
OECD* -ADBI-SBV Conference on Financial Literacy and Consumer Protection

3-4 October 2017
Hanoi, Intercontinental Westlake Hotel

1. Background

The conference aimed at supporting financial inclusion strategies in Vietnam and other CLMV countries (Cambodia, Lao PDR, Myanmar and Vietnam) from the demand side, strengthening the development of financial education and financial consumer protection frameworks.

The conference was co-organised by the OECD (with support from the Japanese Government), the Asian Development Bank Institute (ADBI) and the State Bank of Vietnam (financial support for the event came from OECD and ADBI). About 54 people attended the conference, mostly from financial public authorities in Vietnam and Asia (15 countries represented). See a full list of participants in Section 6.

2. Agenda items

Developed jointly with the ADBI, the agenda was designed to reflect the challenges for CLMV countries in supporting the demand side of financial inclusion through financial education and consumer protection and to offering experiences from other countries and economies in Asia and Pacific. In addition to OECD, ADBI and Vietnam panellists, representatives from public authorities in the following countries and economies had a speaking role in the agenda: Armenia, China, Hong Kong (China), India, Korea, the Lao PDR, Malaysia, and New Zealand. The agenda also included representatives from academia, consultancies, international donors, and not-for-profit organisations. The agenda was structured along these lines:

- **Part 1 – Diagnosis.** This part included two sessions on assessing financial literacy and financial inclusion, and on identifying financial consumer protection challenges in Asia.
- **Part 2 – Policy solutions.** This part included two sessions on developing and implementing national strategies for financial education and financial consumer protection frameworks, with a focus on addressing the challenges posed by the rise of digital financial services.

* The OECD contribution is sponsored by the Japanese Government.

- **Part 3 – Targeted delivery.** This part included:
 - three sessions on financial education for young people, micro small and medium-sized enterprises (MSMEs) and for micro-insurance,
 - a keynote speech on the evaluation of financial evaluation programmes

The agenda is reported in Section 5 for information. With the speakers' consent, most presentation slides are available on the OECD website at the [conference webpage](#).

3. Summary of presentations and discussions

Day 1

Opening remarks

Ms. Nguyen Thi Hong, *Deputy Governor, State Bank of Vietnam (SBV)*, welcomed the co-operation with the OECD and ADBI as leading partners in financial education and financial consumer protection regionally and globally. She noted how such cooperation will improve Vietnam's opportunities to strengthen financial awareness and consumer protection in supporting inclusive financial inclusion, both for households and for MSMEs. She highlighted some existing financial education initiatives, including a TV show for children promoted by the SBV and international partners, and the plan to include financial education in the school curriculum. She concluded by reminding the role of the State Bank of Vietnam as an hosting agency during Vietnam's APEC presidency in 2017 and how financial education and financial consumer protection were among the main factors in supporting inclusive finance.

Mr. Naoyuki Yoshino, *Dean, ADBI*, reminded participants that financial literacy and financial education are among the main research areas of ADBI. He made four remarks: i) coordination among public institutions and private stakeholders is very important for successful financial education policies and it is especially important to involve the ministry of education in this process; ii) household indebtedness is increasing in many countries, especially housing loans, and financial education has a crucial role in ensuring that people understand the relationship between income, interest rates and repayments; iii) financial education is important also in supporting MSMEs to manage their finances and focus on the long term; iv) financial technology is changing financial services and financial education drastically. People's experience with banks has changed and now mobile phones and internet play an important role, which can make it easier for some segments of the population, especially young people, to participate in financial markets but also access products they may not understand.

Mr. André Laboul, *Senior Counsellor, OECD Directorate for Financial and Enterprise Affairs, Special Advisor to the G20 Sherpa, OECD*, reminded the audience of the long-term cooperation between the OECD and ADBI, including in organising the Tokyo Roundtable. He also commended Vietnam's successful APEC presidency and thanked the Japanese Government for its contribution to this event. He announced that this is the first of a series of events focusing on the region and that other CLMV countries would be welcome to volunteer to co-organise

similar events. He noted that the event was structured to discuss how to identify challenges, share successful policies and promote effective delivery. He stressed that there is no single solution for all countries, that national approaches need to be tailored to challenges and opportunities posed by digital finance, and national policies should take into account the specific needs of young people and MSMEs. He explained role of the OECD International Network on Financial Education (OECD/INFE) in supporting countries in developing financial education and invited all participants whose institution is not already a member to join, also a way to participate in the G20 agenda on the topic. He also invited the audience to participate in the India-OECD Global Symposium on Financial Education and in the 8th Roundtable on Financial Literacy and Financial Inclusion in Asia and the Pacific in November 2017 (both also supported by the Japanese Government). He concluded by recalling that financial literacy is not just financial knowledge but also skills, attitudes and behaviour and that financial education is part of a broader trilogy to support consumer's financial empowerment, together with financial inclusion and financial consumer protection.

Session 1 – Identifying financial education needs: assessing financial literacy and financial inclusion in Vietnam and internationally

The session was moderated by **Mr. André Laboul**, *Senior Counsellor, OECD Directorate for Financial and Enterprise Affairs, Special Advisor to the G20 Sherpa, OECD*.

Ms. Chiara Monticone, *Policy analyst, OECD*, presented the OECD/INFE tools to measure financial literacy and financial inclusion, as a way to support evidence-based policy. She described the OECD/INFE toolkit to measure financial literacy and financial inclusion and showed how the results of Asian countries and economies compare to those of the 40 countries overall that participated in the survey. She then presented the OECD PISA financial literacy assessment, showing that financial literacy among young people is also low.

Mr. Peter Morgan, *Senior Consultant for Research, ADBI*, and **Mr. Long Q. Trinh**, *Project Consultant, ADBI*, presented the results of a financial literacy survey conducted in Vietnam and Cambodia using the OECD/INFE toolkit. They showed that both countries have a very low level of financial literacy compared with other participating countries around the world, but that this is consistent with their overall low national income levels. They stressed the difference between formal and informal savings and showed that factors like age, income, employment status and education are associated with financial literacy in both countries, while there are not gender differences. They showed that financial literacy is positively associated with saving behaviour and financial inclusion, also after taking into account various socio-demographic factors.

Ms. Kanittha Tambunlertchai, *Assistant Dean, Chulalongkorn University, Thailand*, gave an overview of financial inclusion in ASEAN countries. She showed that 264 million people in Southeast Asia are still unbanked, and financial inclusion remains a problem, in spite of the wide differences across and within countries (more than 70% of adults have an account at a formal financial institution in Malaysia, Singapore and Thailand compared to less than 30% in Cambodia, Myanmar and the Philippines). She noted that the gap in access and usage of

formal financial services is larger for saving than for borrowing and that many people still receive wages in cash. However, many people in the regions already make transactions through mobile phones, the number of mobile subscriptions is rising fast, and mobile phones offer higher possibilities of access than traditional infrastructure, like bank branches and ATMs. Digital financial services can be a way of promoting financial inclusion but this should be done with caution as financial literacy is low and those who struggle the most are also those with lowest financial literacy.

Ms. Pham Thi Hoang Anh, *Director of Banking Research Institute, Banking Academy of Vietnam*, presented the Vietnamese context in terms of financial literacy and financial inclusion. She noted that a significant proportion of people do not have access to formal financial services. In addition to formal financial service providers, there are many semi-formal and informal service providers and the cash economy is still dominating, but that there has been a strong increase in mobile banking. Low financial literacy is one of the reasons for low financial inclusion, but a national strategy for financial education has not yet been developed in the country. She described the main financial education initiatives, which are mostly conducted by the private financial sector and have a commercial purpose.

Ms. Elizabeth Ooi, *Lecturer, University of Western Australia*, acted as a discussant of the previous presentation. She suggested some areas where research could be further expanded, including: the link between financial literacy and financial inclusion; deconstructing financial literacy results to understand which areas are more problematic; examining the role of financial consumer protection in supporting financial inclusion; and evaluating financial education and financial consumer protection initiatives.

Discussion

The discussion initially focused on the relationship between financial inclusion and financial education strategies, whether they should be separate and which one should come first. It was noted that it is important that they are somehow related because both strategies usually work towards common goals, but that at the same time they may need to be distinct because they rely on partially different instruments and stakeholders for their implementation. Resources and capacity within public authorities may also matter in the choice of an approach.

The discussion also touched upon the respective roles of public and private stakeholders in financial education strategies and the importance of involving all relevant actors, creating coordination mechanisms, and avoiding conflicts of interest from the private financial sector. Participants noted examples of collaboration between financial institutions and not-for-profit organisations and stressed the importance of evaluating impact.

Participants reiterated the importance of digital technology as an opportunity for both financial inclusion and financial education delivery. In this respect, the G20 Taskforce on financial consumer protection is developing a dashboard of financial consumer protection measures for monitoring and evaluating upcoming risks.

Session 2 – Identifying financial consumer protection challenges in Asia

Mr. Naoyuki Yoshino, *Dean, ADBI*, moderated the session.

Ms. Shahariah Othman, *Director of Consumer and Market Conduct Department, Bank Negara Malaysia*, started by noting that a number of key trends – including financial liberalisation, increased range and complexity of products, emergence of new delivery channels, and wider adoption of technology – are putting pressure on financial providers to sustain profitability and are passing more risks onto consumers. She noted that the central bank in Malaysia has a mandate to foster fair, responsible and professional business conduct of financial institutions and to strive to protect the rights and interests of consumers. She highlighted the main challenges in ensuring that the financial consumer protection framework in Malaysia remains effective, including: striking a balance between protecting consumers and over-regulation, nurturing a culture of consumers' fair treatment among financial institutions, taking into account the results of behavioural sciences in developing regulation, protecting younger consumers who are exposed to sophisticated products but have low financial literacy, and closing regulation gaps that may arise from innovation, cyber risks and increased complexity of financial products and services.

Mr. Hariharan Neelakanta Iyer, *Chief General Manager Office of Investor Assistance and Education, Securities and Exchange Board of India (SEBI)*, outlined the main challenges faced by SEBI and how it tries to overcome them. The main challenges include vastness with diversity within the Indian sub-continent, lack of formal products penetration, lack of consumers' awareness, misselling practices, misconduct by market participants, Ponzi schemes and schemes offering unrealistic returns, and cyber risks. SEBI addresses these challenges with a combination by developing regulation, ensuring enforcement, enhancing consumers' awareness and implementing effective redressal mechanisms. He concluded by giving an overview of actions undertaken by SEBI to implement the G20 high-level principles on financial consumer protection.

Mr. Khamphout Phetsouvanh, *Head of Legal Section, Legal Division, Bank Supervision Department, Bank of the Lao PDR*, discussed the state of financial consumer protection in the Lao PDR. A law on consumer protection came into force in 2010 but it does not contain provisions for financial products or services. The number of financial service providers has increased since 2007, but the information they share with consumers is not transparent and misleading, and some providers apply unfair pricing and unequal treatment to consumers. Consumers have a poor understanding of financial products and services and do not know where and how to complain. The Bank of the Lao PDR is the financial supervisor and has a mandate to ensure financial stability but this does not include financial consumer protection. The Bank of Lao is now drafting a financial consumer protection decree which will determine the obligations of banks and financial institutions to provide financial services with respect, fairness and transparency and gives powers to the central bank to protect financial consumers; the decree is expected to be submitted to the government at the end of 2017.

Mr. Sevak Mikayelyan, *Deputy Head, Consumer Protection and Financial Education Center, Central Bank of Armenia*, described the institutional setup for financial consumer protection in

Armenia and how this evolved after the central bank received a mandate for financial consumer protection in 2007. The main challenges included building consensus and obtaining support from the top management, stakeholder management and building trust and cooperation from financial services providers. A standalone unit was created in 2014 which covers policy and regulation, supervision, complaints and financial education.

Discussion

The discussion focused on the relationship between general consumer protection and financial consumer protection. In some Asian countries consumer protection for financial and non-financial products are handled by the same institution, but it was also noted that after the financial crisis there was a shift towards reinforced financial consumer protection, meaning that these issues were often dealt with by specific bodies. One participant stressed the specific nature of financial products and services as they entail a risk of income loss.

Session 3 – Developing national strategies for financial education: sharing examples from Asia

Ms. Flore-Anne Messy, *Head of the Financial Affairs Division, OECD Directorate for Financial and Enterprise Affairs and Executive Secretary of the OECD International Network on Financial Education*, moderated the session and gave an introduction on the OECD/INFE work on national strategies for financial education.

Mr. Dinh Xuan Ha, *Head of Research on Development, Financial Institutions Division, Banking Strategy Institute, State Bank of Vietnam*, started by recalling the importance of financial education and by describing the international state of development of national strategies for financial education. He presented some of the existing financial education programmes in Vietnam – mostly implemented by private financial institutions – and noted that there is no national strategy in Vietnam. While the State Bank of Vietnam and the Deposit Insurance of Vietnam launched some awareness programmes, a coordinated approach is still lacking. He recommended that a strategy is created under the coordination of the SBV and that it should be integrated under the financial inclusion strategy.

Ms. Surekha Marandi, *Executive Director, Reserve Bank of India*, described the implementation of the National Strategy for Financial Education in India. The strategy is coordinated by the Financial Stability and Development Council, chaired by the Minister of Finance. A sub-committee dedicated to financial inclusion and financial literacy is chaired by the Governor of the Reserve Bank of India. The National Centre for Financial Education, set up by all financial sector regulators, is in charge of implementing the strategy and offering basic financial education. The four financial regulators also deliver financial education in their specific domains. The Reserve Bank of India creates content for different communication channels and target groups, leverages the network of regulated entities/intermediaries for implementation, builds the teaching capacity of trainers, and conducts independent evaluation of programmes to assess their efficacy. She then described several examples of delivery mechanisms and the plan for setting an impact evaluation.

Mr. Vincent Poon, *Manager, Investor Education Centre, Hong Kong, China*, informed participants that the Hong Kong Strategy for Financial Literacy was launched in 2015. It is led by a steering committee comprised of senior representatives from partnership sectors, which provides overall direction and reviews the strategy, and includes three sub-committees to oversee implementation of core actions. The strategy focuses on raising awareness of the benefits of financial education, extending opportunities to learn and enhancing coordination and collaboration among stakeholders. A key document for the implementation of the strategy is a key competencies framework that does not prescribe any particular approaches to financial education but is used to design new personal finance initiatives or integrate concepts into existing initiatives. The strategy also leverages on a number of Ambassadors who support raising awareness of financial education among people around them. Mr Poon concluded by giving examples of recent financial education initiatives in Hong Kong, China and noting that the strategy will be reviewed for the period 2019-2022.

Ms. Sona Lalayan, *Financial Education Senior Specialist, Central Bank of Armenia*, informed participants of the status and main elements of the national strategy for financial education in Armenia. A steering committee for financial education was set up in 2012 and the national strategy was formally approved by the government in 2014. The steering committee includes public, private and not-for-profit stakeholders and it coordinates the national strategy. The strategy involves several action plans and projects on key target groups including financial education for young people and in school, financial education for rural communities a general awareness programmes (including a website). Projects dedicated to women and migrants will be launched in 2018.

Discussion

The discussion initially focused on the need for financial education to support people in developing competencies to navigate the digital financial environment and to be aware of the new risks (including not sharing confidential data and passwords). The discussion then moved on the evaluation of specific programmes and how existing evaluation metadata and the forthcoming OECD/INFE database of evaluated financial education programmes will support national and international efforts.

Keynote on the evaluation of financial education programmes

Mr. Robert Drake, *General Manager – Grants, Financial Literacy Australia*, shared insights from some evaluations of financial education programmes in Australia. He started by clarifying that evaluations may look at program activities (for process improvements) but that their ultimate goal is to evaluate consumer outcomes (for impact). He described three programmes (to help migrant women gain an income from a small business, to provide financial and business skills to secondary school students, and to empower women financially and reduce risk of financial abuse) and their evaluations. He noted that most evaluations involved the collection of qualitative and quantitative evidence, both from participants and from trainers/mentors/teachers. He stressed that building participants' confidence and motivation was key to the success of these initiatives and that evaluation should focus on the desired outcomes and be built into the programme from the beginning.

Session 4 – Financial consumer protection and education for digital financial services

Mr. Peter Morgan, *Senior Consultant for Research, ADBI*, moderated this session.

Mr. Ritwik Ghosh, *Principal, Retail and Business Banking Practice, Oliver Wyman*, presented the results of the report "Accelerating financial inclusion in Southeast Asia with digital finance" commissioned by the Asian Development Bank (ADB). Financial access in Southeast Asia is improving but large proportions of saving and borrowing go through informal channels. Digital finance represents a big opportunity for financial inclusion, as 20-40% of the formal supply gap can be addressed by digital finance. Digital finance can simplify some entry barriers but is likely to complicate some consumer protection issues, especially those related to dispute resolution and data governance. Digital literacy and financial literacy are among the key barriers, and customer protection is a key regulatory challenge.

Ms. Xue Hu, *Deputy Director of Banking Consumer Protection Department, China Banking Regulatory Commission (CBRC)*, outlined various models for developing digital financial inclusion in China. Internet and information technology are innovating the ways of delivering financial services. Many people already use daily payment solutions through smartphones and CBRC approved a pilot project for online banking for direct sales, which would be the first example of a direct marketing bank. In addition, the internet is used to deliver financial services and send reminders and warnings to customers. The financial regulators released guidelines to better regulate internet finance industry, with the goal to improve consumer protection: better transparency and disclosure, data customer protection, crimes, and improvement of consumers' knowledge about digital financial services. Ms Hu also described various financial education activities that the CBRC conducts as part of its consumer protection effort.

Mr. Lee Kang Hun, *Deputy Representative, Hanoi Office, Korean Financial Supervisory Service (FSS)*, focussed on financial consumer protection for digital financial services in Korea. Fintech is expanding in Korea, with a greater use of big data, mobile payments, peer-to-peer lending and crowdfunding. In April 2017 the first internet-only bank was launched. Fintech can improve financial inclusion and market efficiency but it entails new consumer protection risks deriving from a risk of leakage of personal information and low credibility of P2P lending companies. Fintech can also generate a "blind spot" for regulation, if traditional financial regulation cannot follow the rapid pace of change of digital finance. Internet banks can fill in a gap in the middle interest rate loan market by using a credit scoring system based on big data but consumer protection efforts need to ensure data security. The FSS applies regulatory tools step-by-step through the development of Fintech. As part of a recent regulatory reform aimed at protecting personal information while encouraging the use of big data, the FSS published Guidelines for the de-identification of personal information.

Mr. Tran Huy Tung, *Banking Research Institute, Banking Academy of Vietnam*, provided an overview of the micro-finance sector in Vietnam in terms of the existing formal and informal institutions and their types of clients. He noted that the financial consumer protection

framework for microfinance is weak. Most formal microfinance institutions create and apply their own code of conduct for low-income households and cooperate with not-for-profit organisations (such as associations of women, farmers, etc.) to provide business skills, but very few provide financial education. The Vietnam Bank for Social Policies (VBSP) applies strict procedures and processes to provide clients with quality services and offers loans subject to concession interest rates to favour poor clients. The VBSP is launching SMS banking services to provide information to borrowers, remind them of interest and debt payment, and allow them to conduct some operations on debt repayments; services will be gradually expanded to money transfers, bill payments, and utility payments.

Discussion

Participants engaged in a lively discussion on financial consumer protection for crowdfunding and the type of investors investing in it. In China, the regulation on equity based crowdfunding is strict because of widespread illegal behaviour; crowdfunding platforms should improve disclosure to shareholders and cannot engage in asset management or the securities market. The discussion then moved on micro-credit in Vietnam. Microfinance institutions have a role in supporting the agriculture sector but the take-up of micro-insurance is low. One participant asked what the implications of cryptocurrencies were for financial education and financial consumer protection in China, but it was noted that cryptocurrencies are banned in the country.

Day 2

Welcome remarks and highlights of day 1

Ms. Flore-Anne Messy, *Head of the Financial Affairs Division, OECD Directorate for Financial and Enterprise Affairs and Executive Secretary of the OECD International Network on Financial Education*, delivered welcome remarks and summarised the main highlight of the discussions held during the previous day.

Session 5 – Financial literacy for youth

Ms. Chiara Monticone, *Policy analyst, OECD*, gave an overview of the OECD/INFE policy and practical tools to addressing youth's needs for financial education, including a 2014 publication on financial education in schools, the results of the PISA financial literacy exercises in 2012 and 2015, and the OECD/INFE core competencies framework on financial literacy for youth, developed in response to a G20 call.

Mr. Simon Peel, *Group Manager Research and Strategy, Commission for Financial Capability (CFFC), New Zealand*, informed participants about the state of provision of financial education to young people in New Zealand. The CFFC recently conducted an environmental scan of programmes and resources, showing that over half of the resources are shared through websites (57%), with many including downloadable resources, e.g., printable worksheets for students. He acknowledged that the current provision is fragmented and that the demand exceeds the supply. The CFFC has received government funding to expand and deepen the

provision of financial education in school, but this will require making the case for the relevance of financial capability in an already crowded curriculum, gaining the support of school leaders and parents, encouraging a cross curricula approach to teaching financial capability, increasing access to professional development and increasing access to quality resources.

Ms. Shahariah Othman, Director of Consumer and Market Conduct Department, Bank Negara Malaysia, was replaced in this presentation by **Ms Omar Aziz Siti NurFarhana**, *Supervisor of Consumer Market Conduct, Bank Negara Malaysia*. She outlined the relevance of providing financial education to young people and the specific needs of this target audience. She then described Malaysia's plan to reinforce the delivery of financial education to young people including expanding financial education elements into curriculum for pre-school, primary and secondary students, reinforcing co-curricular initiatives, increasing opportunities for capacity development and teacher support, introducing financial education as compulsory subject in higher education and/or post-secondary technical training programmes, and leveraging on NGOs, public and private sector, as well as corporate bodies for delivery and conducting outreach campaigns.

Ms. Sona Lalayan, *Financial Education Senior Specialist, Central Bank of Armenia*, explained that financial education in school is one of the pillars of the national strategy and that Armenia is conducting and evaluating a pilot programme. The projects started in 2015 with the creation of a competency matrix for learners and continued with the development of financial education content material, integration in existing subjects ("me and the world around", mathematics and algebra, and social sciences) and training of teachers. A pilot project in 13 schools will be implemented in the school year 2017-2018 to evaluate the impact of curriculum on learners and teachers, to evaluate the effectiveness of introducing financial education in each individual subject, and to amend content material and teaching methods before scaling up at the national level. The evaluation will be conducted through focus groups, quantitative tests and class observations.

Discussion

Participants started discussing about the challenges posed by digital financial services on young people and how to address them through dedicated financial education. Participants shared their experiences of including awareness of digital financial services and new risks of fraud into financial education content, and in using digital platforms to deliver financial education.

The discussion then focused on how to introduce financial education into the school curriculum while at the same time avoiding curriculum overload. It was noted that one way to address this issue is to restructure the curriculum to incorporate financial literacy topics without overloading teachers.

The discussion continued on the issue of whether financial education should be compulsory in school. Making it compulsory can be a way of addressing the rapid changes in the financial landscape to which young people are exposed to, including digital financial services, and of

addressing the generational gap in financial literacy. The World Bank is supporting Vietnam in integrating financial education in school, but the government will have to decide whether it should be compulsory. In India, financial education in school is one of the priorities of the national strategy. This included developing teaching material, training teachers and creating a test; all these resources are available online so that they can be accessed at any time.

Participants also discussed how to ensure coherence and progression of learning outcomes and how to test financial literacy. The OECD noted that the OECD/INFE core competency framework on financial literacy for young people is an international instrument supporting countries to develop national learning frameworks and that the PISA financial literacy assessment is an internationally relevant and reliable testing instrument. While it is no longer possible to join the PISA 2018 financial literacy assessment, the OECD explained the process for joining the 2021 assessment.

Session 6 – Financial skills for MSMEs

Mr. Naoyuki Yoshino, *Dean, ADBI*, moderated the session.

Ms. Elizabeth Ooi, *Lecturer, University of Western Australia*, presented the main highlights from a report on Financial education for micro, small and medium sized enterprises (MSMEs) in Asia that the OECD commissioned her to draft and which is part of the broader OECD/INFE work stream on financial education for MSMEs. She noted that MSMEs contribute significantly to the Asian economy in terms of employment and GDP but that they face challenges both from the supply (regulatory barriers to start-up/growth, lack of access to finance/ financing options, lack of support/guidance) and demand side (including a lack of financial literacy, financial exclusion, lack of awareness/knowledge of financing options, lack of general entrepreneurial skills and other business specific skills), especially in the early stages of the business. She gave an overview of financial education initiatives for MSMEs in Asia in terms of providers, delivery channels and shared some examples of evaluated programmes. She concluded with some policy suggestions, such as collecting more evidence on the financial literacy of owners of MSMEs, tailoring programmes to the specific needs of different groups of MSMEs, and regular evaluation of programmes.

Ms. Nguyen Thi Tuyet Mai, *Managing Director, Vietnam's Micro-Finance Working Group*, explained that a survey of micro-finance institutions in Vietnam revealed that many of them conduct financial education initiatives for their clients. Nevertheless, the cost and sustainability of these non-financial services are challenging for many micro-finance institutions. Some micro-finance institutions also developed education initiatives to encourage clients to save and use micro-insurance. She suggested that a national strategy for financial education in Vietnam should be included in a strategy for financial inclusion as a way to ensure stakeholders' cooperation.

Ms. Bihong Huang, *Research Fellow, ADBI*, gave a comprehensive overview of peer-to-peer lending (P2P), with a focus on Asia and China. She noted that P2P lending developed thanks to its faster transaction processes, lower operation cost, and higher rate of return. P2P lending is changing the financial landscape by creating a new asset class (investors can directly own

many pieces of loans from many distinct borrowers), by using new techniques for credit evaluation (not just credit scores, but also big, digital data collected through mobile apps, online websites, utility bills, tax returns, and client purchase and payment histories) and by extending financial inclusion. The roots of P2P lending lie in the UK and US (2005-2006), but over the years Asia has overtaken the US, primarily led by China. The growth of P2P lending in China was made possible by the growing China's middle class, financial depression (state-owned banks tend to favour lending to state-owned enterprises rather than lending to private firms), lack of investment channels, negative real interest rates and lax regulation. She then described different national regulatory models and discussed the challenges of regulating P2P lending, including higher information asymmetries than in traditional credit market and risks of fraud, identity theft, money laundering, consumer privacy and data protection violations.

Session 7 – Financial education needs for micro-insurance

The session was moderated by **Ms. Vu Thu Hang**, *Financial Service Specialist, World Bank, Vietnam*.

Ms. Shayne Rose Bulos, *Senior Advisor – Sustainable Partnerships, GIZ Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI Asia)*, discussed factors that would support the development of micro-insurance, including improving financial access, providing financial education, bundling micro-insurance to loan products, and expanding community-based peer support. The GIZ RFPI project aims at advancing micro-insurance in Asia. She shared some lessons learnt as part of this project, including the fact that effectively implementing financial education to support micro-insurance requires the involvement of all relevant stakeholders and appealing to consumers' emotions. She shared some examples of GIZ projects where financial education was used to support micro-insurance in Ghana, India and the Philippines, and explained the creation of an insurer-MFIs B2B micro-insurance platform where financial education is integrated in the application process. To further support this process, financial education should be customised to clients' needs, integrated in digital financial services and available online.

Mr. Nguyen Dang Tue, *Lecturer, Financial Management Department, School of Economics and Management, Hanoi University of Science and Technology*, gave an overview of micro-insurance in Vietnam and of the factors that limit its growth. He noted that micro-insurance is important in many ways, to support financial inclusion, to complement government social protection, to develop new markets and to support macroeconomic development. In Vietnam, there is high potential demand for insurance products, especially in rural areas, as households are commonly affected by shocks to health and by drought, flooding, livestock disease, and so on. However, credit, not insurance, is the most common way for households to respond to shocks. Micro-insurance is relatively new in Vietnam, including because the development of a legal framework has lagged behind, and because people do not understand the mechanism of insurance and its benefits. Currently, most financial education programmes in Vietnam are implemented by financial institutions as part of their marketing campaigns. The lack of a national strategy for financial education and of

dedicated financial education programmes for micro-insurance further limit the development of the micro-insurance sector.

Discussion

The discussion touched upon financial education initiatives in the Philippines and on the coordination between financial regulation and financial education policies.

Closing remarks

Mr. Bui Quang Trung, *Director, Multilateral Cooperation Division, State Bank of Vietnam*, commended the comprehensiveness of the agenda of this event and thanked all country representatives for participating. He recognised that "one size does not fit all" in the development of financial education policies: the OECD/INFE developed useful instruments and guidance, and countries should build upon them and adapt them to their own situation. In order to make a strategy successful it is necessary to have political and public support, and to use resources efficiently. He stressed that national frameworks for financial education and financial consumer protection should be integrated in a strategy for financial inclusion, and that a national network should be established to coordinate the relevant stakeholders and use resources more efficiently. He mentioned that the government of Vietnam gave an agreement in principle to establishing a national strategy for financial inclusion.

Mr. Naoyuki Yoshino, *Dean, ADBI*, shared the main elements that supported the successful implementation of the national strategy for financial education in Japan, including the importance of coordination among stakeholders, setting up rules to avoid conflicts of interest between education and commercial activities, and collecting data on the level of financial literacy of the population. A survey among school students in 2010 revealed that many of them did not connect financial education to their lives and this provided the basis for developing dedicated programmes and training teachers. Similarly, a survey of the financial literacy of adults showed gaps in the population across age, gender and rural/urban residents.

Mr. Shigeto Hiki, *Head of Special Projects and Outreach Unit, Directorate for Financial and Enterprise Affairs, OECD*, reminded participants that they are welcome to join OECD/INFE activities on financial education. After the financial crisis, global interest rates have become very low, the population is ageing — including in Asia, and the digitalisation of financial services is changing the financial landscape very rapidly and creating new and more complex products. Under these circumstances, financial education and financial consumer protection should be reinforced to mitigate risks related to financial transactions. He also reiterated that the OECD is looking forward to supporting Asian countries and especially CLMV countries not only on financial education and financial consumer protection but also on other topics like insurance and corporate affairs.

4. Evaluation summary

Average Ratings from Participants

A total of 54 people participated in the conference. Evaluations were provided through feedback from a questionnaire which was circulated on the second day. Approximately 48% of participants (22 out of 46 — excluding OECD and ADBI staff) completed the questionnaire. The average ratings and the percentage of “good” or “excellent” ratings are reported in the table below.

	Average rating	Percentage of participants rating "Good" or "Excellent"	Interpretation
Overall quality of the Conference	4.55	100%	Excellent
New knowledge and skills as a result	4.50	95%	Excellent
Objectives are clear	4.41	91%	Good
Topics discussed are relevant to organization	4.41	91%	Good
New knowledge gained in my work	4.36	91%	Good
Advance materials/readings were useful	4.50	95%	Excellent
Practical applications for workshop content	4.31	86%	Good
Secretariat	4.68	100%	Excellent
Venue and facilities	4.59	95%	Excellent
Length of the conference	4.40	91%	Good

Note on data interpretation: (5 Excellent, 4 Good, 3 Neutral, 2 Poor, 1 Very Poor).

Comments and Suggestions

The average rating for all aspects of the event was “good” or “excellent”, as shown above. Participants did, however, provide a number of comments and suggestions that might be taken on board for future events.

Participants also suggested potential improvements for future events. Some participants suggested that the event should be extended by another day and others expressed a desire for longer discussions among participants, rather than just questions for speakers. Concerning content, some participants suggested inviting officials from European countries who have successfully led financial inclusion and improved financial literacy in their countries to share their experiences with others.

5. Agenda

Day 1 – 3 October 2017

08:30-09:00 Registration

09:00-09:30 Welcome and opening remarks

- **Ms. Nguyen Thi Hong**, Deputy Governor, State Bank of Viet Nam
- **Mr. Naoyuki Yoshino**, Dean, ADBI
- **Mr. André Laboul**, Senior Counsellor, OECD Directorate for Financial and Enterprise Affairs, Special Advisor to the G20 Sherpa, OECD

9:30-9:40 Group photo with all participants

PART 1 – DIAGNOSIS

09:40-11:10 Session 1 – Identifying financial education needs: assessing financial literacy and financial inclusion in Viet Nam and internationally

Moderator **Mr. André Laboul**, Senior Counsellor, OECD Directorate for Financial and Enterprise Affairs, Special Advisor to the G20 Sherpa, OECD

Panellists

- **Ms. Chiara Monticone**, Policy analyst, OECD
- **Mr. Peter Morgan**, Senior Consultant for Research, ADBI
- **Mr. Long Q. Trinh**, Project Consultant, ADBI
- **Ms. Kanittha Tambunlertchai**, Assistant Dean, Chulalongkorn University, Thailand
- **Ms. Pham Thi Hoang Anh**, Director of Banking Research Institute, Banking Academy of Vietnam

Discussant

- **Ms. Elizabeth Ooi**, Lecturer, University of Western Australia

11:10-11:30 Coffee Break

11:30-13:00 Session 2 – Identifying financial consumer protection challenges in Asia

Moderator **Mr. Naoyuki Yoshino**, Dean, ADBI

Panellists

- **Ms. Shahariah Othman**, Director of Consumer and Market Conduct Department, Bank Negara Malaysia
- **Mr. Hariharan Neelakanta Iyer**, Chief General Manager Office of Investor Assistance and Education, Securities and Exchange Board of India
- **Mr. Khamphout Phetsouvanh**, Head of Legal Section, Legal Division, Bank Supervision Department, Bank of the Lao PDR
- **Mr. Sevak Mikayelyan**, Deputy Head, Consumer Protection and Financial Education Center, Central Bank of Armenia

13:00-14:00 Lunch - Cafe du Lac restaurant

PART 2 – POLICY SOLUTIONS

14:00-15:30 Session 3 – Developing national strategies for financial education: sharing examples from Asia

Moderator **Ms. Flore-Anne Messy**, Head of the Financial Affairs Division, OECD Directorate for Financial and Enterprise Affairs and Executive Secretary of the OECD International Network on Financial Education

- Panellists
- **Mr. Dinh Xuan Ha**, Head of Research on Development, Financial Institutions Division, Banking Strategy Institute, State Bank of Vietnam
 - **Ms. Surekha Marandi**, Executive Director, Reserve Bank of India
 - **Mr. Vincent Poon**, Manager, Investor Education Centre, Hong Kong, China
 - **Ms. Sona Lalayan**, Financial Education Senior Specialist, Central Bank of Armenia

15:30-15:45 Coffee Break

15:45-16:30 Keynote on the evaluation of financial education programmes: Robert Drake, General Manager – Grants, Financial Literacy Australia

16:30-18:00 Session 4 – Financial consumer protection and education for digital financial services

Moderator **Mr. Peter Morgan**, Senior Consultant for Research, ADBI

- Panellists
- **Mr. Ritwik Ghosh**, Principal, Retail and Business Banking Practice, Oliver Wyman
 - **Ms. Xue Hu**, Deputy Director of Banking Consumer Protection Department, China Banking Regulatory Commission
 - **Mr. Lee Kang Hun**, Deputy Representative, Hanoi Office, Korean Financial Supervisory Service
 - **Mr. Tran Huy Tung**, Banking Research Institute, Banking Academy of Vietnam

18:00 Cocktail – Terrace

Day 2 – 4 October 2017

09:00-09:15 Welcome remarks and highlights of day 1

Ms. Flore-Anne Messy, Head of the Financial Affairs Division, OECD Directorate for Financial and Enterprise Affairs and Executive Secretary of the OECD International Network on Financial Education

PART 3 – TARGETED DELIVERY

09:15-10:15 Session 5 – Financial literacy for youth

Moderator	Ms. Chiara Monticone , Policy analyst, OECD
Panellists	<ul style="list-style-type: none">• Mr. Simon Peel, Group Manager Research and Strategy, Commission for Financial Capability, New Zealand• Ms. Shahariah Othman, Director of Consumer and Market Conduct Department, Bank Negara Malaysia• Ms. Sona Lalayan, Financial Education Senior Specialist, Central Bank of Armenia

10:15-10:45 Coffee Break

10:45-11:45 Session 6 – Financial skills for MSMEs

Moderator	Mr. Naoyuki Yoshino , Dean, ADBI
Panellists	<ul style="list-style-type: none">• Ms. Elizabeth Ooi, Lecturer, University of Western Australia• Ms. Nguyen Thi Tuyet Mai, Managing Director, Vietnam's Micro-Finance Working Group• Ms. Bihong Huang, Research Fellow, ADBI

11:45-12:30 Session 7 – Financial education needs for micro-insurance

Moderator	Ms. Vu Thu Hang , Financial Service Specialist, World Bank, Viet Nam
Panellists	<ul style="list-style-type: none">• Ms. Shayne Rose Bulos, Senior Advisor – Sustainable Partnerships, GIZ Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI Asia)• Mr. Nguyen Dang Tue, Lecturer, Financial Management Department, School of Economics and Management, Hanoi University of Science and Technology

12:30 – 12:45 Closing remarks: summing up and way forward

- **Mr. Bui Quang Trung**, Director, Multilateral Cooperation Division, State Bank of Vietnam
- **Mr. Naoyuki Yoshino**, Dean, ADBI
- **Mr. Shigeto Hiki**, Head of Special Projects and Outreach Unit, Directorate for Financial and Enterprise Affairs, OECD

6. List of participants

Title	First name	Last name	Organization	Country
Mr	Sevak	Mikayelyan	Central Bank of Armenia	Armenia
Ms	Sona	Lalayan	Central Bank of Armenia	Armenia
Mr	Robert	Drake	Financial Literacy Australia	Australia
Ms	Elizabeth	Ooi	University of Western Australia	Australia
Ms	Sutapa	Chowdhury	Microcredit Regulatory Authority	Bangladesh
Ms	Xue	Hu	China Banking Regulatory Commission	China
Mr	Vincent	Poon	Investor Education Centre	Hong Kong, China
Ms	Surekha	Marandi	Reserve Bank of India	India
Mr	Hariharan	Neelakanta Iyer	Securities and Exchange Board of India	India
Ms	Hasniah		Fiscal Policy Agency - Ministry of Finance of the Republic of Indonesia	Indonesia
Mr	Kang Hun	Lee	Financial Supervisory Service	Korea
Mr	Kingxay	Chounlamountry	Ministry of Industry and Commerce	Lao PDR
Ms	Niphananh	Keola	GIZ	Lao PDR
Mr	Khamphout	Phetsouvanh	Bank of the Lao PDR	Lao PDR
Ms	Southanong	Vongduangchanh	Bank of the Lao PDR	Lao PDR
Ms	Siti NurFarhana	Omar Aziz	Bank Negara Malaysia	Malaysia
Ms	Shahariah	Othman	Bank Negara Malaysia	Malaysia
Mr	Simon	Peel	Commission for Financial Capability	New Zealand
Ms	Shayne	Bulos	GIZ RFPI Asia	Philippines
Ms	Annabelle	Magno	Department of Finance	Philippines
Ms	Irene	Salazar	Department of Finance	Philippines
Ms	Irene	Sta. Ines	Department of Finance	Philippines
Mr	Ritwik	Ghosh	Oliver Wyman	Singapore
Ms	Beverly	Tan	Monetary Authority of Singapore	Singapore
Ms	Charosporn	Chalermtiarana	Ministry of Finance	Thailand
Ms	Kanittha	Tambunlertchai	Chulalongkorn University	Thailand
Mr	Trung	Bui Quang	State Bank of Viet Nam	Viet Nam
Mr	Tung	Bui Thanh	State Bank of Viet Nam	Viet Nam
Mr	Ha	Dinh Xuan	State Bank of Viet Nam	Viet Nam
Ms	Lan Anh	Doan Thi	State Bank of Viet Nam	Viet Nam

Title	First name	Last name	Organization	Country
Mr	Dung	Ngo Tuan	State Bank of Viet Nam	Viet Nam
Ms	Tuyet Mai Thi	Nguyen	Vietnam's Micro-Finance Working Group	Viet Nam
Mr	Dang Tue	Nguyen	Hanoi University of Science and Technology	Viet Nam
Ms	Hong	Nguyen Thi	State Bank of Viet Nam	Viet Nam
Ms	Thanh	Nguyen Thi Huong	State Bank of Viet Nam	Viet Nam
Ms	Thuy	Nguyen Thi Thu	State Bank of Viet Nam	Viet Nam
Ms	Hoang Anh Thi	Pham	Banking Academy of Vietnam	Viet Nam
Ms	Anh	Thai Lan	State Bank of Viet Nam	Viet Nam
Mr	Tung	Tran Huy	Banking Academy of Vietnam	Viet Nam
Ms	Hang	Vu Thu	World Bank	Viet Nam
	Thang	Dinh	State Bank of Viet Nam	Vietnam
	Auyen	Do	Ministry of Finance-ISA	Vietnam
	Linh	Le	ISA	Vietnam
	Linh	Nguyen	Ministry of Finance	Vietnam
Ms	Ly	Nguyen Thi	World Bank	Vietnam
Ms	Phong	Nguyen Thi		Vietnam
Ms	Bihong	Huang	ADB	ADB
Mr	Peter	Morgan	ADB	ADB
Mr	Long Q.	Trinh	ADB	ADB
Mr	Naoyuki	Yoshino	ADB	ADB
Mr	André	Laboul	OECD	OECD
Mr	Shigeto	Hiki	OECD	OECD
Ms	Flore-Anne	Messy	OECD	OECD
Ms	Chiara	Monticone	OECD	OECD