

Report to the Government of Australia (AusAid) Support to the Pacific Island Working Group

The Pacific Islands Financial Inclusion Working Group (PIWG) was formed in late 2009 upon the request of the governors of the central banks in the region. The group prioritized sharing learning on mobile financial services in their first year by reviewing the state of regulation in their countries, embarking on a knowledge exchange to Bangko Sentral ng Pilipinas, and creating action plans for policy development. After this first establishment phase, the PIWG benefitted from AusAID support beginning in late 2010. AusAID's support enabled AFI to scale up and meet the demands of group members for deeper and more frequent engagement, integration into AFI's global network, and the development of several knowledge products and tools that support the work of the group and allow them to share their lessons globally.

Activities included:

AFI Global Policy Forum: Bali, Indonesia

September 2010

Governors and deputy governors from the Pacific nations joined senior policymakers from nearly 60 developing countries who met at the annual AFI Global Policy Forum in September. The Pacific delegation participated in a variety of global sessions such as leadership and strategy for financial inclusion. Practical sessions on mobile financial services, consumer protection, data and measurement, microsavings and other key topics were given by policymakers from around the world who are leading in these fields.

Delegates from the Pacific participated in a special session on financial inclusion in small island states where the network was expanded to include other small island countries such as Jamaica. At this meeting the governors agreed to continue with the working group for a second year, the work program will be developed at the group's first meeting in 2011 but topics emerging are data and microsavings – with continued support for mobile financial services.

Road show: Vanuatu, Papua New Guinea, Samoa

December 2010

One key learning which arose during the working group discussions around mobile financial services was that coping with a deployment requires the inputs and cooperation of many bank departments. Working group members recognized that if other colleagues could have the opportunity to learn about mobile financial services, and hear more about the risks and opportunities it presents from a regulatory perspective, they would be better prepared to deal with pending deployments from the private sector. As a result a day-long workshop for central bank staff members from across the bank was designed. The workshops were delivered by the mobile money champion/leader from within the central bank with inputs from PFIP, CGAP and AFI.

PIWG meeting: progress review and objectives for 2011

March 2011

The group set its priorities at its first meeting, hosted by the Reserve Bank of Samoa, in March 2011. Financial inclusion data to better understand the state of inclusion, literacy, supply and demand for services emerged as a key priority for the group – they will develop a grant proposal for a long term project that will include a knowledge exchange visit to Bank of Thailand and support for data gathering and analysis in several countries. The members also shared lessons learned with the

development of national strategies, and reviewed their progress with mobile financial service policy. The group will also delve into non-bank supervision and microsavings in 2011.

Non-bank supervision training and policy note

April 2011

18 policymakers from seven countries attended a three-day training by international experts. The course covered on and off-side supervision of non-bank deposit taking entities and featured several case studies taken from the Pacific and Timor Leste. Building on the training, a policy note will be developed that captures key lessons for supervision of this emerging segment of small deposit taking entities playing an important role in Pacific economies. By 31 May 2011 a first draft was completed, a final version, including layout and design, is expected in early July.

Knowledge products

AusAID funds enabled the PIWG to capture their lessons learned in the following series of knowledge products that enable them to share their experiences with the wider AFI network.

- Pacific Islands financial inclusion regulatory survey and analysis
- Mobile financial services regulatory planning tool
- Pacific Islands Working Group submission to APG
- Lessons learned on national strategy development in the Pacific
- Forthcoming: Microsavings and non-bank supervision in the Pacific