

The Journey of financial Inclusion in Solomon Islands

4 Distinctive phases

1. 1985-1991: Government Led development Banks

- Gov't provide subsidies to DBSI & NBSI.
- NBSI's delivery channels of financial services were more on traditional Setting- NBSI established physical branches in provinces, Agencies onboard few shipping vessels that provide inter islands financial services such as deposits, withdrawal and repayment.
- 88 Bank Branches & Agencies throughout the country (**McCaffrey, 2010**)
- **1986:** Formation of Solomon Islands National Credit Union League (SICUL) to coordinate national development and growth of credit unions.

2. 1991-1998: Donor led credit Unions.

- The role of credit Union was also seen as vital that allows rural people to save and get micro-credit to improve their livelihood
- Approximately 19,000 registered members.
- **1999:** Under SICUL, 163 credit unions were registered (serving 26,000 members) of which 140 CU were based in the provinces in Solomon Islands (World Credit Union, 1999).

3. 1993-2003: Instability/transition.

- Credit Unions, savings clubs, development bank loans and Credit repayment were plummeted by the ethnic tension.
- DBSI's lending stopped & it was officially closed due to bankruptcy.
- CBSI remained resilience and competent in trying to ensure a stable financial system during.

4. 2003-present: Recovery & Growth of the financial services.

- **2004-2009:** renewed focus to expand financial services and microfinance began when Westpac, BSP & ANZ continue to provide financial services despite the aftermath.
- **2010:** CBSI in partnership with PFIP hosted a conference attended by 80 stakeholders.
- **2011:** Based on commitments made, the Conference adopted an action plan for 2011-2015, the first National financial inclusion strategy (NFIS1) which focusses on amplifying access of financial services for Solomon Islanders. Solomon Islands also become a second member of AFI and also became the first nation in the world to integrate targets for financial inclusion for women in its NFIS. A National Financial Inclusion Taskforce (NFIT) was set up to oversee financial Inclusion activities and coordinate stakeholder cooperation.
- **2012:** Solomon Islands made commitment under the Maya Declaration in Cape town South Africa during AFI global policy forum.
- **2015:** Implementation of NFIS 1 achieved its numerical target of 90,000 Solomon Islanders who have accessed financial services, of which 300,000 are women. An upward revision of 70,000 was added to the previous achieved target, of which 50% of individuals who access financial services must be women. The revised target was achieved. A national financial inclusion strategy summit was convened to track goals and numerical achieved and initiate discussions towards National Financial Inclusion strategy 2.
- **2016:** Adoption of National Financial Inclusion Strategy 2, with a mission that by 2020, 300,000 adults (of which, 150,000 must be women) will be active users of formal or semi-formal financial accounts (including accounts at MFIs and savings clubs); and 90% of the population will have a financial service access point one hour of ordinary travel from their home.
- **2017:** NFIT established 4 working groups namely, Inclusive Insurance working group, Micro, Small & Medium Enterprises working group, Digital Finance Working Group, and Consumer Empowerment Working Group to focus on addressing the challenges of accessing finance and increase uptake of financial Services, in accordance with the 4 thematic areas of focus under NFIS2.

- **2018:** PIFP, NFIT and other stakeholders conducted a Mid-Term review to realign the strategy objectives and reframe it in such a manner that it is easy to be actioned by stakeholders.

Evolution of financial Services in Solomon Islands.

