Excellencies, distinguished guests, ladies and gentlemen, it is wonderful to be back in Viet Nam. Thank you Ms. Hong, Deputy Governor, for your kind words, and thank you again for your wonderful hospitality today and the past two days.

In these past two days I have had the chance to meet with farmers in Da Lat who have told me about their financial and non-financial needs. I have also discussed financial inclusion with the President, the Chairwoman of the National Assembly, the Governor of the Central Bank, and also many ministries, private actors in finance, fintech and agribusiness.

This event demonstrates your commitment to expanding financial inclusion in Viet Nam as a key component of the country's overall development.

Financial inclusion goes well beyond microfinance. It means providing effective access to affordable and sustainable credit, savings, payments, insurance and other services from formal institutions, and usage of these services. The usage is very important.

It is impressive to see all the different initiatives that State Bank of Vietnam has put in place in the past few years to promote financial inclusion. Vietnam has improved its financial inclusion figures in the past few years: According to the 2014 Findex data, 31 percent of all adults and 19 percent of the poor have formal bank accounts, up from 21 and 6 percent in 2011. As you can see, the growth is particularly strong for the poor. Good news. Viet Nam has also reached a good level of gender parity for financial inclusion, unlike most countries. So you are a good example.

However, with less than one-third of Vietnam's adults with formal financial services, financial inclusion is under-developed compared with a regional average of 69 percent of adults with formal financial services. The rural population is particularly financially excluded and requires significant attention.

The large majority of citizens rely on unregulated providers, often at substantially higher cost, or on family and friends. Such levels of exclusion, if left unaddressed, can make it harder for families to cope with hardships and invest in their future, especially the population that live in rural areas. It can also exacerbate inequalities and slow down overall economic growth.

Viet Nam is a special country. The GDP per capita growth has been among the fastest in the world: it has gone from around $100 in the 1980s to about $2,100 in 2015.

Viet Nam has also made great strides in technology adoption. Fifty-three percent of the population uses the internet, which is much more than the regional average of 35 percent. Today, 71 million people have subscribed to a mobile service, which represents a very large proportion of the population compared with other Asian countries. And there is a vibrant fintech industry creating innovation for financial inclusion.

With these strengths, I truly believe, Viet Nam is well poised to reach financial inclusion and can leapfrog into digital finance.

A strong NFIS [national financial inclusion strategy] and its implementation will be the anchor of this. However, there are a few key things that are essential for the success of Viet Nam. I will suggest three today based on international best practices and based on my own observations:
First, the importance of political support by high level government champions. I was very pleased to hear yesterday during my meetings with them that the President, the National Assembly Chairwoman, and the SBV [State Bank of Viet Nam] Governor are all extremely supportive. In Indonesia, for example, the President monitors progress of the national strategy on a regular basis.

Second, a strategy is always stronger when designed on the basis of a solid diagnostic of the situation. A good diagnostic, of course, includes strong data on financial access, financial usage and quality of services as well as significant information on the unbanked population and their demands.

Third and most critically, it is important for SBV to work with the multiple ministries, departments and government entities, as well as with the private sector, in a coordinated and coherent manner. It is often good to start involving different ministries at the design stage of the strategy to ensure their full buy-in to the implementation. Our experience shows that it is elementary to establish a National Coordination Committee with all key ministries. In addition, it is good practice to set working groups on key issues that can report to the coordination committee. From this visit there are already key topics that could justify a working group set such as:

- Digitizing government-to-people payments;
- Technology-enabled financial services, especially in rural areas;
- Innovative finance for farmers, such as value-chain finance and debt finance;
- Promotion of SMEs [small and medium-sized enterprises] and SME finance;
- Customer-centricity and consumer protection; and
- Data collection on demand and supply of financial services.

Setting up working groups such as these has worked very well in other countries when key ministries have provided dedicated staff for such coordination committee and for the relevant working groups, and also invited in the private sector.

Given this important role, the SBV may consider establishing a special financial inclusion unit with their mandate, to ensure this effective coordination among various stakeholder ministries and agencies. This national coordination committee will be key to coordinate, monitor and evaluate the various initiatives and policies related to financial inclusion and the broader financial sector implemented across the government.

I would like to end by saying that you can count on my continued support and that of my partners who are here with me in the delegation—UNDP, the World Bank, the IFC, the Better Than Cash Alliance and UNCDF among others. We will support your work and the broader financial inclusion agenda in Vietnam. I look to hearing from you all the discussions. Thank you.