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Digital Infrastructure to Empower Financial Inclusion

Presentation

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Digital Infrastructure to Empower Financial Inclusion

Dr. Yan Lijin,
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CHINA SILK ROAD GROUP

- Guiding Principles:
  Consultation, Contribution and Shared Benefits

- Core values:
  Moving towards common development, Fostering a shared future

- Plays leading role in blockchain technology innovations and apply digital infrastructure to empower the inclusive development
- Pays great attention to public responsibilities and made contributions in charity
- Got rewarded as Charity Role Model in China in 2021

- Together with UNCTAD supported and promoted the “Digital Trading Infrastructure & Online Dispute Resolution Project”.
Trust Building with Digital Technology is essential

Financial Inclusion & Consumer Protection need high trust level between participants in the financial services

Protect and balance interests among different parties in financial service chain

Applying Digital Technologies Enhance Financial Inclusion

Credible data will bring trust among individual, financial institutions, and enterprises, thus bring inclusive financial services to people in need

Establish digital financial infrastructure to generate and share credible data among parties

Poverty Elimination

The use of financial tools should be encouraged for the purpose of poverty alleviation project

CSRG’s Effort

CSRG pioneered in building “Digital Trading Infrastructure” to build trust in international trade

During the pandemic, CSRG built a blockchain-based D-health medical chain to provide traceability services of medical equipment for international customers.

In remote mountainous villages of Southwestern China, CSRG invested in “Digital Breeding and Traceability Platform” and introduced agricultural financial services for low-income families

Today I want to share a case of inclusive financial service for low-income farmers
HOW TECHNOLOGY HELPED POVERTY ALLEVIATION
BY PROVIDING INCLUSIVE FINANCE

A CSRG project launched in Du An county in Guangxi Province
“Loan for calf, Repay from cattle”

CSRG provide digital platform & IoT devices to collect production data
Share data with Financial Institutions, Agri-enterprises, Local Government, etc.

Basic Model

1. Provide calf
2. Loan for calf
3. Repay from cattle
4. Purchase cattle

Agri-Enterprise
Cattle farmers
WHAT CAN BE ACCOMPLISHED WHEN TRUST IS BUILT?

**Income Increased**
In 2015, average income per capita in Du An county (Guangxi province) is ¥2,656 per year.
By 2019, the average income reached ¥5,156 per year, largely due to the cattle loan project, per capita income almost doubled.

**Poverty Declined**
More than 138,000 local farmers and their family directly benefited from this single project. The Local Poverty Rate of dropped from 26.64% to 3.36%.

**Entrepreneurship Nourished**
Up to early 2020, more than 33,500 calves were “loaned” to local farmers, many of whom earned enough money and choose to expand business on their own.

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**Annual Income Per capita & local Poverty Rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Income Per Capita</th>
<th>Poverty Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>¥2,656.00</td>
<td>26.64%</td>
</tr>
<tr>
<td>2019</td>
<td>¥5,156.00</td>
<td>3.36%</td>
</tr>
</tbody>
</table>

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5 parties involved, with different aims

- **Cattle farmers**: Income increase
- **Enterprises**: Business expansion
- **Financial Institution**: Risk management
- **Local government**: Economic growth
- **Poverty Alleviation Fund**: Poverty rate decline
CONTINUE SUPPORT OF UNCTAD AND INCLUSIVE DEVELOPMENT

- By improving the digital infrastructure, we hope inclusive financial services will boost the development of local economy and poverty alleviation.

- Take the responsibility to look after vulnerable people, helping those who are most “Un-technologized” and most “un-digitalized” to benefit from technology and digitalization.

- Contributes to the establishment of new ecology of the digital economy to power the sustainable development of global economy.
Thanks for Attention!

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