National Strategy for Financial Inclusion: The Peruvian Experience

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Peru: General information

Population: 31,826,018 people
Population Density: 24.8 people / km²
GDP: USD 160,590 million
GDP per capita: USD 4,943
Peru: Stable economy, low inflation rates and prudent fiscal management

In the past 10 years, the economic growth has allowed Peru to reduce unemployment and poverty, leading to the expansion of the middle class.

Source: World Economic Forum, National Institute of Statistics and Informatics (INEI)
Financial inclusion in LAC Region

N° of offices per 100 thousand adults by country - 2013

- Brasil: 51.41
- México: 19.39
- Bolivia: 19.31
- Chile: 18.40
- Peru: 18.25
- Argentina: 13.45
- Uruguay: 12.24

N° of offices per 100 thousand adults by country - 2017

- Brasil: 23
- México: 21
- Bolivia: 20
- Chile: 18
- Colombia: 17
- Argentina: 16
- Uruguay: 13

N° of debtors per 100 thousand adults by country - 2013

- Brasil: 620
- Uruguay: 516
- Chile: 416
- Argentina: 404
- Peru: 363
- Colombia: 272
- México: 229
- Bolivia: 187

N° of debtors per 100 thousand adults by country - 2017

- Brasil: 906
- Uruguay: 548
- Chile: 489
- Argentina: 427
- Peru: 390
- Colombia: 304
- México: 180
- Bolivia: 100

* Fuente: Financial Access Survey (FAS) 2013 - FMI.
* * Información disponible a diciembre 2015.*
Financial inclusion in LAC Region

Loans/GDP vs. GDP

Deposits/GDP vs. GDP

Individuals with an account by country

* Créditos ODCs.

* Depósitos ODCs.
Peru: Financial inclusion indicators

Number of branches, ATM and Bank agent

Access to a Point of Sale (Branch, ATM, Bank agent) Jun.2018

Percentage of Districts of the quintile 1 y 2, with access to the FS

Source: SBS
Peru: Financial inclusion indicators

- 41% of the population have an account in the FS
- 53% do nothing to cover their expenses for old ages
- 32% of the population have a credit in the FS
- 17% of the population have private insurance

Sources: National Demand Survey of Financial Services and Financial Literacy (SBS, 2016)
Peru: Key challenges for financial inclusion

URBAN

- Inadequate financial products to satisfy the needs of the population
- Distance to the point of access
- Cost of financial services
- Lack of financial education
- Self-exclusion
- Lack of confidence

RURAL

Sources: National Demand Survey of Financial Services and Financial Literacy (SBS, 2016)
Peruvian NFIS timeline

2012-2013
Initial coordinations and consensus
ENIF Guidelines / Diagnostic studies
MEF/MIDIS/SBS

2014
CMIF (DS 029-2014-EF)
Working groups and private involvement
(MEF / MIDIS / SBS / BCRP / BN)

2015
ENIF Approval and dissemination (DS 191 - 2015-EF)
MEF / MIDIS / MINEDU / SBS / BCRP / BN

2016 - 2017
Implementation and monitoring NFIS
Reviewed and closure of actions.
Approval of the PLANEF

2018 - 2020
Implementation and monitoring NFIS
Adoption of the new framework according to National Planning System (D.S. N° 029-2018-PCM)
Data and diagnostics

Before the NFIS approval
- New Delivery and Business Models and Competition for Financial Inclusion in Peru (2013-2014)
- Financial Capability Survey CAF (2014)

After the NFIS approval
- “National Demand Survey of Financial Services” and “Qualitative Evaluation of Peruvians perceptions and preferences” (#11)
- Long-term Saving Strategies (#14)
- Innovative Financial Inclusion Initiatives Report (#27)
- Financial Education Mapping Exercise (#62)
- Financial Education Diagnostic (#61)

Trade off between in-depth diagnostics and the timing of the public policy.
Financial Inclusion policies framed in Peruvian National Plans

Bicentennial plan: Peru towards 2021

Objective:
To have transparent and efficient financial market, with sound institutions that facilitates financing and investment.

National Development Strategic Plan

Objective:
To develop financial markets through financial inclusion (Diversify economy, competitively and employment axis)
Stakeholder engagement: Consultation process and commitments

**Public Sector**
- CMIF
- Ministries (MEF, MIDIS, MINEDU)
- BCRP
- Banco de la Nación
- SBS
- Ministries (MINAGRI, PRODUCE)
- OPSITEL
- COFIDE
- Indecopi

**Private Sector**
- Colectivo Acceso
- Financial Institutions
- BIM
- Industry associations
- ASBANC (Banks)
- FECPMAC (CMACs)
- ASOMIF (MiF)
- APESEG (Insurers)
- AAFP (Pension funds)

**Others**
- IEP – Proyecto Capital (Research center)
- PROMUC (Communal Banks Association)
- COPEME (Association of non-regulated microfinance institutions)
- Fenacrep (Association of Credit Cooperatives)
- The World Bank
Stakeholder engagement: Convening power

MEF
- Public sector

SBS
- Financial Sector (Regulated FIs)

The Worldbank
- Everyone

*Convening power: Multilateral institution call and national institution call*
Approval process

Ministerial Resolution → Supreme Decree

More flexibility vs More enforcement
Approval process

NFIS launching ceremony
The President and CMIF representatives
(07.22.2015)

DS N° 191-2015-EF
Challenge and lessons learned

- A common understanding of financial inclusion through one definition and shared knowledge create a level playing field shared among all actors involved in the NSFI.

- Be aware of the different mandates and competencies among institutions involved in the NSFI. (Different objectives and “speed” in implementation)

- Involve private sector and other relevant actors from very beginning to create an ownership feeling on the NSFI. (Be aware that too many people can be an issue)

- Involve a trusty third party moderator (i.e. World Bank) to convene and align objectives among all relevant stakeholders. Also, be aware that relevant people at national or international level can help to move forward some steps of the NS. (for example: Former Ministries of MIDIS, Queen Maxima)

- Government Decree / Law is an important tool to create accountability and enforce public sector entities to get involved and to implement the proposed actions.
Thank you!

Questions?
Thanks!