



CENTRAL BANK of SOLOMON ISLANDS

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NFIT endorse next medium-term strategy

Honiara 25.02.16 – The National Financial Inclusion Taskforce (NFIT) officially endorsed its next medium - term National Financial Inclusion Strategy (NFIS 2) on Tuesday this week, paving the way for a more concerted and coordinated approach towards broadening and deepening financial inclusion in the country with greater promotion and emphasis on quality, access and the empowerment of rural Solomon Islanders.

Some of the top line goals under NFIS 2 include facilitating access and usage of appropriate financial services by over 70% of adults in the country, 90% of Solomon Islanders to have a nearest financial service access point within one hour of normal travel distance, minimum 10% of adults to access credit including small loans and minimum 10% to be member of savings clubs.

Speaking during the first NFIT quarterly meeting for 2016, NFIT Chairman and Governor of the Central Bank of Solomon Islands (CBSI), Mr. Denton Rarawa welcomed the endorsement made by members of the taskforce by calling for continuous cooperation and participation from its members, stakeholder partners, including the government and parties involved in the work of financial inclusion in the country.

He explained that the goal for financial inclusiveness in the country is an on-going process and a lot of work needs to be done.

The review of the 2nd medium term strategy began late last year in November during a national workshop hosted by CBSI and the United Nations Pacific Financial Inclusion Program (PFIP). The NFIS document that was drafted after in-depth and extensive stakeholder consultations has six (6) major strategic objectives: 1). Amplify the reach and quality of digital finance channels, 2). Improving financial services delivery to the Micro, Small, Medium Enterprise sector (MSME), 3). Include women, youth and rural adults as fully engaged participants in the national financial sector, 4). Build financial resilience in households and communities, 5). Build financial empowerment in ways that are relevant to daily life, motivating and actionable, and 6). Execute NFIS 2 through effective stakeholder coordination, responsive data and sound evidence.

NFIT under its mission objective is also targeting 300,000 adults to be active users of the formal and semi-formal financial accounts by 2020.

According to the NFIS 2, NFIT will be required to provide the strategic direction and coordination of the implementation phase of all financial inclusion (FI) objectives. The National Financial Inclusion Unit (NFIU), which is the secretariat arm to NFIT, will continue to provide administrative and technical support to NFIT. Under the new framework, NFIT will have Four Working Groups to support and drive the implementation of the strategies. The groups include the Consumer Empowerment Working Group (CEWG), Digital Finance Working Group (DFWG), MSME Working Group (MWG) and Inclusive Insurance WG (IIWG).

PFIP Financial Inclusion Expert for Solomon Islands, Mr. Krishnan Narasimhan explained in his presentation to NFIT members that NFIS 2 will require greater work, but goals while challenging are achievable given that a lot of stakeholder interest having been created during the first five year strategy. Besides several opportunities have been identified based on research studies conducted over the last few years.

Krishnan explained that the potential for growth and advancement of the overall FI inclusion initiatives is very high but certain obstacles need to be addressed. He highlighted the need for financial products that must be designed to suit the unique needs, tastes, attitudes and behaviours of the rural population needs and environment, more access points and greater financial awareness and education to support the increase in usage and persistency.

It was also announced during the meeting that a team of technical experts funded under the UNDP PFIP program will be in the country next month to help commence work with the Ministry of Education. This is to integrate financial education in the school curriculum and is expected to have a long term positive impact on improving the money management skills of children, and overall objective of FI in Solomon Islands.

Current members of NFIT include the commercial banks, telecommunication service providers, Government Ministries, other financial institutions, NGOs, donor and development partners like the Department of Foreign Affairs & Trade (DFAT) Australian Government, PFIP, ADB and IFC.

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