

Innovating Financial Services and Up-Skilling for the Last Mile- English Transcript

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00:16

Hey everyone, good morning, good afternoon, or good evening, depending on where you are in the world! It's awesome to be here. Welcome to our live panel on innovating financial services and upskilling for the last mile. I'm Patsian Low, and I head up inclusive impact and sustainability for Asia Pacific at Visa. Joining me today are some great friends and colleagues in financial inclusion. We have Ms. Kritee Sharrma, who leads Partnerships for the International Trade Center's Street Trades program, and we also have Mr. Corentin Larue.

00:55

I'm the managing director of Fundamental, a spin-off of FUNDES, and we're currently based in Mexico. My colleague Carlos Corominas is with us; he heads up inclusive impact and sustainability for Visa and is based in Miami, covering Latin America and the Caribbean. We're really excited to be here today, and we're mixing things up a bit for our live panel. Instead of giving long speeches, we're jumping straight into a group conversation. Here's how it's going to go...

01:30

We'll get a chance to ask each other questions, and we'll naturally explore different sides of our topic through our answers. We want to make this panel as engaging and interactive as possible, and we're really looking forward to your participation. So, please drop your questions in the chat box. The moderator will include them in the roundtable discussion, or they'll get answered directly in the chat. To keep things moving, we do ask you to keep your questions concise.

02:05

We know we might not be able to answer every single question today, but we hope to give you some insights on several of them. Also, please remember to share your name, organization, and where you're joining us from in the chat. This will help us understand the context of your questions better. If you run into any technical issues, let us know in the chat, and the conference organizers will take care of it.

02:39

"Hey everyone, thanks for joining us. Without wasting any time, let's get right into it! First off, I want to ask my colleague Quarantine—who we're happy to call Koko—and Kritee. I know you both are in different countries right now, Koko in Mexico and Kritee in Geneva. From your perspectives, both from a fundamental standpoint and from the International Trade Center, could you give us your take on this really important term?"

03:19

"There's a panel called The Last Mile. How do you define The Last Mile, and why is it important to think about delivery for financial inclusion at this level? It's crucial for making a real impact in underserved communities. Koko, why don't you start, and then we'll hear from Kti. Thanks for having me, it's great to be here, and hi to everyone joining us. At Fundamental and FES, we work throughout Latin America."

03:57

Latin America, like many other countries, is really defined by its millions of micro and small businesses and informal entrepreneurs that you can find everywhere—urban, suburban, and rural areas. They're the ones supporting their communities by selling, distributing, and producing all sorts of goods. For us at Fundamental INF Fundes, this is the crucial part. Micro businesses in Latin America make up 96% of the entire business landscape.

04:41

They employ 64% of the workforce, and if you look at each sector, they really have a strong presence and importance economically. For instance, Mom and Pop shops make up over 50% of retail sales in the region. Plus, over 64% of Latin America's GDP comes from these fragmented services. Basically, those micro and small businesses deal with a lot of challenges, even though they provide so much employment.

05:23

They really matter, but usually, we can dive deeper into the challenges they face. They're often fragmented, isolated, traditional, and informal. This is what we consider "The Last Mile," focusing on those micro and small businesses and their customers. Thanks a lot, G. Before I start, I want to thank the organizers and our partners at Visa for the invite. Good morning, good afternoon, and good evening, everyone!

06:00

"Who's here? I think Pat introduced me pretty well. I work at the International Trade Center, and we really believe that inclusive trade is key to sustainable development. For years, we've been advocating for women, youth, and other marginalized communities in the global economy. Through our She Trades initiative, we collaborate with women

entrepreneurs, farmers, and producers in over 73 countries, and we've seen firsthand how these women, often in rural areas..."

06:30

Underserved areas often get left out of regular financial services. For us, the "last mile" means that final push to reach women who are up against a lot of challenges. We're looking at things like low financial literacy, not enough access to technology in many places, and a total lack of formal banking systems. There aren't really any support networks either, and sadly, in a lot of countries, there are some pretty deep-rooted social and cultural norms that complicate things even more.

07:01

I found out that women often need their male family members' okay to deal with banks, or they don't have any collateral since most of their assets are in their husbands' names. These are just some of the obstacles that traditional financial systems overlook. We know the last mile is tough, but there's a bright side: this is where real changes can make a big difference. And that's why I say that.

07:27

We've seen research and real-life examples that show when women do well, everyone benefits. When they have access to financial services and economic opportunities, they don't just keep it to themselves; they reinvest it in their families and communities. This leads to better education, improved healthcare, and stronger economic resilience in local areas. That's how we define the last mile, and we know it means we need to take a more holistic approach.

07:56

"Let's focus on being innovative and figuring out who the right stakeholders are that can help us bridge the gap. We want to make sure the benefits of financial inclusion are truly fair and widespread. Speaking of stakeholders, I'd like to hand it over to Pat and Carlos since you're both representing us from different regions and come from a respected private sector organization. How do you see the role of the private sector in this?"

08:24

"Can you talk about overcoming this last Mile Challenge and share some specific examples from your two different regions? I'd love to hear what you have to say. Thanks, KY! It's really eye-opening to hear you and Koko discuss the last mile from your important frontline organizations. From the private sector side, I want to frame this with an interesting statistic from the Asia Pacific."

08:57

A few years ago, the World Bank estimated that about 70% of adults in emerging markets in Asia have access to a bank or digital account. This shows that there's been significant progress in access to finance and the opportunity to use financial services. However, only 40% of those people have actually made their first transaction, which means there's still a lot of room for growth.

09:37

"Underserved communities need to move from just having access to finance to actually using it for their own economic gain. I remember reading a report from Women's World Banking about India, where rural women were finally getting access to create a digital identity. They were able to open bank accounts with this identity, but they still kept saving their money in cash."

10:11

People have homes, but their accounts just sit there unused, which makes us think about why that is. I have a theory. From Visa's point of view, we want to help everyone everywhere by being the best way to pay and get paid. We see financial inclusion as something that needs to be part of a bigger picture of transactions and behaviors. So far, a lot of the efforts have been scattered, addressing one issue but ignoring other connected problems.

10:44

A lot of the last small communities are struggling, but in reality, especially in The Last Mile, the financial needs and behaviors of these communities are pretty complex. Even though each transaction might be small, there are tons of them, and they all have their own unique challenges. For every small community, it's a balancing act of not just economic needs but also family, education, social issues, health, technology, and daily necessities—all of this mixes together in a really unique and complicated set of transactions. So, it's definitely a lot to handle.

11:19

It's crucial to have a support system that brings together these behaviors and transactions so that accessing the digital economy isn't just about money. We saw this in our work in India with United Way Mumbai, a fantastic partner that helps economically empower tribal and slum women and self-help groups. Their digital financial habits extend beyond just their small businesses, especially in our work with women entrepreneurs.

11:51

It has to do with their neighbors, families, kids, and everyday household needs, which then gets reinvested from what they do. So, it's really important that private sector service providers are part of this whole support system. We're also seeing this in Indonesia, where the Financial Services Authority is launching what they call the inclusive financial ecosystem at the village level, which is being carried out by local authorities teaming up with service providers.

12:23

"Like microfinance institutions, um, like Finex, that are active at the village level, so lastmile communities can really access this support system. I'm sure my colleague Carlos will share his thoughts on this from a Latin American perspective. First off, thanks for having me on this panel—it's great to be here! Good morning, good afternoon, good night to everyone listening. I want to share a bit more about myself; I started my professional career working in the..."

12:59

"I started out at the largest bank in Mexico, and then, by chance, I became a small business owner of a micro firm. After that, I joined Visa 23 years ago. I mention this because one of my roles at Visa was leading small business initiatives for the Latin America and Caribbean region. I noticed a lot of companies wanting to help the last mile, but it was really tough. Today, though, the best part is that technology has really helped us out, and I want to share more about that."

13:35

Here are a couple of examples. First up is accepting digital payments. Ten years ago, if you wanted to accept digital payments, you pretty much had to use P Terminals, which would set you back around \$750. But today, you can get started with dongles that only cost between \$10 and \$20, depending on where you are. Plus, in markets where contactless payments are really advanced, you can use your smartphone to accept payments without any extra cost for the device.

14:13

Smartphones are awesome, right? There are two main points I want to make. First, financial education is super important, especially when we talk about reaching the last mile. The biggest issue is that people who aren't part of the financial ecosystem often don't know the benefits, and they're a bit scared or confused about how it all works. That's why financial education is crucial. Plus, smartphones are a great way to connect with them and get that information out there.

14:49

"We've developed a really cool platform for financial education that helps not just micro and small businesses with their finances but also teaches them how to start and run a business. But there are still some challenges. For instance, when we went into rural areas, we found that while about 90% of people have smartphones, half of them don't have a data plan or access to Wi-Fi. So they're still kind of stuck."

15:22

We really need to keep building on this, and technology is definitely helping us get there. I've noticed a lot of financial institutions jumping in, especially payment facilitators, who are really targeting nano and micro businesses. As Corentin pointed out, in almost every country, 95% or more of businesses are micro or small. So, it's super important to pay attention to and focus on serving this specific segment.

15:58

"These businesses are really the backbone of the region, so I'm glad to keep sharing. Now, I want to turn it over to Corentin and Kritee. I'd love to hear your thoughts on the nano, micro, and small businesses and their ecosystem. How crucial is it for them to be part of the whole ecosystem to really achieve financial inclusion? What can we do to help them make a real impact in sustainability?"

16:43

"Thanks so much, Carlos! I really enjoyed the discussion today. I totally connected with what you said about micro, small, and nano entrepreneurs, especially those run by women. They're really tied to their communities and play a crucial role in providing jobs, goods, and services to the underserved populations."

17:13

I think they play a really important role because they can help connect formal financial systems with communities that are often left out. From our experience with these small businesses, like nanomicro and small enterprises, we've noticed they have specific needs that are different from larger companies. Traditional banks usually see them as high risk since they don't fit into the usual banking mold.

17:41

They mentioned that they operate informally, so they lack the collateral and documentation that keeps them excluded. Like Pat said, we need to build an ecosystem that's supportive and takes gender into account. We need to address the specific challenges faced by these

smaller businesses. In my opinion, this ecosystem should focus on four key things, and the first one should be access to...

18:10

"Affordable and flexible financial products for women, especially since they often don't have regular access to traditional collateral. For example, we've worked with Opportunity Bank Uganda and the UPS Foundation to provide loans without collateral at lower interest rates for women running nano, micro, and small enterprises. Because of this, over 481 women were able to get the funding they needed."

18:41

"\$1.6 million in funding. I think it's super important to offer advisory services to financial institutions. We really need to collaborate with them to ensure they're developing gender-focused products that actually meet the needs of these businesses. We also need to help these institutions enhance their services for women. For example, in Zambia, we teamed up with the Central Bank, which is a regulatory body that can really make a difference." 19:09

We teamed up with 14 institutions across the country to put together a gender-focused funding catalog. This catalog highlights the challenges women entrepreneurs, especially small and medium-sized enterprises, face and lists the financing options available to them in Kenya. We've collaborated closely with Absa Bank Kenya, offering our advisory support, which helped kick off their She Business Financing Program. This program offers unsecured loans of up to 10 million.

19:39

We're talking about Kenyan shillings, which is around \$8,000, and the repayment period is six years. And like you said, Carlos, financial education is super important. We offer focused financial literacy and mentorship programs that really address the social and cultural challenges women face. Plus, we want to take advantage of digital tools and platforms because they not only help with learning but also make mobile banking and microloans more accessible, which is crucial for reaching more people.

20:09

"We've been working with last-mile communities, and I want to highlight our partnership with Visa in the Gulf and Asia Pacific. We've offered financial literacy and mentorship programs to over 500 women, focusing on using digital financial solutions. We've also shared Visa's online resources, tools, and platforms that businesses can use to grow and secure funding. And, of course, it's crucial to address this."

20:38

We need to tackle social and cultural barriers by teaming up with local NOS Crossroads organizations to get a real grasp on the structural challenges women face. There's a common thread in these four pillars, which is the importance of multi-stakeholder partnerships. It's crucial to bring everyone together—financial institutions, private companies, international organizations like ours, tech providers, governments, and local groups. By collaborating with them, we can ensure we're all on the same page.

21:07

"We're not just offering affordable, flexible financial products tailored for women; we're also tackling bigger issues like gender challenges and social norms to create a real impact in communities. I know Corentin wants to chime in with his thoughts too. Thanks, Kritee, this has been really interesting to hear how different players can contribute."

21:41

Merging philanthropic and development organizations with traditional financial institutions can lead to innovative products for this segment. Just to add to your answer, I want to clarify something before we dive deeper, since I forgot to mention it in the first question. What we do at FUNDES, along with Visa, is create innovative solutions and models to support micro and small businesses. Specifically, we focus on doing this by creating...

22:20

Social enterprises are all about helping micro and small businesses every day. If we take a step back and look at the big picture, we can see the challenges these businesses face and think about how to solve them. I'd sum it up in three main areas. First off, a big challenge for these micro and small businesses is that they just don't have the skills they need.

22:55

"Technical skills, soft skills, and business skills are all important. When we talk about technical skills, if they're lacking, it can really hurt the quality of their service or product. Then there are soft and business skills; without those, it's tough for them to grow as a company, and honestly, soft skills can be even trickier to develop than business skills.

Another big challenge is financial exclusion and not having enough working capital, which really limits their ability to produce."

23:29

It really depends on their buying power, whether they're producers, small businesses, or retailers. The third factor is usually about how well they can access markets and negotiate. Like I mentioned earlier, small and medium-sized enterprises (MSMEs) are often scattered and isolated, with limited access to the market. There are a lot of solutions out there to tackle these issues. For example, microlearning can help support small businesses, and there are also microfinance options and fintech solutions available.

24:11

"Solutions for small businesses vary, especially when it comes to market access. You've got options like micro-franchises, value chain integration, and B2B marketplaces. They all share some common elements, like figuring out how to bring things together to take advantage of economies of scale and boost user value while managing the risks of those business models. I totally agree with Pam that we really need to create a supportive ecosystem and change behaviors. I don't think we can do this alone."

24:47

The solutions I just talked about can be effective on their own, but they really reach their full potential when paired with knowledge and support. Without that, credit can lead to micro businesses getting into debt or mismanaging their financial products. Plus, offering training without any incentives can be tough. If you're not connecting the training to access to credit or better transaction conditions, it might not feel valuable enough for the micro business owner, and they may not see the need for it.

25:28

We're offering incentives to participate in the upscaling and training sessions. In our partnership with Visa, there's an example I've always liked. We created a platform called Enco that's designed for the needs of micro businesses. As Carlos mentioned, it's a financial education platform. We found some interesting results when we connected the completion of various classes and courses to specific outcomes.

26:04

We teamed up with a fintech called Senor Pago, which is a payment device for small business owners. If these micro business users complete more than 10 lessons on our platform, we or Senor will lower the commission on each transaction they make using the device. So, we're really connecting financial support with skill development, and this idea can apply in other situations too.

26:43

Fintech solutions are getting integrated into marketplaces, value chains, and franchise models, just to name a couple of examples that I find pretty relevant. For instance, there's a fintech company in Mexico called Tienda Pago that offers working capital loans to mom-and-pop shops. They embed their services into the value chain of these small businesses, using data from big consumer goods companies like PepsiCo and Coca-Cola.

27:28

They have a lot of data on those small mom-and-pop shops, and with that info, they offer microloans. Another example of how to integrate financial solutions into transactions is Vercor, a fintech in Mexico that assists small farmers. They connect the microcredits they provide to repayments in the form of produce or link them to the purchase of inputs that farmers can get directly.

28:08

They're focused on their main marketplace for products, so it's about how to link those different solutions together. I really don't think we can tackle this in isolation; we need to create an ecosystem that connects these solutions more efficiently. I just want to jump in really quick because I'm nodding furiously while you're talking. I totally resonate with what you just said, especially about how important it is to connect everything.

28:45

Different ways to help support nano and micro businesses. I want to highlight something really cool you mentioned about the new innovative designs that are popping up for building skills and teaching digital financial literacy in the Last Mile communities. This is really going to benefit them by translating that knowledge into real, immediate improvements.

29:20

Their lives, you know, you mentioned connecting incentives to learning and also linking credit to services. I just want to point out that we see the same thing happening in the Asia Pacific region. We've noticed that financial literacy content is being broken down into bitesized pieces that are integrated into e-commerce or marketplace services for micro-sellers. Some Visa partners have already put this into action in Bangladesh and Pakistan. 29:57

Especially when it comes to getting micro-sellers who aren't really familiar with digital platforms onboard to start selling online for the first time, we notice there's a chance to include skill-building as a key part of the loan process with financial institutions. For instance, we've seen our partners, like the Fiji Development Bank, team up with Visa's

Financial Education program to help small and micro businesses that want to secure financing.

30:34

This is the first time the bank is guiding people through a process to help them understand what they need to do to get ready. When they apply for a loan, they should have the right information to showcase their business background and finances effectively to increase their chances of securing funding. I believe this innovative approach of integrating these support measures is a unique way for the private sector, government, and impact organizations to collaborate.

31:07

"Let's make sure this support system really works. I really appreciate you bringing up those examples. Thanks, Pan! Carlos and I have been dreaming about Enko being the go-to way for financial institutions to access credit. Hopefully, we can take some inspiration from the Fijian Development Bank case. We've been discussing possible solutions as we've gone along."

31:40

While we were getting this webinar ready, I was really glad to see everyone was open to sharing not just what worked but also what didn't—like the failures we've all faced in our careers. So, I want to ask you, Pan Carlos and Kti, if you could share a memorable failure from your extensive experience in The Last Mile and what you've learned from it.

32:19

"Thanks for that question, Corentin. Carlos, go ahead. Sure, I can start if you want. First off, I want to say that when I think of failure, it's about how we view and treat nano and micro businesses. I've seen a lot of progress, but there's still a lot to consider. For example, when they go through the KYC process, they're asked for a ton of documents."

32:56

They're seen not just as formal businesses but more like medium or large companies, which makes it really hard for them to get credit. Most of them, at least two-thirds in Latin America, are informal, so they don't have a credit history or the specific paperwork that's usually required. They get left out from the start. We haven't managed to adapt to the reality of the situation and look for alternative data, knowing that we're not going to...

33:35

We might be able to find them through a credit bureau, but we can also look at them as individuals and consider other factors. For example, we could check simple things like how they pay their utility bills and get a sense of their financial habits. It's also important to know their level of education. Remember, there was at least one high-credit lender that used our financial education platform, Enko.

34:11

After completing around 20 lessons, they started pointing out which ones small business owners should focus on to really boost their chances of getting credit. This made lenders more confident because the owners understood how to use the credit, repay it, and invest it wisely, so they knew what their main goals were.

34:50

We had this product that we thought would really boost sales for businesses, and I can't stress enough how important that is. But we ran into some setbacks. For instance, when we launched Enko, we were really excited, but it was weird that people weren't jumping on it right away. So, we decided to hit the ground and check things out. We just needed a couple of fields for people to sign up with their name and email.

35:24

It was really easy, so we went ahead and started grouping people together, like, say, 20 at a time. We asked, "Raise your hand if you have Facebook," and 17 people raised their hands. Then we asked, "How many of you have an email?" and only three hands went up. We were like, "No way you have Facebook but don't have an email!" A lot of people said, "Oh, maybe my son, daughter, or husband set up the email for me, but I don't know it." So we were just facing these little barriers, and it was kind of frustrating.

36:02

That's why a lot of people were trying to use the platform but couldn't even register. So we made it easier—now you just need a phone number, and that's it. That's all we're asking for right now. But looking at the bigger picture, the most important thing is that as an industry and ecosystem, everyone—private sector, governments, multilateral organizations—needs to keep working on defining things.

36:36

"I want to talk about solutions that really focus on these nano and micro businesses. That's my two cents, Pat. Thanks, Carlos! I'd love to hear from KY next because I know she has some great examples to share, and she looks eager to jump in. So, KY, go ahead! Thanks a lot! I think you read my mind because I really like this question. I totally agree with what

Carla said; challenges and failures are super important too. They're a big part of the journey to success."

37:12

One of the most memorable challenges I faced was during our work in East Africa. We partnered with local financial institutions, including Opportunity Bank and the UPS Foundation, to create collateral-free loans for women in rural communities. The team was super excited to launch these products, but for some reason, the uptake was way lower than we expected. So, we decided to look into it and reached out to the women directly.

37:40

We reached out to financial institutions and local community leaders and found that a lot of these women didn't even know about the available solutions. Even if they did, they were really hesitant to work with the banks because of general mistrust, which was made worse by long-standing social and cultural issues. So, we decided to change our approach. Our first priority was to build trust—that's the key for us—and improve financial literacy. We accomplished this by collaborating with local women.

38:10

We teamed up with local community leaders to teach financial literacy in their languages, which really helped address the unique social and cultural challenges these women face in their communities. Through these local networks, we began sharing info about our financial products so people know what we're offering. Plus, we made sure that all the financial institutions we worked with got training on gender sensitivity.

38:38

"We made sure there was someone there to help the women feel comfortable when they came to us. For us, it was all about building trust, boosting our skills, and getting the institutions involved, which really helped us connect with the communities that needed it most. In the end, we managed to distribute over \$1.6 million in collateral-free loans. One of the biggest lessons I learned from this experience..."

39:06

What we learned from this experience is that product design is never enough. Even the best financial products won't succeed without the right way to deliver them. We realized we need to engage with the local institutions to make this work. For financial inclusion to happen, it's not just about having the product; it has to be seen as valuable and relevant, really tailored to meet the needs of these women at the bottom of the pyramid.

39:32

I think one of the key things I've learned is how crucial it is to have ongoing feedback. When we noticed something wasn't working, instead of getting defensive, we listened to the people who were actually using the product. We heard the women's voices and took input from the financial institutions. We were flexible enough to adapt based on that feedback and really shaped the product to fit the needs of women in those last-mile communities. So, those are some important lessons I'll always remember.

40:00

"I'm really glad to see the initiative keep going, especially as we focus on reaching out to the last M communities, particularly women. Now, I'd like to hand it over to Pat to share her most memorable challenge with us. Thanks, KY! I always smile when I hear everyone share because it's incredible how many common lessons and challenges we all face in our work, even though we're spread out in different parts of the world."

40:33

"Basically, this shows us that we can learn a lot from each other through collaborative learning, and I'll explain that more in a bit. For me, I want to share three experiences in the Asia Pacific region that really taught me a lot, especially when it comes to financial inclusion. The first one is our experience in Indonesia."

41:04

We started a program to help women entrepreneurs improve their skills, especially in postconflict areas. We're supporting many women in remote communities, like on Lombo Island, to help get their families back on their feet through small businesses. For a lot of these women, we introduced training that they could do on a mobile device, whether it's a smartphone or a tablet. This training was really supported by community workers who would go out to help them.

41:38

Honestly, it was the final smile while working with these women and their devices, putting learning materials on them so they'd still have access, even if the community worker couldn't get to the village later on. We've got an awesome video that shows how it's done, and I can share it in the chat later if anyone's interested. It was just such a great experience overall.

42:07

"We noticed that in our program, around 75 to 90% of people were using digital financial methods to do business. Plus, we saw a clear boost in confidence among women using these digital services. So we thought, great idea! Let's apply that to our next program in India, where we're working with rural and tribal women, as well as women from slums, who are part of self-help groups and are eager to improve their digital skills for the economy."
42:39

In that program, we saw that our partner, United Way Mumbai, was focusing on the slums. I was lucky enough to be on-site and see how they were delivering the program. They had community workers, mostly women educators from the local areas, helping these women improve their business skills. The approach they used was pretty interesting.

43:14

They put together a little book that had financial literacy and business skills in it, kind of like a financial diary. Each of these women would take this book home, and I was a bit puzzled, thinking, "Isn't this all about digital financial inclusion and literacy? Why a book?" What I realized was that a lot of these women were either sharing devices or borrowing them, and sometimes they didn't even have a device of their own.

43:47

They were sharing it with their husbands, sisters, or kids, and they didn't always have their own device for making financial transactions. As they were improving their financial literacy in the digital world, they wanted something personal that they could own and control. The book was the best way for that to happen in this program, and it turned out to be a great learning opportunity.

44:19

For me, it showed that achieving digital financial inclusion isn't just about going digital. We needed to realize that there are a lot of social factors and access to digital infrastructure that we have to consider. This is crucial for effectively bringing financial literacy to the community, so they can really use and understand it. That way, when they do get access to a digital device, no matter what it is, they're empowered to make the most of it. 44:54

The way these women gain confidence in their knowledge is still a big deal for us. That was a great takeaway from the program. The final takeaway, which might open up some exciting opportunities down the line, is that the way financial literacy is taught here is specifically tailored to fit the social and cultural backgrounds of these women.

45:25

We're talking about a really specific area of work and investment. It's not just about what kind of materials are useful for financial literacy for these women micro-entrepreneurs, but also how that information is delivered—the format and the medium. All of that requires a good amount of investment and adaptation. That's something we've learned because we've seen it in many other types of financial literacy.

45:58

Sometimes, programs put too much focus on content but don't pay enough attention to how it's delivered or the channels used. We need to consider how this can fit into other services that are most relevant to the community. This might mean figuring out whether to create APIs, plugins, or to present content in smaller, more digestible pieces. We need to think about these options moving forward.

46:32

Let's move away from learning platforms for a second and think about things like shareable videos on WhatsApp. The way we deliver content—like the format and the channel—really needs just as much investment as the content itself. I'll pause here because I see a lot of questions coming in, and I want to make sure we have enough time to address them. Before we dive into the questions, I'd like to ask my colleagues on the panel to start looking at them too.

47:05

Some of these questions can probably be answered pretty directly in the chat, but I think some will need a bit more discussion. So, I'm going to use my moderator's privilege to focus on a few questions that I find really interesting. The first one is for you, Koko, but I'd also like Carlos to weigh in because it's relevant to both your areas of work.

47:39

Could you both share some examples of successful innovations from your area that tackle the barriers we discussed, like skills gaps, lack of capital, and issues with market access and negotiation power? Coko, could you start by giving us a couple of examples where you've seen innovations that effectively addressed these challenges? And Carlos, since you've been in the industry and have experience as a small business owner, I'd love to hear your thoughts too.

48:09

"I've seen some really interesting examples, so I might ask you to tackle that question if that's alright. Great! So, we're discussing successful cases within those innovations we talked about. I just want to make sure I got the question right. Yes, that's a good point for

clarification. This question is from Lucciana Alvarez, who's asking for examples of successful innovations that are dealing with issues like skills gaps."

48:41

"Yeah, so we were dealing with some capital shortages and trying to negotiate market access. We've been working on offering bite-sized training at Fundes, in collaboration with Visa. One challenge we faced was that many users got stuck between two and ten lessons and wouldn't progress. But I can share a success story where we managed to double those numbers once we started integrating some changes."

49:26

It's like peer-to-peer video learning, where one shopkeeper chats with another in a super casual way, kind of like TikTok. You get these short videos, around 1.5 minutes long, each focusing on a single question. The engagement rates are really high. This is what they call innovation, and it's all about how to consume content and interact with it.

50:06

"Hey Pam, about those reflections you just mentioned—when it comes to linking finance into the value chain, I really like what Veror and Tiao are doing. They've got some great solutions for creating financial services specifically tailored for micro and small businesses. A lot of times, people think there's a one-size-fits-all approach, but that's not really how it works for micro businesses."

50:55

"Creator one, you know, I'd say they're pretty different, and their needs vary depending on whether they're at the start or end of the value chain, whether they're making something or distributing it. I really think those two solutions—like tying financial credit to in-kind repayment when you're a producer, or in the case of Veror, linking working capital credit to the data from their anchor—are crucial."

51:35

The client for micro and small businesses at M Pop Shop is really influential. Those two companies are growing and making a big impact on their users. I'd highlight those two, and one more interesting case is the rise of artificial intelligence. It's a buzzword tossed around a lot, but it really fits what we're discussing here. For example, with Simon, we're trying to generate...

52:12

"Those peer-to-peer learning experiences using avatar-based video content are really making videos quicker and easier to access. There's this interesting case in Mexico called Aviva, which is a fintech offering credit to micro and small businesses. They're doing it digitally but also through physical locations. Basically, they have kiosks set up in the urban areas of Mexico City, targeting low-income folks."

52:50

Consumers can step up to a phone booth-like setup where they interact with an AI that assesses their creditworthiness in just a few minutes. What's really interesting is how it combines tech with the real-world experience of consumers who still prefer a more hands-on approach. 53:24

So, when it comes to behaviors, I'd say that's just a few examples. I hope that made sense. And to quickly answer another question, we have this solution with WOKU, which is the World Council of Credit Unions and USAID. One question I saw was about the importance of partnerships and working with others, and that's really key for us. We collaborate on almost all our programs with governments, multilaterals, FinEx, and NGOs, and so on.

54:01

"With that, we can help more people. In this case, the program operates in Ecuador and Peru, focusing on women entrepreneurs from those countries as well as Venezuelan migrants. It's been a huge success seeing these women boost their business revenues thanks to the program run by Woku and USAID, along with our financial education platforms. It's fantastic, thank you!"

54:38

Thanks a lot, Carlos, for that great example about the Waku and the World Council of Credit Unions. I'd love for both you and Goo to drop some links in the chat for those examples you mentioned—they're super exciting and I'm sure our audience would be eager to learn more about them. Also, I want to touch on one more question since there are some really good ones in the chat, and we want to be mindful of time.

55:03

"Let's tackle that quickly before we wrap up. Kitti, could you take a look at this really interesting question? With technology advancing so fast, how can we use digital innovation to improve financial services for those at the last mile? Are there any specific technologies or trends you think could be game changers? I know this could lead us in a lot of different directions, from AR to other things, so I'd love to hear your thoughts."

55:36

"Let me give you one quick example. Thanks so much for the great question! You're absolutely right; we could dive deep, but I think mobile banking is a huge opportunity, especially for reaching underserved communities, particularly women. For instance, in India, we have this tool called Paytm, and in Kenya, there's M-Pesa. These services let people in remote areas do transactions without needing a traditional bank account." 56:05

Going forward, I see AI really taking off. We're living in a world with ChatGPT, and it makes me think about a future where we can figure out if someone is creditworthy using data that isn't the usual stuff. I'm brainstorming some innovations and tools that could really make a difference for financial inclusion in underserved communities. In the interest of time, I'll hand it over to you now, but thanks, thanks, thanks! I just wanted to say quickly that from my...

56:31

From a technical standpoint, one of the most interesting examples of digital innovation might not seem super cutting-edge compared to other things out there, but its impact has been really impressive. I'm talking about the introduction of digitalization in the cattle market in Bangladesh. For those who know about it, especially in Islamic markets, there's this huge cattle market that happens once a year where sellers and buyers come together to trade.

57:05

They'll be able to buy cattle for the annual Eid festivals, usually called Corban. The market for this is only open for a short time, but it's been really profitable in the past, mostly in cash. However, during COVID, it was hard for many cattle farmers in Bangladesh to make this important part of their livelihood work. So, the government stepped in.

57:41

So, the Dairy Farmers Association and the cattle farmers teamed up to digitize the cattle market. Now you can actually see photos and videos of the cows that are up for sale, along with info about who's selling them. There are also online payment options for buyers. This shift to digital is helping farmers sell their cattle more easily while still connecting to the physical marketplace.

58:14

They're letting farmers have less risk of theft and providing way more security and transparency for their transactions in this short time, which is super important for the community in Bangladesh. I think using digital tools for this opportunity is really innovative,

and it's a great example of how we can make a difference at the grassroots level. So that wraps up the answers to the questions.

58:48

Thanks again, everyone, for your questions! They've been really insightful. I'm sorry on behalf of the panel that we can't answer all of them, but we hope the answers we did share have been helpful. You'll also find links from the panelists as we provide examples. Now, I want to switch things up a bit and hand it over to my colleague Kitti for the final question. Go ahead, Kitti!

59:16

"Thanks everyone, it's been a great discussion. We've talked about learning solutions and some challenges, but I want to leave our audience with a vision for the future. So, Carlos, Kenan, and Pat, could you share your thoughts on what the future of financial inclusion looks like at Last Mile? What do you think are the key steps we need to take to really move this agenda forward? Thanks, KY. I'll go ahead and share."

59:46

First off, I really believe that to help the folks on The Last Mile, we all need to pitch in together—governments, private companies, NGOs, multilaterals, everyone. It's a team effort if we want to make a difference. One thing I'd love to see is a significant shift in the KYC process, so it's easier for them to navigate and opens up more opportunities. Oh, and before we wrap up, I just wanted to say thanks.

01:00:27

"Carlos and I have been working with Visa for many years, and I'm really glad to be part of this panel today. It's been super interesting. Also, a shoutout to Pan for connecting at 3 AM—that really shows a strong commitment to financial inclusion. Anyway, back to the question: as I mentioned during the session, I believe that in the future, financial solutions for the last mile should be more specialized."

01:01:03

Focus on specific value chains and segments within those chains. Think about financial products for small businesses like mom-and-pop shops, small producers, beauty salons, recyclers, and so on. I also believe that fintech solutions should be integrated into these broader transaction solutions. It's really effective in a B2B marketplace and in franchises, especially with all the other factors involved.

01:01:46

Models can use a bunch of other data points and tools to simplify credit evaluations and payments. Also, the trends we're seeing with artificial intelligence and microlearning will be crucial in making it easier for people to access financial products. Thanks a lot, Koko, and I'll wrap it up here if that's okay.

01:02:22

Alright everyone, as we wrap up this panel, I just want to say that this past hour has really flown by. A few key themes have come up for all of us. First off, it's clear that digitalization is super important for the small community, but there are also a bunch of other crucial factors in the ecosystem that need to be in place to make financial inclusion a reality. We discussed access, among other things.

01:02:52

In our finance discussions, we talked about building skills, capabilities, and financial literacy. We also touched on the social and cultural context, making sure we consider that in our efforts. Basically, how we view all these elements working together relies on collaboration between different sectors—public, private, and community—to achieve a common goal. On a personal note, I feel there's...

01:03:25

"We have a lot in common when it comes to the challenges and goals we face in Mexico and the rest of Latin America, as well as in the work you're doing in Africa and what my colleagues and I are working on in Asia Pacific. To answer your question about my vision, I really believe there's a big opportunity for us to learn from each other and collaborate. What could be a solution for a soybean farmer in Latin America might also work for farmers elsewhere."

01:03:56

There's a maker in Indonesia that can also be adapted for shop owners in small towns in India. With that in mind, I want to thank everyone in the audience and our incredible panelists for taking the time to discuss this important topic with us today. We appreciate your attention and participation, and we're excited about continuing to promote financial inclusion together. Thanks again, and have a great day!

01:04:28

"Good morning, afternoon, and evening! We hope to see you for the rest of Financial Inclusion Week. Thanks, everyone, and take care!"