

Pacific Financial Inclusion Programme (PFIP)
NARRATIVE PROGRESS REPORT
REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2020

ProgrammeⁱTitle & Project Number	Country, Locality(s), Priority Area(s) / Strategic Resultsⁱⁱ
<p>Programme Title: Pacific Financial Inclusion Programme</p> <ul style="list-style-type: none"> MPTF Office Project Reference Number:ⁱⁱⁱ 00092020 	<p><i>Country/Region</i></p> <p>Fiji, Papua New Guinea (PNG), Vanuatu, Tonga, Solomon Islands (SOI), Samoa,</p> <p><i>Priority area/ strategic results: Priority area/ strategic results</i></p> <p><i>Financial Inclusion: To reach 1,500,000 individuals with financial services by end of programme.</i></p>
Participating Organization(s)	Implementing Partners
<ul style="list-style-type: none"> Organizations that have received direct funding from the MPTF Office under this programme. UNCDF UNDP 	<ul style="list-style-type: none"> National counterparts (government, private, NGOs & others) and other International Organizations. <p>Regional financial service providers, Central Banks and/or Government Agencies in Fiji, SOI, PNG, Samoa, Vanuatu, Tonga.</p>
Programme/Project Cost (US\$)	Programme Duration
for 2014 -2020: 34,162,391	Overall Duration (<i>months</i>) 78 <i>months</i>
By Agency:	Start Date ^{iv} 01/07/2014
UNDP: US\$8,075,143 UNCDF: US\$18,305,753	Original End Date ^v 31/12/2020
Other contributions (donors) Australia US\$ 21,305,052 New Zealand US\$ 5,185,698	Current End date ^{vi} 30/06/2021
Total: US\$ 26,490,750	
Programme Assessment/Review/Mid-term Eval.	Report Submitted By
<p>Assessment/Review Yes Date: Dec 2020</p> <p>See here for full report: https://erc.undp.org/evaluation/evaluations/detail/9950</p>	<p>Name: Bram Peters Title: Programme Manager Participating Organization (Lead): UNCDF Email address: bram.peters@uncdf.org</p>

NARRATIVE REPORT FORMAT

EXECUTIVE SUMMARY

In 2020, most activities under the Pacific Financial Inclusion Programme have had to find ways to deal with the impacts of COVID-19 and adapt; from socio-economic impacts to practical challenges caused by the closures of borders. Partly due to physical distancing measures, the demand for digital tools has increased and new opportunities to move activities online were identified. Opportunities which the Programme seized, contributing with our expertise on digital solutions as well as our close partnerships with the private sector in the countries where the Programme operates.

q

I. Purpose

The objective of PFIP is to increase the number of low-income Pacific Islanders who adopt formal financial services. PFIP achieves this objective by supporting financial service providers to innovate with products and services for mass market customers, supporting governments to create an enabling policy environment for financial innovation, and empowering consumers. The primary countries of focus of PFIP are Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu. PFIP is jointly administered by the UN Capital Development Fund (UNCDF) and the United Nations Development Programme (UNDP) and receives funding from the Australian Government, the European Union and the New Zealand Government.

The first phase of PFIP ended in June 2014 and the programme surpassed its objectives by reaching 687,620 underserved clients as against a target of 500,000. Phase II of PFIP which commenced in July 2014 aimed at extending financial access to an additional 1,500,000 previously underserved, low-income people in the region. As of December 2020, PFIP II initiatives have already reached almost 1.9 million clients cumulatively.

With the second phase of PFIP now coming to an end in 2021, two new initiatives have been developed as successor programmes; the Pacific Digital Economy Programme (PDEP) and the Pacific Insurance and Climate Adaptation Programme (PICAP). The two new initiatives are seen as good propositions to expand on work done under PFIP I & PFIP II and ensure Pacific Islanders are not left behind in the digital economy era.

United Nations Pacific Strategy (UNPS):⁷ In the UNPS, PFIP falls under “Outcome 3: Sustainable and Inclusive Economic Empowerment”. This outcome has the following outcome statement, “By 2022, people in the Pacific in particular youth, women, and vulnerable groups, benefit from inclusive and sustainable economic development that creates decent jobs, reduces multi-dimensional poverty and inequalities, and promotes economic empowerment.” This is measured by indicator 3.6 which is the “Number of countries in which the percentage of the population with access to formal financial services has increased based on the latest available data”⁸ (SDG 8.10.2)”

Sub-Regional Program Document (SRPD) (2018-2022) for Pacific Island Countries:⁹

In the SRPD, PFIP aligns with the regional priority of, “: Sustainable development that combines economic, social and cultural development in ways that improve livelihoods and well-being and use the environment sustainably. (SDGs: 1, 5, 8, 10, 17). This outcome level has multiple indicators, one of which is, “Number of PICTs in which the percentage of the population with access to formal financial services has increased based on the latest available data. The outputs of PFIP fall under Output 3.3, “National financial inclusion policies and strategies in place and implemented to expand access to financial services for rural and low-income women and youth”.

⁷ In the Pacific, the UNDAF has been renamed UNPS.

⁸ Tier I

⁹ This is the guiding document for UNDP in the region.

II. Results

The Pacific Financial Inclusion Programme continues to make significant progress by introducing formal financial services and products to Pacific Islanders all across the region. Over the last ten years, the programme has been able to provide more than 2 Million people with formal access to financial services.

Results Pacific Financial Inclusion Programme as of December 2020

- 1,897,862 people enrolled (phase II)
- approx. 51% of these new customers to formal financial services are women
- 25% of people used one of these products in the last 30 days
- 46% used it in the last 90 days
- 7 sustainable business models
- 14 innovations scaled
- 44 projects undertaken
- 5 active National Financial Inclusion Taskforces
- 3 countries with a in the financial education curriculum

The Programme continuously strives to ensure the timely collection of data from our project partners. This is however not without challenges. Not all partners for instance provide gender disaggregated data, but have worked to in improving this.

i) Narrative reporting on results

FIJI

Regional international money transfer hub and COVID-19 remittance response

In March 2019, the investment committee approved the launch of the second phase of the Vodafone Innovation Lab. This next phase follows a successful first chapter, which tested new inclusive financial services and delivery models encouraging usage of the Vodafone M-PAiSA mobile money platform, to make the product financially sustainable.

The second phase of our partnership with Vodafone aims at expanding the successes from the Lab in Fiji into other countries in the Pacific where Vodafone, through its parent holding company Amalgamated Telecom Holdings (ATH), has subsidiaries. A substantial part of the scope of the second phase is focused on developing products to ease the flow of remittances, allowing users to send and receive money from overseas into their mobile money account.

To prepare for this new service, Vodafone supported other companies within the ATH ‘family’ to launch their mobile money platforms, such as BlueSky’s M-Tala in Samoa and Telecom Vanuatu Limited’s M-Vatu. Capex investments were also made, such as the USSD platform for the International Money Transfer (IMT) hub. However, connecting the other countries to the Fiji-based IMT-Hub platform was significantly delayed.

In the beginning of the year Vodafone was able to finalize discussions with International Money transfer partners such as WorldRemit, Ria, Thunes, Rocket Remit, MoneyGram and Western Union and started integrating these multiple remittances platforms with Vodafone M-PAiSA wallet.

The situation following the impact of COVID-19 led the Innovation Lab to repurpose a portion of the grant funding towards a COVID-19 response; allowing a two-month waiver of all fees (both for the sender as well as the receiver) on both domestic and international remittances using the M-PAiSA platform. Giving Fijian families relying on remittances some extra breathing room during these challenging economic times.

Fees were removed for customers from 14 May to 14 July 2020. While pre-COVID remittances averaged around 6,500 transactions per month with a value of a bit over US\$900,000, with transaction costs cut, volumes in April 2020 topped around 14,500, with a value of over US\$2 million (already an increase of the channel usage as many of the cash-based money transfer channels were closed due to lock-downs). By the end of July incoming remittances to Fiji through M-PAiSA were almost double from that in April exceeding 28,000 transactions in volume and was close to US\$4 million in value. More important, the changing customer behavior kept its trend and by end of December 2020 the total volume was 42,407, an increase of more than 600% from pre-COVID-19 levels.

Development of an eCommerce marketplace

This project is the result of the Pacific ASEAN Financial Innovation Challenge held in May 2019. The idea was to develop an online marketplace in collaboration with Vodafone. This e-commerce platform allows Vodafone's existing, as well as new merchant partners to run their business sales through a dedicated app as well as a web-based version of it.

Within the first months of 2020, Manifera, the winning contestant from the Challenge which developed the platform, was able to complete and provide user-interface and user-experience for the mobile application of the platform. By February, Manifera delivered the first 50 percent releases for the consumer mobile apps, merchant web portal and the Vodafone admin web portal. By April, further software developments were completed, including the integration with Vodafone's M-PAiSA, the setup of the server in Vodafone's cloud and a shift to that server. Vodafone was also able to sign partnership agreements with merchants who will be the initial sellers through the platform.

A country visit by Manifera to complete the remaining tasks, has been cancelled due to COVID-19 border restrictions, which has led to delays in implementation. Manifera and Vodafone successfully completed this integration in June and subsequently launched the online e-commerce platform Vitikart on 06th August 2020. By the end of 2020 there were more than 20 merchants enrolled onto the platform and Vodafone actively promoting the platform to other potential merchants. UNCDF is looking to partner with Vodafone under its successor programme to support the onboarding of smaller MSME merchants, who are typically less tech-savvy and prepared for the digital economy.

Creating a digital ledger for farmers through the PacFarmer application

The PacFarmer application aims to build a one-stop digital marketplace for farmers, and eventually also apply for credit. In order to increase uptake and usage of PacFarmer, PFIP collaborated with the Transformation of the Future of Work for Gender Equality (TFoW4GE) Programme by UNDP in the beginning of the year. Research was conducted on how to enhance usage of the app by women business owners. UNDP provided a US\$50,000 technical assistance support for this initiative. Through a human centered design approach, opportunities and needs of current users and potential users such as market vendors were mapped. Insights revealed for example that women farmers tend to rely on their teenage children to help them understand digital technology. Women therefore suggested to add educational modules for children alongside farming information to the app. Other noteworthy ideas from this research were suggestions to create buyer notifications and simplifying the log-in process.

The UNDP and PFIP team are looking forward to enhancing the app based on these findings based on available funding.

Insuring low-income Fijians

This project supports the regional expansion of the bundled microinsurance project. So far, over 135,000 Fijians are covered under this scheme and since its inception in July 2017 FijiCare has paid out over FJ\$10 million (US\$ 4,694) to more than 5,000 beneficiaries.

Considering the success of this micro-insurance scheme in Fiji, especially in reaching a large segment of the uninsured population, PFIP in January 2019 provided a further US\$291,096 to FijiCare to regionally expand the micro-insurance to for example Vanuatu and Kiribati.

However, the limitations imposed by COVID-19 have affected FijiCare's steady efforts to expand and reach new markets. Consequently, this is not the optimal time for FijiCare to expect premium payments or new customers. The growing impacts due to COVID-19 have strongly limited FijiCare in expanding the way originally planned.

Adapting quickly to the new changing landscape, FijiCare repurposed a portion of the current grant towards a COVID-19 response and supported the Fiji Ministry of Communications with the development of the contact tracing app CareFIJI. This was done in collaboration with the Fiji Government and a team of local developers from the University of the South Pacific, using the source code from similar apps available in Singapore, India and Australia.

The support provided through FijiCare will cater for costs related to the promotion of the contact tracing app through mass media, which was officially launched by the Prime Minister on 21 June 2020. The current number of downloads stands at almost 50,000 and the Fijian government has announced it will be mandatory to install for visitors to Fiji.

Paying for your health insurance with used PET bottles with FijiCare

This project is also the result of the Pacific ASEAN Financial Innovation Challenge held in May last year. The winning contestant KLEAN was contracted to develop and deploy reverse vending machines in specific locations in Fiji. These machines will allow customers to deposit used PET bottles/materials and get credits to buy goods and services at selected merchants, starting with medical insurance from FijiCare.

In the first quarter of the year, KLEAN was able to complete the manufacturing of the machines and planned to ship these. However, due to COVID-19 related restrictions imposed on travel and shipments between Fiji and Malaysia, it was not possible to send the parts on time. Most likely the shipment will be delayed if current restrictions persist.

PFIP granted a no-cost extension on the agreement with KLEAN to accommodate for these unavoidable delays in implementation of the project. Once the shipment has arrived, the installation is expected to be completed within a month, as sites have already been identified.

Optimization of complaints management at Consumer Council of Fiji

The grant to the Consumer Council of Fiji (CCF) is used for two projects:

1. The development of a digital complaints management system (CMS) and
2. The enhancement of this complaint management system to incorporate debt management and financial mediation and counseling services, in response to the socio-economic impact due to COVID-19.

PFIP has completed its technical assistance to the CCF to digitize their complaints management system. Both hardware and software for the CMS are in place since the beginning of this year, the CCF staff received training and test runs were successful. The launch of this improved customer complaints app was held on 23 July 2020.

In response to COVID-19, PFIP is providing additional technical and financial support to the council to enhance the CMS and the app with debt management and financial mediation functionalities. This upgrade will allow users to seek advice and support from the council regarding any financial and debt concerns. This upgrade is expected to start in July, when recruitment of expertise is finalized.

New skillsets for hospitality workers

PFIP and UNDP, in collaboration with the APTC are partnering with the South Pacific Tourism Organisation and Fiji Hotel and Tourism Association to offer subsidized online courses to affected Pacific Islanders in Fiji, Kiribati, Nauru, Solomon Islands, Tonga, Tuvalu and Vanuatu. Tourism Ministries and or Associations from other PICs may be incorporated at a later stage.

PFIP leverages its public and private partnership to support this collaboration and will continue to provide technical assistance from within the team.

Through funding from the Government of Japan, these courses will help tourism and hospitality businesses and workers, who have been impacted by the economic disruption due to COVID-19, develop new skillsets and seek alternative employment. The initial cohort will target 3,500 participants of which 1,500 will be from Fiji.

PAPUA NEW GUINEA

Biometric enabled low-cost banking access points

Through the creation of MamaBank Access Points (MAPs), women in rural areas now access formal financial services more easily. Good results were achieved at all six MAP pilot locations. During the first months of the year, Women's Micro Bank Limited (WMBL) also increased the active customer base by 150 percent; from 8,000 to 20,000 active customers. With the achievement of this target, the last grant payment was disbursed, and the project was formally completed.

PFIP's support to WMBL has helped unlock other funds, such as the PGK 1 million (US\$ 287,000) from the member of Parliament for Wewak in the East Sepik province. This revolving fund will enable more women in Wewak have access to credit.

As of March, however, all six access points experienced decline across the key performance indicators including deposit and loans due to fallouts caused by the COVID-19 pandemic. There were a lot of withdrawals during the State of Emergency in the initial months, which affected WMBL. With the lifting of the State of Emergency in Mid-June, business is gradually returning to normal.

Loan from UNCDF LDC Investment Platform

In September 2019, UNCDF LDC Investment Platform, provided WMBL with a loan of PGK 830,000 (approximately US\$ 240,000) to be used for on-lending to women entrepreneurs through the Mama Bank access points. The full amount was disbursed by WMBL to nearly 1,000 women by January 2020.

The first loan repayment installment was due in Aug 2020, but WMBL was not able to repay due to the fallouts caused by the impact of COVID-19 which affected its operations.

WMBL informed UNCDF on the challenges and requested the first repayment to be deferred to December 2020. This was approved by the Investment Platform. Accordingly, WMBL made the first repayment in December 2020.

Agri focused agent network Innovation Lab

This project developed and tested different agent network models for Nationwide MicroBank PNG Limited (MiBank) in rural areas of the Eastern Highlands Province of PNG. The project made good progress but was affected by fallouts from the COVID-19 pandemic.

At a project steering committee meeting held on 29 June 2020 to formally conclude the project, it was agreed for the project team to continue support to the agents, merchants, and customers for an additional three (3) months, from July-September 2020. This was done and led to an increase in the number of customer signups and transactions. The number of customers increased from 4587 to 8792 (92% increase) over the three months period. The total number of transactions also increased from 3909 in June to 5853 in September 2020. (50% increase). The pilot has thus officially ended, and the project has been taken to scale by MiBank.

Development and distribution of bundled insurance product

PFIP partnered with Life Insurance Corporation PNG Ltd. (LICL) to pilot a bundled insurance and DFS project with the United Church in PNG (UCPNG). Similar to the agent network innovation lab, the project was making good progress until the first case of COVID-19 was recorded in PNG in March 2020.

As of 30 June 2020, the project had achieved only 10 percent of its target, largely due to the COVID-19 challenges, which did not allow for church meetings for a period of three months. This affected signups by UCPNG members.

At a steering committee meeting on 30 June 2020 to formally conclude the project, it was agreed that PFIP continued to support the implementing partners for an additional three months, from July – September 2020 to help increase the number of signups. This was done and the number of signups increased from an initial 550 as at 30th June to 742 by 30th September 2020. The pilot has thus officially ended, and the project is being scaled up by LICL and UCPNG.

Using machine learning to digitize data with KINA bank

Through the Pacific-ASEAN Financial Innovation Challenge, KINA bank partnered with PFIP to digitize and automate their manual back office operations. Intain, the FinTech from Singapore who won this challenge was to provide an AI powered solution to digitize these processes, cutting down repetitive and manual data entry tasks.

However, due to the turnover of key management staff at KINA, the project endured delays and eventually KINA lost interest due to a strategy reprioritization. Therefore, PFIP management, in agreement with KINA bank's management decided to explore other potential partners for Intain. The solution was offered to Women's MicroBank PNG Limited (WMBL). Intain and WMBL have carried all User Acceptance Test (UAT) and about to go into a live environment and implement the solution.

Replication of FinEd pilots with four TVETs in the Highlands

The financial education programmes rolled out at TVETs in the Western Highlands are now completely integrated into the training curricula. Final reports have been submitted by the TVETs inspector for the Western Highlands Province and the project has been closed.

Increasing off-grid power with SolaPayGo

This project aims to accelerate the scale up of a relatively new pay-as-you-go solar energy business in PNG, providing an affordable, high quality solar power lighting and mobile phone charging solution to rural households in the Highlands.

The project met its targets by March with over 2,500 households signed up for one of the kits. The last tranche payment

was paid in the month of April and although the project formally closed, the offices from SolaPayGo in Mount Hagen and Lae continue to work on scaling the distribution of the kits to more households and women in these communities.

Ongoing engagement under EDF 10 and 11

PFIPs activities under the EU EDF 10, the Programme formally ended on 29 June 2020, closing the EU-RED2 programme in PNG Highlands (Component 2).

Under EDF 11, UNCDF will continue the strong foundation laid by the PFIP programme. As such it is part of the EU funded joint UN Support to Rural Entrepreneurship, Investment and Trade (STREIT) project by FAO, UNDP, ILO and ITU where it is responsible for the access to finance component of the initiative. The STREIT project aims to support vanilla, cocoa and fishery value chains in the Sepik provinces, with a specific focus on women, youth and rural development.

UNCDF will continue to engage with private sector, regulators and the government to scale up a digital finance eco-system in the project areas focused on supporting agri-value chains. UNCDF will leverage its experience from past projects and tap into the successes and lessons learned to deliver on the objectives for STREIT. During the one-year inception phase UNCDF will strengthen projects that were undertaken by PFIP for the RED2 programme. Below are key activities undertaken by UNCDF PNG for the period under review.

- 1) Recruitment of an International consultant for the project is in its final stages.
- 2) Setup and first meeting of the Impact Investment Committee (IIC) to oversee activities under STREIT. It comprises key decision makers from UNCDF regional office in Suva-Fiji, The United Nations Development Program (UNDP), The Bank of Papua New Guinea (BPNG), Food and Agriculture Organization (FAO), European Union (EU), Department of National Planning and Monitoring (DNPM), and the National ICT Authority (NICTA).
- 3) Advertised an RFA, evaluated submissions from interested applicants and selected partners for the project.

Country Strategy and IDEA Programme

The UNCDF PNG team started work in December 2020 on developing a new country strategy and programme which will leverage the learning from PFIP to design the PNG '*Inclusive Digital Economy Accelerator*'- (IDEA) programme embedded in UNCDF's "**Leaving no one behind in the Digital Era**" strategy for promoting digital and financial inclusion in PNG.

UNCDF contracted an international research consultant to carry out stakeholder consultations with Government Departments and Ministries, regulators, financial institutions, private sector, international organizations, and key players to solicit inputs in drafting the strategy and project design. Stakeholder consultations are underway, the draft strategy will be circulated for internal review by Q1 2021 and finalized soon thereafter.

SOLOMON ISLANDS

Voluntary pension savings with the National Provident Fund

youSave is the pension product specifically designed for the informal sector who cannot participate in the formal superannuation programmes of the National Provident Fund. As of July 2020, over 20,000 Solomon Islanders have signed up for this product, saving over SBD 15 million (US\$ 1,826,257). youSave provides customers with a split account to cater for short-term needs; a general account which allows at least four withdrawals per year, and long-term savings account, which can only be accessed by customers when they are 55 years or older.

Although COVID-19 initially had negatively impacted the number of people signing up as well as the overall value of amounts people save, from June onwards, acquisition of new members gradually picked up by 12% in Q3 and 15% in Q4, while gross savings significantly increased by 14% and 16% for Q3 and Q4 accordingly. This concurrent increase is predominantly due to the opening and return to business of small retail stores and markets to business, including the public transport which employ bus conductors, drivers and taxi drivers. Withdrawals made from the general account dropped in December compared to March. These funds were used to cater for various family needs and sustaining business activities.

Despite these consequences of COVID-19 on people's savings behavior, the National Provident Fund has fully committed to the sustainability of this unique product. The Fund has now upgraded the informal sector into a complete department within the organization, fully funded, adequately staffed and in a new office space.

Airtime top-ups as digital currency for savings and utility payments (LoMobile)

This unique multi-partner digital project in Solomon Islands leverages mobile network operators' airtime credits or top-ups for mobilization of savings deposits.

The ambassador programme (a team of young field agents who onboard members and activate existing members to LoMobile) and a customer recruitment app were adopted and developed to support the LoMobile digital payment channel. Through this new channel over 8,000 new customers were onboarded on youSave. And over 8,000 existing members deposited savings through their phones, straight into their superannuation accounts, at their own convenience.

Since launching LoMobile on 9 November 2019 over 30,000 transactions have been registered with more than SBD 1.2 million (US\$ 146,100) of savings deposits mobilized from all nine provinces of Solomon Islands.

The project has outperformed its targets, and after the waiver of the 10% tax on airtime, the transactions and customer acquisitions have gained momentum. Some key highlights of this last period are:

- Overall youSave membership increased to 22,780 in Q4 (of which 53% are women) compared to 20,243 members in Q3'2020 representing an addition of 2,537 new members. The uptick in membership onboarding are attributed to the increase in ambassador activity, youSave office actively calling registered members to complete KYC requirements, youSave radio and print media awareness, approval of the 10% sales tax refund, as well as the ongoing awareness efforts by the MNOs, especially bMobile who continuously uses daily SMS blast to inform its customer masses regarding youSave airtime deposits being made possible through their platform and the benefits of the 10% airtime sales tax refund.
- Meanwhile, app registrations in Q4 continues to uptick, registering the increasing trend from the previous quarter. As of Q4'2020, total members registered through the app is 8,111 of which 7,372 members have completed KYC requirements. An improvement in Q4 which saw the increase in number of members completed their KYC or CDD was due to the active efforts by the youSave office in calling members to reach their nearest SINPF office to complete CDD details which includes capturing of biometric fingerprints which were not captured during app registration, or first-time airtime deposit of SBD50.
- In terms of savings, as of Q4'20, total gross savings increased to SBD 22,764,554, up from SBD19,687,115 in Q3. Moreover, airtime deposits accounted for approximately 12% of the total gross savings. The approved 10% airtime sales tax refund by SIG, the revised minimum deposit of SBD5 from SBD10 and the ongoing awareness were catalysts that drove the increase in airtime deposits for Q4.
- A significant milestone has been achieved by youSave in this quarter, and it has been achieved well before the target date and its related number(s). When youSave was initially launched in 2017, it was recommended that for this fund to be sustainable, it MUST achieve by year 2022, a fund size of SBD\$ 22 million and have 22,000 customers (indicating an average deposit held, per customer of SBD\$ 1,000).
- Both these targets have now been achieved in this quarter of 2020 – and average deposit per customer is also \$1,000. This is a significant achievement – and the rapid increase in number of customers and number of transactions is attributed to the youSave loMobile channel being introduced in Nov 2019. At the start of youSave loMobile service, the average deposit held per customer was SBD\$ 650.
- Regarding cash-outs, among others, majority of the withdrawals were mainly for families and personal needs, school expenses, transportation, income generating, transportation & logistics, festivities & celebrations, medical, and building and construction. Regarding agents and ambassadors, with the closure of the ANZ Go Money, youSave have no active agents at the moment. However, some agents were converted to ambassadors.

The youSave loMobile pilot is now complete, and the sustainability of the product is secured. All project partners remain committed to this product. And as more advanced mobile money deployments are taking shape in Solomon Islands, it is expected that loMobile will be integrated into these future channels.

FinEd with the Anglican Church of Melanesia

The Programme completed this project in May 2020 and financial education is now fully integrated into the curriculum of six rural training centers (RTCs) managed by the Anglican Church of Melanesia (ACOM). This follows the successful pilot

in three RTCs in Garanga, Isabel Province, the Pamua RTC in Makira Province and the Airahu RTC in Malaita Province, which were scaled to include an additional three RTCs; the Kholaero in Isabel Province, the Bishop Koete in Central Province and the RTC Luesale in Temotu Province.

Results from the initiative indicate that students improve their attitude and behavior towards financial management, which is demonstrated in their saving habits, budgeting and setting financial goals.

Paying for school fees with ANZ goMoney

Paying school fees in Solomon Islands continues to be time intensive as well as expensive, with parents having to travel long distances and spending significant amounts on transport. The programme partnered with ANZ Bank for payment of school fees through goMoney. Over 1,500 parents have been on-boarded, with 18 schools accepting digital payments of school fees.

However, the future of this initiative with the ANZ Bank is uncertain, as the goMoney digital platform will be decommissioned by ANZ due to a strategy review of their products and services. Considering that the need for digital school fee payments remains essential in the country, other alternative digital channels such as mobile money and LoMobile are currently being explored.

Shared agency banking infrastructure with the Central Bank

This initiative by the Central Bank of Solomon Islands (CBSI) explores the use of an interoperable shared agency banking network (one liquidity, one agent interface), utilized by multiple financial service providers. After a successful scoping mission in 2019, the project has progressed into its preparatory phase.

The travel restrictions due to COVID-19 forced the Programme management and the consultancy firm to rework the approach. Stakeholder consultations were completed remotely through Zoom and Skype. The result was a report with various options for design components for the shared agency banking system and its infrastructure.

The way forward mechanisms (based on findings of the consultant's work / analysis) were shared with all the stakeholders through a series of workshops. Based on inputs provided by the stakeholders, the final recommendations for the platform is being compiled by the consulting firm and will be submitted to CBSI. The CBSI will then make the decision on the next steps for taking this forward.

Feasibility study for mobile money with Our Telekom

Our Telekom partnered with the Central bank of Solomon Islands, the provident fund (SINPF), and its competitor bmobile to use airtime top-ups as a currency for mobilizing domestic savings and pension from the informal sector. LoMobile results have been positive with the project's quantitative targets already surpassed. This experience has provided lessons and increased the interest with Our Telekom for a potential deployment of mobile money services.

At the request of Our Telekom the Programme provides support to conduct a market research and an institutional assessment to inform their strategy with respect to mobile money services. The final report is expected in October, which will guide Our Telekom on how best to position themselves on this front.

Due to Covid19 travel restrictions, the consulting firm assigned for this task could not travel to Solomon Islands. The entire inputs and analysis was undertaken virtually and the task completed successfully in early October 2020. The consulting firm also held a virtual workshop with the senior management team of Our Telekom to have a detailed discussion on the report and the research findings, including the recommendations on the way ahead.

The final report has been accepted by Our Telekom and they are very eager to launch mobile money services in the Solomon's. Our Telekom is currently undertaking an internal exercise to seek approval of their board for launch of this service in 2021 and have reached out to UNCDF for technical assistance.

Review NFIS and development of a National Digital Economy Strategy

The review of the National Financial Inclusion Strategy II (NFIS II) was completed. Considerable challenges remain to be addressed, specifically on access points and savings groups. Out of the 21 key result areas, five are fully met, 13 are in progress, while three will not be achieved. See the infographic for measurements of the NFIS II progress against set objectives.

Development of the new NFIS III is underway with a digital focus as the anchor and support for implementing goals and

objectives for the next strategy. Additionally, and in anticipation of one of PFIP's successor programmes, the development of the first National Digital Economy Strategy (NDES) is also in progress. The first one for the Pacific. Both policy strategies are expected to be completed in the months ahead.

The UNCDF developed the Inclusive Digital Economies Scorecard (IDES) with support from other development partners, such as OECD, GSMA, UNCTAD, UNDESA and the EU. This tool measures levels of digital penetration within a country, as well as the digital divide and inclusion of key segments such as women, SMEs, migrants, youth, elderly and people with disabilities. As one of the four selected pioneering countries, two IDES workshops were held in Honiara to orient Government and private sector partners and prepare them for the next steps of IDES.

The IDES measurement and scoring for Solomon Islands will be completed in July 2020. Results will guide and strengthen the development of both NFIS III and the NDES, through identifying existing digital gaps, divides and help to set priority areas for implementation.

REGIONAL: SAMOA, VANUATU, TONGA, AND KIRIBATI AND TIMOR-LESTE

SAMOA

Innovation Lab with the National Bank of Samoa

With support from PFIP, National Bank of Samoa (nbs) in partnership with Digicel Samoa launched EziBank, a mobile banking product allowing customers to access their bank accounts through Digicel's mobile money platform. Customers can view their account balances on their mobile phones, transfer funds from their nbs bank account to Digicel's mobile money wallet and vice versa. Samoans receiving remittances through Digicel's mobile money wallet are now able to send and save funds on their nbs Bank accounts.

The EziBank product has acquired 1,865 customers with 11 percent active base as of March 2020. On average over 150 Samoans now use EziBank to ease their access to a financial service. The project did not achieve the set target of onboarding an additional 10,000 customers to the remittance-linked savings product, EziBank. As of March 2020, the project had achieved only 19 percent of the target.

Key challenges included:

- Disruptions from both the measles outbreak and the COVID-19 pandemic, limiting customer outreach efforts to promote the product,
- Turnover of key management and change of strategic priorities:
 - New CEO as from February whose strategic priority was on core banking products.
 - Exit of the innovation lab project manager in February this year.

For these reasons PFIP decided not to extend the project any further and almost USD 100k of the original grant amount of USD 270k was not paid.

Despite these challenges, nbs is still keen to continue the work of the innovation lab, numbers have recently improved, with more senders preferring this digital channel. Nbs will be making structural changes to ensure better management and output by the lab. To ensure ownership and accountability, the lab management has been absorbed into the regular operations and will be managed by the bank's project manager with a specific set of KPIs. The lab team will comprise representatives from the various bank sectors such as retail, finance and IT.

Integration of Vodafone's M-Tala mobile money platform has also been completed pending a commercial agreement. This will make the EziBank product available to all mobile money users and not limited to Digicel mobile money only.

Funeral insurance with Apia Insurance Company

Apia Insurance Company (AIC) launched a funeral cover insurance product in October 2018. This project was successfully closed in January 2020 with over 1,000 unique customers, and more than 1,000 funeral expense insurance policies sold.

AIC was on track to achieve the set target of 2,000 funeral expenses insurance policies sold, and 2,000 unique customers by June 2020. However, the acquisition rate has slowed down due to the effects from the COVID-19 pandemic. We continue to monitor the scale-up of the project to ensure long term sustainability.

Women's MSME Fintech Innovation Challenge with SkyEye

In collaboration with UNESCAP under the 'Catalyzing Women's Entrepreneurship: Creating a Gender-Responsive Entrepreneurial Ecosystem' project, SkyEye was selected as one of the ten winning innovative businesses to develop a local payment gateway facilitating e-commerce transactions for Women-led MSMEs and the development of Samoa's digital economy at large.

Although there were initial delays at the start, the project is now on track following an amendment to the original PAD and a project extension to December 2021. SkyEye managed to meet all deliverables for the First tranche of USD\$10,000 which they received in December 2020. Technical integrations with Vodafone's MTala and Stripe are now underway.

SkyEye COVID-19 Response project.

UNCDF-PFIP partnered with UNDP to support SkyEye to scale its existing E-Commerce solution, Maua App in order to mitigate local market disruptions caused by the Covid-19 crisis and future disruptions of similar nature. The project was extended to 30th April to allow SkyEye to meet the set targets. As of December 2020, 1114, total customers were onboarded on the Maua platform an increase from 765 at the start of the project in September 2020. Quarterly usage of the e-commerce app has also increased from 765 users to 887 users by December 2020. The number of vendors on the platform has also increased from 20 to 42 active vendors. These numbers are expected to increase even further due to the acceptance of cash on the platform – this is a new development.

Ensuring the implementation of the National Financial Inclusion Strategy

The Programme successfully support activities by the National Financial Inclusion Taskforce in the implementation of the National Financial Inclusion Strategy, 2017-2020 (NFIS I). In February 2020, the Central Bank of Samoa formally requested the support of PFIP to review the implementation of NFIS I and support the drafting of the next National Financial Inclusion Strategy. This work began in July 2020 with the remote support of an independent consultant. Following one-on-one consultations with relevant stakeholders as well as a stakeholder consultation workshop, a review report on the implementation of NFIS 1 was shared with the Central Bank of Samoa. The draft of the second National Financial Inclusion Strategy, 2021-2025 (NFIS 2) was also shared for Central Bank's consideration. Launch of NFIS 2 is expected by Mid-2021.

MSME Access to Finance Study

Jointly with UNESCAP, UNCDF-PFIP supported the Central Bank of Samoa with a study on Micro, Small and Medium-sized Enterprises' Access to Finance in Samoa In parallel, the COVID-19 Supplementary Report and Recommendations was also launched focusing on immediate measures to address MSME needs at this critical time. The supplemental report further identified immediate measures to support both financial institutions and MSME borrowers to cope with the current challenges faced due to the pandemic. The studies were launched in August 2020.

VANUATU

Digitization of legacy passbook accounts with National Bank of Vanuatu

On 30 June 2020 this project was successfully completed. All project targets were achieved, as an additional 18,000 subscriptions were added to digital channels. The National Bank of Vanuatu (NBV) now has a total of 47,121 customers with an ATM card, 4,242 of their customers on IsiMobile (Mobile Banking App), 4,879 customers on IsiNet (Online banking).

The digitization project is core to NBV's future. The Bank has undertaken various initiatives which ensure that the migration from legacy systems continues post PFIP's support. NBV also has a mandate to serve vulnerable sections of society and is planning to expand to the outer islands.

Cloudcase's loan automation technology to the National Bank of Vanuatu

As a result of the Pacific-ASEAN Financial Innovation Challenge, Cloudcase was one of the winning contestants. They have provided a process automation technology to NBV, to support the digitization and automation of the loan underwriting process. This platform is now ready and the first product for which this solution will be used is for the loan applications of the seasonal workers who must make investments such as tickets, visa etc. ahead of their period abroad. It is anticipated that this will pick up once the COVID-19 travel restrictions allow for it again.

Development and roll-out of Vodafone M-Vatu mobile money

This mobile money platform was launched in October 2019. Since then, the Programme is monitoring usage and scaling to ensure that target audiences such as rural and female clients find added value in using this new channel in Vanuatu.

By 30 June 2020, Vodafone had enrolled close to 2,000 customers onto the M-Vatu platform with the help of 24 agents. This limited uptake and usage have recently been hampered due to the damage caused by cyclone Harold, which led to the Vodafone team shifting its focus to other priorities.

However, Vodafone reconfirmed its commitment to continue the service and will particularly focus on driving uptake and usage through three use cases:

- a) Using mobile money for utility payments, such as electricity and water
- b) Using mobile money to disburse and collect microfinance loans from women entrepreneur customers from South Pacific Business Development (SPBD)
- c) Using mobile money to top-up airtime credit

Voluntary pension savings with the National Provident Fund

Over 600 people have already enrolled for VNPF's voluntary pension product YuMIsevem, which was modeled after the successful youSave product from SINPF in Solomon Islands. In February 2020, PFIP along with VNPF decided that the full potential of the project cannot be reached until such time necessary regulatory changes are approved. As a new Government was elected in April 2020, regulations are expected to come into force by end of 2020. Until such a time, the project is kept on hold.

Creation of a bundled microinsurance product with VanCare

FijiCare is expanding to Vanuatu, where it will duplicate the bundled insurance product from Fiji for the Vanuatu market. Preparations for this expansion are currently ongoing in Port Vila. However, lack of adequate technical resources within VanCare is slowing down the project in Vanuatu.

Exploration on P2G project: digitizing police clearances

Ni-Vanuatu who wish to apply for seasonal work overseas, need to apply for a police clearance. Getting this clearance can be challenging, as people have to travel from outer islands to the capital to attain this clearance. Therefore, PFIP hired a consultant in the Q3 2020 to scope out the possibilities of digitize this process, including the associated payments and the diagnostics has since been completed. PFIP will look to implement the recommendations from this study in Q2 2021 under the soon-to-be launched Pacific Digital Economy Programme (PDEP).

TONGA

Promoting affordable remittances solutions with the Tonga Development Bank

The project has been successfully completed with all deliverables met in full. Over 3,040 customers have been onboarded on the remittance platform and nearly 2,800 use the solution actively. The last few months have seen a significant increase in the number of transactions by 28% as well as new users by 65%. This is primarily attributed to COVID-19 restrictions on people's movements in New Zealand and their switching over to online remittances platforms like Ave Pa'anga Pau.

During COVID-19 lockdown, digital funds transfer options were proven to be safer for customers which significantly accelerated the move from cash-based money transfers to Ave Pa'anga Pau and its online transfer system. A positive externality is that on the receiving side, there is an increase of customers keeping their funds in TDB bank accounts rather than withdrawing all of the received funds. There is also an increase in bank account holders due to increased demand for opening of saving accounts by labour mobility workers so they can transfer their funds to these accounts in anticipation for their return to Tonga.

The COVID-19 lockdown created a lot of uncertainty within the seasonal workers community and made it impossible for Tonga Development Bank (TDB) to do direct marketing and engagement visits. The increase in the number of transactions also put unexpected pressure on staff capacity. To mitigate these challenges, TDB continued with the NZ Radio Program, increased working hours by facilitating staff members to work from home, supporting customers over the phone and online, hired temporary staff and developed standard generic scripts to respond easily to online queries and provide the help required promptly.

Following the closure of the project, TDB is committed to continuing to provide a secure, convenient service, increasing the flow of money back to Tonga through Ave Pa'anga Pau.

TIMOR-LESTE

Exploring how best to digitize social welfare payments

At the request of the UN Resident Coordinator, UNCDF re-established its operations in Timor-Leste last year. Although technically and financially not part of PFIP, the challenges of financial inclusion are very similar to those in the Pacific region. The Programme therefore supports the operations in Timor-Leste. The UNCDF recruited a full-time Financial Inclusion Coordinator to restart programming in the country, who joined the team in August 2019.

In the beginning of 2020, UNCDF undertook a financial sector gap analysis which provided inputs which are the basis for the country strategy now under development. Additionally, the country office identified some short-term to medium-term initiatives yet to be developed depending on available funding.

Following a request to support the digitization of social welfare payments for the Ministry of Social Solidarity and Inclusion (MSSI) and DFAT, the UNCDF provided technical assistance and completed the scoping to verify and assess the best possible channels to distribute social welfare payments.

Considering lessons learned on digitization of social welfare payments in Fiji and other global best practices, this scoping mission resulted in submission of the final report with recommendations as well as presentation of findings at a workshop held in Dili under the auspices of MSSI. The UNCDF now awaits further advice from the Government and DFAT on how they propose to proceed on the findings and recommendations.

Re-establishing in-country presence

UNCDF reestablished country presence in Q3 2019 fulfilling its core mandate of supporting LDCs. At the request of DFAT and the Ministry of Social Solidarity and Inclusion (MSSI), the programme completed a feasibility study for moving all social welfare payments to digital channels providing a set of recommendations and a roadmap for MSSI to consider. The UNCDF country coordinator has also engaged in building relationships with key stakeholders including Government Ministries and departments, private sector, other UN agencies, donors and development partners.

Joint programming opportunities with IOM and UNDP are being explored, likely to fructify in Q1 2021. A new EU/ACP funded initiative aimed at facilitating economic recovery through digital interventions in a post Covid-19 situation is underway in Timor-Leste, one among four other countries in the region.

KIRIBATI

Financial literacy and online banking with ANZ Bank

PFIP provided a grant funding to ANZ Bank Kiribati to expand its flagship Money Minded financial literacy training to rural communities in Kiribati as a foundation for introduction of online banking in the country. Over a period of a little more than year, ending in February this year, the bank completed a total of 262 training sessions covering 9,301 participants (2601 male, 6700 female). The internet banking service was launched in February this year and over 2,000 customers including a number of MSME's have been registered and use this service.

National Financial Inclusion Strategy

Following cabinet endorsement of the financial sector gap analysis report and the recommendations from PFIP on the way forward for Kiribati to develop a National financial inclusion strategy and implement projects, a concept note seeking donor funding has been submitted to MFAT, New Zealand, this is under consideration.

Exploring the potential for microinsurance with Kiribati Insurance Corporation

During 2019, PFIP provided technical assistance to Kiribati Insurance Corporation (KIC) to explore the feasibility for introducing microinsurance in the country. Based on the recommendation and on the request of KIC, PFIP facilitated an MOU between KIC and FijiCare Insurance Co. The MOU entails KIC to be an agent of FijiCare for marketing the successful bundled microinsurance product in Kiribati. After the formal agreements were signed in March this year and

the remote online training for KIC has been completed, this product was rolled out from July 2020 onwards. KIC staff were remotely trained by FijiCare and marketing collateral provided for their community outreach programmes. Due to Covid-19 travel restrictions, FijiCare personnel have not been able to travel to Kiribati to provide further support and within the limitations of virtual meetings, some progress has been achieved.

REGIONAL

Launch of a climate risk initiative in the Pacific

Building on PFIP's successful micro-insurance initiatives, the Pacific Insurance and Climate Adaptation Programme was launched on 2 December 2020 to address the emerging issue of climate and disaster risk vulnerability of Pacific islanders. The new programme aims to improve the financial preparedness and resilience of Pacific Islanders towards climate change and natural hazards through developing market-based meso and micro insurance schemes such as parametric insurance. Women, youth and MSME who are disproportionately affected by natural disasters will be the target segments of the programme. Heavily reliant sectors - agriculture, fisheries, retail and tourism - will also be of focus. The Pacific Insurance and Climate Adaptation Programme like PFIP is leveraging partnerships to achieve the SDGs; 1, 13 and 17 with its joint implementation by UNCDF, UNDP and UNU-EHS

The products and solutions will be piloted and tested during the inception phase of two years through an Inclusive Insurance Innovation Lab set up by the Programme. In its inception phase the programme will cover Fiji and Vanuatu. The multi-year programme will then scale and expand its scope to Tonga, Samoa, Solomon Islands, Papua New Guinea and other PSIDS.

To complement the programme launch, literature reviews on the economic impacts of natural hazards on vulnerable populations in Vanuatu, Fiji and Tonga were conducted and published to provide a body of evidence that highlight the disaster and climate related hazards, exposures and vulnerabilities that the programme can effectively target. Evidence that the Pacific Insurance and Climate Adaptation Programme will use as a starting point to improve coping mechanisms; focusing on financial preparedness and resilience of the vulnerable people and industries in the Pacific.

Introduction of a multi-country eKYC solution

In August 2020, PFIP colleagues from UNCDF onboarded a consultancy firm, Cenfri to conduct diagnostics on Inclusive Digital ID platforms in three countries - Solomon Islands/Fiji and Vanuatu.

PFIP team has had discussions with a wide range of stakeholders at various government departments and Central Banks in Fiji, Vanuatu and Solomon Islands in order to scope for a solution that best suits the needs of the Pacific. Based on the experience in Sierra Leone, detailed country diagnostics for these three countries have started and associated activities will continue in the months ahead. This information would then feed into the ongoing work on the regional e-KYC utility project, which is a project co-chaired by RBA/RBNZ, with support from IMF and aims to address the AML-CFT risks and the associated loss of correspondent banking relationships in the region and amongst others seeks to reduce the cost of remittances.

The final report from Cenfri is expected by end of February 2021.

Development of a multi-country feasibility study on the payments landscape

In anticipation of activities under the Pacific Digital Economy Programme, PFIP has commissioned LFS Advisory to conduct a diagnostic on the e-Commerce payments landscape in Fiji, Vanuatu, Samoa, Tonga, Papua New Guinea and Solomon Islands.

While some E-Commerce payments and Digital Financial Services (DFS) pilots have started in recent years, the level of active usage remains low. Businesses and governments are increasingly looking for a regional payments / e-Commerce solution. In anticipation of activities under the Pacific Digital Economy Programme, PFIP has commissioned LFS Advisory to conduct a diagnostic on the e-Commerce payments landscape in Fiji, Vanuatu, Samoa, Tonga, Papua New Guinea and Solomon Islands. This study looks at how to further enable financial integration / payments aggregation in the region, including the following key elements:

1. Facilitation of pooling resources and to increase the potential for better resource allocation;
2. Spur competition among financial service providers (leading to more affordable fees);

3. Removal of some restrictions and harmonization of regulations to improve oversight which might serve as a catalyst for capital market development.

The study is expected to be completed by end of February 2021.

END OF PROGRAMME EVALUATION

In preparation for the successor programmes, an independent end-of-programme evaluation was done by the UNCDF HQ evaluation unit, who contracted Grameen Foundation from India as the firm tasked with conducting the independent evaluation. It included a thorough review of all the documents related to the programme, such as various projects implemented, financials, budgets etc. As part of the evaluation, the evaluation specialists visited Fiji, PNG, Solomon Islands and Vanuatu to conduct key informant interviews, which included senior officials of Central Banks, Government departments, donor partners, project partners, as well as field visits to interview a cross-section of clients.

On completion of the country visits, the Grameen team prepared specific country reports as well as an overall programme evaluation report, covering the findings and recommendations. The PFIP management has provided its responses and comments on the report and both these were shared with the Investment committee in December. As envisioned, the PFIP management team has used the evaluation findings and recommendations and integrated these into the development of the successor programs.

DEVELOPMENT OF SUCCESSOR INITIATIVES

The Programme has developed two initiatives as successors to PFIP. The Pacific Insurance and Climate Adaptation Programme launched in December 2020 and the Pacific Digital Economy Programme set to be launched in 2021 align to the new UNCDF global strategy 'Leaving no one behind in the digital era'. The two new programmes have workstreams complimentary to the UNCDF global digital strategy and is built on the foundational strength of existing partnerships, networks, implementation experience and the in-country expertise developed during lifespan of PFIP.

The progress made under PFIP regarding digital financial inclusion is directly contributing to the emergence of digital economies, and vice versa. Digital technologies are connecting financial services to 'real-economy' related services and solutions that can transform the lives of Pacific Islanders. The wider application of digital solutions to solve daily constraints and needs of vulnerable islanders (such as around agriculture, education, energy and entrepreneurship), strengthens use cases for the adoption and usage of digital financial services to impact many more lives in the Pacific. Also considering the significant investments that have recently been made in core digital infrastructure, such as the various under-sea fiber optic cables and priorities national governments are giving to establish and increase the digital connectivity in the region. Improved internet connections and the rapid uptake of smartphones in the region will allow PFIP's successor programmes to leverage the opportunities that these new technologies and digital platforms present for low-income consumers, whilst building on a decade of in-depth experience working with key stakeholders within the Pacific financial inclusion and digital ecosystem.

As result, the scope of of PFIP's successor programmes will both be broader as well as deeper, riding on the digital 'waves' in the Pacific, but with a very specific focus on "Leaving No One Behind in the Digital Era".

The first successor initiative, the Pacific Digital Economy Programme (PDEP) recognizes that digital technology will be at the forefront of development efforts, especially in the Pacific region where the challenges of remoteness and territorial dispersion call for innovative digital solutions. It is against this background and in close collaboration with key stakeholders from public and private sector a joint programme between UNCDF, UNDP and UNCTAD is being developed with the objective to support the development of inclusive digital economies in the Pacific. Inclusive digital economies that allow rural communities, women and MSMEs, as well as seasonal workers to enhance market participation, resulting in poverty reduction, improved livelihoods and economic growth.

The other successor initiative, the Pacific Insurance and Climate Adaptation Programme (PICAP) is closely aligned with PDEP and its specific objective is to address the significant development challenge of building financial resilience for Pacific islanders, communities, cooperatives, small businesses and Government, who are highly vulnerable to climate change and natural disasters. The programme aims to develop appropriate and affordable market-based climate disaster risk financing instruments, including parametric insurance, targeting the micro, meso and macro level clients. Hereby it is building on the robust microinsurance portfolio of PFIP and addresses one of the key recommendations of the final

programme evaluation.

Upon completion of country stakeholder consultations and validation workshops, proposal documents for both initiatives were sent to the PFIP Investment committee and visits were recently made to Canberra and Wellington to discuss further with the DFAT and MFAT teams to firm up support for the implementation of both initiatives.

Both programmes will share common resources, both in the Suva regional office as well as in the countries and will be using specialists from other UN agencies participating in these successor programmes (i.e. UNCTAD and UNU/MCII) in specific areas of expertise required for the respective initiatives.

TRANSITION PLAN

The final evaluation report and recommendations strongly advocates for the Programme to continue support to the countries in their financial inclusion journey, while exploring new emerging opportunities. Given that the ongoing innovation projects are in various stages in the implementation cycle- some early stage, a few reaching maturity and others set to close shortly- the Programme is working on a transition plan that will cover at the minimum the following and include a proposal for a no-cost extension of the current phase of PFIP until June 2021.

- Background and context
- Country wise status of ongoing projects and indicative timelines for completion
- Ongoing or proposed studies and assessments to kick-start the next generation programmes
- Human resources plan
- Financial planning
- Updated risk matrix
- KM and Communications plan
- Monitoring and evaluation

The transition plan was submitted to the PFIP IC and was approved.

SHARING OUR STORIES

In 2020, the Programme continued to share learnings and insights through several external communication channels. The Programme is in the process of completely migrating its website to the UNCDF website and social media handles will be merged with UNCDF social media handles by the end of next quarter. This rebranding is done to reflect the Pacific Financial Inclusion Programme closure, expansion of UNCDF's offer to the Pacific with new programmes and to further boost the reach and visibility of UNCDF Pacific content.

PFIP Website *(during January - December 2020)*

14,708 website users and 44,262 pageviews

PFIP Social Media

Facebook: 9,695 likes and 4,425 followers

Twitter: 7,706 Tweets and 1,684 followers

LinkedIn: 1,800 connections, 2,506 followers

ii) Indicator Based Performance Assessment:

Using the **Programme Results Framework from the Project Document / AWP** - provide an update on the achievement of indicators at both the output and outcome level in the table below. Where it has not been possible to collect data on indicators, clear explanation should be given explaining why, as well as plans on how and when this data will be collected.

	<u>Achieved</u> Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
Objective Indicator Indicator: Number of people enrolled Baseline: 687,620 Planned Target: 1,500,000	1,897,862	Target achieved and exceeded.	PFIP Quarterly Data Collections
Objective Indicator Indicator: Number of people enrolled, women Baseline: 47% Planned Target: 50%	51%	Not all partners provide gender disaggregated data.	PFIP Quarterly Data Collections
Objective Indicator Indicator: Number of viable business models Baseline: 0 Planned Target: 4	7	Target achieved and exceeded.	PFIP Quarterly Data Collections
Objective Indicator Indicator: Number of enrolments, active in 30 days Baseline: n/a Planned Target: 50%	25%	Original target of 17% was too low, which was later adjusted to 50%. This was neither achieved for the 30 day period nor the 90 day period.	PFIP Quarterly Data Collections
Objective Indicator Indicator: Number of projects Baseline: 0 Planned Target: 30	44	Target achieved and exceeded.	PFIP Quarterly Data Collections

Objective Indicator Indicator: Number of innovations scaled Baseline: 0 Planned Target: 14	14	Achieved	PFIP Quarterly Data Collections
Objective Indicator Indicator: PICs with FI Strategies Baseline: 4 Planned Target: 5	5	Achieved	NFIT Membership
Objective Indicator Indicator: Number of Active NFIT Baseline: Planned Target:5	5	Achieved	NFIT Membership
Objective Indicator Indicator: Number of countries with FinEd curriculum Baseline: 1 Planned Target: 3	3	Achieved	Partnership documents
Objective Indicator Indicator: Number of FinEd projects Baseline: 1 Planned Target: 5	5	Achieved	Partnership documents

II. Other Assessments or Evaluations (if applicable)

- n/a

III. Programmatic Revisions (if applicable)

- n/a

IV. Resources (Optional)

- During the second half of 2020, the Programme team farewelled Naomi de Groot, the Knowledge Management specialist
- With the launch of the Pacific Insurance and Climate Adaptation Programme in December 2020, there was a reshuffling and change of roles within the team to reflect dedicated shared resources of new programmes.
 - Krishnan Narasimhan, the Deputy Programme Manager of PFIP has moved into the Programme Manager role of the Pacific Insurance and Climate Adaptation Programme
 - Praneel Pritesh who was the Financial Inclusion Specialist within the PFIP team is now the dedicated Regional Technical Specialist of the Pacific Insurance and Climate Adaptation Programme
 - Reginald Singh formerly a Financial Inclusion Researcher is now a dedicated Research Associate under the Pacific Insurance and Climate Adaptation Programme

End Note-Page 1

ⁱ The term “programme” is used for programmes, joint programmes and projects.

ⁱⁱ Strategic Results, as formulated in the Strategic UN Planning Framework (e.g. UNDAF) or project document;

ⁱⁱⁱ The MPTF Office Project Reference Number is the same number as the one on the Notification message. It is also referred to as “Project ID” on the project’s factsheet page the [MPTF Office GATEWAY](#)

^{iv} The start date is the date of the first transfer of the funds from the MPTF Office as Administrative Agent. Transfer date is available on the [MPTF Office GATEWAY](#)

^v As per approval of the original project document by the relevant decision-making body/Steering Committee.

^{vi} If there has been an extension, then the revised, approved end date should be reflected here. If there has been no extension approved, then the current end date is the same as the original end date. The end date is the same as the operational closure date which is when all activities for which a Participating Organization is responsible under an approved MPTF / JP have been completed. As per the MOU, agencies are to notify the MPTF Office when a programme completes its operational activities.