



Dili Consensus on Financial Inclusion in the Pacific Islands

8 May 2015

Governors at the Inaugural launch and 1st meeting of the Pacific Islands Regional Initiative (PIRI), endorsed and agreed on the broad vision, mission, objectives and financial inclusion policy areas for the initiative.

Vision: Appropriate financial services are widely accessed and used by all Pacific Islanders.

Mission: To create conditions that lead to the financial empowerment of Pacific Islanders in the short to medium term.

1. We, the members of PIRI, recognize the critical importance of financial inclusion for inclusive growth and development that places shared prosperity at the center of development in developing and emerging economies. We wholeheartedly support the global and regional efforts aimed at promoting financial inclusion, and concur policy and regulatory bodies must include financial inclusion in their mandate. It is with this understanding, spirit and commitment we have come together under the Pacific Islands Regional Initiative (PIRI) to reach the goal of financial inclusion for the region.
2. We particularly welcome the efforts being made by the Alliance for Financial Inclusion (AFI), the United Nations Development Programme/UN Capital Development Fund-managed Pacific Islands Financial Inclusion Programme (PFIP), and many other regional and global development partners to accelerate financial inclusion in the Pacific Islands. We are fully aware achieving financial inclusion in the Pacific Islands is a complex and difficult task for which active and sustained participation of a multitude of stakeholders is essential. More efficient use of new technology and public-private dialogues is particularly important for this task.
3. We recognize the vital role the private sector has in advancing financial inclusion in general as well as in the Pacific Islands. In this context we will strengthen our efforts to engage with the private sector at the regional level, particularly through AFI's Public-Private Dialogue Platform.
4. We firmly believe evidence-based policies must be at the center of our efforts to address the problem of financial exclusion. It is with this belief that we have taken a firm stand to continue our efforts to build a comprehensive database on financial inclusion in our countries. In these efforts, we will pay particular emphasis on gathering demand-side data to supplement supply-side data systematically collected and analyzed by our central banks.



5. We re-affirm our current and future commitments to the Maya Declaration and ensure our targets remain clearly defined and measurable. We also commit to regularly update our progress using the AFI Online Progress Dashboard.
6. Our experience on a regional level, along with that of our counterparts worldwide, strongly suggests digital financial services via agents are critical to achieve our common objective. In this context, at this very first meeting of PIRI, we focused on the importance of innovative new technology-based agent banking for the region to expand financial services to remote islands and populations in particular. To fully harness the potential of agent banking for financial inclusion, we must address a range of issues. The criteria of selection agents, location of agents, the type of services to be provided, and the issue of inactive agents deserve high priority amongst these issues.
7. We also recognize the significance of unlocking the growth potential of SMEs for employment generation and to increase financial inclusion in the Pacific. To revitalize SMEs, we will continue to implement policies that remove their hurdles to using formal financial services at reasonable costs. We aim to build a database on SMEs and strengthen our on-going efforts to support robust credit information systems, effective collateral regimes and secured transactions systems. We are also determined to build a SME-financing friendly policy and regulatory environment as early as possible.
8. We are deeply concerned with the trend of de-risking, or de-banking, and its negative impact on the Pacific. We support the dialogue that AFI has pioneered with the Standard Setting Bodies (SSBs) to bring the weight of the voice of developing and emerging economies into the guidelines of SSBs, and hope AFI's dialogue with SSBs will help us to resolve this issue. We concur this issue should be elevated to the G20 countries for the benefit of the poor and low-income people both in the Pacific and worldwide.
9. We recognise inclusive insurance is becoming an important dimension of financial inclusion in developing economies and many PIRI members have included it in their national financial inclusion strategies and Maya Declaration Commitment. We support the need to develop a medium-term strategy and a roadmap on inclusive insurance that is concrete and measurable.
10. We reaffirm our commitment to financial consumer protection and financial education and capability development as an integral part of the financial inclusion process in our economies, and will improve upon our regulatory framework in support of these areas. We firmly believe that knowledge sharing within PIRI and



also with the broader membership of the AFI Network will provide us much needed knowledge, strength and insights for this purpose.

11. We remain resolute in our commitment to financial inclusion to enable the Pacific Islanders to actively participate in the development process and share the prosperity the process will create. We reaffirm our shared view that financial inclusion is a means to an end, not an end in itself.

End.