



Pacific Islands Working Group (PIWG)

Current as of July 2014

The Pacific Islands Working Group (PIWG) was formed in 2009 at the request of the central banks of Fiji, Samoa, Solomon Islands, Vanuatu, Papua New Guinea and Timor-Leste. The National Reserve Bank of Tonga joined in 2012.

The region has one of the highest unbanked rates in the world due to unique challenges such as geographically dispersed islands, low population density and underdeveloped physical and banking infrastructure.

The PIWG focuses on addressing these challenges.

KEY OBJECTIVES

- > Remove policy barriers to improve access to financial services
- > Utilize digital technology for financial services
- > Empower and protect consumers through financial literacy and education initiatives
- > Collaborate with stakeholders to advance financial inclusion in the region
- > Utilize data for smart policymaking and monitoring

POLICY CHANGES

Members of the PIWG have contributed to a range of policy changes in the region, including:

- > Separate guidelines for relaxing KYC regulations have been issued in each PIWG member country.
- > Pacific regulators have enabled all PIWG member countries to roll out mobile financial services.
- > All PIWG members have agreed to adopt the AFI 'Core Plus' Set of Indicators as a tool for measuring and collecting data on financial inclusion in the Pacific Islands.

- > All members have adjusted and updated their non-bank regulations and approaches to supervision to reflect a risk-based approach that balances the importance of small deposit-taking services with financial system integrity and consumer protection.
- > A review of e-money trust arrangements was conducted with the Pacific Financial Inclusion Programme (PFIP) in Fiji, Papua New Guinea, Samoa, Tonga and Vanuatu. Members drafted a knowledge product containing a sample trust deed developed and used across the region.

KNOWLEDGE PRODUCTS

- > *Lessons Learned in National Financial Inclusion Strategy Development*
- > *National Action Plan on Microinsurance (for each member country)*
- > *Trust Law Protections for E-Money Customers*
- > *Response to the Asia/Pacific Group on Money Laundering*
- > *Techniques for Supervising Depository Microfinance Institutions (DMFIs)*
- > *Building a Collaborative Dynamic Between Peers in the Region*

Member Surveys

- > *Pacific Islands Regulatory Matrix Survey*
- > *Pacific Islands Consumer Protection Legal Framework Survey*
- > *Financial Competency Survey for Low-Income Households (aimed to help PIWG members design national financial inclusion strategies)*

PEER REVIEWS

- > **Reserve Bank of Fiji** Credit Product Pre-Contractual Disclosure Form
- > **Bank of Papua New Guinea's** Mobile Financial Services (MFS) Regulation
- > **Reserve Bank of Vanuatu's** Fact Sheet on Consumer Protection and Empowerment
- > **Pacific Islands** Demand-Side Survey and Strategy



Planned Activities

- > **Phase 2 of the Regional Financial Inclusion Data Project.** Activities to be undertaken include a demand-side survey and market sentiments in six of the member countries.
- > Undertake a diagnostic/data-gathering/gap analysis survey on the Micro, Small & Medium Enterprises (MSME) sector to determine numbers, sectors operating in, level of deposits and lending, etc. and establish a database for the MSME sector.
- > Develop a database of MSMEs and a reporting framework to populate the database and monitor it over time.
- > Develop an action plan to expand access to financial services.
- > Develop a minimum guideline and best practices for consumer protection, specifically for small islands to share in a peer review by the CEMC WG.



MEMBER INSTITUTIONS

- > Central Bank of Solomon Islands (chair)
- > Reserve Bank of Vanuatu (co-chair)
- > Banco Central de Timor-Leste
- > Bank of Papua New Guinea
- > Central Bank of Samoa
- > National Reserve Bank of Tonga
- > Reserve Bank of Fiji

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Member
Institutions



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Countries

