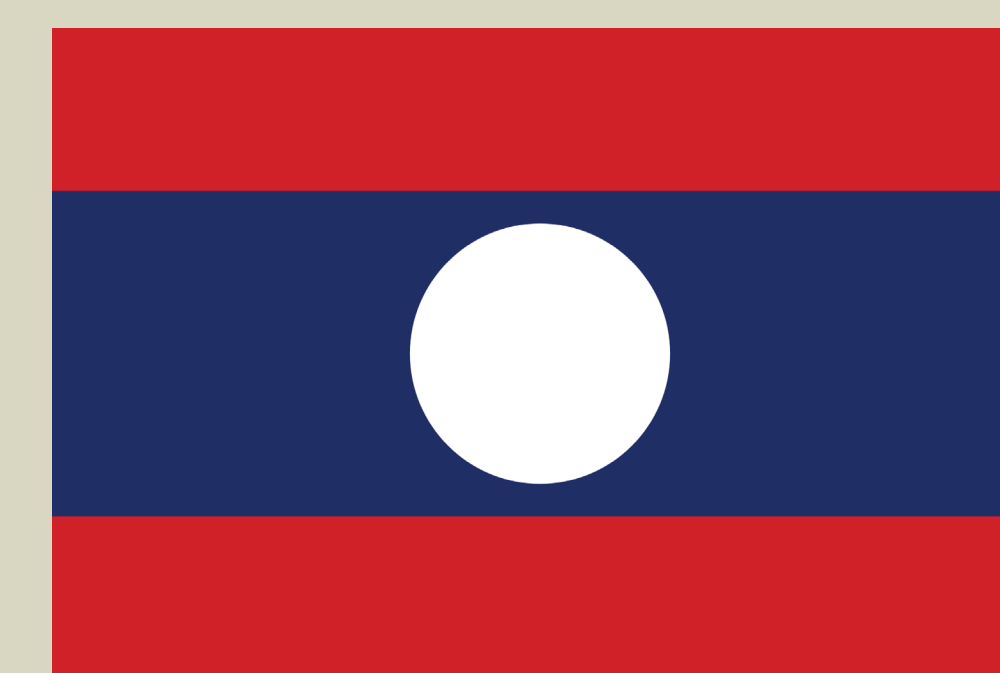


# Lao PDR's initiatives towards increasing financial inclusion



Lao PDR

## National Financial Inclusion Priorities

### Background

70% population rural, sparsely populated with lack of infrastructure. Number of borrowers decoupled from number of savers: economic opportunities not identified, high cost of credit, low budgeting and numeracy skills. Gender inequality toward credit to be analyzed.

### Priorities

Access to Finance through diversified channels (agents, mobile phone) and institutions (banks, telcos, MFIs, post offices, credit unions, village funds). Prod diversification of products. Baseline surveys on understanding and usage of financial services, gaps in supply, to formulate consensual policy responses, addressing also financial education and consumer protection.



## Challenges and the Way Forward on Financial Inclusion

- Low capacity of financial institutions and support services;
- Human resources management and IT Unified for MFIs ;
- Financial Risk management and accountability of MFIs;
- Strategies and Goals for the Future
- Continue to develop a curriculum diploma in microfinance and promote financial literacy.
- Leverage potential of mobile phone penetration and of agent-banking to serve isolated rural communities.
- Increase the capacities of existing managers and future staff.
- Create governmental momentum to push the agenda of financial inclusion.



## Fund for Inclusive Finance

### Goal of Project

Challenge fund to play a catalytic role on shaping the industry and stimulating it to address the gaps in the supply, through a competitive and transparent process of request for proposals

### Successes

Support allocated to innovative, sustainable & replicable projects: pilots of mobile financial services; agricultural lending embedding paid-for technical assistance to farmers; low-cost servicing of students' savings accounts in schools; loan to an MFI to help it transition to guidance from investors

### Lessons learned in implementation

Handholding to applicants with a promising concept on proposal writing  
Performance-based and sequential disbursements to minimize risks and get impact

## ASEAN FINANCIAL INCLUSION CONFERENCE

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