



# PIRI

THE PACIFIC ISLANDS  
REGIONAL INITIATIVE



The Pacific Islands Regional Initiative (PIRI) was created in 2014 at the Global Policy Forum in Maputo, Mozambique and was officially launched in Dili, Timor Leste in 2015. It was previously called the Pacific Islands Financial Inclusion Working Group (PIWG) and was originally formed in 2009 at the request of the central banks of Fiji, Samoa, Solomon Islands, Vanuatu, Papua New Guinea, Timor Leste and Tonga.

OUR GOAL - to enable all low-income pacific islanders to have access to formal and informal financial services



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Member institutions

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7

Countries

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21

Policy changes/ reforms

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6

Peer Reviews

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8

Knowledge products

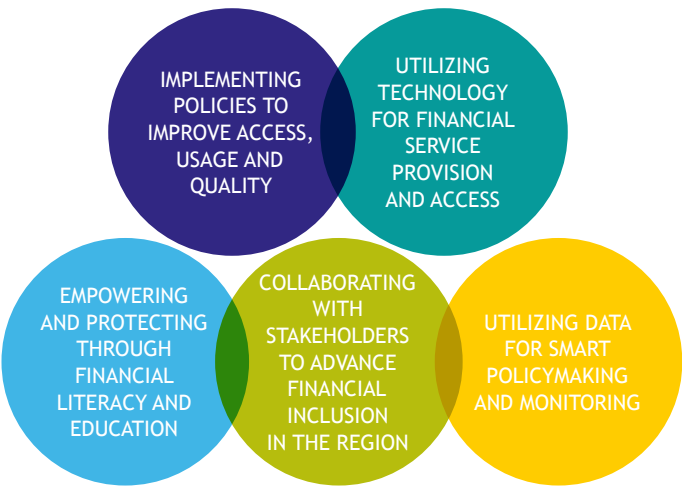
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## KEY OBJECTIVES

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The PIRI member countries have comparable characteristics and challenges. The challenges faced by most of these countries are very similar in nature due to their location, cultural and behavioural patterns, lack of resources, a narrow export base, vulnerability to economic shocks and slow or negative economic growth. Their geographical spread from east to west covers over 7000 kilometres of ocean. The ocean simultaneously demarcates their borders while also being the bond that unites their economic and developmental initiatives. Moreover, due to the geographical dispersion of the islands, access to these areas makes it exorbitant for both suppliers and receivers of financial services.

The objectives of PIRI are to ensure that within the Pacific Islands region, their work shall be to assist/support:



## POLICY CHANGES

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Financial inclusion is a key driver to lifting the standards of living of the people within PIRI, in particular, those who are underserved and financially excluded. It addresses the social and economic problems that people in the region encounter, thus enabling leaders to work together by bringing about effective financial inclusion policy solutions. The PIRI member countries have made progress in their financial inclusion journey although each is at differing stages, including with regard to their achievements. National Financial Inclusion Strategies are being completed, proper governance structures to lead the development of financial inclusion have been put in place with central banks taking a lead role together, and some even having a national financial inclusion taskforce overseeing the development of financial inclusion. The importance of setting measurable targets and data collection has been recognized as key to progress. Each of the countries is pursuing the acquisition of data sets that will better help in their decision-making and the derivation of important key financial inclusion policies.

Each of the PIRI member countries have made commitments to the Maya Declaration, showing their commitment to pursuing financial inclusion. They have also committed to the subsequent AFI accords of Sasana on the importance of data, Maputo on MSME development, the Denarau Action Plan on the importance of gender, and the recent Sharm El Sheik Accord on the importance of climate change, green finance and financial inclusion.

## FINTECH FOR FINANCIAL INCLUSION WORKSTREAM

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Many countries have recognized the importance of the use of technology in the progress of financial inclusion. Technology as an enabler to expand outreach and bring about efficiency and effectiveness in financial inclusion, in particular in the area of payments, is being advanced by many countries. Financial innovations that bring out added change to further financial inclusion, such as the use of mobile devices and payment cards, are among the technologies being adopted so that the benefits of innovation may be realized.

This is an emerging topic for many countries in AFI, and PIRI member countries are recognizing the importance of enhancing technology through “financial technology” or “FinTech” to help in their financial inclusion advancement. Fiji has made a start where the Reserve Bank of Fiji (RBF) has made an announcement in setting up a regulatory sandbox that will allow financial innovators to embrace and develop their technological innovation to promote financial products and services.

## APIA ACTION PLAN ON FINTECH FOR FINANCIAL INCLUSION IN THE PACIFIC ISLANDS

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On the occasion of the 2018 AFI Pacific Islands Regional Initiative (PIRI) Leaders Roundtable in Apia, Samoa, we, the members of AFI from the Pacific and small islands states, strengthen our determination and affirm our commitment to FinTech. We recognize that disruption in FinTech offers great opportunities for developing and emerging economies to significantly drive the uptake of Digital Financial Services (DFS). We therefore agree to seize the opportunity to make further progress by implementing the Apia Action Plan on FinTech for Financial Inclusion in the Pacific Islands. PIRI Members agree under the Apia Action Plan to:

- > **Create opportunities** to systematically build knowledge on technological innovations which are relevant for Financial Inclusion and the mitigation of the challenges of de-risking
- > **Provide regulatory guidance** led by the Digital Financial Services Working Group and originating from peer learning efforts among AFI members inside and outside the region
- > **Allow for systematic and focused dialogue** with the private sector, development partners and other international stakeholders to enhance the mutual understanding of the risk profiles of FinTech innovations
- > **Rationalize and coordinate** the multiple support activities and offerings from stakeholders as policymakers and regulators in PIRI are facing resource constraints
- > **Enable test-and-learn approaches** for FinTech for Financial Inclusion such as Regulatory Sandboxes, Innovation Hubs or RegLabs which could also support the application of approaches such as tiered KYC, eKYC (including digital identification) and RegTech
- > **Undertake capacity-building activities** for staff of PIRI central banks such as practical exposure to FinTech innovations in pioneering countries and training for regulators in collaboration with technical partners on relevant issues such as cybersecurity and AML/CFT

# ADDENDUM DILI CONSENSUS ON FINANCIAL INCLUSION IN THE PACIFIC ISLANDS

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Endorsed in Apia, Samoa 7th June 2018

PIRI Member countries:

- 1 Acknowledge that innovative, technology-based financial services including FinTech hold great promise towards accelerating financial inclusion especially among vulnerable segments of society, such as rural, forcibly displaced persons and women. We also recognize that these innovations demand a progressive but prudent re-evaluation of existing regulatory approaches and structures.
- 2 Recognize the need to contribute to an inclusive, prosperous and environmentally sound future by designing and implementing financial inclusion policies and regulatory reforms which are aligned with the Sharm El Sheikh Accord on Financial Inclusion and Climate Change and the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change.
- 3 Acknowledge that there is a persistent gender gap in access to financial services and that close to one billion women globally are financially excluded. In this regard, proactive strategies to consider women's financial inclusion will better inform and enhance our policy objectives. It will also support the Denarau Action Plan on Gender and a global commitment to UN Sustainable Development Goal 5 to achieve gender equality and empower all women and girls.
- 4 Express solidarity with forcibly displaced persons and the countries who host them, and pledge to support the financial inclusion and economic empowerment of those who are forced to flee due to worsening crises and the impacts of climate change - especially on displaced citizens who are being relocated during to rising sea levels. We appreciate the interlinkages between this effort and the wider sustainable development agenda and are in alignment with the New York Declaration for Refugees and Migrants which has been adopted by our respective countries, and the Agenda for Humanity, in a promise to leave no one behind and in recognition that financial inclusion is a shared responsibility.



## 2017 - 2018 ACTIVITIES

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- > 3rd AFI PIRI Leaders Roundtable (Kokopo, Papua New Guinea 2017)
- > 6th PIRI Experts Group Financial Inclusion Policy (EGFIP) Meeting (Kokopo, Papua New Guinea 2017)
- > 7th PIRI Experts Group Financial Inclusion Policy (EGFIP) Meeting (Sharm El Sheikh, Egypt 2017)
- > 4th AFI PIRI Leaders Roundtable (Apia, Samoa 2018)
- > 8th PIRI Experts Group Financial Inclusion Policy (EGFIP) Meeting (Apia, Samoa 2018)
- > Digital Financial Services - PPD training Accelerating Digital Payments in The Pacific (Apia, Samoa 2018)
- > Gender - Member Training on Toolkit for Sex Disaggregated Data (Apia, Samoa 2018)
- > FinTech for Financial Inclusion - Member Training on Regulatory and Market Aspects of FinTech for Financial Inclusion (Dili, Timor Leste 2018)
- > Financial Inclusion and Climate Change - Regulatory Workshop (Nadi, Fiji 2018)

## KNOWLEDGE PRODUCTS

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- > **Publication** - Digital Financial Services in the Face of De-Risking (2017)
- > **Publication** - AFI Pacific Islands Regional Initiative (PIRI) Financial Inclusion 2017 Status Report (2018)
- > **FinTech for Financial Inclusion** - Publication on implementation framework for regulatory sandbox and another innovative approach (Q4 2018)

## MEMBERS

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- > **Reserve Bank of Vanuatu (Chair)**
- > **Bank of Papua New Guinea (Co-Chair)**
- > Central Bank of Samoa
- > Central Bank of Solomon Islands
- > Banco Central Timor Leste
- > National Reserve Bank of Tonga
- > Reserve Bank of Fiji



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