

## **Remarks by Deputy Governor on the official signing ceremony between Pacific Financial Inclusion Programme (PFIP), Inland Revenue Department (IRD) and Anglican Church of Melanesian (ACOM) for digitisation of the Government Revenue Management System and Pilot on Financial Education on three ACOM's Rural Training Centres**

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[Salutation]

I on behalf of all the members of National Financial Inclusion Taskforce, congratulate PFIP, IRD and ACOM for the signing ceremony that will facilitate the digitisation of Government Revenue Management System and the piloting of financial education at the ACOM's Rural Training Centres.

Digital financial services in Government 2 Person (G2P) payment and financial education are part of our National financial inclusion strategy 2016-2020. They are also linked to Solomon Islands commitments to the Maya Declaration, the 2020 Money Pacific Goals and the endorsed Better Than Cash Alliance this year.

The Chair of National Financial inclusion Taskforce Governor Rarawa describes our financial inclusion as "a journey". Hence, the signing ceremony we are witnessing this morning is another milestone in this journey, specifically on digital payments and financial education.

So let me make three points on why the signing of these two-partnership agreements is critical to the country, as I see it.

### **First Government plays a critical role in the flow of payments in our small economy.**

The decision under this partnership agreement to digitise the revenue management is a vital part of the government's payment flows.

The Government as the largest consumer and provider of goods and services in the country has to ensure that the flow of its payments does not delay or impede economic development. Tracking revenue flow on timely manner is important in this payment flows.

If there is a 'blood clot', for one reason or another in the government revenue and payment flows: economic activities for those serving the government will slow down, loan repayments will be delayed: the outcome will mean asset quality in bank credit deteriorates. Micro small medium entrepreneurs with shallow working capital, who supply services to government may become victims if the 'blood clot' scenario described above exist in the government's payment flows. Tax earning opportunities too is affected. Moreover, a likely outcome, of course, is that the Government will be criticised by disgruntled service providers to the media.

Because of the vital role of government in the payment flows, it is in the interest of all stakeholders in the country that partnership between the IRD and PFIP will fulfil one of the milestones in the National Financial Inclusion Strategy 2016-2020, that is, digitizing government to person (G2P) payments or government to business (G2B) payments.

**Secondly, the Partnership between IRD and PFIP sends a signal to the stakeholders in economy that Government is taking leadership in its use of digital financial channel.**

This will in turn require all others in the economy; to follow, if they must meet Government standard, and use the digital payment channel for their payments to government (P2G).

**Thirdly, the partnership agreement signed by ACOM and PFIP, is another milestone in our financial inclusion strategy journey on financial education.**

While efforts to incorporate financial education in our school curriculum is taking a snail pace, the decision by the ACOM to collaborate with PFIP to pilot the financial education in three of the Church's Rural Training Centres is commendable. It is moving our financial education forward another step to our goal to have financial education taught in our schools

I am sure that at the end of the pilot: financial education can be incorporated into the Technical Vocational and Education Training curriculum for the country. Giving our students studying in the Rural Training Centres opportunities to learn financial education to help them become good economic citizens when they graduate in their chosen careers.

**Let me conclude by extending my appreciation to the Ministry of Finance and Treasury, the Inland Revenue Division and Anglican Church of Melanesia for your visions in pursuing these two exciting projects.**

I also thank our members in the NFIT and working groups who are present here to witness this signing ceremony.

I wish to extend my appreciation to our NFIT partner, PFIP/UNDP, represented by Isaac Holly and Abigail, who are present here. Thank you for your commitment to make the signing of these agreements eventuate.

At the end of 2018 when these two projects will end, we can look back at the milestones we have achieved and say, "Yes we all did it."

Thank you.