



HARNESSING INNOVATION ON FINANCIAL INCLUSION: THE MARAWI EXPERIENCE

Session 2: Navigating the
New Globalization: Local
Actions For Mindanao

Th MINDANAO POICY RESEARCH FOUUM
10 September 2019 | MINDANAO STATE UNIVERSITY GENSAN
GENERAL SANTOS



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BACKGROUND

Financial Inclusion – a state wherein there is **effective access** to a **wide range of financial products by all** (Central Bank of the Philippines).

Nationwide:

7 out of 10 Filipinos are not financially excluded

4 out of 10 Filipinos saves money

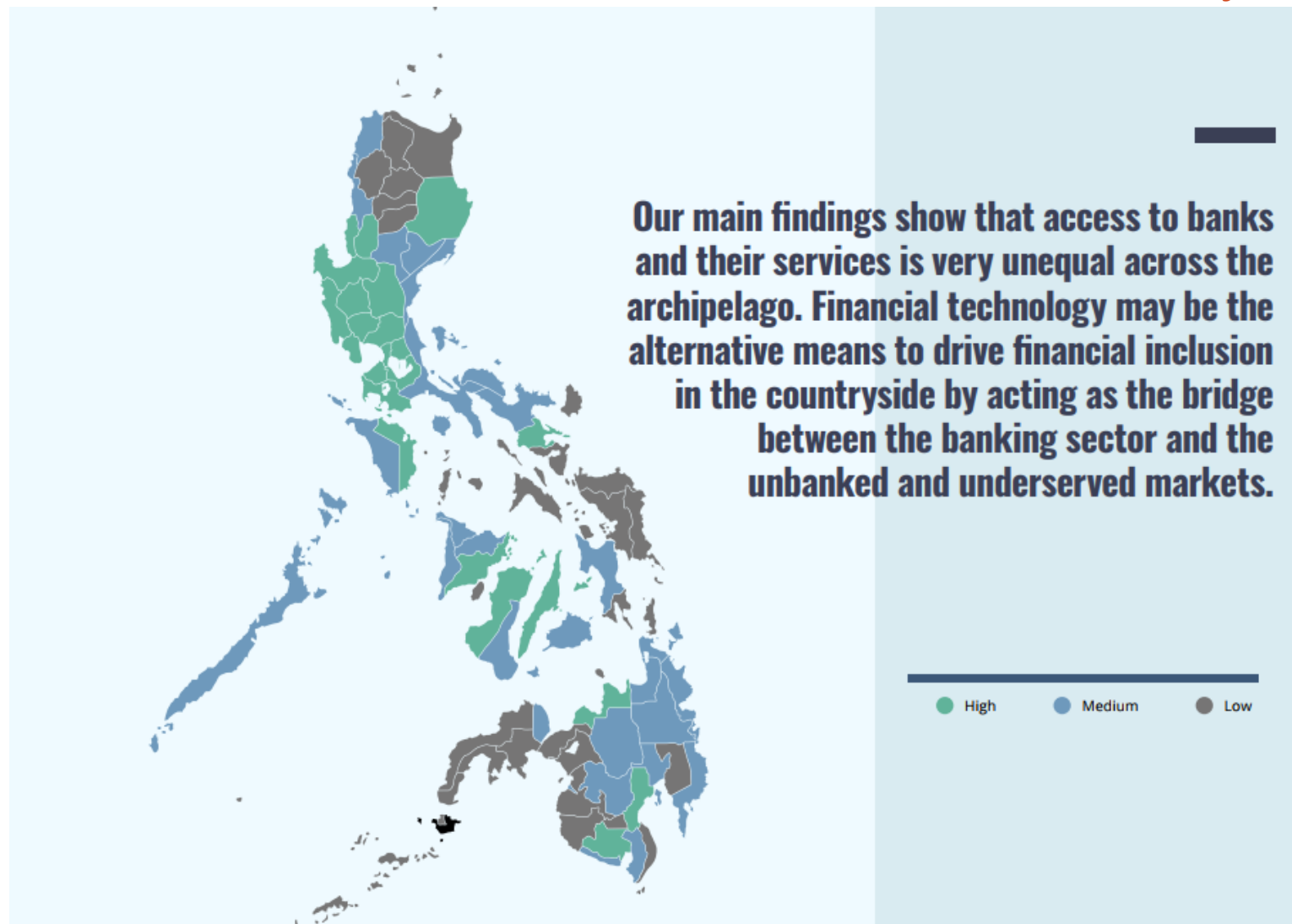
68% of those who save kept money at home

47% of Filipino adults avails of loan (62% informal sources; 10% informal lenders)

38% of Filipino adults receives remittances

32.5% of Filipino adults have life insurance coverage





91%
ng ARMM ay
nananatiling
unbanked.



WHY FINANCIAL INCLUSION IS IMPORTANT?

69%

Adult population without access to financial services

1%

Transacted electronically out of 2.5 billion transactions per month worth PHP3.7 trillion (USD74 billion)

21mins

Average time to get to the nearest financial touchpoint

(USD0.86)

PHP43

Average transport cost to get to the nearest financial touchpoint

The Solution

People

Empower individuals and communities to gain access to finance

Partners

Forge strategic stakeholder collaborations with a vision to make things happen

Policy

Craft enabling regulatory framework conducive to digital transformation

Platform

Build customer-centric initiatives that promote consumer welfare

The Outcome

Source: Voyager & FinTQ

Universal Access

Simulating inclusive economic growth that promotes **seamless, affordable, secure, and responsive financial services** (i.e. lending, saving, investment, insurance, payments) across segments, leveraging on mobile technology through awesome customer experience.

Generating jobs, improving agricultural productivity, and steering Filipinos away from informal lending

- **Social Impact:** Poor men and women living in extremely vulnerable environment remain poor and access to welfare services (i.e. health, education, etc.) comes with a greater or higher cost.
- **Financial Impact:** Financial services remains affordable only to working and business sectors, cashflow in local economy not circulated widely.

FINANCIAL INCLUSION FOR RECOVERY OF MARAWI

Objectives:

1. To meet urgent, life saving needs of 10,000 IDPs, the project seek to improve the access to critical life savings needs and catalyze vulnerable livelihoods of at risk IDPs.
2. To help meet their basic needs and restore or diversify vulnerable livelihoods, transparent, safe and quick transfer will be provided through market restoration.



10,000
na benepisyaryo ng FIRM ang natukoy ayon sa listahan ng pamantayan.

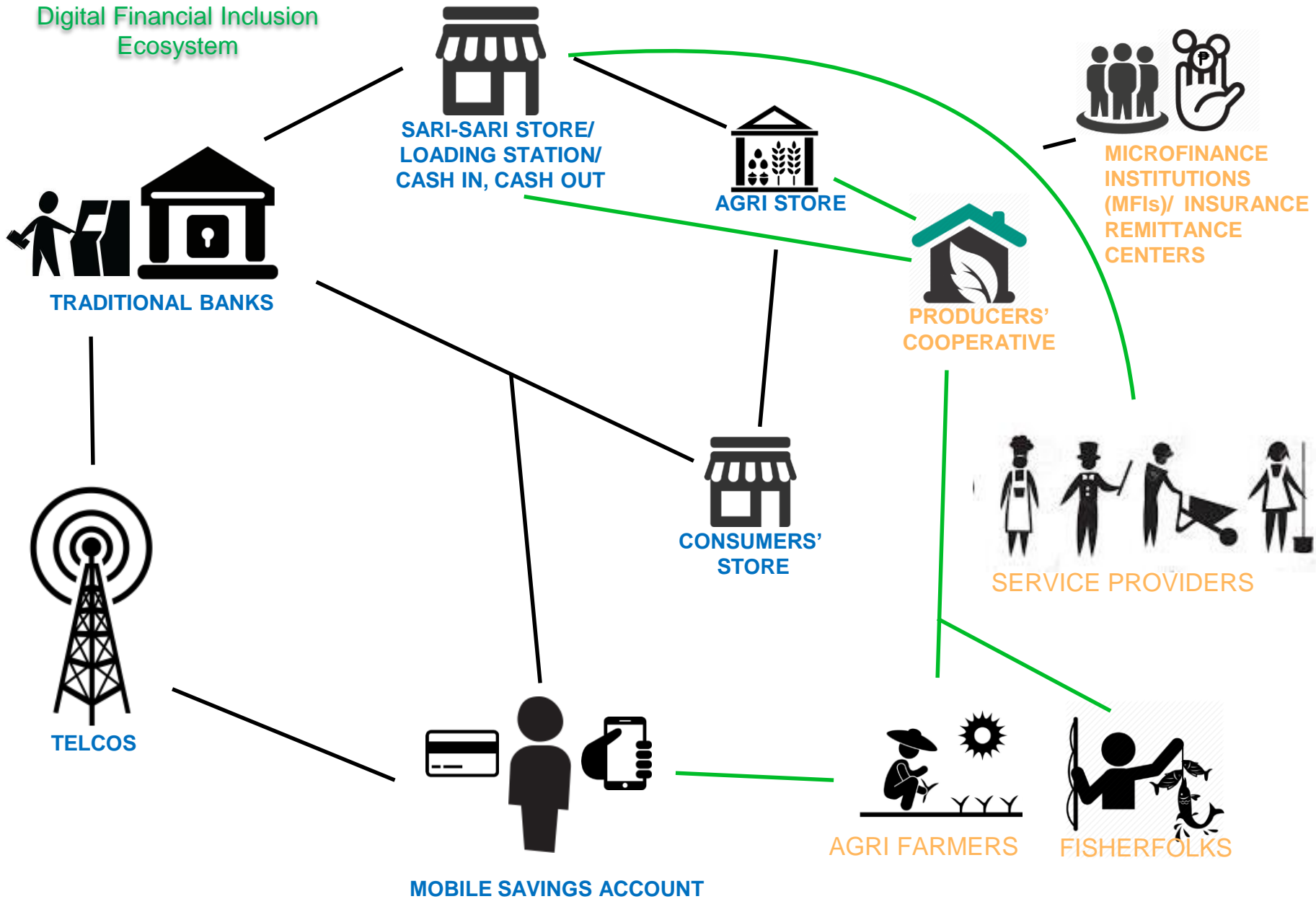
60%
ay kababaihan

Vulnerability Criteria

1. Mula sa mga munisipalidad na pinaka-apektado ng Marawi conflict
2. May katibayan ng pagkatao tulad ng DAFAC at Barangay Certificate
3. Mayroong sakit, kapansanan, biktima ng gender violence, atbp
4. Nawalan ng kapamilya sa gitna ng Marawi conflict
5. IDPs na hindi pa nakakabalik sa kanilang tirahan
6. Hindi nakakatanggap ng tulong pinansyal mula sa ibang organisasyon o kapamilyang nagtatrabaho sa ibang bansa
7. Mga residente ng Marawi na mula sa most-affected areas nagrenta ng tirahan, informal settler, o biktima ng kalamidad kamakailan (Bagyong Vinta)

OXFAM IDEALS PDRN Padala PayMaya CERF

Digital Financial Inclusion Ecosystem



INCLUSIVE RECOVERY & ECONOMIC EMPOWERMENT



TELCOS



TRADITIONAL BANKS

MICROFINANCE INSTITUTIONS

COMMUNITY STORES

ELECTRONIC
MOBILE ACCOUNT



AN APP & CARD LIKE NO OTHER...

Shariah compliant • No maintaining balance or minimum deposit • Covers only transaction cost



Savings



Purchase



Insurance



Remittance



Payment



**Transactions
Tracker
(SMS/Email)**

Powered by the financial ecosystem

Banks * Microfinance Institutions * Mobile network operators * Insurance companies * Financial technologies *
Payment & card companies * Remittance centers * Financial cooperatives

APPROACH AND STRATEGIES

To help build resiliency of vulnerable Filipinos against financial shocks caused by poverty and disaster through greater financial inclusion thru:



COMPONENT 1: SOCIAL PREPARATION

Profiling and registration of beneficiaries
Mapping of small and medium merchants (MIMO and MPOs)
Building of savings for Change (Sfc) self-help groups



COMPONENT 2: FINANCIAL LITERACY

Increase awareness on options and financial products particularly on savings, micro-credit, and micro-insurance



COMPONENT 3: BETTER SERVICES FOR WIDER SOCIAL PROTECTION

Integrating and expanding access to financial services for personal, business and social protection / insurance (life, property and livelihood) coverage in Emergency and development cash based programs

RESULTS

For Agaiso Linintan, the best part about the iAFFORD card is how they can freely use it without fear of going against their beliefs in Islam. (Photo: Luisa Carla Galicia/IDEALS Inc.)



- **100% real time disbursement of cash aid to 10,000 IDPs in different location, along with distribution of 10,000 halal micro-insurance**
- **Increase in awareness in financial inclusion, data rights and Islamic finance (PDM 2018).**
- **Convergence with stakeholders avoids duplication, inefficiencies and created greater impact**
- **Civil society organizations, aid and development organizations became enabler of financial inclusion**
- **Innovation on financial products supporting Islamic finance**
- **Supported Islamic economy through halal enterprises and livelihood**

Resources

Saving up for a rainy day!



Bangko Sentral ng Pilipinas

National Strategy for Financial Inclusion



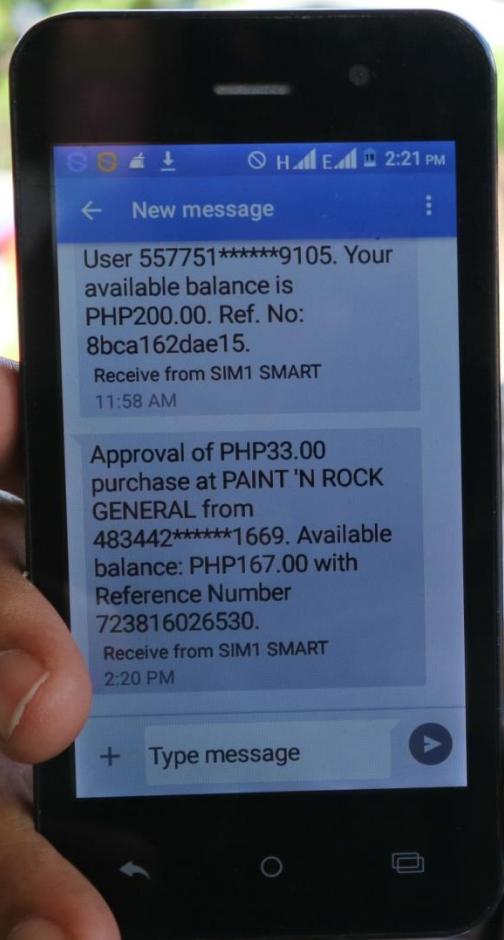
GOING DIGITAL FOR THE POOR AND UNBANKED

CASE STORIES FROM THE AFFORDABLE
FINANCIAL FACILITIES FOR RESILIENT AND
DEVELOPED FILIPINOS (IAFFORD) PROJECT



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OXFAM IN THE PHILIPPINES MARCH 2019



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Approval of PHP33.00 purchase at PAINT 'N ROCK GENERAL from 483442*****1669. Available balance: PHP167.00 with Reference Number 723816026530.
Receive from SIM1 SMART
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