



PERMANENT MISSION OF THE REPUBLIC OF INDONESIA
TO THE UNITED NATIONS



High-level Side Event 2018 ECOSOC Forum on Financing for Development

Co-organized by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)
and the Permanent Missions of Bangladesh, Indonesia and Kazakhstan

TRANSFORMING FINANCE IN ASIA-PACIFIC: THE FINTECH REVOLUTION

Monday, 23 April 2018
18:30 – 20:00 hrs
The West Terrace, 4th Floor, Main building
United Nations Headquarters, New York

DRAFT CONCEPT NOTE

I. Background

Significant efforts have been made since the adoption of the Addis Agenda in 2015 to mobilize finance for effectively pursuing Sustainable Development Goals (SDGs). Estimates suggest that low and lower-middle income countries worldwide may need an additional investment of at least \$1.4 trillion annually for making progress towards these ambitious goals. Implementation of several policy measures will not only require effectively utilizing existing financial resources, of both the public and the private sector, but coming up with additional financial means as well.

To support countries in their efforts, ESCAP has organized broad-based high-level consultations on Financing for Development since 2014, and has reconstituted its intergovernmental Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development. These initiatives have helped to shape a regional vision, with few priority areas highlighted by member States and experts. These are: increasing domestic revenues by improving public finance and tax policy, increasing private sector engagement in infrastructure financing, boosting financial inclusion for small and medium enterprises (SMEs), and enhancing the role of private sector in climate-related finance and disaster risk financing.

One of the key areas highlighted by member States and experts is improving financial inclusion for small and medium enterprises (SMEs). While access to financial services, both by the poor and SMEs, is known to reduce poverty and stimulate economic growth, Asia-Pacific developing countries, and especially the least developed countries, landlocked developing countries and small island developing States, have much to do in this area. In this context, FinTech companies are emerging as an important source of successfully leveraging information technology to enhance financial access. Asia-Pacific is leading the growth of the financial technology industry (fintech) globally. Fintechs range from mobile money and payments companies such as AliPay in China, to micro lending and credit scoring companies such as Lenddo's social media-based credit scoring algorithm in Singapore. Such companies are helping to increase the financial inclusion of individuals and SMEs through expanding their access to funds. However, the advancement of fintech as an innovative solution for SME financing requires proper regulation. A major challenge to regulators is how to strike the right balance between facilitating innovation and preserving financial stability and ensuring consumer protection.

II. Objectives

The objective of this side event on "Transforming Finance in Asia-Pacific: The FinTech Revolution" will be to discuss various aspects of the prospects for FinTech from the perspective of Asia and the Pacific. More specifically, the event proposes to a) review experiences of Asia-Pacific countries in pursuing various initiatives pertaining to FinTech; b) identify policy and regulatory challenges in harnessing the potential of FinTechs; and c) discuss ways by which enhanced regional cooperation, with the support of ESCAP, can facilitate member States in taking the initiatives forward.

Priority issues:

- What are the prospects and achievements of countries in the region in advancing the priority areas of financing for development?
- What are the positive developments in improving financial inclusion in countries in the region?
- What are the prospects for FinTech in Asia and the Pacific?
- What are the contours of a proportional approach to regulation of FinTech which promotes financial inclusion while maintaining financial stability?
- How can Governments and the private sector work better together to promote FinTech?

III. Organization and participation

The side event will be organized as a high-level panel discussion, which will be followed by an open discussion. Dr. Shamshad Akhtar, Under-Secretary General of the United Nations and Executive Secretary of ESCAP will moderate the session. The panel will include finance and economy ministers and experienced policy makers from the Asia-Pacific region, as well as senior experts from partner organizations and senior executives from leading FinTech companies. Member States, representatives of non-governmental organizations and the private sector and members of the media attending the ECOSOC FfD Forum are invited to attend.

IV. Documentation

Please visit ESCAP webpage at www.unescap.org/events/ffd-ny2018 for related background materials for the high-level side event.