

TARGET HIGHLIGHTS BY 2023

1. Enabling Regulations, Policies and Measurements

- Sandboxing regulations
- Credit Guarantee Scheme
- Alternate collateral for access to financial guidelines
- Financial Guidelines for Credit Cooperative, Farmers Group and Self Help Groups
- Inclusive Green Finance Roadmap
- Compensation guidelines for consumer Protection and establishment of dedicated CP cells in the financial sector
- Conduct Access to Finance (A2F) Demand Side Survey
- Develop National Financial Literacy capability measurement tool and FL program evaluation templates

2. Financial Inclusion core indicators

- 85% regulated adult deposit accounts and 85% regulated youth deposit accounts
- 12% e-money accounts
- 20% adult credit accounts
- 20% MCSI credit exposure and 7% agriculture credit exposure
- 25% adult insurance accounts with 6% life insurance accounts
- 106,478 shareholders and 51 new brokerage firms
- 2711 agents with 650 bank agents
- 879 POS terminals

3. FL curriculum, programs and Publications

- 5 Fintech startup projects
- Financial literacy curriculum integration in the formal mainstream curriculum (key stage I-V)
- Financial literacy curriculum development for NFE learners, Vocational Institute and other agencies
- Financial literacy self learning app
- 30 schools rollout for Ye-Banking program
- Financial literacy on wheels I: conduct TOT educational program with 40% female participation
- Financial literacy on wheels II: FL sensitization program to target groups with 40% female participation
- 20 agency TOT program for master trainers
- 16 Finlit talk programs
- 4 thematic Joint Learning Workshop (JLW)
- 4 Global Money Week Program (GMW)
- 8 Publications of e-FinLit newsletter
- 3 Annual financial Inclusion Forum
- Development of financial Literacy Media resources and AV clips



NFIC NATIONAL FINANCIAL
INCLUSION COLLABORATION

*In-pursuit of an Inclusive, Innovative
and Resilient Economic Development
through Collaborative Engagements*

FINANCIAL INCLUSION NATIONAL ACTION PLAN (FINAP)

AT A GLANCE

2019-2023



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85% FINANCIAL INCLUSION BY 2023



INTRODUCTION

Financial inclusion has been recognized as one of the drivers towards achieving Bhutan's national goal of sustainable and inclusive socio-economic development. Promoting and expanding appropriate financial products and services across the country is crucial to inclusive finance development. Studies have shown that access to basic financial products and services, such as savings, payments, credit and investments, make a substantial positive difference in people's lives. Financial inclusion, therefore, has the potential to improve the financial well-being of the unserved and underserved segments of the population.

His Majesty's address to the country at the 109th National Day of Bhutan celebrations on 17 December 2016 clearly articulated the potential of the financial sector to create opportunities and improve access to finance for our youth and rural populace. Consistent to his Majesty's aspiration, financial inclusion has been acknowledged as an important national tool to ensure access to affordable formal financial services for all citizens towards contributing to inclusive economic growth.

The National Financial Inclusion Strategy (NFIS) 2018-2023 and National Financial Literacy Strategy (NFIS) 2018-2023 were launched on 30th August 2018 to enhance and enable financial inclusion initiatives in Bhutan. The NFIS 2018-2023 is a subset document to the overarching NFIS 2018-2023. As per the NFIS 2018-2023, 40% (baseline) of the total adult population remains financially excluded as of December 2017, indicating only 60% of the total adult population have at least one formal regulated account at the existing Financial Service Provider(s). Further, only 15% of the total adult population have access to credit and 15% access to insurance services.

The Financial Inclusion National Action Plan (FINAP) targets 85% financial inclusion based on the financial inclusion value store transaction account by 2023.

PURPOSE



The FINAP 2019-2023 is formulated to incorporate efficient modality of co-financing and joint-support development assistance from RMA, FSPs, Government Agencies and International Organizations.

The FINAP 2019-2023 serves as an implementing action plan, outlining financial inclusion enhancement activities, towards meeting the NFIS 2018-2023 objectives.

The operating guideline also ensures smooth and effective utilization of the project fund administered with highest level of accountability and transparency.



'Enhanced access to and usage of quality and affordable formal financial services by all Bhutanese through an inclusive financial system.'

GOVERNANCE STRUCTURE

1. High level NFIS Steering Committee (SC)
2. NFIS Working Groups (WG)
 - Products and Channel (PC) WG
 - Consumer Empowerment and Financial Literacy (CEFL) WG

PILLARS AND OUTPUTS



STRATEGIC PILLAR 1:

Enhance appropriate financial products and services

Output 1.1: Access and usage to formal financial products and services (bank and non-bank) increased

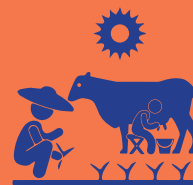


STRATEGIC PILLAR 2:

Strengthen financial accessibility and proximity

Output 2.1: Financial access points expanded

Output 2.2: Digital Financial Services leveraged



STRATEGIC PILLAR 3:

Promote financing for priority sector growth

Output 3.1: lending exposure for priority economic activities enhanced

Output 3.2: Innovative alternate financing schemes promoted and enabled



STRATEGIC PILLAR 4:

Strengthen financial capability and consumer protection

Output 4.1: Stakeholder coordination, commitments and capacity strengthened

Output 4.2: Financial education for children and youth strengthened

Output 4.3: Targeted outreach, engagement and empowerment programs facilitated

General Enablers, support and Misc. services

