Chairman Muliaman Hadad, excellencies, ladies and gentlemen, I am honored to join you today for these important discussions of financial inclusion and financial technology.

Indonesia has long been a global leader in the financial inclusion movement. That leadership has recently taken on an added dimension by launching a national strategy aimed at making rapid progress.

By providing people with the catalytic financial tools they need to protect themselves against hardship and invest in their futures, financial inclusion can unlock economic opportunity and improve the lives of all. Indonesia’s commitment to putting financial tools into the hands of the poor starts at the top, with President Widodo. His visionary Nawa Cita or Nine Priorities agenda pledges to expand financial inclusion to half your adult population by 2019.

As the UN Sec-General’s Special Advocate for Inclusive Finance for Development, I am very much in agreement with the President’s priorities. Many of these objectives are also reflected in the UN’s ambitious new Sustainable Development Agenda, adopted just a year ago. Indonesia was at the forefront of building financial inclusion strongly into this new agenda, and I extend my deep gratitude for that support.

In my travels as Special Advocate, I’ve seen that financial inclusion has a different face in every country. Here in Indonesia, this could be the face of

   a rubber farmer on Sumatra, who can introduce higher-quality plants and expand his productivity thanks to an affordable loan...a market vendor living 30 kilometers from the nearest bank, who can use a nearby Laku Pandai agent to safely save for her child’s medicine;...or a family on North Sulawesi that can receive government social support payments quickly, reliably, and safely, through their mobile phone, not in insecure cash.

Indonesia has already made substantial progress improving the lives of the poor and expanding financial inclusion. Your dynamic growth over the last 15 years has helped cut poverty in more than half, from 24 to 11%. A broad range of financial institutions are serving low-income customers, including microfinance organizations, cooperatives, state-run and private banks, and telecommunications companies.
Regulatory reforms have encouraged branchless banking, e-money, and other technology-enabled solutions. Further support has come from government initiatives to expand internet access and mobile phone connectivity to remote areas, to digitize the national identity system, and to strengthen financial literacy.

The results are encouraging. Financial access jumped from 20 to 36% between 2011 and 2014. Savings is widespread. Some research even shows women's financial inclusion ahead of men's, which very few countries have accomplished!

Still, expanding financial inclusion presents a formidable test. I don't need to tell you how challenging Indonesia's vast island geography is for your work.

In this sense, digital technology offers the single greatest opportunity for reaching far-flung islands and rural populations. But currently only 8% of Indonesians are familiar with mobile money and only half a percent are using it. To push this figure higher, effective customer outreach and a rich network of cash-in/cash-out points will have to grow.

And while much hope rides on technology, traditional banking and microfinance will remain central to Indonesia's progress. A variety of private and public institutions, along with a diversity of financial products will be necessary to make the whole ecosystem work.

As you move forward, I'd like to highlight certain low-hanging fruit that could help accelerate progress.

The first is related to your national strategy. In my UN work I have seen how powerful financial inclusion strategies can be under the right circumstances. High-level leadership and private-sector involvement are vital, along with ministerial coordination and, especially, dedicated specialized staff. A national strategy drives progress when it establishes accountable working groups, numerical targets, systems to measure success, and regular progress assessments. There is no use in having a strategy if you do not fully implement it.

A second target involves regulation. By improving and harmonizing rules on Laku Pandai and LKD, Indonesia could see a rapid spread of basic services in rural areas through branchless banking. In my visits to Tanzania, Peru, the Philippines, and elsewhere, I have often seen how small mom-and-pop shops can effectively provide
basic services in isolated places. With the right regulatory adjustments, this model could be a key to building a
dense web of agents in communities that banks are unable to support in traditional ways.

Finally, I encourage the government to move quickly to fully digitize social transfer payments. More than 15
million households get state assistance, but only 16% receive those funds through an account. If these payments
are deposited digitally into accounts, recipients could begin to use those accounts to improve their lives: paying
important bills electronically so valuable time isn't lost delivering cash in person, saving for a child's education or
for health emergencies, and much more.

These low hanging fruit can help jumpstart Indonesia's progress. But lasting, life-changing advances must be
grounded first and foremost in customer-centricity. The starting point for all of us is a deep understanding of
long-neglected customers--people whose wants, needs, and habits have been invisible up to now.

In addition, consumer protection and financial education must be strengthened. Our efforts to open up the
financial system to the most vulnerable members of society should not end up harming the people we want to
help.

Our goal, after all, is human development. If we do our jobs right, the market vendor I mentioned earlier, the
rubber farmer on Sumatra, and the family on North Sulawesi will be joined by millions more. By dismantling the
barriers to safe, effective, and transformative financial services, Indonesia is poised to create a sustainable world
that works for all.

I look forward to following your progress and above all to accompany you in this progress. Thank you.