



PRESS RELEASE

Security for the vulnerable critical to reviving ailing economies in Asia

Expansion of insurance and credit to the vulnerable holds the key

Colombo, Sri Lanka, 18 May 2009: “Asia faces an uncertain future. The 1997 financial crisis was due to bad management by some Asian countries. The current economic crisis is due to irresponsibility of others. Nonetheless, Asian governments have to cope with the shock. Insurance and credit are vital to protect the poor and the Colombo Conference will help transmit this message across Asia,” said Omar Noman, Head, UNDP Regional Centre for Asia Pacific in Colombo at the Asia Pacific Conference on Financial Inclusion. The Conference was opened by Governor of the Central Bank of Sri Lanka, Ajith Nivaard Cabraal.

Inclusive finance is an important tool for expanding choices for the vulnerable. It can help these sections to meet their basic financial needs, manage risks they face, save for the future, and contribute to sustainable social and economic development. Despite the achievements of financial inclusion programmes worldwide, there is still widespread financial “exclusion” in the Asia Pacific region.

For people living in extreme circumstances, gaining access to a diverse range of financial products and services can directly provide the tools to protect, diversify, and increase their sources of income, thereby expanding their economic choices and opportunities. Financial instruments hold the key for reconstruction efforts in countries recovering from crises and conflicts such as Sri Lanka. “Capital and credit will be essential lubricants for Sri Lanka’s post war recovery efforts, particularly at the village level. The lessons learned and best practices that this conference will identify can make a real difference in the lives of thousands of war-affected communities throughout the country,” said Douglas Keh. Country Director, UNDP, Sri Lanka.

Low-income households and their microenterprises place a strong demand for credit. There is also an acute demand by the poor for other financial services, particularly microinsurance. Currently the industry reaches approximately 22 million households, which estimated to be a mere 13 percent of the population in need of these services. Women and the poorest people often have no access to financial services in Asia, particularly in the rural areas.

Organized by the UNDP Regional Centre for Asia Pacific in Colombo, in partnership with the United Nations Capital Development Fund (UNCDF), the Conference on Financial Inclusion brought together over 40 experts from across the Asia Pacific region to discuss financial inclusion strategies for the vulnerable populations of Asia.

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