

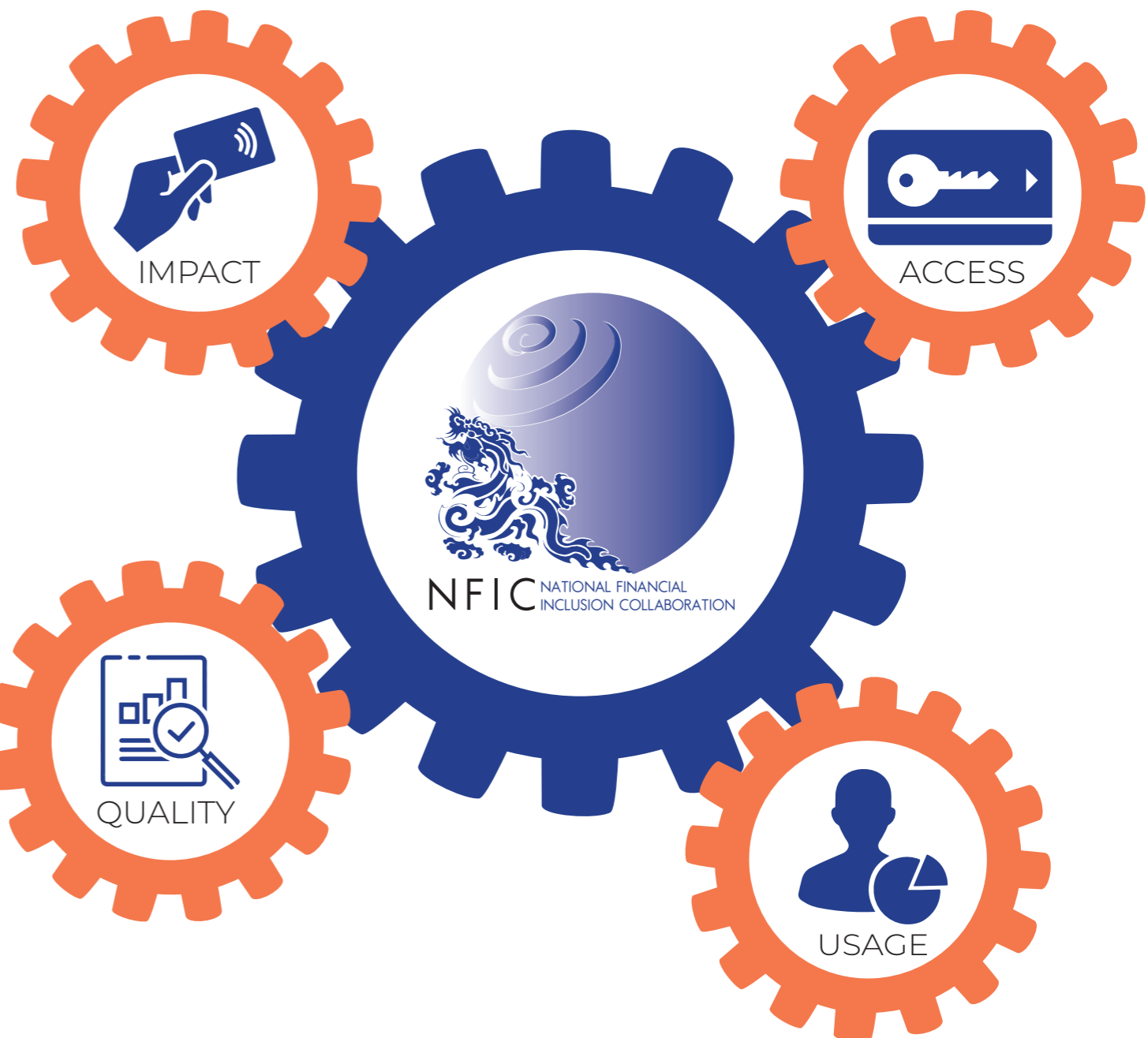
FINANCIAL INCLUSION NATIONAL ACTION PLAN (FINAP)

2019-2023



NFIC NATIONAL FINANCIAL
INCLUSION COLLABORATION

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



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85% FINANCIAL INCLUSION BY 2023

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												
SI No.	Activities	Indicators	Baseline (2018)		Target (2023)		Timeline	MOV	Responsible Organization/Agency	Responsible Organization's Specific targets	Priority	Budget appropriated in Nu. million
			In Numbers	In %	In Numbers	In %						
1.1.1	Increase % of unique adult formal value store transaction account holders incorporating the basic bank checking accounts and e-money/wallet accounts	% proportion of unique and formal savings checking account to total adult population (age 18 and above)	323,165	64%	468,165.00	85%	2020-2023	Annual status report submission	All registered relevant FSPs (Banks and Deposit taking MFIs)	Responsible organization collectively are encouraged to increase at least 145,000 unique and new value store transaction account to achieve 85% adult financial inclusion by 2023 (all banks together are encouraged (projected) to increase 36,000 unique and new checking accounts annually starting 2020.	High	As per responsible agency's capacity
		% proportion of e-money/ accountst to total adult population	47,466	9%	67,500.00	12%	2020-2023	Annual status report submission	All registered Telcos	Responsible organization collectively are encouraged to increase at least 20,000 unique and new value store transaction (unique to bank accounts) account to achieve 12% by 2023 (all Telcos together are encouraged (projected) to increase unique and new checking accounts of 5,000 annually starting 2020.	High	As per responsible agency's capacity
1.1.2	Develop innovative schemes to promote value store transactionaccount (savings and payment products such as e-money)	Number and type of new schemes introduced	-	-	Atleast 4 new schemes to be jointly initiated to promote value store transaction accounts and ensure increase in number of users annually	-	2020-2023	Copy of MOUs signed or copy of new schemes and status reports	All registered relevant FSPs (Banks, MFIs, Telcos and other related FSPs)		Medium	As per responsible agency's capacity
1.1.3	Encourage value store transaction account opening for youths falling under age 18-24	Number of value store transaction opened for age 18-24 years and above	-	-		threshold of tapping (annually) 85% of the total population age group of 18-24	2020-2023	Copy of status report from relevant agencies	All relevant FSPs, MOE, RUB, MOLHR, Zhung Dratshang and any other identified agencies	All responsible organizations are encouraged to maintain atleast 85% value store transaction accounts to the total youth falling under the age group of 18-24 within their sectoral perview. All FSPs collectively are encouraged to support, promote and design measurement to record value store trasactions of youths aged 18-24	High	As per responsible agency's capacity
1.1.4	Introduce and implement Insurance related to rural crop/ life/livestock etc.	Number and type of insurance schemes introduced (livestock/ crop/life)	-	-	Atleast two new insurance schemes		2021	Copy of status report from relevant agencies	All registered Insurance companies	Atleast two new rural schemes to be introduced and implemented related to life/livestock/crop	High	3,000,000.000
1.1.5	Introduce and implement voluntary PF saving scheme	Number and type of voluntary PF saving scheme introduced and record subscriber usage	-	-	Atleast one new saving schemes under NPPF and increase users annually		2022	Copy of status report from relevant agencies	NPPF		High	As per responsible agency's capacity
1.1.6	Leverage digital identity to enhance e-KYC effectiveness	Number of agencies leveraging the usage of digital identity	-	-	Digital identity access/usage enabled to all registered FSPs		2023	Copy of status report	RGOB(DIT), RMA		High	As per responsible agency's capacity
1.1.7	Improve financial transaction forms with input of biligual language	Number and type of biligual forms initiated	-	-	Ensure to atleast incorporate biligual basic saving account opening form		2020	Copy of status report and submission of biligual forms	All relevant FSPs	All relevant FSPs	Medium	As per responsible agency's capacity
1.1.8	Expand number of shareholders	Number of unique shareholders to total adult population	42,791	-	106,478	-	2023	Copy of status report	RSEBL	Annual inclusive increase based on geographical distribution (20% annual average increase of new shareholders other than Thimphu Dzongkhag)	Medium	As per responsible agency's capacity

Strategic Pillar 2: Strengthen financial accessibility and proximity												
Output 2.1: Financial access points expanded												
SI No.	Activities	Indicators	Baseline (2018)		Target (2023)		Timeline	MOV	Responsible Organization/Agency	Responsible Organization's Specific targets	Priority	Budget appropriated in Nu. million
			In Numbers	In %	In Numbers	In %						
2.1.1	Expand agent network (bank and non-bank) establishment with improved and diversified services to the unserved and underserved rural areas	Number of agent established by banks and non-bank FSPs with geographical penetration	2,396	47 per 10,000 adults	2,711	Atleast 49 per 10,000 adults	2020-2023	Annual status report submission	All registered relevant FSPs	Increase number of agents to atleast 2711 by 2023. Bank agents are encouraged to increase atleast 40 agents annually to target 650 agents by 2023 to achieve 12 per 10,000 adults.	High	As per responsible agency's capacity
2.1.2	Expand POS terminals	Number of POS terminals	779	-	879	-	2020-2023	Annual status report submission	All registered relevant FSPs	All Banks and relevant FSPs are encouraged to increase POS terminals to 879 by 2023.	Medium	As per responsible agency's capacity
2.1.2	Expand brokerage firms/agents across the country	Number of brokerage firms/agents set up across the country in collaboration with relevant intermediaries	6	0.10 per 10,000 adults	atleast 51 new sub-brokerage firms/agents	atleast 1 per 10,000 adults	2020-2023	As per status report submission	RSEBL and relevant intermediaries	Increase atleast 51 new brokerage firm/agents set up across the country	Medium	As per responsible agency's capacity
Output 2.2: Digital Financial Services leveraged												
SI No.	Activities	Indicators	Baseline (2018)		Target (2023)		Timeline	MOV	Responsible Organization/Agency	Responsible Organization's Specific targets	Priority	Budget appropriated in Nu. million
			In Numbers	In %	In Numbers	In %						
2.2.1	Introduce value addition financial services focusing to the visual and hearing impaired target groups	Type of services and number of users	-	-	Introduce atleast two types of valued added financial services for the visual and hearing impaired target groups	-	2021	Annual status report submission	Relevant FSPs	All FSP's collective initiatives of introducing and implementing two value added services for specific target group (visual and hearing impaired)	High	As per responsible agency's capacity
2.2.2	Supportive sandboxing regulations to be introduced to promote Fintech initiatives	Number of innovative digital based lending registered under sandboxing framework	-	-	Register five clients by 2023	-	2021	Copy of endorsed sandboxing framework and status report	DPSS and DIT RMA	Encourage atleast five clients under the framework	Medium	As per responsible agency's capacity
2.2.3	Ensure merchant payment interoperability option services for all payment features focusing to QR and wallet payments	Number of payment services (features) with interoperability options and number of users	-	-	Introduce interoperability features for atleast QR Code and wallet system	-	2022	A copy of public notification and status reports	DPSS and DIT of RMA and Telcos		High	As per responsible agency's capacity
Strategic Pillar 3: Promote financing for priority sector growth												
Output 3.1: lending exposure for priority economic activities enhanced												
SI No.	Activities	Indicators	Baseline (2018)		Target (2023)		Timeline	MOV	Responsible Organization/Agency	Responsible Organization's Specific targets	Priority	Budget appropriated in Nu. million
			In Numbers	In %	In Numbers	In %						
3.1.1	Increase % of domestic MCSI credit exposure portfolio	% of overall domestic MCSI credit exposure to total loan portfolio	-	16%	-	20%	2020-2023	Annual status report submission	All MCSI lending FSPs	All FSPs collectively are encouraged to lend atleast Nu.160 billion by 2023 starting 2020 (average of 20% increase year on year annually for MCSI) towards MCSI to achieve the overall 20% of total projected loan portfolio	High	As per responsible agency's capacity
		% of domestic MCSI credit agriculture exposure to total loan portfolio	-	5%	-	7%	2020-2023	Annual status report submission	All MCSI lending FSPs	All FSPs collectively are encouraged to lend atleast Nu.50 billion to Agri-MCSI until 2023 and maintain 30% Agri exposure in proportion of the total MCSI exposure annually to achieve overall agri-exposure of 7% by 2023	High	As per responsible agency's capacity
3.1.2	Formulate and pilot implement public support schemes for strengthening priority lending -eg. Partial Credit Guarantee Scheme	Number of players/clients involved and rolled out	-	-	List of FSPs and number of clients supported under the public support scheme coverage	-	2023	Copy of endorsed schemes and annual status reports	DMRS and DFRS RMA and relevant Government agencies	Introduce and implement public support scheme such as partial credit guarantee scheme and ensure 5% annual increase	High	1,033,000.000

Output 3.2: Innovative alternate financing schemes promoted and enabled

SI No.	Activities	Indicators	Baseline (2017)		Target (2023)		Timeline	MOV	Responsible Organization/Agency	Responsible Organization's Specific targets	Priority	Budget appropriated in Nu. million
			In Numbers	In %	In Numbers	In %						
3.2.1	Expand collateral instrument for access to finance	Number and type of collateral instruments registered for financing and total number of clients availing finance under the new instrument	-	-	Atleast two new collateral instrument registered for access to finance		2022	Public notification and MOUs	CR, RMA, RSEBL and relevant FSPs	Introduce two new collateral instruments for alternate financing	High	As per FSP's capacity
3.2.2	Formulate and implement financial guidelines as capacity enhancement for credit cooperative and Self Help Groups (SHG)	Number of credit cooperative groups and self help groups registered and sensitized for alternate lending	-	-	-	70% of the total cooperatives and SHG targeted to be registered, regulated and sensitized	2022	Copy of the guideline and status reports	DFRS, RMA and DAMC, MOAF	-	Medium	945,000.000
3.2.3	Develop and reinforce Fintech Investment and Banking Accelerator (FIBA) collaboration programs focused to rural areas, youth, agriculture etc.	Number of projects groomed and finance under Entrepreneurial Fintech accelerator program	-	-	-		2019-2023	Copy of program report	FIS, RMA and other relevant stakeholders		High	33,372,000.000

Strategic Pillar 4: Strengthen financial capability and consumer protection

Output 4.1: Stakeholder coordination, commitments and capacity strengthened

SI No.	Activities	Indicators	Baseline (2017)		Target (2023)		Timeline	MOV	Responsible Organization/Agency	Responsible Organization's Specific targets	Priority	Budget appropriated in Nu. million
			In Numbers	In %	In Numbers	In %						
4.1.1	Stakeholder commitments to develop annual FSP's financial inclusion and financial literacy plans	Number of stakeholders involved in developing annual financial literacy plans including number of programs, target groups and outreach	-	-	All FSPs encouraged to plan and submit FI and FL plans on an annual basis	-	2020-2023	Copies of the FSP's management endorsed Financial Inclusion and Literacy commitments/ plans	All registered FSPs	Annual submission	High	As per FSP's capacity during annual workshops
4.1.2	Plan and celebrate Global Money Week(GMW) during March of every year	Number of programs and outreach	-	-	Conduct 4 annual GMW program by 2023 with target coverage of atleast three four Dzongkhags	-	2019-2023	Copy of GMW compilation report	Spearheaded by RMA in collaboration with all registered FSPs		Medium	1,600,000.000
4.1.3	Joint FINLIT quarterly talk programs	Number of programs conducted and outreach	-	-	Conduct a total of 16 knowledge enhancement talk programs	-	2020-2023	A copy of program report	FITI	Conduct quarterly talk programs on financial inclusion topics	Medium	384,000.000
4.1.4	Initiate on half yearly newsletter (e-FINLIT Newsletter)	Number of agency outreach and number of volumes issued	-	-	Issue atleast 8 publications by 2023 and target maximum outreach to all FSPs, relevant Government agencies, schools, tertiary institutes and Dzongkhag penetration	-	2019-2023	e-copies of newsletter and report of FSPs involvements	outsourced media partner		Medium	600,000.000
4.1.5	Financial Inclusion and Literacy Joint Learning workshops on thematic contents	Number of workshops conducted	-	-	Conduct atleast four thematic workshops by 2023	-	2020-2023	Copy of program reports and evaluation reports	FITI	Conduct atleast one workshop annually	Medium	480,000.000
4.1.6	Enhance consumer protection mechanisms/ capacity focused to establishments of dedicated CP Cells in the financial sector	Number of FSPs adopting dedicated CP cells with trained officials	-	-		All registered FSPs to establish CP Cells with well trained officials	2020	Copy of CP progress reports	CP Cell, RMA		High	288,000.000

Output 4.2: Financial education for children and youth strengthened

SI No.	Activities	Indicators	Baseline (2017)		Target (2023)		Timeline	MOV	Responsible Organization/Agency	Responsible Organization's Specific targets	Priority	Budget appropriated in Nu. million
			In Numbers	In %	In Numbers	In %						
4.2.1	Develop and integrate the endorsed financial literacy curriculum in main stream education from grade Key Stage I – V (grade PP to XII) Mapping, integration into text books and TOT of teachers (Phased manner)	Number of subjects integrated and implemented (phase wise)	-	-	-	-	2019-2023	Copy of the mapping framework and Integration reports (text books)	FIS, RMA and REC		High	4,000,000.000
4.2.2	Enhance digital financial literacy at formal schools	Development of self learning apps and number of users	-	-	Develop Self learning thematic contents/modules suitable for 6-8 years and 9-12 years	-	2023	App. Links	DIT, RMA and FIS		High	2,000,000.000
		set up of learning infrastructures (mobile tablet)	-	-	Target all schools under the YE Banking program and extend to other schools if possible		2020-2023	Status reports	RMA, MOE and relevant FSPs	Purchase of tablets as teaching and learning resources	High	6,400,000.000
4.2.3	Strengthen and institutionalize Youth Ethics (YE) Banking program	Number of schools, FSPs and other agencies implementing the program	-	-	Ensure roll out to four schools annually and target a total of at least 30 schools by 2023	-	2019-2023	program report and a copy of the MOU signings	FIS, RMA and relevant FSPs		High	20,000,000.000
4.2.4	Financial Literacy on Wheels I: Conduct TOT programs for teachers on general thematic components of financial literacy (20 Dzongkhags) to be further rolled out to the school students	Number of TOT programs rolled out and outreach	-	-	-	Complete 70% of the MOE listed schools across 20 Dzongkhags targeting 40 % female participation	2020-2023	Copy of the report and roll out information	FITI		High	3,360,000.000

Output 4.3: Targeted outreach, engagement and empowerment programs facilitated

SI No.	Activities	Indicators	Baseline (2017)		Target (2023)		Timeline	MOV	Responsible Organization/Agency	Responsible Organization's Specific targets	Priority	Budget appropriated in Nu. million
			In Numbers	In %	In Numbers	In %						
4.3.1	Develop and integrate the master financial literacy curriculum for the Non-Formal Education (BLC, PLC and CLC) and NIZC	Number of NFE centres and NIZC Institutes implementing the FL curriculum	-	-	-	Roll out to at least 90% of the total NFE centres and NIZC Institutes	2020-2023	Copy of the curriculum and roll out reports	FIS, REC , FITI and DAHI		High	5,223,360.000
4.3.2	Train master trainers through TOT on general FL for identified target agencies	Number of TOT programs rolled out	-	-	Train atleast 20 agencies for Mater TOT by conducting four workshop by 2023	-	2020-2023	TOT reports	FITI	Conduct one workshop annually targeting atleast 5 agencies on an annual basis	Medium	320,000.000
4.3.3	Financial Literacy on Wheels II: targeted to cooperative groups, farmer's groups and Self help groups	Number of Dzongkhags and outreach	-	-	-	Ensure 40% of women attendace and target all 20 Dzongkhags with 70% penetration of the total cooperative groups by 2023	2020-2023	Copy of the report	DAMC, Agriculture and FIS, RMA		High	2,140,000.000

General Enablers, support and Misc. services												
SI No.	Activities	Indicators	Baseline (2017)		Target (2023)		Timeline	MOV	Responsible Organization/Agency	Responsible Organization's Specific targets	Priority	Budget appropriated in Nu. million
			In Numbers	In %	In Numbers	In %						
E/S 1	Conduct an Access to Finance (A2F) demand side survey including external audit exercises	Number of survey conducted	-	-	one A2F DSS to be conducted	-	2020	Copy of the A2F Demand side survey reports	RMA	-	High	7,000,000.000
E/S 2	Develop national financial literacy capability measurement tool and financial literacy program evaluation templates	Number and type of measurement and evaluation tool developed	-	-	Conduct atleast one Financial Literacy assessment	-	2022	Copy of the assessment report	FIS, RMA and relevant agencies	-	High	700,000.000
E/S 3	Develop FINAP Monitoring and evaluation tool	Number of agencies adopting the monitoring tool	-	-	-	-	2022	copy of the endorsed FINAP monitoring tool	AFI working members of RMA and NFIS working groups	-	High	300,000.000
E/S 4	Initiate on Financial Inclusion related knowledge product development(case studies, guidelines, publications etc)	Number of knowledge products developed	-	-	Develop atleast four knowledge product	-	2020-2023	List of knowldge products published	AFI working members of RMA and NFIS working groups	Develop and publish atleast one knowldge product annually	Medium	800,000.000
E/S 5	Conduct Annual Financial Inclusion Forum	Number of Forum conducted with number of participants	-	-	Conduct atleast three forums by 2023	Conduct one forum annually	2021-2023	Copy of Forum reports	FIS, RMA	-	High	3,528,000.000
E/S 6	Conduct NFIS WG and SC Meeting	Number of meetings conducted	-	-	Conduct atleast 12 meetings by 2023	Conduct atleast half yearly meetings to check progress and updates	2019-2023	Copy of the minutes	NFIS SC and WG members	Conduct atleast two frequency meeting annually for both groups	High	4,336,000.000
E/S 7	NFIS Governance member sensitization/ exposure workshop/ tour (ex-country for SC members and selected relevant WG members)	Number of NFIS Governance members trained	-	-	Atleast two workshops by 2023	-	2019-2023	Copy of the program report	FIS, RMA in collaboration with AFI and FITI	Conduct atleast two workshop by 2023	High	6,426,000.000
E/S 8	Financial Literacy related media resources (AV Clips, brochures, teaching resources, media promotion etc) -on need basis	Number and type of FL resources developed	-	-	-	-	2020-2023	Copy of status report	FIS, RMA and NFIS WG members	-	High	1,400,000.000
E/S 9	Internal audit exercise of the FINAP Fund 2019-2023	Number of audit conducted	-	-	Conduct annual audit of the FINAP Fund 2019-2023	-	2020-2023	Copy of Audit Report	Audit committee nominated by the SC members	-	High	480,000.000
E/S 10	Hiring of experts (designers, statistical analysis officers etc) on need basis	Number of experts hired	-	-	-	-	2020-2023	Copy of the task report	FIS and WG memebrs	-	High	1,000,000.000
TOTAL BUDGET												111,115,360.000
5% Contingency												5,555,768.000
TOTAL FINAP PROJECT BUDGET 2019-2023(*without external grants)												116,671,128.000