



Pacific Islands Working Group

Building a collaborative dynamic between peers in the region

Most Pacific Island nations are archipelagos - these islands are scattered many hundreds of miles apart and typically have low population density. These circumstances make Pacific Islanders hard to reach through traditional brick-and-mortar banks. But new opportunities for extending financial services to hard-to-reach communities are emerging through improved technology and also policy innovations that maximize the potential of more traditional banking approaches in the Island context.

Objective

AFI's first regional working group was formed to build a collaborative dynamic between peers in the region. The group's objective is to identify the key issues relating to financial inclusion common across the Pacific Islands, discuss and share the current situation and priorities in their countries, and to work together on key financial inclusion policy approaches. jurisdictions.

Activities

- **Knowledge-exchange visit:** A delegation of six Pacific Island countries learned about Bankgo Sentral ng Pilipinas (BSP) approach to e-money, microfinance regulation, and consumer protection during a three day visit to Manila, The Philippines.
- **Financial Inclusion regulatory survey:** Each of the six countries took stock of the regulatory situation in-country to identify strengths, opportunities and gaps relating to innovative new approaches to banking with the poor emerging in the marketplace.
- **Mobile money regulators checklist:** Members of the group prepared their own customized work plan relating to mobile phone financial services which have just started to be on offer in the Pacific.

- **Know your customer:** One major barrier to accessing financial services in the Pacific Islands is the need for an official piece of identification for Know Your Customer (KYC) purposes. The group took stock of challenges and opportunities in the Islands and submitted recommendations to FATF's Asia Pacific Group (APG).

What's next?

- **Small island states network for financial inclusion:** The group aims to expand beyond the Pacific and share experiences with other small island developing countries, and identify the unique context, challenges and opportunities associated with financial inclusion in island nations in the Caribbean and Africa.
- **Best practice examples:** The group would like to capture lessons learned from their policymaking experience in financial inclusion for the benefit of each other and the rest of the network
- **Grants and projects:** Several opportunities were identified for individual projects on topics including data, financial education, financial inclusion strategy, microsavings, and others.

An estimated 80% of Pacific Islanders are currently without access to formal financial services.

Founding members

- Reserve Bank of Fiji
- Bank of Papua New Guinea
- Central Bank of Samoa
- Central Bank of Solomon Islands
- Banking & Payments Authority (BPA) of Timor Leste
- Reserve Bank of Vanuatu

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