



FORUM ECONOMIC OFFICIALS MEETING

FORUM ECONOMIC MINISTERS MEETING

10-12 August 2022  
Port Vila, Vanuatu

**INFORMATION PAPER 8:  
IMPROVING FINANCING INCLUSION IN THE PACIFIC: 2025 MONEY PACIFIC  
GOALS**

**Purpose and Summary**

**Purpose**

This paper (prepared by the United Nations Capital Development Fund with inputs from Pacific Central Banks) provides an update on the regional efforts to support financial inclusion, financial and digital literacy and build disaster risk resilience in the Pacific under the *Money Pacific Goals 2025*.

**Summary**

- i. The paper highlights the areas where actions have been taken to accelerate the progress in financial inclusion in Pacific countries and in particular reference to the regional *Money Pacific Goals 2025*.
- ii. Progress under the *Money Pacific Goals 2025*, which includes the review and implementation of national financial inclusion strategies, highlights the digital innovations driving access and usage of financial services in the region and a detailed update on the region's first ever climate disaster risk insurance aimed at developing the financial preparedness and building resilience of Pacific islanders.
- iii. Two successor programmes to the Pacific Financial Inclusion Programme (PFIP) have been established, namely the Pacific Insurance and Climate Adaptation Programme (PICAP), and the Pacific Digital Economy Programme (PDEP), both of which are in their inception phase of implementation.

**A. Background**

*The Money Pacific Goals 2025*

The *2025 Money Pacific Goals* were adopted by FEMM and the Pacific Central Bank Governors in 2021. This reflected the high priority placed by Leaders across the region on building financial and digital literacy and promoting financial inclusion. Actions have been undertaken by Pacific countries to accelerate progress particularly by Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu, as covered in the update, with brief inputs from a few other Pacific countries. Central Banks in the Pacific have been at the forefront of action and coordination in their respective countries to implement the *Money Pacific Goals 2025*.

2. The *Money Pacific Goals 2025* endorsed by FEMM in 2021 states that: Pacific Island nations<sup>1</sup> by 2025, through the combined actions of public and private sectors, should ensure that:

All Pacific islanders enjoy a healthy financial life whereby each individual and household:

- Can meet their financial commitments and recover from unexpected crises;
- Has control over their financial resources; and
- Is able to make financial choices and afford the things beyond just basic needs.

3. Progress has been made on the *Money Pacific Goals 2025*. **Annex A** provides details of the most recent and up to date progress made by the region towards the achievement of the *Money Pacific Goals 2025*.

## **B. Discussion**

### *The Money Pacific Goals 2025*

4. The 2020 FEMM was informed through an information paper that the Pacific Central Banks, with technical support of UNCDF-led Pacific Financial Inclusion Programme (PFIP), developed the new set of regional commitments on financial inclusion and literacy, *Money Pacific Goals 2025*, and was submitted to 2021 FEMM for the endorsement of Forum Economic Ministers.

5. During 2020, UNCDF undertook the task of developing a new set of regional priorities and commitments (*Money Pacific 2025*) through a consultative process involving the Pacific Central Banks, Finance and Economic ministries and other key stakeholders. In addition to the Pacific countries that have Central Banks, consultations were held in Federated States of Micronesia, Republic of Marshall Islands, Nauru, Kiribati, and Tuvalu. The outcome of these consultations greatly informed the development of the new *Money Pacific Goals 2025*. The new *Money Pacific Goals 2025* were discussed and endorsed by the South Pacific Central Bank Governors at the 35th South Pacific Central Bank Governors meeting, which was held virtually in November 2020, and hosted by the Reserve Bank of Vanuatu.

6. The *Money Pacific Goals 2025* endorsed by the FEMM 2021 is presented below.



All Pacific islanders to enjoy a healthy financial life whereby each individual and household

- Can meet their financial commitments and recover from unexpected crises;
- Has control over their financial resources; and
- Is able to make financial choices and afford the things beyond just basic needs.

Pacific nations will harness digitalization to accelerate economic recovery from global shocks, to financially empower vulnerable communities, narrow income inequalities, drive entrepreneurial activities and to close the gender gap.

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<sup>1</sup> Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu are countries that have Central banks that have been in the forefront of coordinated action. There are other countries where this action has been led by respective Ministries

The following goals will be pursued over the next 5 years with national progress and their relevancy reviewed annually at the South Pacific Central Bank Governors Meeting and submitted for information and guidance by Forum Economic Ministers at FEMM.

- All citizens have access to and are regularly using a range of responsive and regulated digital financial products and services to fulfil their financial goals.
- Support the development of a vibrant digital finance innovation ecosystem to address prevailing and rapidly changing priorities and risks, including Covid-19 recovery and climate disaster risks.
- Strengthen consumer protection measures, including privacy and data protection, to address increasing risks associated with a rapidly developing digital economy.
- Implement curricula and training programmes to strengthen the financial and digital literacy capabilities of all children and adults. Improve the regularity and quality of digital and financial inclusion data to enable evidence-based policy and strategy formulation and to monitor the achievement of national strategies.

United Nations Capital Development Fund  
South Pacific Central Bank Governors  
18 May 2022

## Update of activities and results towards achievement of the Money Pacific Goals 2021-2025

For the period 1 January 2021 to 31 December 2021

### PART A: Annual Progress Against Goals

Country: **Fiji** Respondent: **Reserve Bank of Fiji**

Goals	Activities, Programmes and Results <i>(provisional 2020 data except when indicated otherwise)</i>
<p><b>1</b> All citizens have access to and are regularly using a range of responsive and regulated digital financial products and services to fulfil their financial goals</p>	<p>Number of adult citizens<sup>2</sup> having a registered digital financial product and services account<sup>3</sup>: Or % of adult population with a digital finance service account</p> <ul style="list-style-type: none"> <li>• 25.2% (158,624) of adult population (15+ years) with a registered DFS account (internet banking account used as a proxy).</li> </ul>
	<p>% of adult population with a registered mobile money account</p> <ul style="list-style-type: none"> <li>• 62.0% of adult population (15+ years) with a registered mobile money account.</li> </ul>
	<p>% of adult population actively using<sup>4</sup> mobile money account:</p> <ul style="list-style-type: none"> <li>• 27.2% of adult population (15+ years) actively using mobile money account.</li> </ul>
	<p>Number of active DFS agents per 10,000 adults:</p> <ul style="list-style-type: none"> <li>• Approximately 12 DFS agents per 10,000 adults</li> </ul>
	<p>Key Activities/ Programmes undertaken to widen access and usage of digital financial services by country stakeholders (Please mention total number of programmes/awareness campaigns undertaken during this year, and % of population reached through these programmes/ campaigns)</p> <ul style="list-style-type: none"> <li>• Acceptance of <b>QR-based payments</b> from merchants and mobile money users resulting in new entrants from merchants and repeated customer usage;</li> <li>• <b>Vodafone VitiKart Subsidy Scheme (Scheme)</b> - allocation of \$1.15 million to pay monthly subscriptions of MSMEs on the Vodafone Fiji VitiKart Platform. This</li> </ul>

<sup>2</sup> Age of adult citizen to be determined as per the country definition

<sup>3</sup> Adult citizens with access to any relevant licensed digital finance provider, including mobile money accounts, e-money providers, banks with a agent networks, FinTechs/InsurTech, digital insurance etc.

<sup>4</sup> Account/ services used at least once in the last 90 days

		<p>scheme is administered by the RBF and provides MSMEs access to a broader online marketplace. MSMEs make cost-savings as they do not need to set up their own website and payment gateway to market and sell their products. The Scheme was effected through a Memorandum of Agreement (MOA) signed on 13 August 2021 between the Government, Reserve Bank and Vodafone Fiji Pte Limited.</p> <ul style="list-style-type: none"> <li>• As of 30 November 2021, <b>40 enterprises</b>, from the 84 enterprises listed, have been assisted under the Scheme with total payment of \$2,229 disbursed to Vodafone in subscription fees;</li> <li>• <i><b>MNO Partnership deals with Commercial Banks</b></i> - ANZ bank in collaboration with Vodafone Fiji Pte Ltd launched their partnership deal on 15<sup>th</sup> December 2021 which allowed ANZ customers to transact (without fees) on the M-PAiSA platform. Similarly, other banks - Westpac, Bank of Baroda and HFC Bank - have also partnered with Vodafone's M-PAiSA services. Overall, the pandemic has contributed to an increase in bank transfers to mobile wallets nation-wide through Vodafone's M-PAiSA and Digicel's MyCash.</li> </ul>
2	<p>Support the development of a vibrant digital finance innovation ecosystem to address prevailing and rapidly changing priorities and risks, including Covid-19 recovery and climate disaster risks</p>	<p>(Highlight initiatives like digital finance innovation hub/ accelerator programs/ startup incubators/ regulatory sandbox etc., number of projects/ startups supported by these initiatives and level of investment (US\$))</p> <ul style="list-style-type: none"> <li>• The <u>Regulatory Sandbox</u> was launched in 2019 to foster responsible development of innovative solutions in Fiji's financial sector. The RBF has received submissions from a number of entities with innovative financial solutions for the Fijian market.</li> <li>• The RBF continued its support for digital financial services through dialogue with financial institutions, FinTechs and development partners. Around 9 different entities have been supported through this mechanism, both within and outside of the RBF's FinTech Regulatory Sandbox.</li> <li>• Support controlled live testing of innovative FinTech solutions under the RBF's FinTech Regulatory Sandbox as well as the Pacific Islands <u>Regional Regulatory Sandbox</u>. The RBF had admitted one solution into the Experimentation Stage of the RBF's FinTech Regulator Sandbox and has worked closely to advance several other FinTechs to the preparation stages.</li> <li>• Fiji and region's first parametric microinsurance developed by the UNCDF Pacific Insurance and Climate Adaptation Programme presently marketed through two local insurers-</li> </ul>

		FijiCare and Sun Insurance- was admitted for an experimentation stage of the RBFs Regulatory Sandbox
3	Implement curricula and training programmes to strengthen the financial and digital literacy capabilities of all children and adults	Evidence of Financial literacy included in primary, secondary, tertiary curricula: <ul style="list-style-type: none"> <li>• In 2013 Financial Education (FinEd) program was rolled out to all schools in Fiji from Year 1-12 to around 910 schools and 197,000 students;</li> <li>• In 2016 RBF was recognised by Child &amp; Youth Finance International for full rollout of FinEd;</li> <li>• In 2017 assessment tool for FinEd was handed over to Ministry of Education (MoEd) and in the same year FinEd Innovation Awards was introduced;</li> <li>• In 2018 a structured assessment of FinEd was incorporated in the National Assessment for Years 8 and 10; and</li> <li>• A review of the FinEd program has been included as an action item in Fiji’s National Financial Inclusion Strategy 2022-2030 to move from theory to practical in terms of “SavEd” children program.</li> </ul>
		Evidence of Digital literacy included in primary, secondary, tertiary curricula: <ul style="list-style-type: none"> <li>• A Financial Literacy Strategy under which digital literacy is a key component has been included as an action item of Fiji’s National Financial Inclusion Strategy 2022-2030.</li> </ul>
		Evidence/ Development of Financial and digital literacy framework targeted towards adults, and key programmes delivered under this framework, including data on number of such literacy programs and people covered (if available): <ul style="list-style-type: none"> <li>• A financial and digital literacy component has been included as an action item of Fiji’s National Financial Inclusion Strategy 2022-2030.</li> </ul>
4	Strengthen consumer protection measures, including privacy and data protection, to address increasing risks associated with a rapidly developing digital economy	Evidence of consumer protection framework/guidelines defining customer rights and provider responsibilities, and initiatives undertaken towards implementation: <ul style="list-style-type: none"> <li>• The development of a consumer protection framework and respective market conduct guidelines have been included as a short-term priority action item of Fiji’s National Financial Inclusion Strategy 2022-2030.</li> </ul>
		Evidence of customer grievance redressal framework/guidelines and mechanisms in the financial sector:

		<ul style="list-style-type: none"> <li>• Issued policy guidelines on complaints management for <u>Banking</u> and <u>Insurance</u> industry in 2010. The policy framework will be reviewed in 2023.</li> <li>• A new policy for financial consumers is expected to be approved in Q2 of 2023.</li> </ul> <p>Evidence of privacy and data protection laws/ policies for digital finance customers and service providers:</p> <ul style="list-style-type: none"> <li>• National Payment System Act passed by Parliament in February 2021. The Draft National Payment System Regulations is in progress and currently with industry consultation.</li> </ul>
5	<p>Improve the regularity and quality of digital and financial inclusion data to enable evidence-based policy and strategy formulation and to monitor the achievement of national strategies</p>	<p>Availability of framework to collect supply side data from the digital financial service providers and other financial service providers by the regulators:</p> <ul style="list-style-type: none"> <li>• Issued <u>Financial Sector Development Policy Statement No. 1: Minimum Requirements for the Provision of Disaggregated Data</u>. The Policy came into effect on June 1, 2019.</li> <li>• First set of disaggregated data by gender, age and location published on RBF website and shared with all financial services providers in November 2021. <a href="https://www.rbf.gov.fj/core-functions/financial-system-development/supply-side-financial-services-data-3/">https://www.rbf.gov.fj/core-functions/financial-system-development/supply-side-financial-services-data-3/</a></li> <li>• Disaggregated data is available for 2018, 2019 and 2020.</li> </ul> <p>Type (i.e., gender disaggregated, geographic, sector specific etc.) and frequency of digital financial services and financial inclusion related data being collected:</p> <ul style="list-style-type: none"> <li>• The “Disaggregated Data” policy is an industry-wide minimum requirement for all regulated and supervised financial service providers (FSPs) to capture granular data for gender, age, and location. Information is reported to the Reserve Bank of Fiji on an annual basis.</li> </ul> <p>Evidence of directly utilising the data in design/ implementation of financial sector policies/ development strategies and monitoring of NFIS implementation at the national level:</p> <ul style="list-style-type: none"> <li>• The 2020 Disaggregated Data was used as a baseline for setting targets in the National Financial Inclusion Strategy 2022-2030.</li> </ul>

	Goals	Activities, Programmes and Results
1	All citizens have access to and are regularly using a range of responsive and regulated digital financial products and services to fulfil their financial goals	<p>Number of adult citizens<sup>5</sup> having a registered digital financial product and services account<sup>6</sup>: Or % of adult population with a digital finance service account</p> <ul style="list-style-type: none"> <li>• 41.93%</li> </ul> <hr/> <p>% of adult population with a registered mobile money account:</p> <ul style="list-style-type: none"> <li>• 41.93%</li> </ul> <hr/> <p>% of adult population actively using<sup>7</sup> mobile money account:</p> <ul style="list-style-type: none"> <li>• 5.05%</li> </ul> <hr/> <p>Number of active DFS agents per 10,000 adults:</p> <ul style="list-style-type: none"> <li>• 8.95</li> </ul> <hr/> <p>Key Activities/ Programmes undertaken to widen access and usage of digital financial services by country stakeholders (Please mention total number of programmes/awareness campaigns undertaken during this year, and % of population reached through these programmes/ campaigns)</p> <ul style="list-style-type: none"> <li>• Commercial banks conduct digital financial literacy to their clients on the usage of their DFS available</li> <li>• Samoa Business Hub encourages the use of DFS to their clients as well as provide them with awareness and how to use DFS</li> </ul>
2	Support the development of a vibrant digital finance innovation ecosystem to address prevailing and rapidly changing priorities and risks, including Covid-19 recovery and climate disaster risks	<p>(Highlight initiatives like digital finance innovation hub/ accelerator programs/ startup incubators/ regulatory sandbox etc., number of projects/ startups supported by these initiatives and level of investment (US\$))</p> <ul style="list-style-type: none"> <li>• CBS is part of the AFI Regional Regulatory Sandbox that is under development</li> </ul>
3	Implement curricula and training programs to strengthen the financial and digital literacy capabilities of all children and adults	<p>Evidence of financial literacy included in primary, secondary, tertiary curricula:</p> <ul style="list-style-type: none"> <li>• Ministry of Education, Sports and Culture have embedded financial literacy in Yr. 10 level curriculum</li> </ul>

<sup>5</sup> Age of adult citizen to be determined as per the country definition

<sup>6</sup> Adult citizens with access to any relevant licensed digital finance provider, including mobile money accounts, e-money providers, banks with a agent networks, FinTechs/InsurTech, digital insurance etc.

<sup>7</sup> Account/ services used at least once in the last 90 days

		<p>Evidence of digital literacy included in primary, secondary, tertiary curricula:</p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul> <p>Evidence/ Development of financial and digital literacy framework targeted towards adults, and key programs delivered under this framework, including data on number of such literacy programs and people covered (if available):</p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
4	<p>Strengthen consumer protection measures, including privacy and data protection, to address increasing risks associated with a rapidly developing digital economy</p>	<p>Evidence of consumer protection framework/guidelines defining customer rights and provider responsibilities, and initiatives undertaken towards implementation:</p> <ul style="list-style-type: none"> <li>• There is the Samoa Competition and Consumer Act 2016 under the purview of our Ministry of Commerce, Industry and Labour (MCIL), which covers consumer protection for all services (including financial) as well as the obligation of traders</li> <li>• MCIL Fair Trading Unit and the commemoration of the World Consumer Rights Day (annually) which commemorates basic consumer rights, etc.</li> </ul> <p>Evidence of customer grievance redressal framework/guidelines and mechanisms in the financial sector:</p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul> <p>Evidence of privacy and data protection laws/ policies for digital finance customers and service providers:</p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
5	<p>Improve the regularity and quality of digital and financial inclusion data to enable evidence-based policy and strategy formulation and to monitor the achievement of national strategies</p>	<p>Availability of framework to collect supply side data from the digital financial service providers and other financial service providers by the regulators:</p> <ul style="list-style-type: none"> <li>• NFIS data collection is done every quarter</li> </ul> <p>Type (i.e., gender disaggregated, geographic, sector specific etc.) and frequency of digital financial services and financial inclusion related data being collected:</p> <ul style="list-style-type: none"> <li>• NFIS data collection is done every quarter</li> </ul> <p>Evidence of directly utilizing the data in design/ implementation of financial sector policies/ development strategies and monitoring of NFIS implementation at the national level:</p>

- NFIT work and discussions during meetings

Country: **Vanuatu** Respondent: **Reserve Bank of Vanuatu**

	Goals	Activities, Programmes and Results
1	All citizens have access to and are regularly using a range of responsive and regulated digital financial products and services to fulfil their financial goals	<p>Number of adult citizens<sup>8</sup> having a registered digital financial product and services account<sup>9</sup>: Or % of adult population with a digital finance service account</p> <ul style="list-style-type: none"> <li>• Total Mobile wallet users: 5744 Mobile Money Accounts</li> <li>• Internet banking: 23,347 registered Internet Banking Users</li> <li>• Mobile Banking App: 13,726 Mobile banking app users</li> </ul> <hr/> <p>% of adult population with a registered mobile money account: 3.5%</p> <hr/> <p>% of adult population actively using<sup>10</sup> mobile money account: 0.67%</p> <hr/> <p>Number of active DFS agents per 10,000 adults:</p> <ul style="list-style-type: none"> <li>• Total of 29 Mobile money agents</li> <li>• Total of 61 Merchant Banking Agents</li> </ul> <hr/> <p>Key Activities/ Programs undertaken to widen access and usage of digital financial services by country stakeholders (Please mention total number of programs/awareness campaigns undertaken during this year, and % of population reached through these programmes/ campaigns)</p> <ul style="list-style-type: none"> <li>• Total of 57 programs offered by Financial Services Provider</li> </ul>
2	Support the development of a vibrant digital finance innovation ecosystem to address prevailing and rapidly changing priorities and risks, including Covid-19 recovery and climate disaster risks	<p>(Highlight initiatives like digital finance innovation hub/ accelerator programs/ startup incubators/ regulatory sandbox etc., number of projects/ startups supported by these initiatives and level of investment (US\$))</p> <ul style="list-style-type: none"> <li>• There is a startup incubator called the “Yumi Wok”- a private sector initiative</li> </ul>

<sup>8</sup> Age of adult citizen to be determined as per the country definition

<sup>9</sup> Adult citizens with access to any relevant licensed digital finance provider, including mobile money accounts, e-money providers, banks with a agent networks, FinTechs/InsurTech, digital insurance etc.

<sup>10</sup> Account/ services used at least once in the last 90 days

		<ul style="list-style-type: none"> <li>• PIRI Regional Regulatory Sand Box (RBV is yet to fully implement this initiative)</li> </ul>
3	<p>Implement curricula and training programs to strengthen the financial and digital literacy capabilities of all children and adults</p>	<p>Evidence of financial literacy included in primary, secondary, tertiary curricula:</p> <ul style="list-style-type: none"> <li>• RBV signed MOU with Ministry of Education in 2017 to facilitate the inclusion of Financial Education (FinEd) in the mainstream education syllabus. So far, FinEd has been embedded in the school syllabus for Primary (Class 1 – 8) and senior secondary levels (11 – 13).</li> <li>• In the sub-national level, RBV is collaborating with the Vanuatu Qualifications Authority (VQA) to develop a Financial Literacy Course (level I, II &amp; III). This course can be taught in Rural Training Centres (RTC) to capture the population that have dropped out of the mainstream education system</li> </ul> <p>Evidence of digital literacy included in primary, secondary, tertiary curricula:</p> <ul style="list-style-type: none"> <li>• During the current covid crisis, schools are encouraged to provide home school packages via digital platforms. Many schools (mainly secondary) have adapted to provide online learning for school children via platforms such as Moodle, ViewPax, Zoom, etc...</li> <li>• No data available currently to provide a clearer picture of financial and digital literacy uptake in the country. Perhaps the survey anticipated by UNCDF will assist to provide background data on this.</li> </ul> <p>Evidence/ Development of financial and digital literacy framework targeted towards adults, and key programmes delivered under this framework, including data on number of such literacy programmes and people covered (if available):</p> <ul style="list-style-type: none"> <li>• N/A</li> <li>• The digital literacy survey by UNCDF mentioned above will assist Vanuatu to develop a digital literacy framework targeted towards adults and the programs that will support this initiative.</li> </ul>

4	Strengthen consumer protection measures, including privacy and data protection, to address increasing risks associated with a rapidly developing digital economy	<p>Evidence of consumer protection framework/guidelines defining customer rights and provider responsibilities, and initiatives undertaken towards implementation:</p> <ul style="list-style-type: none"> <li>• Vanuatu currently does not have any consumer protection policy or mechanism in place. Discussions are presently underway to have them developed.</li> <li>• No data available</li> </ul> <p>Evidence of customer grievance redressal framework/guidelines and mechanisms in the financial sector:</p> <ul style="list-style-type: none"> <li>• At the moment, each financial institution operating in Vanuatu have their own redressal guidelines and mechanisms.</li> <li>• Consumer protection for DFS is considered an important factor to be included in the Financial Consumer Protection Framework to be developed</li> </ul> <p>Evidence of privacy and data protection laws/ policies for digital finance customers and service providers:</p> <ul style="list-style-type: none"> <li>• The Government of Vanuatu has an ICT department known as OGCIO and CERT who together with the Telecommunication, Radiocommunication and Broadcasting Regulator (TRBR), are working to address or develop policies relating to data protection and privacy.</li> <li>• RBV and TRBR have entered into an MOU to address issues of DFS, FinTech and Mobile Money in the country.</li> </ul>
5	Improve the regularity and quality of digital and financial inclusion data to enable evidence-based policy and strategy formulation and to monitor the achievement of national strategies	<p>Availability of framework to collect supply side data from the digital financial service providers and other financial service providers by the regulators:</p> <ul style="list-style-type: none"> <li>• MOU has been signed with non-bank financial institutions to collect supply side data</li> <li>• With the enactment of the new Payment System Act, regulations will also be developed to assist RBV in collecting data from DFS and other payment services providers.</li> </ul> <p>Type (i.e., gender disaggregated, geographic, sector specific etc.) and frequency of digital financial services and financial inclusion related data being collected:</p> <p>So far, the financial inclusion data collection templates includes the following:</p> <ul style="list-style-type: none"> <li>• Gender disaggregates</li> </ul>

	<ul style="list-style-type: none"> <li>• Geographical access</li> <li>• Youth participation</li> <li>• SME participations</li> <li>• Other financial inclusion initiatives</li> </ul>
	<p>Evidence of directly utilizing the data in design/ implementation of financial sector policies/ development strategies and monitoring of NFIS implementation at the national level:</p> <ul style="list-style-type: none"> <li>• So far, the data has been used only to provide periodic reporting to RBV and other partners as and when required.</li> <li>• It is anticipated that once, a more complete data collection exercise is implemented and database developed, then the data may be used for further policy decision making.</li> </ul>

Country: **Tonga**

Respondent: **UNCDF Tonga**

	<b>Goals</b>	<b>Activities, Programmes and Results</b>
<b>1</b>	All citizens have access to and are regularly using a range of responsive and regulated digital financial products and services to fulfil their financial goals	Number of adult citizens <sup>11</sup> having a registered digital financial product and services account <sup>12</sup> : Or % of adult population with a digital finance service account <ul style="list-style-type: none"> <li>• Data on DFS is yet to be collected by NRBT from Banks</li> </ul>
		% of adult population with a registered mobile money account: <ul style="list-style-type: none"> <li>• 3.5% of total population are registered with Digicel Mycash</li> </ul>
		% of adult population actively using <sup>13</sup> mobile money account: <ul style="list-style-type: none"> <li>• 3% - 90 days</li> </ul>
		Number of active DFS agents per 10,000 adults: <ul style="list-style-type: none"> <li>• Total number of agents in Tonga is 7 agents, therefore approximately 1 per 10,000 adults</li> </ul>
		Key activities/ programs undertaken to widen access and usage of digital financial services by country stakeholders (Please mention total number of programmes/awareness campaigns undertaken during this year, and % of population reached through these programmes/ campaigns)

<sup>11</sup> Age of adult citizen to be determined as per the country definition

<sup>12</sup> Adult citizens with access to any relevant licensed digital finance provider, including mobile money accounts, e-money providers, banks with agent networks, FinTechs/InsurTech, digital insurance etc.

<sup>13</sup> Account/ services used at least once in the last 90 days

		<p>UNCDF's Pacific Digital Economy Programme is undertaking the following projects:</p> <ol style="list-style-type: none"> <li>1. e-Commerce platform</li> <li>2. Agent/merchant network expansion project</li> <li>3. Innovation: Capacity building for ESO's</li> </ol>
2	Support the development of a vibrant digital finance innovation ecosystem to address prevailing and rapidly changing priorities and risks, including Covid-19 recovery and climate disaster risks	<p>(Highlight initiatives like digital finance innovation hub/ accelerator programs/ startup incubators/ regulatory sandbox etc., number of projects/ startups supported by these initiatives and level of investment (US\$))</p> <ul style="list-style-type: none"> <li>• PDEP – Innovation: Capacity building for ESO's – USD 200,000</li> </ul>
3	Implement curricula and training programs to strengthen the financial and digital literacy capabilities of all children and adults	<p>Evidence of financial literacy included in primary, secondary, tertiary curricula:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.edu.gov.to/">http://www.edu.gov.to/</a></li> </ul> <p>Evidence of digital literacy included in primary, secondary, tertiary curricula:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.edu.gov.to/">http://www.edu.gov.to/</a></li> </ul> <p>Evidence/ Development of financial and digital literacy framework targeted towards adults, and key programs delivered under this framework, including data on number of such literacy programmes and people covered (if available):</p> <ul style="list-style-type: none"> <li>• PDEP – Innovation: Capacity building for ESO's – USD 200,000</li> </ul>
4	Strengthen consumer protection measures, including privacy and data protection, to address increasing risks associated with a rapidly developing digital economy	<p>Evidence of consumer protection framework/guidelines defining customer rights and provider responsibilities, and initiatives undertaken towards implementation:</p> <ul style="list-style-type: none"> <li>• Nil</li> </ul> <p>Evidence of customer grievance redressal framework/ guidelines and mechanisms in the financial sector:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.reservebank.to/data/documents/forms/NRBT_CustomerComplaintForm.pdf">http://www.reservebank.to/data/documents/forms/NRBT_CustomerComplaintForm.pdf</a></li> </ul> <p>Evidence of privacy and data protection laws/ policies for digital finance customers and service providers:</p>

		<ul style="list-style-type: none"> <li>• <a href="http://www.reservebank.to/data/documents/legals/legislation/NRBT_AMLCFT_Guideline_Apr15.pdf">http://www.reservebank.to/data/documents/legals/legislation/NRBT_AMLCFT_Guideline_Apr15.pdf</a></li> </ul>
5	Improve the regularity and quality of digital and financial inclusion data to enable evidence-based policy and strategy formulation and to monitor the achievement of national strategies	<p>Availability of framework to collect supply side data from the digital financial service providers and other financial service providers by the regulators:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.reservebank.to/index.php/financials/financial-access/access-to-finance-reports.html">http://www.reservebank.to/index.php/financials/financial-access/access-to-finance-reports.html</a></li> </ul> <p>Type (i.e., gender disaggregated, geographic, sector specific etc.) and frequency of digital financial services and financial inclusion related data being collected:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.reservebank.to/index.php/financials/financial-access/msmes-atf.html"><u>http://www.reservebank.to/index.php/financials/financial-access/msmes-atf.html</u></a></li> <li>• There is no data on DFS available in Tonga, other than the access points and MSMEs data set.</li> </ul> <p>Evidence of directly utilizing the data in design/ implementation of financial sector policies/ development strategies and monitoring of NFIS implementation at the national level:</p> <ul style="list-style-type: none"> <li>• NRBT is yet to finalize the draft NFIS</li> </ul>

Country: **Solomon Islands**

Respondent: **Central Bank of Solomon Islands**

	Goals	Activities, Programmes and Results
1	All citizens have access to and are regularly using a range of responsive and regulated digital financial products and services to fulfil their financial goals	<p>Number of adult citizens<sup>14</sup> having a registered digital financial product and services account<sup>15</sup>: Or % of adult population with a digital finance service account</p> <ul style="list-style-type: none"> <li>• <b><u>Total adults: 70,310</u></b> (<i>BSP mobile banking, Bredbank mobile banking app, ANZ Pacific app, Pan Oceanic Bank Limited, youSave loMobile &amp; EziPei</i>)</li> <li>• <b><u>14% of adults</u></b> (<i>est. adult population - 514,030</i>).</li> </ul> <p>% of adult population with a registered mobile money account:</p> <ul style="list-style-type: none"> <li>• Not reported</li> </ul> <p>% of adult population actively using<sup>16</sup> mobile money account:</p> <ul style="list-style-type: none"> <li>• Not reported</li> </ul>

<sup>14</sup> Age of adult citizen to be determined as per the country definition

<sup>15</sup> Adult citizens with access to any relevant licensed digital finance provider, including mobile money accounts, e-money providers, banks with agent networks, FinTechs/InsurTech, digital insurance etc.

<sup>16</sup> Account/ services used at least once in the last 90 days

		<p>Number of active DFS agents per 10,000 adults:</p> <ul style="list-style-type: none"> <li>• Not reported</li> </ul> <hr/> <p>Key Activities/ Programs undertaken to widen access and usage of digital financial services by country stakeholders (Please mention total number of programs/awareness campaigns undertaken during this year, and % of population reached through these programmes/ campaigns):</p> <p>Main program &amp; awareness campaigns are undertaken by the respective providers offering digital financial services through face to face, mass media (radio), social media (Facebook) &amp; print Media;</p> <ul style="list-style-type: none"> <li>• youSave Lomobile: awareness campaigns on media &amp; print media and face to face with provincial visits in 4 provinces: Choiseul, Temotu, Guadalcanal, Western.</li> <li>• BSP provincial visits: EFTPOS in Western</li> <li>• ANZ Pacific App in Honiara &amp; Provincial centers</li> <li>• BRED mobile interface use cases – on social media</li> </ul> <p>About 7 program and 19,429 reached in 2021.</p>
2	Support the development of a vibrant digital finance innovation ecosystem to address prevailing and rapidly changing priorities and risks, including Covid-19 recovery and climate disaster risks	<p>(Highlight initiatives like digital finance innovation hub/ accelerator programs/ startup incubators/ regulatory sandbox etc., number of projects/ startups supported by these initiatives and level of investment (US\$))</p> <ul style="list-style-type: none"> <li>• youSave lomobile (airtime currency) initiative was implemented under an enabling environment which allowed the product to be tested &amp; piloted, and later came under the relevant legislation.</li> <li>• CBSI’s Regulatory Sandbox Framework and Standard Operating Procedures (SOP) developed in 2021 and implementation roll-out by April 2022.</li> </ul>
3	Implement curricula and training programs to strengthen the financial and digital literacy capabilities of all children and adults	<p>Evidence of financial literacy included in primary, secondary, tertiary curricula:</p> <ul style="list-style-type: none"> <li>• Financial literacy in TVETs/RTCs curriculum for six training centers of the Anglican Church of Melanesia</li> </ul> <hr/> <p>Evidence of digital literacy included in primary, secondary, tertiary curricula:</p> <ul style="list-style-type: none"> <li>• Not reported</li> </ul>

		<p>Evidence/ <u>Development</u> of financial and digital literacy <u>framework</u> targeted towards adults, and key programs delivered under this framework, including data on number of such literacy programmes and people covered (if available):</p> <ul style="list-style-type: none"> <li>• CBSI Financial Competency/Coaching 7-weeks course and tailored personal money management sessions as well as commercial banks money management program such as ANZ’ Money Minded program.</li> <li>• The dissemination of the CBSI-led Financial Competency “Mekem Selen Waka for gudfala future” program was conducted in 2021, covering Honiara and Guadalcanal Provinces. The program mainly focused on TOT who then implemented it within their respective savings groups, women groups, church groups particularly in the informal sector. The framework was also delivered to High Commission workers and teachers during the year.</li> <li>• For GMW 2021, CBSI in partnership with Honiara City Council Women’s Division, to celebrate the Children’s International Day, conducted the Pikinini financial literacy to six primary schools in Honiara.</li> <li>• ANZ delivered the ANZ Money Minded program in Honiara, Guadalcanal &amp; Western Provinces.</li> <li>• Other stakeholders conducted a total of 34 financial literacy programmes and had a reach of 12,533 in 2021 (with digital literacy of 19,429; 2021 approximate total of 31,962).</li> </ul>
4	<p>Strengthen consumer protection measures, including privacy and data protection, to address increasing risks associated with a rapidly developing digital economy</p>	<p>Evidence of consumer protection framework/guidelines defining customer rights and provider responsibilities, and initiatives undertaken towards implementation:</p> <ul style="list-style-type: none"> <li>• Licensed financial institutions with prudential guidelines PG8 have disclosure/contractual requirements for providers and, PG9 on complaints management, outlined roles &amp; responsibilities of providers.</li> <li>• Currently enforced are PGN1 &amp; PGN2 on (i) mobile money on the roles &amp; responsibilities of stakeholders and (ii) cash agents on responsibilities of financial institutions (Principal-Agent).</li> <li>• In progress: The e-money regulations with provisions on roles &amp; requirements of e-money issuers and (ii) agency banking regulations with provisions on responsibilities of parties in the principal-agent relationship.</li> <li>• A total of 400 copies of the “Savings Groups Members Rights” was distributed to savings groups practitioners</li> </ul>

		<p>and members in 2021 and, the rights were reiterated to members during face-to-face programs.</p> <p>Evidence of customer grievance redressal framework/ guidelines and mechanisms in the financial sector:</p> <ul style="list-style-type: none"> <li>• Licensed financial institutions are issued PG9 on complaints management.</li> <li>• Currently enforced are PGN1 &amp; PGN2 on mobile money and cash agents with provisions on customer protection and Recourse requirements.</li> <li>• In progress: The e-money regulations &amp; agency banking regulations with provisions on customer protection – customer redress.</li> </ul> <p>Evidence of privacy and data protection laws/ policies for digital finance customers and service providers:</p> <ul style="list-style-type: none"> <li>• The e-money regulation stipulates customer protection of privacy, tangible and intangible assets related to the service, notably including personal details, financial information and transaction data.</li> </ul>
5	<p>Improve the regularity and quality of digital and financial inclusion data to enable evidence-based policy and strategy formulation and to monitor the achievement of national strategies</p>	<p>Availability of framework to collect supply side data from the digital financial service providers and other financial service providers by the regulators:</p> <ul style="list-style-type: none"> <li>• Existing quarterly reporting template collate basic supply side DFS data.</li> <li>• A revision to reporting template to collate required DFS data – to be issued by Q2,2022.</li> </ul> <p>Type (i.e., gender disaggregated, geographic, sector specific etc.) and frequency of digital financial services and financial inclusion related data being collected:</p> <ul style="list-style-type: none"> <li>• Current quarterly financial inclusion reporting includes gender disaggregated &amp; geographic location</li> <li>• Revised template to be issued to fully capture DFS transactions and by gender disaggregated &amp; geographic.</li> </ul> <p>Evidence of directly utilizing the data in design/ implementation of financial sector policies/ development strategies and monitoring of NFIS implementation at the national level:</p>

- The current basic supply side data collated assisted in developing NFIS3, National Women Financial Inclusion Policy & IDES.

Revised reporting template is crucial to adequately capture DFS transactions and enable policy/development decisions and to support the proposed National Digital Economy Strategy.

Country: **Papua New Guinea**

Respondent: **Bank of Papua New Guinea**

	Goals	Activities, Programs and Results
1	All citizens have access to and are regularly using a range of responsive and regulated digital financial products and services to fulfil their financial goals	<p>Digital financial services and products (DFS) remain a key priority for the Bank of PNG and Centre for Excellence in Financial Inclusion (CEFI) as traditional brick and mortar delivery of financial services is a challenge for PNG.</p> <p>During the implementation of the previous two National Financial Inclusion Strategies, we have seen considerable uptake in the onboarding and usage of DFS. As at the end of December 2021, we have 1.1 million DFS accounts in aggregate of which 0.4 million are women, compared to 3.5 million bank accounts.</p> <p>We note the participation of women is slow, representing 36%, with cultural and literacy barriers amongst the key constraints. The focus will be on gender imbalance heading into the implementation of the 3<sup>rd</sup> National Financial Inclusion Strategy 2022-2026.</p> <p>Key Activities/ Programs undertaken to widen access and usage of digital financial services by country stakeholders (Please mention total number of program/awareness campaigns undertaken during this year, and of population reached through these programs/ campaigns)</p> <ul style="list-style-type: none"> <li>• Aggressive marketing by Digicel Financial Services Ltd, a subsidiary of the MNO Digicel PNG, is ongoing and we expect to see a surge in applications and usage in the following months.</li> </ul>

2	Support the development of a vibrant digital finance innovation ecosystem to address prevailing and rapidly changing priorities and risks, including Covid-19 recovery and climate disaster risks	<p>Online training initiatives with Entrepreneurs Finance Initiative, training and mentoring program for Women-led businesses, a training program for urban-based women small &amp; medium sized entrepreneurs (WMSEs) with strong potential for growth - the training is to address the constraints WSMEs with face access to finance and to operate in the Covid-19 environment with training in:</p> <ul style="list-style-type: none"> <li>• Digital financial literacy;</li> <li>• Business planning and debt management; and</li> <li>• E- Commerce &amp; internet banking</li> </ul> <p>The trainings were conducted online given the Covid-19 pandemic restrictions, accessible from the home or office.</p>
3	Implement curricula and training programs to strengthen the financial and digital literacy capabilities of all children and adults	<p>Evidence of financial literacy included in primary, secondary, tertiary curricula:</p> <ul style="list-style-type: none"> <li>• CEFI is closely working with Department of Education (DOE) to develop a curriculum for financial education, which is to be embedded into the core curricular for school age children in both primary and secondary schools. Discussions relating to content and teacher guide handbook, teacher training and funding issues are ongoing.</li> </ul> <p>Evidence of digital literacy included in primary, secondary, tertiary curricula:</p> <p>Ongoing as per point 2 above.</p>
4	Consumer Protection	<p>Evidence of consumer protection framework/guidelines defining customer rights and provider responsibilities, and initiatives undertaken towards implementation:</p> <ul style="list-style-type: none"> <li>• Conducted a diagnostic study regarding the financial consumer protection regulatory framework and industry practices in Papua New Guinea. The findings and recommendations have been published.</li> <li>• Draft regulation has been developed and industry consultation completed.</li> <li>• Consumer testing of Key Fact Statement to be issued by financial institutions is in progress.</li> <li>• Based on the recommendations from the public and industry, the scope of the framework changed and instead of regulation, a comprehensive FCP Act is prepared, and further consultation is in progress. Moreover, institutional structuring to administer the regulation is in progress.</li> </ul>

		<p>Evidence of customer grievance redressal framework/ guidelines and mechanisms in the financial sector:</p> <ul style="list-style-type: none"> <li>• Bank of PNG has a project for consumer protection, and it aims to have in place a consumer protection unit in the bank to oversee financial customer complaints.</li> </ul>
		<p>Evidence of privacy and data protection laws/ policies for digital finance customers and service providers:</p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
5	<p>Improve the regularity and quality of digital and financial inclusion data to enable evidence-based policy and strategy formulation and to monitor the achievement of national strategies</p>	<p>Availability of framework to collect supply-side data from the digital financial service providers and other financial service providers by the regulators:</p> <ul style="list-style-type: none"> <li>• The financial inclusion core data is a comprehensive mandatory quarterly report submitted to BPNG/CEFI. Data quality and integrity is something the bank is working on with CEFI and ADB in an attempt to migrate core FI data to an online portal.</li> </ul> <p>Type (i.e., gender disaggregated, geographic, sector specific etc.) and frequency of digital financial services and financial inclusion related data being collected:</p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul> <p>The core FI data CEFI currently collates can be categorized into specific formats. However, data integrity remains an issue. We believe this will be addressed as soon as we go online on the proposed data portal.</p>

## PART B: Highlights

2-3 activities, projects, achievements during the period your institution would like to highlight in addition to that above. These could be relating to digital finance, inclusive insurance, green climate financing, regulation or regulatory developments such as sandboxes, mid-term reviews or any other financial inclusion work area.

Highlight		Supporting information
<b>Fiji</b>		
1	<b><i>Fiji Financial Services Demand Side Survey (DSS)</i></b>	<ul style="list-style-type: none"> <li>• Conducted a second DSS in 2020 to monitor the progress of the National Financial Inclusion Strategic Plan (NFISP) 2016-2020 and to understand the financial situation amongst Fijian adults, including the needs and barriers of different segments of the population. The report was published in August 2021.</li> <li>• The DSS 2020 introduced improvements which included assessing the constraints and barriers faced by Fijian women in accessing financial services and a green finance component to assess Fijian's resilience to climate-related events.</li> <li>• The data collection covered a nationally representative sample of 1,001 respondents from the four administrative Central, Northern, Eastern and Western. Divisions.</li> <li>• The findings from the DSS offered evidence-based inputs in the formulation of the national financial inclusion strategy for the period 2022-2030.</li> </ul>
2	<b><i>Review of the National Financial Inclusion Strategic Plan (NFISP) 2016-2020</i></b>	<ul style="list-style-type: none"> <li>• The second NFISP term ended on December 31, 2020 and an independent consultant was engaged to undertake a full-term review.</li> <li>• Supported by the United Nations Capital Development Fund (UNCDF), the review exercise took place between April - October 2021.</li> <li>• The review of the NFISP included a wide consultation of key stakeholders and members of the National Financial Inclusion Taskforce and Working Groups to gauge respective views and concerns relating to the progress of financial inclusion in Fiji.</li> <li>• The recommendations highlighted numerous areas and gaps in the implementation of the NFISP that have been taken into consideration in the formulation of the third NFIS 2022-2030 for Fiji.</li> </ul>
3	<b><i>National Payment System Strategy</i></b>	<ul style="list-style-type: none"> <li>• The NPS reform commenced with the passing of the National Payment System (NPS) Act by Parliament in February 2021</li> <li>• Work on draft NPS regulations commenced and an industry consultation was undertaken earlier in 2022</li> </ul>

		<ul style="list-style-type: none"> <li>• Work also commenced on a National Payment System Strategy 2022-2026 with industry consultation in quarter 3, 2021</li> <li>• The RBF commenced NPS Project which includes upgraded RTGS and Automated Transfer System. The Bank is presently working with licensed commercial banks and mobile money operators to implement the new system</li> </ul>
<b>Samoa</b>		
1	<i>NFIS 2.0</i>	<ul style="list-style-type: none"> <li>• Finalization of the new National Financial Inclusion Strategy (second NFIS). This was held up as it needed to reflect the Governments' PDS for the next 5 years. Now that was recently released (25/2/22).</li> </ul>
2	<i>AFI Regional Regulatory Sandbox</i>	<ul style="list-style-type: none"> <li>• CBS is part of the AFI Sandbox initiative that is in development. Work continues with development of data portal by AFI for the regional sandbox. CBS will leverage the regional sandbox for its national sandbox purposes.</li> </ul>
<b>Vanuatu</b>		
1	<i>RBV 2021 MSME Awards</i>	<ul style="list-style-type: none"> <li>• In October 2021, the bank organized another MSME Awards program for small businesses to participate in. This was the second event of its kind after the inception of this award by RBV back in 2019. Interested applicants were received from over 50 small businesses from Aneityum down south to Santo up north.</li> <li>• The categories which these small businesses vied for are: <ul style="list-style-type: none"> <li>○ Manufacturing sector</li> <li>○ Services sector</li> <li>○ Women in business</li> <li>○ Youth in business</li> <li>○ Product innovation</li> <li>○ Agriculture sector</li> <li>○ Non-Bank financial service provider</li> </ul> </li> <li>• Within these seven (7) categories, two (2) businesses were awarded – one operating within the urban area and another from the rural area.</li> <li>• Nominations were open for advocating agencies to nominate small businesses under their administration that meets the eligibility criteria of the Awards. This year's nominating agencies included the Department of Industry, Department of Cooperatives, Vanuatu Chamber of Commerce and Industry and Vanwods MFI.</li> <li>• All applications received underwent a two stage assessment process. The first assessment stage was conducted by a panel of judges consisting of</li> </ul>

		<p>representatives from the financial inclusion stakeholder institutions. The second assessment stage was conducted by the RBV MSME Awards Committee.</p> <ul style="list-style-type: none"> <li>• The Awards ceremony took place on Friday 26th of November 2021 in a Gala Dinner hosted by the Bank and the event sponsors.</li> <li>• The RBV MSME Awards is a biennial event occurring every two (2) years with the next one scheduled for 2023.</li> </ul>
2	<b><i>RBV 2021 Education Awards</i></b>	<ul style="list-style-type: none"> <li>• Since its inception in 2018, the bank has been successfully providing annual sponsorship packages to Year 12 students that have done exceptionally well in the mathematics subject and overall Year 12 examination. This is part of an MOU signed by the Bbnk and the Ministry of Education and Training (MoET) to further enhance Financial Education in the country.</li> <li>• The four students awarded this prestigious Award in 2021, are from College de Luganville and Malapoa College. Of the awardees, two were males and two were females.</li> <li>• The award package covers an annual sponsorship funding for complete Year 13 fees (tuition and others), plus a living allowance.</li> </ul>

### Solomon Islands

1	<b><i>Regulation/Regulatory developments</i></b>	<p>The CBSI's Regulatory Sandbox Framework and Standard Operating Procedures were developed with the assistance of AFI in September 2021. These documents were endorsed in March 2022 and implementation roll-out by April 2022.</p> <p>The e-money regulations and agency banking regulations to support e-money initiatives and the agent network is with ERU/MOFT.</p>
2	<b><i>MSMEs</i></b>	<p>MSME finance facilities;</p> <ul style="list-style-type: none"> <li>• SME Credit Line for women &amp; youths with DBSI</li> <li>• SME Export Facility with financial institutions – which also uses SME Credit Guarantee Scheme</li> </ul>

### Papua New Guinea

1	<b><i>Center for Excellence in Financial Inclusion (CEFI) signed a MoU with National Research Institute NRI</i></b>	<p>A MoU between CEFI and NRI was signed to consolidate and strengthen the alliance and partnership for research in economic and social development. The main areas of impact to research include:</p> <ol style="list-style-type: none"> <li>Financial inclusion activities;</li> <li>Digital financial services;</li> <li>Financial literacy &amp; financial education;</li> <li>Micro insurance; and</li> </ol>
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		v) SME & agriculture lending
2	<b><i>CEFI signed an MoU with Financial Institutions and Market-for-Village Farmers (MVF) project</i></b>	Participating Financial Institutions to partner with CEFI to roll out the MVF program. Technical assistance to be provided by expert consultant (Agriculture Finance Consultants) to design and develop innovative financial products and services to meet the commercial and business financial needs of village farmers in targeted rural communities. This program is for 3 years and is expected to provide affordable access to finance and markets to participating village farmers through inclusive partnership, supportive value chain and collective governance and project management. Eight financial institutions will participate in this program, which includes commercial banks, micro banks and savings and loan societies.
3	<b><i>CEFI Signed an MoU with PNG X Market, PNG Digital ICT Cluster and Emerging Venture Management together with DEFINE Initiatives-</i></b>	The objective of the DEFINE Initiative is to contribute to the development of financial markets, products and services for sustainable development goals. A MoU was signed with partners and stakeholders to progress initiatives to strengthen the capacity of domestic financial institutions to encourage access to financial services and products for the unbanked segments of the population.

## **PART C: Other Pacific Island Countries**

### **Country: Kiribati**

Kiribati is investing to strengthen digital connectivity which will lay the foundation for further deepening financial inclusion through expansion of digital financial services, leveraging increased access to internet and mobile networks.

Currently, two projects to connect through submarine cables are underway, supported by the Asian Development Bank (ADB) and the World Bank (WB) respectively: (i) first one will connect Tarawa to Guam and then out to the rest of the world; (ii) the other will connect Kiritimati Island to mainland United States, New Zealand, and Australia. The submarine cables will provide faster and better internet quality, reduce the cost of accessing digital services and open up pathways to trade and investment opportunities in the emerging digital economy.

Only 37% of Kiribati's population has access to mobile internet. The country's total internet penetration is even lower, at 15%, leaving most people in digital darkness.<sup>17</sup> Guided by the Kiribati Development Plan (2020-2023)<sup>18</sup>, the government intends to increase the number of accessible finance for business startups from 48 in 2020 to 192 by 2023. The plan also aims at increasing the percentage of population having access to internet from 48% to 70% and proportion of population covered by mobile network from 48% to 55% by 2023.

### **Country: Tuvalu**

In 2020, a five-year agreement was signed between the Tuvalu Government and satellite service provider Kacific Broadband Satellites International Limited (Kacific). The initiative came at a critical juncture for the Polynesian nation, as borders closed in response to the coronavirus pandemic.<sup>19</sup> It enabled people of Tuvalu to have access to high-speed internet. Tuvalu's internet penetration rate stood at 49.3% of its total population at the start of 2022.<sup>20</sup>

### **Country: Federated States of Micronesia (FSM)**

The World Bank launched [Digital Federated States of Micronesia](#) project in 2020, a US\$30.8 million grant to improve the digital connectivity of the Federated States of Micronesia (FSM). This initiative will contribute to expanding access to the internet, promote private sector investment in digital services, and establish the critical foundations for digital government services and the digital economy in the territory. This project will support the rollout of terrestrial fiber infrastructure, connect outer islands to basic broadband services, establish the critical foundations for digital government services, and strengthen the legal and regulatory enabling environment for the digital economy to thrive in FSM.<sup>21</sup>

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<sup>17</sup> <https://unctad.org/news/kiribati-sets-sights-overcoming-hurdles-e-commerce>

<sup>18</sup> <https://www.mfed.gov.ki/sites/default/files/KDP%202020%20-%202023.pdf>

<sup>19</sup> <https://kacific.com/news/catalysing-tuvalus-ict-ambitions/>

<sup>20</sup> <https://datareportal.com/reports/digital-2022-tuvalu>

<sup>21</sup> <https://www.worldbank.org/en/news/press-release/2020/03/29/new-digital-project-to-connect-federated-states-of-micronesia-to-global-economic-opportunities>

Currently several initiatives under the project are being implemented to widen internet access across the islands. These initiatives will create the foundation for strengthening digital financial inclusion in the country.

### Country: **Republic of the Marshall Islands (RMI)**

The World Bank launched a US\$10 million Education and Skills Strengthening Project for the Republic of Marshall Islands in 2021 that will improve access to quality secondary education, vocational training, and employment intermediation services, benefitting around 13,500 students, job seekers and employers in Marshall Islands.

The five-year [Marshall Islands Education and Skills Strengthening Project](#) will support improved skills training and education, and contribute to enhance employability of Marshallese in domestic and international markets. The initiative has highly suited to include financial and digital literacy skill development for youth and other population segments, which can contribute to the targets of Money Pacific Goals 2025.

### Country: **Nauru**

An agency of Bendigo and Adelaide Bank provides access to deposit and savings services in Nauru. The latest data available on number of bank accounts till June 2020 shows a total of 11,400 personal customer accounts held in the agency.<sup>22</sup>

Number of internet users increased by 616 between 2020 and 2021, internet penetration in Nauru stood at 62.4% in January 2021. Total number of mobile connections in Nauru stood 16.1 thousand in January 2021.<sup>23</sup>

## **PART D: Programme Highlights**

### **Pacific Digital Economy Programme (PDEP)**

The Pacific Digital Economy Program (PDEP), jointly implemented by the United Nations Capital Development Fund (UNCDF), the United Nations Development Program (UNDP) and the United Nations Conference on Trade and Development (UNCTAD) which commenced in April 2021 builds on the success and achievements of the erstwhile Pacific Financial Inclusion Programme (PFIP). The programme is supported by Australia's Department of Foreign Affairs and Trade. The initiative is structured regionally with an inception phase of two years (2021-2022) covering implementation in Fiji, Vanuatu, Tonga, Solomon Islands and Samoa.

Although 2021 has proven to be a challenging year for programme implementation especially due to the impact of the COVID-19 related restrictions, it has laid the foundation for significant work to be undertaken in the coming years. The initiatives are designed under four workstreams: **(i) Enabling Policy and Regulation, (ii) Open Digital Payment Ecosystems, (iii) Inclusive Innovation, and (iv) Empowered Customers**. Key highlights of some major initiatives launched in 2021 and priorities for 2022 are presented below:

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<sup>22</sup> <https://naurufinance.info/nauru-statistics/#:~:text=An%20agency%20of%20Bendigo%20and,of%20%3E11%2C400%20personal%20customer%20accounts>

<sup>23</sup> <https://datareportal.com/reports/digital-2021-nauru?rq=nauru>

- In 2021, six Pacific Islands countries including Fiji, Samoa, Tonga, PNG, Timor Leste and Vanuatu used **The Inclusive Digital Economy Scorecard (IDES)** tool to conduct initial assessments of how digitally inclusive their economies were. IDES is a policy tool developed by UNCDF to support countries in better understanding and monitoring the status of their digital transformation, with a view to making it more inclusive. Solomon Islands also adopted IDES as a policy tool and had published their IDES report in 2021. The programme will continue to work with the remaining countries in 2022 onwards to utilize the IDES findings to chart interventions that will accelerate digital transformation in key sectors across PDEP supported PICs.
- PDEP published **‘The Opportunity for Digital and E-Commerce Payments in the Pacific Region’** paper which explores the challenges and opportunities for digital and e-commerce payments in the Pacific region.
- PDEP supported the development of the digital and financial literacy (DFL) survey questionnaire and study protocol. It is the first international questionnaire to be developed to focus on the combination of digital and financial skills. The survey protocol will help to facilitate the collection and measurement of national-level DFL across the region. The protocol will guide the roll out of the baseline surveys across seven (7) PICs (Fiji, PNG, Samoa, Vanuatu, Timor-Leste, Tonga and Solomon Islands) earmarked for 2022.
- PDEP is providing grant support to multiple e-commerce platforms to scale their operations and include SMEs in the domain. Grants and technical support have been provided to Cyber Foods and MAKETE Aggregator Platform (Fiji), Island Tech Solomon (Solomon Islands) and Digicel (Tonga) to foster e-commerce ecosystem in the target countries.
- PDEP is supporting Our Telekom in Solomon Islands to launch the first ever mobile money wallet in the country. The product will be launched in Q3 of 2022.
- PDEP is supporting the Central Bank of Solomon Islands (CBSI) and Telecommunications Commission of Solomon Islands (TCSI) to develop a database for SIM registration for mobile phone users in Solomon Islands, which in turn can potentially be used for Customer Due Diligence (CDD) by financial service providers and lay the foundation of eKYC processes in the country.
- PDEP is also supporting the Reserve Bank of Vanuatu to include financial literacy into national curriculum for primary and secondary schools. RBV received grant funding to accredit the proposed financial literacy courses for Levels I, II & III.

### **Pacific Insurance and Climate Adaptation Programme (PICAP)**

The Pacific Insurance and Climate Adaptation Programme is jointly implemented by the United Nations Capital Development Fund (UNCDF), the United Nations Institute for Environment and Human Security (UNU-EHS) and the United Nations Development Programme (UNDP). Designed as a multi-year (2021-2025) initiative, the Programme was officially launched on 2nd December 2020 with the inception phase aiming to cover Fiji, Tonga and Vanuatu in the first two years before progressively expanding to include other Pacific countries. Implementation

commenced in Fiji from January 2021. The initiatives are designed under four workstreams: **(i) Enabling Policy and Regulation, (ii) Open Digital Payment Ecosystems, (iii) Inclusive Innovation, and (iv) Empowered Customers.**

The Programme receives funding support from the Governments of New Zealand (through the Ministry of Foreign Affairs and Trade), Australia (through the Department of Foreign Affairs and Trade), the India-UN development partnership fund administered by the UN office for South-South Cooperation (UNOSSC) and the Government of Fiji through the Drua Incubator. The Programme is supported by a Technical Advisory Committee (TAC) composed of industry and regional experts that provides strategic technical support and guidance to activities.

2021 was indeed a very challenging year with the Covid-19 pandemic situation continuing to disrupt normal functioning, exacerbated by the new Omicron variant related wave raging across the world well into the start of 2022. Despite these constraints, PICAP has performed exceedingly well, achieving robust results for 2021, exceeding most of its KPIs, confirming the strategic management and leadership, teamwork and coordination and exemplary support from all Programme partners. Key highlights of some major initiatives launched in 2021 and priorities for 2022 are presented below:

- The Programme launched the “Inclusive Innovations for market-based climate disaster risk financing and insurance” Request for Applications (RFA) under the UNCDF “Apply” Plug and play e-investment platform. The RFA required private sector companies to submit proposals for offering digital payment solutions for the proposed parametric and other index-based inclusive insurance products in Fiji and Vanuatu, in total 19 applications qualified for the grant. However due to pandemic related interruptions, projects were staggered and started within the year, projects with greater chances of implementation were prioritized; these included grant projects with the insurers, aggregator partners, InsurTech provider, digital payment providers and advocacy partners. In total, 12 grants projects were developed and approved in 2021, with a total value of US\$1,711,057, with partner contribution of US\$ 875,782 (51%).
- A major achievement of the Programme has been the development and pilot launch of Fiji’s and the Pacific’s first parametric microinsurance product for extreme weather events (heavy rain/high windspeed) on 25<sup>th</sup> August 2021. The online virtual launch event was viewed by over 140 participants globally and was attended by senior officials from regional governments, implementation partners, donors and the media. Through the event, the Pacific’s first digital onboarding platform, the iOnboard, was also launched. Since launch, the parametric microinsurance cover has been extended to over 1,380 individuals in Fiji; 32 % of the beneficiaries are women.
- A partnership between UNCDF and the UN World Food Programme (WFP) along with the Department of Social welfare (DSW) under the Fijian Ministry of Women, Children and Poverty Alleviation (MWCOPA) saw the piloting of the region’s first ever social protection climate disaster risk insurance product for welfare beneficiaries in Fiji, 274 beneficiaries have been covered to establish proof of concept. In 2022, UNCDF and WFP are working jointly with DSW to scale the project and aim to reach 2000 to 3000 social welfare beneficiaries to be covered by the climate disaster risk microinsurance.

- At the policy level, a milestone achievement for the Programme has been the provision of VAT exemption for the parametric microinsurance premium by the Fijian Government through the 2021/2022 National Budget (July 2021) – this has been the first time such a provision was allowed even before the product was launched. Moreover, significant progress towards the development of a DRF Strategy for Fiji has been made in 2021 in partnership with the Fijian Ministry of Economy. Additionally, the Programme has developed a Climate and Disaster Risk Financing and Insurance (CDRFI) Regulatory Practice Guidelines for regional regulators to enhance the enabling regulatory environment for CDRFI products across the Pacific, this was in partnership with the global Access to Insurance Initiative (a2ii). Moreover, the Programme has developed a Gender Equality and Social Inclusion (GESI) strategy to better integrate gender and social inclusion in its programme delivery, to ensure ‘leaving no one behind’.
- The Programme realized early on that one of the key factors that would deliver successful implementation is awareness – about the Programme, the product, CDRFI, and generally financial literacy and insurance literacy. Hence, the Programme team focused on providing targeted capacity building and literacy trainings to partners through virtual zoom sessions, in-person workshops, and through education videos developed by the Program on specific thematic areas of the Programme. In total, over 37 trainings and workshops were conducted, with over 200 participants across the regional central banks, project partners, aggregators, NGOs and UN partners. And through these partners, over 7444 beneficiaries have been trained through 235 outreach programs.
- For 2022, PICAP is working towards scaling up and introducing new disaster risk insurance products in Fiji. Pilots to deploy minimum viable parametric microinsurance targeted at small holder farmers, fishers, small businesses will also be undertaken in Tonga and Vanuatu. In addition to the existing insurer and aggregator partners, PICAP will actively seek to increase the number of distribution partners to ensure wider reach of parametric insurance products among communities while continuing to invest in capacity building of all partners.
- A first-of-its-kind, climate disaster risk insurance (parametric) product exclusively for micro, small and medium enterprises (MSME) is envisaged, research set to commence by mid-2022 with an ambition to deploy products before onset of the next cyclone season. While this pilot is planned in Fiji, PICAP being a regional program, will replicate in other Pacific countries in a phased manner
- The Pacific Insurance and Climate Adaptation Programme has demonstrated that market-based approaches with the unlocking of the potential of the private sector can deliver robust solutions to address the persistent climate disaster risk financing challenges in the region. The Programme has also used digital tools and instruments to ensure last mile reach for delivering affordable and appropriate climate risk insurance products to vulnerable communities in the Pacific. PICAP Small Island Developing States (SIDS) engagement model will be further refined during 2022 to ensure sustainable scaling up and replication throughout the region.

- UNCDF through PICAP has also established strong regional and global networks and is part of a growing “Climate Disaster Risk financing and insurance” community of practice. Through its active engagement in the Disaster Risk financing technical working group under the Pacific Resilience Partnership, PICAP works complementarily with other members including the World Bank, ADB, and the Pacific Catastrophic Risk Insurance Company (PCRIC)
- Through the InsuResilience Global Partnership, UNCDF is also sharing the Pacific implementation experience with other countries through seminars, workshops and conferences, lessons from the Pacific are now seen as best practices in other regions
- PICAP was also prominently present at COP 26 (Glasgow) through its participation in three different panel discussions and sessions, an opportunity to elevate the Pacific experience at the global stage.
- Based on the solid results of 2021, PICAP is poised to regionally expand during 2022 and beyond, establishing new partnerships and leveraging, unlocking private and public sector potential for developing sustainable climate disaster risk insurance for beneficiaries at micro and meso levels.

### **Pacific Private Sector Development Initiative (Asian Development Bank)**

The Pacific Private Sector Development Initiative (PSDI) is a regional technical assistance program undertaken in partnership with the Government of Australia, the Government of New Zealand, and the Asian Development Bank.

Since 2007, PSDI has worked to alleviate poverty and promote economic growth in the Pacific region through reforms that reduce the constraints to doing business and promote inclusive growth, entrepreneurship, and new business models.

Current PSDI initiatives relating to access to finance include:

- (i) Cook Islands
  - Working with the Bank of Cook Islands to develop finance products using the recently established personal property and securities registry. This will increase access to finance for the selected market segment.
- (ii) Fiji
  - Working with Fiji Development Bank to develop agriculture value chain financing products, using the personal property and securities registry.
  - Supporting an impact evaluation of the personal property and securities registry.
  - Working with the Reserve Bank of Fiji to develop legislation that will expand fundraising opportunities for small businesses in Fiji, improving access to business finance.
- (iii) PNG

- Working with Women’s Microbank to develop an agriculture value chain financing product targeted at small-scale women farmers
- (iv) Solomon Islands
- Working with the Central Bank of Solomon Islands and the Ministry of Finance and Treasury to reform the Solomon Islands Insurance Act, to bring it in line with international best practice and promote inclusive industry development.
- (v) Tuvalu
- Working with the Ministry of Finance to undertake a high-level review of the finance sector and propose reforms to address inefficiencies in the credit market
- (vi) Regional
- ‘Women in Super’ program to promote more gender-inclusive policies and practises that will enable women to better reap the benefits of retirement fund membership
  - Research on alternative credit assessment methodologies for women in the informal sector, with a view to implementing a pilot
  - Undertaking a study on regional tourism finance, with a view to taking forward recommendations from the study to improve access to finance for tourism-focused businesses.
  - /ends/