

PACIFIC DIGITAL ECONOMY PROGRAMME

ANNUAL PROGRAMME NARRATIVE REPORT REPORTING PERIOD: FROM JANUARY TO DECEMBER 2024

<div style="background-color: #f2f2f2; padding: 5px; margin-bottom: 5px;">Programme Title & Project Number</div> <ul style="list-style-type: none"> Programme Title: Pacific Digital Economy Programme MPTF Office Project Reference Number: 00127376 	<div style="background-color: #f2f2f2; padding: 5px; margin-bottom: 5px;">Country, Locality(s), Priority Area(s) / Strategic Results</div> <p><i>Country/Region:</i> Fiji, Cook Islands, Kiribati, Federated States of Micronesia, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Timor Leste, Tonga, Vanuatu</p> <p><i>Priority area/ strategic results:</i> Promoting Inclusive Digital Economies in the Pacific.</p>
<div style="background-color: #f2f2f2; padding: 5px; margin-bottom: 5px;">Participating Organization(s)</div> <ul style="list-style-type: none"> Organizations that have received direct funding from the MPTF Office under this programme UNCDF UNDP UNCTAD 	<div style="background-color: #f2f2f2; padding: 5px; margin-bottom: 5px;">Implementing Partners</div> <ul style="list-style-type: none"> National Counterparts (government, private, NGOs & others) and other International Organizations Government, Regulators, Intergovernmental Organizations, MSMEs and Community Based Organizations, Mobile Network Operators, Digital and Financial Service Providers, Academia and Research Institutions
<div style="background-color: #f2f2f2; padding: 5px; margin-bottom: 5px;">Programme/Project Cost (US\$)</div> <p>Total approved budget as per project document: USD 24,451,126</p> <p>MPTF /JP Contribution¹:</p> <ul style="list-style-type: none"> UNCDF: USD 4,315,822 UNCTAD: USD 2,405,885 UNDP: USD 3,378,318 <p>Agency Contribution</p> <ul style="list-style-type: none"> by Agency (if applicable) <p>Government Contribution (if applicable)</p> <p>Other Contributions (donors)</p> <p>Australia: USD 9,906,792</p> <p>New Zealand: USD 3,682,701</p> <p>European Union: USD 8,765,019 (bilateral funding)</p> <p>TOTAL: USD 22,354,512</p> <p>The above total is against total ProDoc value of \$24,451,126; there is \$2,096,614 unfunded.</p>	<div style="background-color: #f2f2f2; padding: 5px; margin-bottom: 5px;">Programme Duration</div> <p>Overall Duration (60 months) Start Date² (8/06/2021)</p> <p>Original End Date 31/12/2025 Actual End date 31/12/2025</p> <p>Have agency(ies) operationally closed the Programme in its(their) system? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Expected Financial Closure date:</p>
<div style="background-color: #f2f2f2; padding: 5px; margin-bottom: 5px;">Programme Assessment/Review/Mid-Term Eval.</div> <p>Evaluation Completed</p> <p><input checked="" type="checkbox"/> Yes No Date: 20.12.2022 (Mid Term Review)</p> <p>Evaluation Report - Attached</p> <p><input checked="" type="checkbox"/> Yes No Date: dd.mm.yyyy</p>	<div style="background-color: #f2f2f2; padding: 5px; margin-bottom: 5px;">Report Submitted By</div> <ul style="list-style-type: none"> Name: Mr. Muhammad Ali Akram Title: Technical Lead for the Pacific Participating Organization (Lead): UNCDF Email address: ali.akram@uncdf.org

¹ The MPTF or JP Contribution, refers to the amount transferred to the Participating UN Organizations, which is available on the [MPTF Office GATEWAY](#)

² 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](#)

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ABBREVIATIONS

USD	US Dollars	MNO	Mobile Network Operator
ADB	Asian Development Bank	MoE	Ministry of Education
BCI	Bank of the Cook Islands	MOU	Memorandum of Understanding
BCTL	Banco Central de Timor- Leste	MSME	Micro, Small & Medium Enterprises
CBS	Central Bank of Samoa	NDET	National Digital Economy Taskforce
CBSI	Central Bank Solomon Islands	NECS	National E-Commerce Strategy
CCF	Consumer Council of Fiji	NFIS	National Financial Inclusion Strategy
DFL	Digital & Financial Literacy	NFIT	National Financial Inclusion Taskforce
DFS	Digital Financial Services	NRBT	National Reserve Bank of Tonga
DGS WG	Digital Government Services Working Group	OBC	Office of Banking Commission
EU	European Union	OGCIO	Office of the Government Chief Information Officer
FDB	Fiji Development Bank	PDEP	Pacific Digital Economy Programme
FPF	Fiji Police Force	PICAP	Pacific Insurance and Climate Adaption Programme
FTRA	Fiji Teachers Registration Authority	PICs	Pacific Island Countries
G2P	Government to Person	PIFS	Pacific Islands Forum Secretariat
GDP	Gross Domestic Product	RBV	Reserve Bank of Vanuatu
IC	Investment Committee	RMF	Results Measurement Framework
IDES	Inclusive Digital Economy Scorecard	SIDS	Small Island Developing States
IRD	Inland Revenue Department	SINPF	Solomon Islands National Provident Fund
ITU	International Telecommunication Union	SPTO	South Pacific Tourism Organization
KCCI	Kiribati Chamber of Commerce and Industry	TCSI	Telecommunications Commission Solomon Islands
KNSO	Kiribati National Statistics Office	TVET	Technical and Vocational Education and Training
KPI	Key Performance Indicator	TWG	Technical Working Groups
KYC	Know Your Customer	UN	United Nations
LOA	Letter of Agreement	UNCDF	United Nations Capital Development Fund
MCA	Ministry of Communication & Aviation	UNCTAD	UN Trade and Development
MCIL	Ministry of Commerce, Industry and Labour	VEEP	Vanuatu Electoral Environment Project
MCTTT	Ministry of Commerce, Trade and Tourism	VPF	Vanuatu Police Force
MEAL	Monitoring, Evaluation, Accountability and Learning	VPPA	Vanuatu Primary Producers Authority
MFED	Ministry of Finance and Economic Development	VQA	Vanuatu Qualifications Authority

COUNTRY CODES (ISO Alpha-2 country codes)

CK	Cook Islands	SB	Solomon Islands
FJ	Fiji	TL	Timor Leste
FM	Federated States of Micronesia	TO	Tonga
KI	Kiribati	TV	Tuvalu
MH	Republic of Marshall Islands	VU	Vanuatu
PG	Papua New Guinea	WS	Samoa

EXECUTIVE SUMMARY

In 2024, PDEP expanded to 11 countries covering Fiji (FJ), Cook Islands (CK), Kiribati (KI), Federated States of Micronesia (FM), Papua New Guinea (PG), Republic of Marshall Islands (MH), Samoa (WS), Vanuatu (VU), Solomon Islands (SI), Timor-Leste (TL) and Tonga (TO). This is the first time UNCDF is expanding to the North Pacific, and this was marked with the onboarding of a new Country Coordinator that will oversee programming in FM and MH.

Under the **Enabling Policy and Regulation Workstream**, the programme supported the development of Fiji's National E-Commerce Strategy (NECS), the groundwork for the NECS in Timor-Leste, and provided technical assistance towards Samoa's E-Commerce Policy. PDEP is also assisting with finalizing Papua New Guinea's NECS, reviewing Vanuatu's NFIS, and developing NFIS II, all set for launch in 2025. The program also published the 2023 Inclusive Digital Economy Scorecards (IDES) for 9 Pacific countries.

In **Workstream two - Digital Finance Ecosystem**, Digicel expanded mobile money access in Fiji, Tonga, Samoa, and Vanuatu, benefiting over 100,000 customers (24% women). The M-SELEN platform in Solomon Islands onboarded 230,000 users and 1,519 agents. PDEP also advanced digitalization projects to improve public service delivery with initiatives relating to electronic police clearance certificates and teacher registration payment systems in Fiji as well as the digitization of Vanuatu's Civil Registry.

In the **Inclusive Innovation Workstream**, Solomon Islands launched a digital micro/nano loan solution targeting rural dwellers and women-led businesses using alternative data for credit scoring. Significant progress has also been made with PDEP supported M-Selen mobile money services which expanded to over 240k new users in 2024. In total, 375,857 new clients registered for digital finance services that have been supported by the programme.

Under the **Empowered Customers Workstream**, PDEP advanced digital financial literacy (DFL) initiatives, with surveys in Samoa and Cook Islands identifying DFL gaps and informing targeted interventions. Digital literacy integration into Fiji's school curriculum was approved, with plans to expand to Vanuatu and Papua New Guinea. Overall, 4,931 individuals benefited from DFL capacity development interventions development in 2024.

Despite changes in UNCDFs programming modalities and the tools used to engage partners, PDEP achieved an overall average indicator success rate of 86% in 2024. Financial utilization remained low at 52% even when including financial commitments. This disparity between high KPI performance and low financial utilization can be attributed to PDEPs strategic investment in large-scale projects with significant impact (high client use case). One such project was the Regional Digicel Agent and Merchant Network initiative, which brought a substantial number of new users into digital financial services while also piloting QR code payments and micro-merchant solutions across four PDEP-supported countries.

I. Purpose

The program seeks to foster the development of inclusive digital economies by tackling specific market challenges, bridging the digital divide, and ultimately improving the lives of Pacific Islanders, particularly those in rural areas, women, MSMEs, and labour mobility workers. By taking a market development approach, the program works through four key workstreams (i. Policy and Regulation ii. Digital Finance Ecosystem iii. Inclusive Innovation iv. Customer Empowerment) to achieve its overarching goal of building inclusive digital economies. The Programme is aligned to overarching UN strategies and frameworks including the:

United Nations Development Cooperation Framework (UNSDCF) 2023-2027

Outcome 3: By 2027, more people, especially those at risk of being left behind, contribute to and benefit from sustainable, resilient, diversified, inclusive and human-centered socio-economic systems with decent work and equal livelihoods, opportunities, reducing inequalities and ensuring shared prosperity.

UNCDF Strategic Framework 2022-205

- Outcome 1: Accelerate inclusive, diversified, and green economic transformation
- Outcome 2: Increase flows of public and private finance
- Outcome 3: Strengthened market systems and enhance public and private financing mechanism

II. Assessment of Programme Results

REGIONAL RESULTS

WORKSTEAM 1: ENABLING POLICY AND REGULATION

RESULTS IN NUMBERS

- 7 countries published IDES data on UNCDF website
- 1 country national e-commerce forum established
- 1 country national e-commerce strategy endorsed
- 8 PICs received support to review, amend and implement policies, regulations and strategies affecting the digital economy

RESULTS IN NARRATIVE

Development and Implementation of National E-Commerce Strategies in Pacific Island Countries

United Nations Trade and Development (UNCTAD) and the Pacific Islands Forum Secretariat (PIFS) advanced e-commerce development in the Pacific through strategic frameworks, capacity building, and public-private collaboration. Key achievements include:

Fiji: Finalized its National E-commerce Strategy after consultations with over 100 stakeholders and a validation workshop in March 2024. The strategy, endorsed by Cabinet in May 2024, is set for launch in February 2025. UNCTAD supported the establishment of a governance framework, with the Steering Committee finalizing Terms of Reference in September 2024.

Kiribati: Kiribati has requested PIFS to finalise their National E-commerce Policy.³ PIFS is undertaking the necessary procurement to address the request.

Papua New Guinea: Validated its National E-Commerce Strategy in June 2024, finalized in September 2024, and expected to be approved in 2025.

Samoa: UNCTAD supported the development of a National E-commerce Policy, with a draft completed in December 2024. A validation workshop is scheduled for February 2025.

Solomon Islands: Progress on Data Protection Legislation remains at the preparatory stage, with Phase 1, led by UNCDF scheduled to commence in early 2025. Advancement into Phase 2, guided by UNCTAD, is contingent on the successful completion of Phase 1.

Timor-Leste: The eTrade Readiness Assessment and National E-Commerce Strategy are nearing completion following the national stakeholder consultation workshop July. The workshop brought together policymakers, industry leaders, and key stakeholders committed to advancing e-commerce in Timor-Leste to finalise the eTrade Readiness Assessment and conclude discussions on the strategic framework for the National E-Commerce Strategy.

Tuvalu: PIFS completed Tuvalu's E-commerce Strategy in 2023. Final approval rests with the Government.

Pacific Digital Economy Report, Second Edition: Scheduled for release in March 2025, the report highlights advancements in digital trade and provides insights for policymakers.

³ While the title refers to 'policy', the document is aligned to the UNCTAD's methodology for e-commerce strategies.

Inclusive Digital Economy Scorecard: UNCDF facilitated the update and publication of the 2023 Inclusive Digital Economy Scorecard (IDES) for seven countries, including Fiji, PNG, Solomon Islands, Samoa, Tonga, Timor-Leste, and Vanuatu.

Cyberlaw Study: Set for release in March 2025, the study evaluates legislative frameworks for e-commerce and digital trade, offering best practices for Pacific nations. The study aims to equip governments with tools to develop effective laws that foster e-commerce and digital trade.

Intergovernmental Group of Experts on E-commerce and the Digital Economy, seventh session: From May 6-8, 2024, UNCTAD supported delegations from Samoa and Timor-Leste to participate in the Intergovernmental Group of Experts session in Geneva. This event strengthened UNCTAD's efforts to advance information and communication technologies, e-commerce, and the digital economy for development.

eTrade Capacity Building Workshop: UNCTAD facilitated a delegation from Samoa and Timor-Leste to participate in a two-day eTrade Capacity Building Workshop in Geneva from 9 -10 May 2024. During this workshop, delegates explored various capacity-building support programs offered by UNCTAD and its partners in the eTrade for All initiative and engaged in an interactive session on the eTrade Reform Tracker.

International Workshop on Cross Border Digital Trade and High-Level Seminar: In October 2024, with UNCTAD's support, a delegate from the Fiji Bureau of Statistics attended the International Workshop on Cross-Border Digital Trade and High-Level Seminar in Bali, Indonesia. Co-organised by the UN Statistics Division,

Building Capacity for DFS in the Pacific: UNCDF awarded digital finance training scholarships to 16 public agency staff in Vanuatu and trained Reserve Bank staff in Fiji through the Cambridge FinTech Program.

eTrade Reform Tracker (eTRT): UNCTAD is advancing e-commerce development in the Pacific by implementing the eTrade Reform Tracker (eTRT), a project management tool for streamlining e-commerce strategy execution, with deployments planned in Fiji and the Solomon Islands in early 2025 and interest from Samoa.

Inclusive Remittances: UNCDF supported SIM card registration in Solomon Islands and finalized a DFS regulatory framework in Vanuatu. A consultant is being procured to assess cross-border remittance policies in Fiji, Samoa, Tonga, and Vanuatu. Additionally, UNCDF initiated the procurement of a consultant to assess the cross-border remittance policy and regulatory landscape in Fiji, Samoa, Tonga, and Vanuatu, along with a high-level regional summary.

National Financial Inclusion Strategies (NFIS)

- **Fiji:** Advanced NFIS 3.0 through financial literacy workshops and a Financial and Digital Literacy Strategy.
- **Vanuatu:** Completed its second NFIS (2024–2030), set for launch in 2025.
- **PNG:** Supported NFIS implementation through the Steering Committee and initiated a regulatory gap assessment.
- **Solomon Islands:** Supported NFIS-3 through steering committees and thematic working groups.
- **Samoa:** Facilitated NFIS 2.0 implementation through technical working groups.
- **Marshall Islands:** Began consultations to draft financial inclusion strategies and regulations.

FinTech and Digital Strategies: In Fiji, UNCDF initiated the creation of a National FinTech strategy, scheduled for launch in 2025, to foster innovation and enhance the country's digital financial ecosystem. In Vanuatu, UNCDF began drafting a national strategy for data security and privacy to address critical challenges in the digital economy, including remittance management and cybersecurity.

Implementation of the Pacific Regional E-Commerce Strategy and Roadmap: PDEP, through UNDP, entered into a grant agreement with the Pacific Islands Forum Secretariat (PIFS) in 2022 to support the establishment of an implementation framework for the Pacific Regional E-Commerce Strategy and Roadmap and the implementation of key activities within the strategy that aligns with PDEP objectives.

- **Pacific E-commerce Committees:** Established three regional committees and five national committees, with three meetings held in 2024.
- **1st Pacific E-commerce Private Sector Sub-Committee Meeting:** Held on March 22, 2024, with 30 participants from 12 national private sector organizations.
- **2nd Pacific E-commerce Committee Meeting:** Held online on April 18, 2024, launching the upgraded M&E system and discussing private sector challenges.
- **1st Pacific E-commerce Development Partners Sub-Committee Meeting:** Held virtually on August 15, 2024, with 40 representatives focusing on progress monitoring and alignment with regional priorities.
- **Pacific Regional E-commerce Alliance (PacifEcom):** SPTO joined as the fourth member on August 22, 2024, enhancing regional e-commerce efforts.
- **Capacity Building and Training:** Completed two cycles of the PIFS E-commerce Rules course, with over 100 participants each cycle.
- **M&E Framework and Report:** Launched the upgraded M&E system in April 2024, with the 2023 M&E report endorsed and distributed.
- **Pacific E-Commerce Portal.** The Pacific E-Commerce Portal, launched in August 2022, regularly undergoes improvements. Added new features in Q2024, including eCove Community, a training section, and an upgraded M&E system.

WORKSTREAM 2: OPEN DIGITAL FINANCE ECOSYSTEM

RESULTS IN NUMBERS

- **1 e-government service piloted**
- **4 private sector digital financial services piloted**
- **375,857 newly registered clients onto digital financial services supported by PDEP**
- **97,749 DFS clients active in 2024**
- **4 last mile digital micro and/meso infrastructure services piloted**

RESULTS IN NARRATIVE

Savings-Led Digital Loan: PDEP supported the launch of the MobileFund nano-loan product in Solomon Islands, enabling SINPF members to access instant loans based on savings behavior. This initiative promotes savings, boosts rural financial inclusion, and strengthens SINPF's membership base.

Electronic Police Clearance System: PDEP is digitizing the police clearance certificate process in Fiji, streamlining applications and fee payments, with vendor procurement planned for early 2025. In Vanuatu, PDEP supported the relaunch of the electronic system in April 2024 after a cyberattack, incorporating digital payments and capacity-building for sustainable service delivery.

Teacher Registration Modernization: PDEP is assisting Fiji's FTRA in developing a digital registration system for 17,000 teachers, aligning with Fiji's digital transformation goals. Vendor procurement is slated for early 2025.

National ID System Assessment; UNCDF assessed the readiness of Vanuatu's Civil Registry and Identity Management (CRIM) system to integrate digital payment solutions. The initiative aims to improve essential services and financial inclusion.

Digitization of Social Welfare Payments: UNCDF plans to support the Ministry of Women, Youth and Social Affairs (MYWSA) in Kiribati to map existing disbursement schemes and evaluate the capabilities to digitize at least two selected schemes using DFS.

Digitization of Taxation Systems: UNCDF initiated consultations with FSM's Department of Finance and Development Bank to explore tax management technologies, MSME support, and blended finance schemes.

Instant National Payment System: In Cook Islands, UNCDF is developing an instant payment system to transition from cheque-based payments, enhancing financial inclusion. Stakeholder consultations have commenced, and the TOR has been finalized.

Digicel Agent Network Expansion: UNCDF, in collaboration with Digicel, expanded mobile money adoption across Fiji, Vanuatu, Samoa, and Tonga. In 2024:

- Fiji: 76 new agents and 392 merchants reached 87,142 customers.
- Vanuatu: 10 new agents and 9 merchants onboarded 25,199 customers.
- Samoa: 15 new agents and 17 merchants reached nearly 4,000 customers.
- Tonga: 48 agents and 98 merchants engaged over 6,900 customers.

Remittance Platform Expansion: UNCDF supported real-time cross-border remittance services between Fiji and Vanuatu, surpassing expectations with 388 active users by Q1 2024. Services expanded to Cook Islands in April 2024, with plans for Kiribati, Samoa, and Papua New Guinea.

Mobile Money Services: The M-SELEN platform in Solomon Islands achieved over 230,000 user registrations (46.27% women) and onboarded 1,519 agents. The platform now offers P2P transfers, bill payments, and international remittances.

Agri-MSME Innovation Projects: The shift from grants to procurement hindered Agri-MSME projects. The grant-based model allowed direct funding and local engagement, while procurement introduced complex processes, hindering progress on the 2023 Agri-MSME Innovation Challenge.

Innovative Credit Scoring: UNCDF partnered with Tonga Development Bank and Global Psytech to develop a psychometric platform for MSME credit scoring. However, the project is delayed due to an ongoing court case between NRBT and TDB, as NRBT approval is required for development activities.

Shared Digital Infrastructure: UNCDF collaborated with ITU and ADB to support a telecommunications tower powered by renewable energy in South Malekula, Vanuatu. The project will enable services like telehealth and online education in remote areas.

WORKSTREAM 3: INCLUSIVE INNOVATION

RESULTS IN NUMBERS

- 10 new investment projects / partnerships established
- 9 innovative products and services piloted in 2024
- 1 partnership established with Innovation Hub

RESULTS IN NARRATIVE

Fiji Development Bank Chatbot: The chatbot system, launched in late 2023, significantly improved operational efficiency for the Fiji Development Bank. In 2024, it exceeded engagement targets with over 27,000 visits, facilitating customer inquiries and promoting SME and women's entrepreneurship loans.

Innovation Hub – TEL Tonga: Through UNCDF's *Incubate Better* program, TEL Tonga, a local entrepreneur, launched a co-working space in February 2024 with grant support. With YGAP's assistance, TEL Tonga developed a business plan to expand into an innovation hub. The expansion is pending due to UNCDF's planned Regional Innovation Hub project, but the initiative highlights progress in fostering entrepreneurial innovation in Tonga.

Regional Innovation Hub: UNCDF engaged with the Reserve Bank of Fiji in late 2024 to establish a pilot innovation hub, with plans to scale it regionally. Partnership formalization and the hub launch are tentatively scheduled for early 2025.

Credit Guarantee Scheme for Remittances: The Tonga Development Bank began disbursing loans to seasonal workers under labour mobility schemes in Australia and New Zealand. The scheme offers a 50%

loan guarantee during overseas employment and is also available to eligible MSMEs, enhancing financial support for small businesses.

WORKSTREAM 4: EMPOWERED CUSTOMERS

RESULTS IN NUMBERS

- **64 DFL capacity development interventions supported**
- **4,931 people reached with capacity development initiatives**
- **2 countries supported to integrate digital financial literacy into primary and secondary curriculum**

RESULTS IN NARRATIVE

The **Regional Digital and Financial Literacy (DFL) Baseline Survey**, supported by PDEP, provided a robust evidence base for understanding challenges faced by women, youth, and rural populations. In 2024, PDEP extended DFL studies to two additional countries and focused on developing targeted programs to address identified needs. Efforts also included integrating DFL into primary and secondary national curricula in Fiji and Vanuatu.

Digital and Financial Literacy – Samoa and Cook Islands

- **Samoa:** An online webinar on May 29, 2024, shared findings from Samoa's DFL survey.
- **Cook Islands:** A DFL baseline study, led by a consultant contracted in October 2024, involved desktop research and primary data collection. The first draft report was submitted on December 20, 2024, with the final draft expected by January 2025.

Digital Literacy in Primary and Secondary School Curriculum – Fiji: UNCDF collaborated with Fiji's Ministry of Education (MoE) to integrate digital literacy into the national curriculum. A concept paper was approved by the Permanent Secretary, and the final report, presented in June 2024, awaits Cabinet approval in 2025. Upon approval, UNCDF will support the pre-pilot phase implementation.

Scoping Study for Integrating DFL into Primary and Secondary National Curriculum – Vanuatu: In December 2024, UNCDF and Vanuatu's Ministry of Education completed a scoping study to integrate DFL skills into primary and secondary school curricula.

Targeted DFL Initiatives: UNCDF focused on enhancing DFL among marginalized groups, including women, rural communities, and MSMEs, through targeted programs across the Pacific.

DFL Skills Building for Women and MSMEs: UNCDF partnered with Solomon Islands Women in Business (SIWIBA) to enhance DFL and financial competencies under the National Financial Inclusion Strategy (2021-2025). SIWIBA conducted a needs assessment in Q4 2024 and is developing tailored training materials for rural populations, women, and MSMEs.

Fiji Scam Awareness Week: UNCDF through technical and financial assistance supported the Consumer Council of Fiji, who in collaboration with the National Anti-Scam Taskforce members (Ministry of Trade, Cooperatives, SMEs and Communications, Fijian Competition and Consumer Commission, Reserve Bank of Fiji, Online Safety Commission, Fiji Police Force, and Telcos), successfully launched the first ever National Scam Awareness Week in Fiji in August 2024, reaching 2,000 plus participants.

COUNTRY UPDATES

Cook Islands

Mapping Policy and Regulatory Frameworks: UNCDF, with the Ministry of Finance and Economic Management (MFEM), is leading a mapping exercise to review policies, identify gaps, and align with national goals. A cross-ministerial group formed in December 2024 will present findings in January 2025.

Instant National Payment System: UNCDF is designing a system to transition from cheque-based to electronic payments, enhancing financial inclusion. Stakeholder consultations are complete, and procurement for a consultant is set for early 2025.

Digital Government Services Working Group (DGS-WG): Established in December 2024, the DGS-WG, supported by UNCDF, aims to accelerate digital transformation in government services, focusing on cybersecurity and G2P/P2G payment systems.

Digital and Financial Literacy Study: A consultant completed desktop research and primary data collection, with the first draft submitted on December 20, 2024. The final draft is expected by January 2025.

Digital and Financial Literacy Capacity Building: UNCDF is formalizing a partnership with the Bank of the Cook Islands (BCI) through a Letter of Agreement (LOA) to enable capacity-building activities.

Fiji

Inclusive Digital Economy Scorecard [IDES]: Fiji's 2023 report indicates a 59% digital economy score and 54% digital inclusiveness score.

National Financial Inclusion Strategy (NFIS) 3.0: UNCDF supports NFIS implementation, focusing on financial education, consumer protection, and MSME financing. Key achievements include five workshops reaching 208 participants and a draft Financial and Digital Literacy Strategy.

Capacity Building of Regulators: RBF staff completed the Cambridge FinTech and Regulatory Innovation Program, enhancing regulatory capabilities.

National FinTech Strategy: UNCDF is developing Fiji's FinTech Strategy, set for launch in Q2 2025, to drive digital transformation.

National E-Commerce Strategy (NECS): Endorsed by Cabinet, the NECS aims to strengthen public-private coordination, with a launch planned for 2025.

Digitalization of FTRA Processes: UNCDF supports the modernization of Fiji's Teacher Registration Authority, with vendor procurement planned for Q1 2025.

Digicel Agent Network Expansion: The project onboarded 76 agents, 392 merchants, and 87,142 customers in Fiji, boosting mobile money adoption in rural areas.

Remittance Platform: UNCDF supported the launch of cross-border remittance services between Fiji and Vanuatu, exceeding targets with 388 active users. Services expanded to Cook Islands in April 2024.

Electronic Police Clearance System: Digitization efforts aim to streamline applications and payments, with vendor procurement planned for Q1 2025.

Chatbot Solution – Fiji Development Bank: The AI-powered chatbot exceeded targets with over 27,000 visits, facilitating SME and women's entrepreneurship loans.

Digital Literacy in School Curriculum: UNCDF is integrating digital literacy into Fiji's primary and secondary curriculum, with Cabinet approval expected in 2025.

Scam Awareness Week: Fiji's first National Scam Awareness Week in August 2024 reached over 2,000 participants, supported by UNCDF.

Kiribati

Demand Side Survey: A financial inclusion study, completed in July 2024, assessed financial behavior and digital literacy. The final report is expected in January 2025.

Regulatory Framework Assessment: UNCDF supported the Digital Government Bill and is identifying regulatory gaps to boost digital financial inclusion.

National Financial Inclusion Strategy (NFIS): Partner mapping and NFIS Taskforce identification are complete, with consultant recruitment underway.

G2P via Mobile Wallets: A pilot reached 2,501 beneficiaries, with 79% in rural areas opting for digital payments. Plans to scale to 30,000 beneficiaries are underway.

National Credit Union: A feasibility study recommended establishing a credit union, with UNCDF planning to pilot an MSME financing program supporting 500 women-led MSMEs.

Federated States of Micronesia

Workstream 1: Enabling Policy and Regulatory Environment: UNCDF is exploring opportunities to support investment policies and blended finance instruments and is engaging with the FSM Department of Resources and Development, Trade & Investment Division, to explore opportunities.

Workstream 2: Open Digital Finance Ecosystem: Consultations with the Department of Finance are ongoing to identify opportunities for tax management technologies.

Workstream 3: Inclusive Innovation: UNCDF is in discussions with the FSM Development Bank to explore technical assistance and support for two proposed projects aimed at MSME financing and development. These efforts align with UNCDF priorities in deploying blended finance instruments in FSM.

Workstream 4: Empowered Customers: Engagements with the Department of Education aim to integrate digital and financial literacy into TVET and school curricula.

Marshall Islands

Workstream 1: Enabling Policy and Regulatory Environment: UNCDF is supporting the Office of the Banking Commission in drafting financial inclusion strategies and fintech regulations.

Papua New Guinea

Inclusive Digital Economy Scorecard (IDES): The PNG country office completed data collection and analysis, publishing the IDES report. The 2022 IDES scores were verified by UNCDF and shared with government stakeholders. The data, showing a 44% digital economy score and 45% digital inclusiveness, has been published on UNCDF's website. Efforts are ongoing to promote the tools adoption by the government.

National Financial Inclusion: UNCDF supports NFIS implementation through the Steering Committee and Digital Financial Inclusion Working Group.

Assessment of Regulatory Gaps in Current Policy and Regulatory Frameworks of Bank PNG: A project to assess regulatory gaps in PNG's financial frameworks will begin in Q1 2025.

National E-Commerce Strategy: Validated in June 2024 and finalized in September 2024, the strategy awaits government approval in 2025.

Digital & Financial Literacy Baseline Survey: PNG's final DFL report was published, and a dissemination workshop was held in Q2 2024. The findings show moderate digital and financial literacy levels among Papua New Guineans, with significant potential for DFS adoption. Women scored lower than men, mainly due to limited digital access and lower internet usage.

Digital and Financial Enhancement: Women, Women-Led MSMEs, and informal Business Owners in PNG: Based on DFL survey recommendations, a project has been developed with the Center of Excellence for Financial Inclusion (CEFI) to boost the digital and financial literacy of women, women-led MSMEs, and informal business owners in PNG. The project will start in 2025.

Samoa

National E-Commerce Policy: UNCTAD is supporting the development of a National E-Commerce Policy, with a draft completed in December 2024.

National Financial Inclusion Strategy (NFIS) 2.0: UNCDF assists CBS in implementing NFIS 2.0 through technical working groups.

Digicel Agent Network Expansion: The project onboarded 15 agents, 17 merchants, and nearly 4,000 customers in Samoa.

Digital and Financial Literacy Survey: A webinar in May 2024 presented survey findings, guiding targeted interventions.

Solomon Islands

Implementation of National E-Commerce Strategy: UNCDF is assisting the Ministry of Communication and Aviation in developing data privacy and protection legislation. UNCTAD will support full legislation development in 2025, pending approval. This aligns with measure 4.1.4 of the Solomon Islands E-commerce Strategy. A new director has been appointed for the National E-commerce Strategy Implementation Unit, and UNCTAD is exploring further support, including governance mechanisms and the UNCTAD Development eTrade reform tracker.

SIM Card Registration: PDEP supported CBSI and TCSI in implementing SIM registration to enhance DFS supervision, particularly for mobile money and e-wallets. Launched on April 5, 2024, by TCSI Commissioner Calvin Ziru and CBSI Deputy Governor Raynold Moveni, the campaign successfully completed SIM registration with financial support from MNOs.

National Financial Inclusion Strategy III: CBSI established a steering committee and four thematic working groups to implement NFIS-3 (2021-2025). UNCDF is a member of all groups and is scoping areas of support for 2024-2025 following a combined working group meeting in March.

Mobile Money with Our Telekom: Our Telekom has fully deployed mobile money services, improving financial access for rural Solomon Islanders. The M-SELEN platform now integrates 16 new services, expanding customer reach. Over 246,000 users have signed up, with 46% being women. An independent impact assessment of the M-SELEN Project is being designed.

Savings-led Instant Digital Loan: MobileFund: SINPF launched the MobileFund nano-loan product on December 18, 2024, using savings behavior for alternative credit scoring. The product empowers YouSave members by offering small loans with easy 30-day repayment, drives growth for SINPF by attracting new YouSave members, and promotes savings by tying loan eligibility to savings and transaction history, encouraging responsible financial behavior. SINPF's team received training from YA BX, and the data dashboard was updated to support scaling YouSave and MobileFund.

Inland Revenue Department (IRD) e-Tax Platform: UNCDF is assisting IRD in improving the adoption of the e-tax platform through technical support and outreach. A roundtable on March 1, 2024, identified priorities for enhancing platform uptake, focusing on technical improvements and customer awareness.

Digital & Financial Literacy Interventions: In response to the 2023 DFL survey and IRD's request, UNCDF partnered with SIWIBA to enhance DFL. The project aims to:

1. Empower women: Improve their ability to use DFS.
2. Support women-owned MSMEs: Help MSMEs adopt DFS to grow businesses, formalize, and access finance, including e-Tax services.

SIWIBA began a needs assessment in Q4 2024 and is developing tailored training materials.

Timor Leste

Capacity Development Support to the Central Bank: In December 2023, The Central Bank - Banco Central de Timor-Leste (BCTL) requested UNCDF's support for staff training on digital and financial literacy and potential digitization of operations. UNCDF submitted a proposal to the Governor's Office, and follow-up efforts are ongoing to facilitate progress.

National E-Commerce Strategy (NECS): Building on the 2023 e-Trade Readiness Assessment, UNCTAD and MCI held national consultations in July 2024 in Dili. Feedback was incorporated into the draft NECS, which is under final review by the steering committee and MCI. The strategy is expected to be finalized in 2025.

Strategic Plan for Financial Sector Development 2025–2035: BCTL released the Strategic Plan in September 2024, focusing on four pillars: (i) enabling financing for development, (ii) promoting modern payments, (iii) enhancing access to finance, and (iv) modernizing the sector. UNCDF has prepared a proposal to support implementation and is coordinating with the Governor's Office to finalize a meeting with BCTL's management.

Inclusive Digital Economy Scorecard (IDES): The 2024 IDES data collection, completed in August, showed a digital economy score of 43% and a digital inclusiveness score of 48%, consistent with the previous year. UNCDF is sharing the data with stakeholders to promote collaboration on digital transformation.

Digital and Financial Literacy Capacity Building: In Q4 2024, UNCDF created an RFP to identify service providers for DFL training in Timor-Leste, Solomon Islands, and Tonga. The initiative aims to empower rural communities, especially women, by improving skills in cash flow management, savings, investments, and the use of digital technologies and financial services. The RFP is under internal review and is expected to launch in early 2025.

Tonga

National Financial Inclusion Strategy 1.0 (2023-27): UNCDF supported the National Reserve Bank of Tonga in refining the Terms of Reference (TOR) for the NFIS Taskforce and its working groups. Technical assistance was also provided to organize the National NFIS Workshop, rescheduled to early 2025.

Tax Incentive Study – ICT related Goods and Services: UNCDF partnered with the Ministry of Trade and Economic Development to conduct a study on lowering import tariffs for ICT equipment and services to improve accessibility. The study, completed and submitted in December 2024, was approved by the Ministry.

Digicel Agent Network Expansion: Through the regional Digicel project, over 6,900 people registered for mobile money services in 2024.

Alternative Credit Scoring Platform: The ongoing court case between the NRBT and the TDB has delayed the signing of a three-year contract, as NRBT approval is required for all development activities.

Credit Guarantee Scheme – Remittances: TDB disbursed loans to 43 seasonal workers under labor mobility schemes in Australia and New Zealand, totaling USD \$125,500. The scheme, secured by a 50% guarantee, is also available to eligible MSMEs.

Innovation Hub – TEL Tonga: Through UNCDF's *Incubate Better* program, TEL Tonga launched a co-working space in February 2024 with grant support. Expansion plans are pending as UNCDF focuses on establishing a broader Regional Innovation Hub.

Digital and Financial Literacy Capacity Building: UNCDF is in the process of procuring a financial literacy consulting agency. The agency will be tasked with developing training materials designed to address the gaps identified for Tonga in the 2023 DFL survey.

Vanuatu

National Financial Inclusion Strategy 2.0 (2024-30): UNCDF supported RBV in evaluating the first NFIS (2018–2023) and developing the second NFIS (2024–2030). The draft strategy, incorporating insights from the first, is under finalization by RBV. The launch, initially planned for December 10, 2024, was postponed due to parliament dissolution and is now expected in March 2025.

Digital Financial Services Regulatory Framework (2024-30): With UNCDF’s support, RBV was established as the DFS regulator in Q3 2023. The regulatory framework, operational guidelines, and consumer protection policies are finalized and awaiting approval. The launch, rescheduled for March 2025, will provide a foundation for secure and inclusive financial services.

Capacity Building of Regulators: UNCDF provided scholarships to 16 staff members (including 8 women) from RBV, VPPA, and OGCIO for online courses by the Digital Frontiers Institute, enhancing their digital and financial skills.

National Strategy and Implementation Plan for Data Security and Data Privacy: To address challenges in remittance access and cybersecurity, UNCDF is developing a National Strategy and Implementation Plan for data security and privacy. The plan, requested by the Department of Communication & Digital Transformation, aims to secure migrant workers’ financial transactions. Procurement, delayed by an earthquake, is expected to conclude in Q1 2025.

Digicel Agent Network Expansion Project: The project onboarded 10 agents, 9 merchants, and 25,199 mobile money users in 2024, with two training sessions conducted. Digicel is expanding agent networks and payment use cases to encourage mobile money adoption. The project is expected to conclude in early 2025.

CRIM Scoping Study: UNCDF is assessing CRIM’s readiness to offer online National ID applications, including digital payment options. The National ID system, supported by UNDP’s VEEP, enables access to government services and financial inclusion. The initiative is ongoing.

Electronic Police Clearance Certificate Project [V2]: UNCDF supported VPF in developing a mobile and web application for online certification, reducing in-person visits. After a cyberattack disrupted the system, it was relaunched in April 2024. A revised implementation plan, including digital payments and stakeholder training, is under discussion.

Shared Digital Public Infrastructure Model with Renewable Energy: South Malekula Telecommunication Tower: UNCDF, ITU, and ADB are partnering on ITU’s Smart Islands Initiative to establish a telecommunications tower in South Malekula, powered by renewable energy. The tower will provide telehealth, digital finance, and online education services. Procurement is underway.

Enhancing Digital and Financial Competencies: This project plans to establish financial service agents on seven islands, launch innovative services, and onboard 10,000 users. Procurement is nearly complete, with implementation pending contract award.

Scoping Study for Integrating Digital Financial Literacy into Vanuatu National Curriculum: Following the 2022–2023 DFL survey, UNCDF conducted a scoping study to integrate digital and financial literacy into grades 7–13 curricula. The study, shared with the Ministry of Education, is awaiting further action.

Modernizing the Financial Literacy courses offered by Vanuatu Quality Authority: UNCDF provided technical assistance to VQA, RBV, and ORCBDS to update Certificate I, II, and III in Financial Literacy. The revised courses, targeting small business owners, now include digital financial literacy topics and information on current financial services. VQA is implementing the updates.

ii) Indicator Based Performance Assessment:

	Achieved Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
Indicator: 1.1 Number of countries that measure the development of their digital economy (GEN2) Baseline: 4 (2022) Planned Target: 5	7	Target Exceeded Fiji, PNG, Samoa, Solomon Islands, Tonga, Timor Leste, Vanuatu	PDEP 2024 Annual Report
Indicator 1.2 Number of countries with an national and regional forums established for regular dialogue on E- Commerce or the Digital Economy Baseline: 1 (2021) Planned Target: 2	1	Target Exceeded Timor Leste established their National E-Commerce Committee	PDEP 2024 Annual Report
Indicator 1.3: Number of countries with a strategy on the Digital Economy or on E-Commerce. Baseline: 0 (2022) Planned Target: 2	1	Target Partially Achieved Fiji National E-Commerce Strategy	PDEP 2024 Annual Report
Indicator 1.4: Number of PICs whose policy makers and regulators received support to review, amend and implement policies, regulations and strategies affecting the digital economy. Baseline: 2 (2022) Planned Target:3	8	Target Exceeded <ol style="list-style-type: none"> 1. Fiji: NFIS implementation support and National FinTech Strategy 2. Kiribati: technical assistance for Financial Inclusion Demand Side Survey Digital Govt Bill 2023 implementation support Regulatory Framework Scoping Assessment MoF and DTO Engagement NFIS Development 3. PNG: NFIS Steering Committee Member Supporting Implementation Assessment of Regulatory Gaps in Policy and Reg Framework 4. Samoa: NFIS Implementation NECS E-Commerce Policy 5. Timor-Leste: NECS drafting support and establishment of National E-Commerce Steering Committee 6. Tuvalu: NECS support through PIFS. 7. Vanuatu: NFIS 2 Drafting Support DFS Regulatory Framework 8. Solomon Islands: SIM-card Registration Launch NFIS WG and Steer Co. NECS Implementation 	PDEP 2024 Annual Report
Indicator 2:1 Number of eGovernment services piloted and/or scaled (incl G2P/P2G) Baseline: 1 (2022) Planned Target: 3	1	Target Partially Achieved UNCDF supported the launch of the Mobile Fund nano-loan product in Solomon Island, which empowers Solomon Islands National Provident Fund (SINPF) members with instant loans linked to their savings behavior.	PDEP 2024 Annual Report
Indicator 2:2 Number of services piloted and/or scaled that focus on open banking, digital financial services, and payment networks and/or e-commerce platforms. Baseline: 5 (2022) Planned Target: 5	4	Target Partially Achieved Regional Agent Network Project for Digicel in 4 PICs: FJ TO VU WS	PDEP 2024 Annual Report
Indicator 2:3 Number of registered users for services supported by the Programme that focuses on open banking, digital financial services, payment networks and/or e-commerce platforms (GEN3)	375,857	Target Exceeded FJ (127,929) TO (7,927) SB (231,192) VU (5,165) WS (3,644) Total: 375,857	PDEP 2024 Annual Report

	Achieved Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
Baseline: 2,570 (2022) Planned Target: 80,000			
Indicator 2:4 Number of active users for services supported by the Programme that focuses on open banking, shared digital payment networks and/or e-commerce platforms. Baseline: 1,498 (2022) Planned Target: 24,000	97,749	Target Exceeded FJ (41,015) TO (3,335) SB (49,962) VU (1,593) WS (1,844) Total: 97,749	PDEP 2024 Annual Report
Indicator 2:5 Number of last mile digital micro and/or meso infrastructure services piloted and/or scaled. Baseline: 1 (2022) Planned Target: 1	4	Target Exceeded Micro-Merchant services empower small businesses and individuals in the Pacific (Tonga, Fiji, Vanuatu, and Samoa, launched in the second half of 2024) by enabling them to accept digital payments via QR codes.	PDEP 2024 Annual Report
Indicator 2:6 Number of partnerships established with Digital finance providers, mobile network operators, government, and other actors to develop an inclusive digital economy. Baseline: 15 (2022) Planned Target: 24	31	Target Exceeded Target here is cumulative across years. Of the 31, 10 new investment projects/partners were newly signed / implemented in 2024.	PDEP 2024 Annual Report
Indicator 3:1 Number of partnerships established with co-working spaces, innovation hubs and acceleration programs to develop the digital economy. Baseline: 1 (2022) Planned Target: 2	1	Target Partially Achieved UNCDF organized the regional Incubate Better program, providing entrepreneurs with incubation training and grants to support their business operations. One of the successful grant recipients was TEL Tonga, a Tongan entrepreneur, who used the funding to establish a co-working space, officially launched in February 2024.	PDEP 2024 Annual Report
Indicator 3:2 Number of new and improved innovative products and services piloted disaggregated by digital and non- digital and project focus. Baseline: 6 (2022) Planned Target: 14	9	Target Partially Achieved <ul style="list-style-type: none"> Savings-led Instant Digital Loan (MobileFund) in SI Digicel Micro Merchant Services piloted in FJ TO VU SM Improved MyCash App QR codes in FJ TO VU SM 	PDEP 2024 Annual Report
Indicator 4:1 Countries where a survey is conducted on digital and financial literacy skills of Pacific Islanders Baseline: 0 Planned Target: 0	0	No Targets for 2024 A digital financial literacy survey was conducted in Cook Islands with the first draft report submitted to UNCDF in December 2024. The report will be finalized early January 2025.	PDEP 2024 Annual Report
Indicator 4:2 Number of targeted financial and digital literacy campaigns/initiatives for rural communities, women, MSMEs and seasonal workers Baseline: 0 Planned Target: 3	64	Target Exceeded FJ (44) TO (05) VU (12) WS (03)	PDEP 2024 Annual Report
Indicator 4:3 Number of educational institutions supported to design/integrate with digital economy and financial literacy related subjects' courses and training programs into their integrated into their curriculum. Baseline: 0 Planned Target: 1	0	Target Not Met In 2024, PDEPs support has been focused on supporting Digital Financial Literacy (DFL) integration into primary and secondary national curricula as opposed to tertiary curriculum, courses or programs which is the institution of target in the ProDoc.	PDEP 2024 Annual Report

iii) Evaluation, Best Practices and Lessons Learned

Challenges

- **Shift from Grants to Procurement:** The transition from a grant-based model (which allowed UNCDF to directly fund local organizations for DFL initiatives) to a procurement-based approach introduced additional internal processing and approval layers. Many local bidders were unfamiliar with formal bidding procedures, leading to delays in contractor selection and impacting delivery, particularly in Workstreams 2 and 4, where several innovations and DFL projects were either put on hold or significantly delayed.
- **Policy and Regulatory Implementation Delays:** While significant progress was made in developing supportive policy and regulatory frameworks for digital finance and e-commerce at national and regional levels implementation was a little slower in newer PDEP countries due to the delays in recruitment of country coordinators.
- **External Factors Affecting Timely Delivery:** Political instability and competing priorities and focus within the public and private sectors further hindered planned project implementation.

Key Lessons Learned

Partner Level

- **Hands-on support:** While significant progress has been made in developing e-commerce strategies, such as those led by UNCTAD and PIFS, our experience with e-commerce ventures highlights that beyond strategy formulation, MSMEs require hands-on, practical support to thrive in digital marketplaces. This gap underscores the need for programmes to move beyond strategic development and evaluate the extent to which MSMEs are equipped with the tools, skills, and resources to effectively engage in e-commerce.

Programme Level

- **Need for enhanced impact measurement:** While initiatives like MHITS and M-Selen provide data on usage, there is a gap in understanding their broader impact on financial inclusion and MSME growth. Developing robust impact measurement frameworks is essential to assess and demonstrate tangible outcomes.
- **Annual planning and reflection workshop:** The first UNCDF Pacific annual planning and reflection workshop highlighted the importance of bringing together teams and stakeholders to align priorities, share insights, and address challenges collectively. This approach fosters stronger collaboration, enhances strategic planning, and ensures more impactful programme delivery.
- **Capacity strengthening required at the programme level:** A key issue raised was the need for capacity enhancement and training to help staff adapt to new policies and procedures within UNCDF and UNDP. Changes must be supported by sufficient capacity-building at both programme and partner levels.

Market Level

- **Digital literacy gaps:** Despite the initiation of digital financial literacy programs, low digital literacy in rural and underserved areas remains a significant barrier. Building user understanding and trust in digital tools is crucial for adoption. PDEP is prioritizing digital financial literacy and is seeking partnerships with community-based organizations to reach underserved segments through targeted programs.