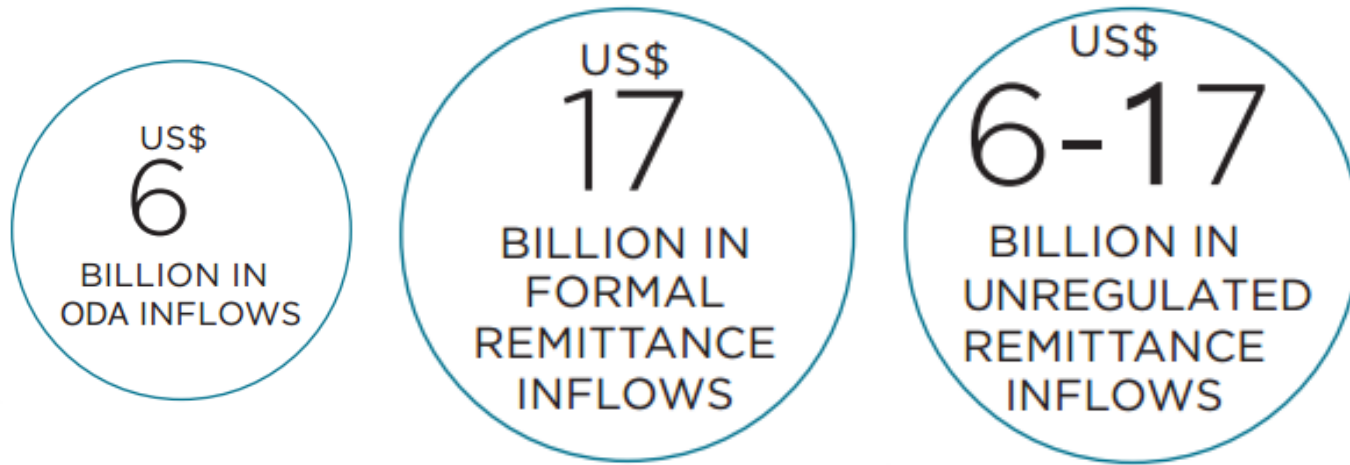


Account ownership in ASEAN increased from 31% in 2011 to 48% in 2017 (Findex 2017).

ASEAN is getting into the mood for digital payments, increasing from 23% to 34% of adults from 2014-2017.

Only 4% of adults have registered mobile money accounts (4%).

*Do we spot a gap....*

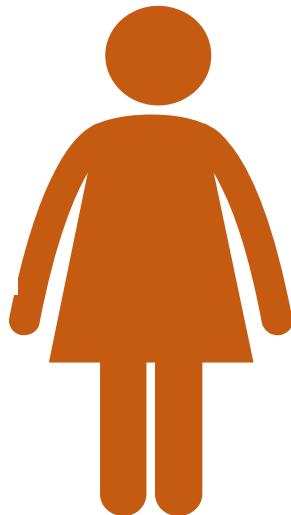


## Profile Remittance Recipients

Has financial access (92%)

Saves (52%) of which Informal (41%)

Accesses credit (44%)



Informal remittance channel (54%)

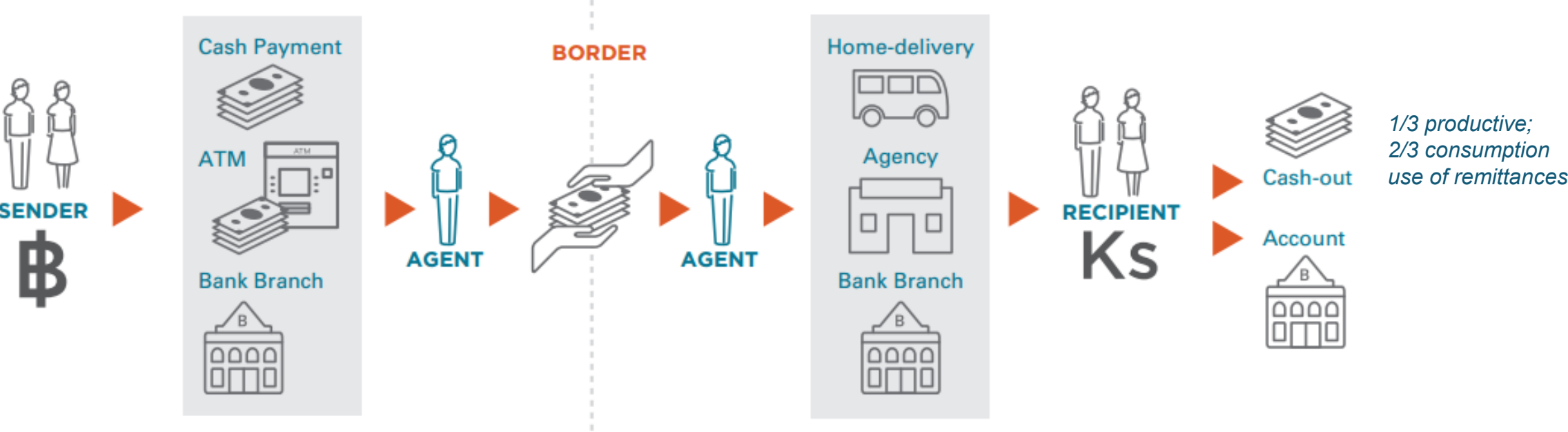
60% of recipients were women of which 3/4rd live in rural areas.

> 44 Years and married

2/3<sup>RD</sup> used remittances to cover consumption (2/3<sup>rd</sup>)

Average Remittance was US\$ 177 for low Income migrants

# REMITTANCE | TOO MANY STEPS TO TRANSFER MONEY



**54%**

remittance receivers used informal channels

**\$6-17 BILLION**

opportunity in CLMV to digitize remittances

**4.3 MILLION**

people receive remittances in CML

**60%**

of recipients are women, most live in rural areas

**33%**

used remittances for productive purposes

**OPPORTUNITY to link remittances with other financial services**



### The Challenge

Develop innovative business models that foster formal remittances to CLMV



### The Fund

\$100k-\$300k in co-funding matching >50%

**TransferTo**  
 To: Cambodia, Lao PDR, Myanmar, Viet Nam  
 From: Thailand, Malaysia, Singapore

Open remittance hub network with bank account, E-wallet and cash remittances

**AMK**  
 To: Cambodia  
 From: Thailand, Malaysia, South Korea

Microfinance branch remittance network in partnership with banks

**Valyou**  
 To: Myanmar,  
 From: Thailand, Malaysia

E-Wallet to E-Wallet and E-Wallet to cash. Distribution network with banks and MNO agents

**SingCash**  
 To: Myanmar  
 From: Singapore

E-Wallet and virtual debit remittance card



Australian Government  
 Department of Foreign Affairs and Trade

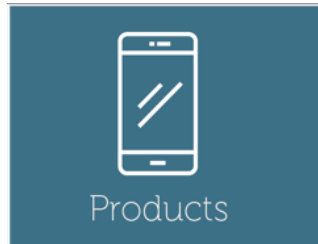
**OBJECTIVE:**

- **Formalize remittances** for over **150,000 migrants** and their families in 2017-2019.
- **Partner remittance, fintech and mainstream financial service providers** to improve access to remittances and develop tailored financial products linked to remittances

# OTHER CO-INVESTMENT PARTNERS LAUNCHING DIGITAL FINANCE PILOTS IN ASEAN LDCS



MAY DOE KABAR



- Mobile Wallets
- Clean Energy and PayGo
- Credit access
- Financial literacy App.
- Micro-insurance
- Remittances
- Savings linked products
- Enterprise loan



- FinTech's
- Banks & MFIs
- Mobile financial service providers
- Regulators
- Women entrepreneur associations
- Energy service providers
- MTOs



# THANK YOU

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## About UNCDF:

UNCDF is the **UN's capital investment agency for the world's 48 least developed countries**. With its capital mandate and instruments, UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's financing models work through two channels: **financial inclusion** that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and by showing how **localized investments** — through fiscal decentralization, innovative municipal finance, and structured project finance — can drive public and private funding that underpins local economic expansion and sustainable development. By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to SDG 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a number of different SDGs.