

**PACIFIC DIGITAL ECONOMY PROGRAMME**  
**MPTF OFFICE GENERIC ANNUAL PROGRAMME NARRATIVE REPORT REPORTING**  
**PERIOD: FROM JANUARY TO DECEMBER 2025**

<p style="text-align: center;"><b>Programme Title &amp; Project Number</b></p> <ul style="list-style-type: none"> <li>• Programme Title: Pacific Digital Economy Programme</li> <li>• MPTF Office Project Reference Number: 00127376</li> </ul>	<p style="text-align: center;"><b>Country, Locality(s), Priority Area(s) / Strategic Results</b></p> <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>
<p style="text-align: center;"><b>Participating Organization(s)</b></p> <ul style="list-style-type: none"> <li>• Organizations that have received direct funding from the MPTF Office under this programme: UNCDF   UNDP   UNCTAD</li> </ul>	<p style="text-align: center;"><b>Implementing Partners</b></p> <ul style="list-style-type: none"> <li>• National Counterparts (government, private, NGOs &amp; others) and other International Organizations</li> <li>• Government, Regulators, Intergovernmental Organizations, MSMEs and Community Based Organizations, Mobile Network Operators, Digital and Financial Service Providers, Academia and Research Institutions</li> </ul>
<p style="text-align: center;"><b>Programme/Project Cost (US\$)</b></p> <p>Total approved budget as per project document: USD 24,451,126</p> <p>MPTF /JP Contribution:</p> <ul style="list-style-type: none"> <li>• <i>by Agency (if applicable)</i> Agency Contribution</li> <li>• <i>by Agency (if applicable)</i></li> <li>• UNCDF: USD 5,703,770</li> <li>• UNCTAD: USD 2,805,885</li> <li>• UNDP: USD 4,128,318</li> </ul> <p>Government Contribution <i>(if applicable)</i></p> <p>Other Contributions (donors) Australia: USD 9,909,959 New Zealand: USD 3,646,600 European Union: USD 8,810,572</p> <p><b>TOTAL:</b></p>	<p style="text-align: center;"><b>Programme Duration</b></p> <p>Overall Duration <i>(60 months)</i> Start Date <i>(01/03/2021)</i></p> <p>Original End Date 31/12/2025</p> <p>Actual End date <i>(31.12.2026)</i></p> <p>Have agency(ies) operationally closed the Programme in its(their) system?      Yes <b>No</b></p> <p>Expected Financial Closure date:</p>
<p style="text-align: center;"><b>Programme Assessment/Review/Mid-Term Eval.</b></p> <p>Evaluation Completed <b>Yes</b>    No    Date: 20.12.2022 <i>(Mid Term Review)</i></p> <p>Evaluation Report - Attached Yes    <b>No</b>    Date: dd.mm.yyyy</p>	<p style="text-align: center;"><b>Report Submitted By</b></p> <ul style="list-style-type: none"> <li>○ Name: Mr. Fakhrul Islam</li> <li>○ Title: Programme Manager PDEP</li> <li>○ Participating Organization (Lead): UNCDF</li> <li>○ Email address: fakhrul.islam@uncdf.org</li> </ul>

## 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

The Pacific Digital Economy Programme (PDEP) began 2025 with strong momentum, launching 20 new project initiatives totalling USD 1,131,836 in investment to support digital development across the Pacific. These initiatives mark a shift in focus, with 18 of the 20 targeting public sector priorities such as government digitization, digital financial literacy (DFL), and policy and regulatory reform, benefiting national governments and central banks.

Under the **Enabling Policy and Environment Workstream**, PDEP supported critical reforms in data protection, cybersecurity, financial inclusion, and consumer protection. Fiji's National E-commerce Strategy was launched in February 2025. Samoa progressed its National E-commerce Policy through validation and submission in 2025 and began using the eTrade Reform Tracker to monitor implementation. In Solomon Islands, the National Policy on Data Privacy was finalized in June 2025 and the eTrade Reform Tracker was deployed to strengthen inter-ministerial coordination for e-commerce reforms. The program also published the 2024 Inclusive Digital Economy Scorecards (IDES) for 5 Pacific countries. At the regional level, governance and coordination mechanisms for the Pacific Regional E-commerce Strategy and Roadmap were strengthened through dedicated committee and sub-committee meetings in 2025, supporting alignment among governments, the private sector, and development partners.

In **Digital Finance Ecosystem Workstream**, the programme expanded access to open and interoperable digital payments and accelerated cash-to-digital transitions. In Kiribati, mobile wallet-enabled government-to-person transfers were expanded to support up to 4,000 beneficiaries, and digitization of G2P payments through Vodafone mobile wallets enabled more than 3,000 citizens to access digital financial services and digital and financial literacy training. In Samoa, the programme initiated the design of digital payment mechanisms and a pilot to improve the efficiency and effectiveness of government social payments under the National Provident Fund.

In the **Inclusive Innovation Workstream**, Fiji launched the Innovation Hub in June 2025 to provide mentoring, technical support, and linkages to the regulatory sandbox. In the Solomon Islands, the MobileFund pilot demonstrated the viability of alternative credit scoring, reaching 335 previously unbanked informal workers, with work now underway to migrate the product into the M-SELEN environment. In Tonga, the Prime Minister's Office launched the Tonga Pass digital ID in May 2025 and began planning the country's first National Innovation Hub. In Papua New Guinea, a FinTech Incubation Hub was advanced to accelerate innovation and respond to persistent access gaps (only 37% of the population has access to formal financial services), leveraging growing mobile penetration to catalyse mobile-first solutions.

Under the **Empowered Customers Workstream**, PDEP scaled digital and financial literacy (DFL), consumer protection, and awareness initiatives. In Fiji, a national digital literacy curriculum for Years 1–13 was co-developed and piloted with the Ministry of Education. In Solomon Islands, the programme partnered with the Solomon Islands Women in Business Association to strengthen skills among women, MSMEs, and informal businesses. In Vanuatu, similar efforts were led by Vodafone. In Fiji, consumer empowerment initiatives reached 5,199 people through 61 activities and achieved broad mass-media outreach under National Scams Awareness Week 2025.

Across 2025, UNCDF, UNDP and UNCTAD consolidated partnerships to expand digital transformation across the Pacific, while maintaining strong engagement with donors and governing bodies. Preparations for the End-Term Evaluation progressed with finalization of the Terms of Reference and procurement for the evaluation team. To ensure completion, PDEP obtained approval for a one-year no-cost extension ending in December 2026, with an End-Term Evaluation report expected by May/June 2026.

## 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 2022-2025**

- 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 actively using IDES to measure their digital economy**
- **13 national/regional forums established**
- **8 countries that endorse and/or launched their Digital and/or E-commerce strategy**
- **11 PICs received support to review, amend and implement policies, regulations and strategies affecting the digital economy**

### **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:** The Fiji National E-commerce Strategy was launched by the Government of Fiji on 25 February 2025, after Cabinet endorsement in May 2024. It builds on the 2021 PIFS E-commerce Assessment, aligns priorities on resilience, sustainability, and digital transformation, and is supported by UNCTAD via the eTrade Reform Tracker and capacity-building across ministries.
- **Kiribati:** In 2024, the PIFS received a request from Kiribati to finalise its National E-Commerce Policy for which a consultant was engaged. The policy was finalised in September 2025 and is now with the Government awaiting launch.
- **Papua New Guinea:** Finalized its National E-Commerce Strategy in September 2024 and approved by Cabinet in September 2025.
- **Samoa:** UNCTAD began supporting Samoa's National E-commerce Policy in September 2024 at the request of MCIL, to guide sustainable e-commerce growth aligned with Samoa's 2023–2027 roadmap. Following a national consultation in November 2024, UNCTAD submitted the first draft in December

2024, held a stakeholder validation workshop in February 2025, and submitted the final version in March 2025, now awaiting NPCC review pending the next meeting.

- **Solomon Islands:** In June 2025, Ministry of Communication and Aviation (MCA) finalized its National Policy on Data Privacy, developed with UNCDF and UNCTAD, setting principles for data governance, privacy, and cross-border data flows and handed over in Q2 2025. Aligned with the National E-Commerce Strategy, it is expected to support future legislation and investments in digital ID, cybersecurity, and e-government.
- **Timor-Leste:** UNCTAD's eTrade Readiness Assessment for Timor-Leste was launched on 5 June with the Government, covering seven policy areas and informing the National E-commerce Strategy. After a June consultation validating indicators and targets, the Strategy was edited, translated into Portuguese, and submitted in September for Council of Ministers endorsement.

**Pacific Digital Economy Report, Second Edition:** Building on the 2022 Pacific Edition, the 2024 Digital Economy Report reviews progress, challenges, and opportunities in digital connectivity/infrastructure, entrepreneurship, and trade to advance a resilient, inclusive digital economy for Pacific SIDS. It was launched on 15 April with PIFS, attracting 140+ participants from government, private sector, development partners, and civil society.

**Inclusive Digital Economy Scorecard:** The Inclusive Digital Economy Scorecards (IDES) were updated with 2024 data across 5 Pacific countries including Fiji, Papua New Guinea, Samoa, Timor Leste, and Vanuatu. IDES will now be a nationally owned monitoring framework. Each government is responsible for updating it every year and using it to guide digital transformation.

**Gap Analysis of Cyberlaws in Pacific SIDS:** The report reviews cyberlaw frameworks in 15 Pacific Island countries, including Timor-Leste. It provides a best-practice guide, based on international norms, to help governments develop laws that support digital trade and e-commerce. It was launched on 29 April with PIFS. More than 120 people attended from government, the private sector, development partners, and civil society.

**Workshop on Measuring Digital Trade for Pacific Island Developing States:** UNCTAD and the Pacific Community (SPC) held a regional workshop on the Handbook on Measuring Digital Trade from 4–7 August in Suva, Fiji. It aimed to help Pacific countries produce digital trade statistics aligned with international best practices. The workshop targeted staff from National Statistics Offices and Central Banks and offered practical guidance for the Pacific context.

**eTrade Reform Tracker (eTRT):** The eTrade Reform Tracker was deployed in Solomon Islands (May), Samoa (June), and Fiji (June) after formal government requests. UNCTAD delivered capacity-building for NEC agencies and national focal points, who are now training line ministries. The Tracker is being used to monitor reforms, improve coordination and transparency, and support evidence-based follow-through.

**Inclusive Remittances:** UNCDF supported DFS reforms across the Pacific, including SIM registration in Solomon Islands and a DFS regulatory framework in Vanuatu. It also finalized a cross-border remittances study for Fiji, Samoa, Tonga, and Vanuatu, aligned with the World Bank's correspondent banking work and informing potential Pacific-wide payments initiatives with PIFS/PDEP.

**Measuring E-commerce and Digital Economy:** UNCTAD supported the Fiji Bureau of Statistics (FBOS) with technical assistance to measure e-commerce and the digital economy, aiming to develop priority indicators aligned with global best practices. Phase 1 began with a consultation/workshop in the week of 12

August, and a final report was submitted on 29 October; Phase 2 has been requested and is pending confirmation of funding.

**National Financial Inclusion Strategies (NFIS):** UNCDF supported financial inclusion strategies across the Pacific, including NFIS 3.0 work in Fiji, NFIS (2024–2030) in Vanuatu, NFIS implementation support in PNG and Solomon Islands, and technical working groups in Samoa. It also began strategy consultations in the Marshall Islands (first draft due January 2026), validated Kiribati’s NFIS at a 15 Oct 2025 workshop, and supported National Reserve Bank of Tonga (NRBT) on the 2025 NFIS work plan, with implementation pending confirmation of meeting dates.

**FinTech and Digital Strategies:** UNCDF supported FinTech and digital strategy work in the Pacific to strengthen digital economies. In Fiji, UNCDF and the Reserve Bank of Fiji launched a national Innovation Hub in June 2025 to support inclusive, homegrown fintech and help RBF track fintech developments. In Vanuatu, UNCDF is finalizing a data security and privacy strategy to address remittances and cybersecurity, with an official launch expected in Q1 2026.

**Implementation of the Pacific Regional E-Commerce Strategy and Roadmap:** In 2022, PDEP, through UNDP, entered into a grant agreement with PIFS to support the development of an implementation framework for the Pacific Regional E-commerce Strategy and Roadmap. A central intervention under this framework has been the establishment of Pacific E-commerce Committees to strengthen coordination and governance. To date, three regional committees and sub-committees, along with five national committees, have been established, providing structured mechanisms to guide and monitor implementation at both the regional and national levels. In 2025, PIFS facilitated three strategic meetings to advance regional governance of digital trade and e-commerce:

- The Pacific E-commerce Development Partners Sub-committee met on 13 March 2025 to review partner alignment and regional support mechanisms.
- The Pacific E-commerce Private Sector Sub-committee convened on 23 April 2025, focusing on private sector engagement and cross-border digital trade facilitation.
- The Pacific E-commerce Committee held its annual meeting on 06 June 2025, endorsing updated regional implementation priorities for 2025–2026.

Additionally, the Pacific E-commerce Alliance (PacifEcom) was also established in 2023 designed as a multi-stakeholder coordination platform to strengthen collaboration around digital trade and e-commerce in the Pacific. The Alliance also convened on the 23 February 2025, reinforcing collaboration among regional stakeholders.

The third [Monitoring & Evaluation Report](#) that tracks the implementation progress of the same strategy and roadmap was finalized and published in June 2025.

### **PIFS E-Biz Plus**

PIFS launched the E-Biz Plus programme in Kiribati to support MSME digital transformation by promoting e-commerce, expanding market access, and improving financial inclusion. An LOA was signed, the tender closed, and an Evaluation Committee (PIFS, UNCDF, and the Government) selected a vendor; deployment began in October 2025, and the first activity (toolkit development) is complete.

## **WORKSTREAM 2: OPEN DIGITAL PAYMENT ECOSYSTEM**

### **RESULTS IN NUMBERS**

- **7 e-government service piloted**
- **15 open digital finance pilots launched**
- **639,942 newly registered clients onto digital financial services supported by PDEP**
- **174,430 active users**

**Electronic Police Clearance System:** In Fiji, PDEP is digitizing the police clearance certificate process (applications and fee payments), with full deployment expected by Q2 2026. In Vanuatu, PDEP helped relaunch the electronic system in April 2024 after a cyberattack, but version 2 has since been cancelled after the government moved to end foreign advisor engagement with the Police.

**Teacher Registration Modernization:** UNCDF is supporting the Fiji Teachers Registration Authority (FTRA) to digitize teacher registration and payment services for around 17,000 teachers, running from November 2025 to June 2026. The Telecommunications Authority of Fiji (TAF) was selected to build the online portal and mobile app; a joint kickoff meeting set the roadmap and roles, and Deliverable 1 has been submitted.

**National ID System Assessment:** The Department of Civil Registries and Identity Management (CRIM) in Vanuatu implementing a National ID system (supported by UNDP's VEEP) linked to mandatory birth registration. A readiness assessment for online applications and digital payments was completed and presented to CRIM in April 2025. Building on the scoping study, the project is digitizing CRIM's currently manual services so citizens, especially in remote and outer islands, can apply and receive documents online. It launched with an inception meeting in November 2025, and the first deliverables have been submitted with implementation on track.

**Digitization of Social Welfare Payments:** The Vodafone Kiribati project is piloting G2P payments via M-PAiSA mobile wallets for SFU beneficiaries with UNCDF and MWYSSA. By the end-Dec 2025, over 3,050 wallets were opened and 3,000+ people received digital/financial literacy training. A separate pilot using ANZ Bank accounts has been completed in three locations; the Ministry of Finance is leading scale-up (account opening/KYC, digital literacy, and G2P disbursements), with a formal agreement expected by early Feb 2026.

**Instant National Payment System:** In 2024, UNCDF was asked to support the Cook Islands to design an instant payment system to enable online retail and shift from cheques to electronic payments, but engagement challenges with the three commercial banks required a redesign. UNCDF and MFEM developed a revised approach and supported a two-day Banking Sector Dialogue Workshop in October 2025, which led to a joint agreement between the banks and government to move forward on banking modernization and expand digital payments.

**Digicel Agent Network Expansion:** UNCDF completed projects with Digicel to expand agent networks and merchant acceptance of digital payments across the Pacific. In Tonga, by March 2025 over 8,100 customers were registered, with 60 agents and 100 merchants onboarded, and NRBT approved Digicel to onboard micro agents and merchants in remote areas. Under the regional program, targets were met by 31 March 2025 (including Samoa: 14,209 customers, 43 agents, 57 merchants; and Vanuatu), and Fiji's project ran to 31 Dec 2025, reaching 25,000 customers, 50 agents, and 200+ new merchants.

**Mobile Money Services:** M-SELEN, Solomon Islands' first mobile money platform (launched 2023), has registered 350,000+ users and expanded to 3,000 agents nationwide, with 46% of users women. At the request of the NFIS Digital Finance Working Group, UNCDF supported Ministry of Finance and Treasury (MOFT)

and M-SELEN to launch a P2G payment pilot to enable mobile-based revenue collection for basic government services, improving public payment access in remote provinces.

**Agri-MSME Innovation Projects:** Agri-MSME Innovation Projects shifted from a grant model to procurement, which added complex processes and slowed progress on the 2023 Agri-MSME Innovation Challenge. In 2025, all Agri-MSME projects were cancelled due to changes in contracting and funding modalities and new UN/UNCDF policies and guidelines.

**Innovative Credit Scoring:** The Tonga Development Bank (TDB) and Global Psytech (GFI) are partnering to digitize and improve MSME loan origination, using a psychometric platform to generate data-driven credit scores from MSMEs' digital footprints and entrepreneur traits—aiming to de-risk 1,000 loans and expand access for borrowers without traditional collateral. Rollout is delayed due to an ongoing court case between NRBT and TDB, since NRBT approval is required, but the TDB–GFI contract is signed and procurement for system integration is underway.

**Shared Digital Infrastructure:** The ITU Smart Islands Initiative (with ADB and a UN Consortium) aims to connect South Malekula to support services like telehealth, digital finance, and online education, with the Government of Vanuatu providing a telecommunications tower. UNCDF is supporting implementation by funding a renewable hybrid power solution for the tower and helping develop publicly owned, shared digital infrastructure for last-mile connectivity; the documents are signed, the first grant instalment has been processed via LOA, partner training completed, and implementation is on track.

**Assessment of Government to Person (G2P) Payments Project:** In Samoa, UNCDF moved the G2P payments project from diagnostics (June–July 2025) to implementation, with the Ministry of Finance and SNPFA approving the solution in October and two successful live pilot disbursements in November and December 2025. The pilot met its objectives and will scale nationally in 2026. In the Solomon Islands, UNCDF completed a Q1 institutional assessment of Development Bank of Solomon Islands (DBSI) and delivered team-wide training to address gaps in systems, SOPs, and risk controls, preparing DBSI for future digital credit delivery and potential mobile money integration.

### **WORKSTREAM 3: INCLUSIVE INNOVATION**

#### **RESULTS IN NUMBERS**

- **28 innovative products and services piloted**
- **5 partnerships established with Innovation Hub**

**Innovation Hub – TEL Tonga:** In May 2025, Tonga's PMO launched key Digital Public Infrastructure, including a new e-Government portal, Tonga Pass digital ID, and an API integration platform, aligned with the Digital Government Strategic Framework (2019–2024). The PMO plans to launch Tonga's first National Innovation Hub, and UNCDF will provide a grant to support start-ups and entrepreneurship, with YGAP and TEL Tonga coordinating locally.

**Regional Innovation Hub:** UNCDF and the Reserve Bank of Fiji launched a national Innovation Hub in June 2025 to grow the digital economy and support inclusive, homegrown fintech, while helping RBF monitor fintech developments. Implemented by Creative HQ, it provides mentorship and technical support, links to the regulatory sandbox, and runs through Q3 2026 to boost innovation, financial inclusion, and private sector growth.

**FinTech Incubation Hub:** UNCDF is supporting Papua New Guinea to establish a FinTech Incubation Hub with BPNG and the Department for ICT to accelerate financial inclusion and digital innovation. The Hub targets PNG's inclusion gap (37% with formal financial services) and aims to leverage 48% mobile penetration to develop mobile-first solutions for largely rural communities.

**Credit Guarantee Scheme for Remittances:** Tonga Development Bank continues to disburse loans to seasonal workers participating in labour mobility schemes in Australia and New Zealand. These loans are secured by a 50% guarantee for the duration of the workers' overseas employment contracts. A total of 55 loans had been issued to seasonal workers, with a combined loan value of more than USD \$81,000.

**Savings-Led Digital Loan:** SINPF's MobileFund pilot disbursed 335 microloans in 2025 to previously unbanked informal workers (51% women), achieving a 60% repayment rate and PAR60 of 11.3%. Loans ranged from SBD 70–2,000 at 4% interest plus a nominal fee, using voluntary savings behavior as an alternative credit score. Uptake was constrained by integration and digital literacy barriers, so MobileFund is being redesigned. Pilot 2.0 will migrate fully into M-SELEN, expand data sources, improve user experience, recovery, and scoring to reach more excluded workers.

## **WORKSTREAM 4: EMPOWERED CUSTOMERS**

### **RESULTS IN NUMBERS**

- **136 targeted campaigns supported**
- **195,725 people reached with capacity development initiatives**
- **2 countries supported to integrate digital financial literacy into primary and secondary curriculum**
- **8 DFL Baseline Surveys completed**

The **Regional Digital and Financial Literacy (DFL) Baseline Survey**, supported by PDEP, covered seven Pacific Island countries and provides data to guide targeted programmes and national strategies for women, youth, and rural communities. In PNG, the final report was launched in Port Moresby on 15 May 2025, bringing together government, financial institutions, partners, and civil society. In the Cook Islands, UNCDF commissioned a DFL study in 2024 focused on women, persons with disabilities, and MSMEs. The research was completed in Feb 2025 and launched on 24 April 2025, highlighting strong government commitment and providing a foundation for inclusive digital development actions.

### **Digital and Financial Literacy Capacity Building**

- **Tonga:** In April 2025, UNCDF commenced the evaluation of successful proposals for the development of training materials to address the gaps identified in the Tonga's recent digital and financial literacy (DFL). The project commenced in December 2025 and will be implemented in both Tongatapu and the outer islands, with implementation completing in June 2026.
- **Vanuatu:** UNCDF is implementing a project to boost women's digital and financial inclusion in remote communities by building skills, expanding services, and strengthening gender-responsive infrastructure, including setting up agents on seven islands and onboarding 10,000 users. Vodafone Vanuatu was contracted in May 2025 and implementation is underway. The project is supporting a digital wallet-based savings product (a first for Vanuatu), approved by the regulator and publicly launched on 21 Nov 2025, with customer onboarding expected from Dec 2025.
- **Samoa:** This initiative focuses on developing digital and financial literacy capabilities for remote communities, women, youth and MSMEs. The procurement process is underway to identify a suitable partner to conduct the digital financial training literacy training.

**Digital Literacy in Primary and Secondary School Curriculum – Fiji:** This is a national initiative by Fiji's Ministry of Education and UNCDF to equip students from Years 1 to 13 with essential digital skills. Aligned with national education and development plans, it aims to close the digital divide by integrating digital competencies into the school curriculum. A pilot launching in August 2025 across three divisions will test

teaching methods and guide a nationwide rollout, positioning Fiji as a regional leader in digital inclusion through education.

### **Modernizing the Financial Literacy courses offered by Vanuatu Qualifications Authority (VQA) and Ministry of Education**

The Vanuatu Qualifications Authority (VQA), Reserve Bank of Vanuatu (RBV), and Office of Registrar of Cooperatives and Ni-Vanuatu Business Development Services (ORCBDS) sought UNCDF's technical assistance to review and improve the Certificate I, II, and III in Financial Literacy courses, which are primarily taken by small business owners and entrepreneurs. The revised curriculum now includes digital financial literacy and information on current financial services in Vanuatu. UNCDF provided recommendations, and VQA has updated the courses accordingly. PDEP also supported the Ministry of Education through technical assistance on identifying areas where components of digital financial literacy can be integrated into grades 7 to 10 in the junior secondary and 11 to 13 in the senior secondary national curriculum throughout 2025.

**DFL Skills Building for Women and MSMEs:** UNCDF partnered with the Solomon Islands Women in Business Association (SIWIBA) to deliver targeted digital and financial literacy (DFL) training for women and rural communities. In early 2025, 300+ women across four provinces were trained on digital payments, mobile money, budgeting, and digital security. The training is helping women use digital wallets for everyday transactions and engage with government services, building digital transaction histories that can support future access to more advanced financial services.

**Fiji Scam Awareness Week:** The Consumer Council of Fiji led a three-month national anti-scam campaign under the Ministry of Trade. It engaged 5,199 people through 61 activities and boosted awareness via 752 radio/TV airings, 91,856 social reach, and nationwide SMS alerts. It also advanced key reforms, including a National Anti-Scam Roadmap, a scam reporting platform, stronger data/consumer protection laws, and telecom scam rules, plus a Youth Advocates network and civil servant training..

**Collaboration with Kiribati Institute of Technology and VISA:** UNCDF supported the Kiribati Institute of Technology (KIT) to develop two new Moodle e-learning DFL courses, which are now finalized in English and ready for translation and pilot testing. A Training of Trainers was completed on 7–14 Oct 2025, strengthening KIT trainers' capacity to deliver and adapt the courses for youth, women, and MSMEs.

## **OTHER COUNTRY UPDATES**

### **Cook Islands**

**Mapping Policy and Regulatory Frameworks:** A holistic mapping of the Cook Islands' policy and regulatory frameworks for an inclusive digital economy was completed to improve coordination and support stronger DFS regulation and harmonization. The findings were validated with stakeholders on 5 Feb 2025, and the final mapping database was handed over to the Central Policy and Planning Office (Office of the Prime Minister) to support the national policy register.

### **Financial Supervisory Commission (FSC) Regulatory Drafting Support**

UNCDF supported the Financial Supervisory Commission to strengthen the regulatory framework by amending the Money-Changing and Remittance Business Act 2009 to cover fintech services and drafting a new Electronic Transactions Act to underpin secure digital transactions. The project was completed in October 2025.

### **Ministry of Finance & Economic Management (MFEM) Regulatory Drafting Support**

UNCDF is supporting MFEM to develop a Data Privacy and Protection Policy for the Cook Islands, along with drafting instructions to guide future legislation. A consultant started in November 2025 and is conducting

consultations, legal mapping, and policy analysis aligned with international best practice. The work is expected to be completed by Q1 2026, strengthening digital governance and ensuring expanding digital services are backed by appropriate data protection frameworks.

### **Mapping Person-to-Government (P2G) and Government-to-Person (G2P) Payments**

UNCDF is supporting the Cook Islands Government to advance inclusive digital payments by mapping current P2G and G2P processes, identifying bottlenecks, and recommending digitisation options to improve efficiency and financial access. The final report was presented in mid-May 2025 to MFEM, OPM, and the Office of the Public Service Commissioner, then endorsed and officially handed over to inform ongoing digital transformation efforts.

### **Ministry of Transport P2G Payments**

Following UNCDF's P2G/P2P mapping study, an opportunity was identified to support the Ministry of Transport to develop an online licensing application and payment portal with end-to-end digital workflows, improving service delivery, transparency, and processing efficiency. After the Ministry formally requested support in May 2025, UNCDF provided technical assistance to assess system needs and recommend requirements and specifications. Procurement for a software developer is now underway.

### **Police Services P2G: Driving License Payments**

UNCDF's mapping study identified an opportunity to support the Police Services to digitize driving licence services through an online application and payment portal for citizens, tourists, and businesses, integrated with existing processes. After a formal request from the Police Commissioner in May 2025, UNCDF completed a system assessment that was endorsed by the Commissioner, and procurement is underway to hire a software developer to build the new IT system.

### **Feasibility Study and Implementation Roadmap for a National Digital ID System in the Cook Islands**

UNCDF is supporting the Cook Islands Government with technical assistance to conduct a feasibility study on options for establishing a National Digital ID system. The study will assess feasibility, institutional readiness, and political acceptability, and develop a phased implementation roadmap aligned with national priorities and international good practice. Procurement of a consultant is currently underway.

**Digital and Financial Literacy Capacity Building:** In September 2024, a Request for Applications (RFA) was issued to identify innovative solutions to strengthen digital and financial literacy and capacity-building in the Cook Islands and other Pacific countries, supporting vulnerable groups and MSMEs. After a strategic design review, the approach shifted to direct contracting with MFEM. An LOA was signed in August 2025, and activities began in September 2025 to strengthen ownership, coordination, and implementation.

## **Fiji**

### **Review of Legislation on Fraud, Scam, and Consumer Protection – Consumer Council of Fiji**

Endorsed by Fiji's Cabinet, the project reviews national laws on fraud, scams, and consumer protection in the digital economy and benchmarks them against international standards. It will identify gaps and recommend reforms to strengthen enforcement, coordination, and regulatory clarity. The goal is a safer digital environment that protects consumers, builds trust in digital services, and guides future policy, capacity-building, and collaboration across law enforcement, financial services, and digital platforms.

### **Cybersecurity Policy Development – Fiji Development Bank (FDB)**

This project supports the Fiji Development Bank to develop a comprehensive Cybersecurity Policy aligned with international best practice and local regulations. Starting in Q2 2025, a consultant is assessing the bank's IT systems and governance to identify vulnerabilities. The project will deliver a gap assessment, a tailored policy, SOPs, an implementation roadmap, and staff training materials to strengthen cyber risk management and protect critical financial services.

## **Digital Government Transformation Assignment (DGTO)**

UNCDF is supporting Fiji's integrated digital government agenda by conducting a digital public services mapping under the National Digital Strategy to identify gaps, streamline systems, and prioritize services for digitization, especially to improve access in remote areas. Technical scoping began in June, the project launched in mid-July 2025, and it will inform Fiji's Digital Government Strategy and roadmap, with completion expected by Q2 2026.

### **Workshop on Digital Transformation in the Pacific**

The ITU, supported by the Governments of Fiji and Australia and the Joint SDG Fund, held a three-day workshop in Suva in February 2025 on advancing digital transformation across the Pacific. The PDEP team joined a panel on financing and partnerships with partners like ADB and the World Bank, sharing examples such as support for Solomon Islands' first mobile money service, cross-border remittance innovation, and digital public goods like regional literacy surveys.

**Scam Awareness Week:** Fiji's first National Scam Awareness Week directly engaged 5,199 people through 61 activities and achieved near-universal awareness via 752 radio/TV airings, 91,856 social media reach, and nationwide SMS alerts

### **Kiribati**

**National Financial Inclusion Strategy (NFIS) Development:** UNCDF finalized and submitted Kiribati's NFIS 2025–2027 to MFED on 3 Nov 2025, developed with MFED, KNSO, and national stakeholders. It was validated at a workshop on 15 Oct 2025 with government, financial institutions, and partners, including Australia's Deputy High Commissioner Ms. Melissa Stutsel. The NFIS sets out actions to expand financial access, promote digital payments, and empower women, youth, MSMEs, people with disabilities, and outer-island communities through PDEP.

### **Federated States of Micronesia and Marshall Islands**

#### **Office of the Banking Commission (OBC): National Financial Inclusion Strategy (NFIS) and Financial Consumer Protection policy (FCP)**

UNCDF is assisting the RMI Office of the Banking Commissioner (OBC) drafting policy and regulations oriented to drive financial inclusion in the country. The OBC requested UNCDF support through an official engagement letter to draft the first National Financial Inclusion Strategy (NFIS) for the RMI and to integrate Financial Consumer Protection policies (FCP) into the national legal framework.

**National Financial Inclusion Strategy:** UNCDF is working with the Office of the Banking Commission (OBC) in the Republic of the Marshall Islands to develop the country's first National Financial Inclusion Strategy (NFIS) 2026–2028. In October 2025, OBC and UNCDF completed initial research and stakeholder mapping and held consultations, with the first NFIS draft due in January 2026.

**Financial Consumer Protection:** Alongside support to develop RMI's first NFIS, UNCDF is helping integrate financial consumer protection (FCP) provisions into national legislation. After virtual consultations with the OBC, UNCDF shared a preliminary analysis on options for introducing FCP into RMI's legal system. Under an agreed workplan, UNCDF will support drafting high-level FCP provisions for the RMI Monetary Authority bill, with in-country missions expected around March 2026 to conduct a deeper FCP diagnostic and further develop the regulations.

**Needs Assessment for Digital and Financial Skills:** The College of Micronesia's Center of Entrepreneurship requested UNCDF support to conduct an MSME and start-up needs assessment in FSM, covering gaps in business services, access to finance, and digital/financial literacy to strengthen the Center's curriculum and the wider ecosystem. UNCDF and CoM finalized the ToR and plan to open procurement to hire a consulting firm in February 2026, while exploring coordination with UNDP to increase impact.

## **Papua New Guinea**

**National Financial Inclusion Strategy (NFIS-3):** PDEP, in collaboration with the Bank of Papua New Guinea (BPNG), supports implementation of PNG's NFIS-3 (2023–2027) to expand access to and use of financial services nationwide. UNCDF provides technical advice as a member of the NFIS-3 Steering Committee, leads the Digital Finance and Insurance Working Group, and participates in quarterly review meetings to coordinate stakeholders and track progress.

**Assessment of Regulatory Gaps in the Current Policy and Regulatory Framework of BPNG:** Assessed regulatory gaps in BPNG's policy and regulatory framework and proposed targeted reforms to strengthen financial sector oversight and governance. A consultant delivered an inception report (validated by BPNG/UNCDF), completed desk review using IDES data and stakeholder consultations, and has now submitted the final report to inform validation and next steps.

**Digital and Financial Literacy Baseline Survey:** UNCDF is supporting Papua New Guinea to strengthen digital payments and financial inclusion by mapping P2G and G2P payment processes to identify bottlenecks and digitisation opportunities that improve efficiency and transparency. A consultant onboarded in August 2025 has completed the gap assessment, options analysis, and implementation roadmap, and is now drafting the consolidated report for stakeholder validation ahead of finalization in Q1 2026.

## **Samoa**

**National E-Commerce Strategy (NECS) Implementation:** The eTrade Reform Tracker was deployed in Samoa in June following a formal government request, with the licence agreement signed on 2 May 2025. UNCTAD delivered capacity-building for MCIL and supported focal points to train line ministries; the Tracker is now used to monitor National E-commerce Strategy implementation, improve coordination, and strengthen evidence-based follow-through.

**National Financial Inclusion Strategy 2.0 (NFIS II) Implementation:** This project supports the Central Bank of Samoa (CBS) to implement NFIS II (2022–2026) to advance financial inclusion. In June 2025, UNCDF and CBS formalized the partnership, focusing on nationwide digital and financial literacy, a regulatory sandbox for fintech/DFS providers, and a strategic review of NFIS II to develop NFIS III.

## **Solomon Islands**

UNCTAD is supporting the government to draft a Data Privacy and Protection Bill, building on UNCDF's work on the National Data Privacy and Protection Policy and responding to a key action in the National E-commerce Strategy. The Bill will cover personal and enterprise data, including rules for national and cross-border data transfers, and drafting has begun early to avoid delays while the Policy endorsement is pending.

## **Timor Leste**

**Proposal to support Implementation of the Strategic Plan for Financial Sector Development 2025–2035:** In 2024, the Central Bank of Timor-Leste (BCTL) launched its Strategic Plan for Financial Sector Development 2025–2035, built on four pillars: development financing, modern payment systems, financial access, and sector modernization. UNCDF prepared a proposal to support BCTL with project-based implementation and co-designed pathways through consultations with the Governor's Office and department heads; next steps are pending a leadership decision from BCTL.

**Digital Financial Literacy:** BCTL launched an e-learning section on its website to address financial literacy gaps. At BCTL's request, UNCDF assessed the platform's user experience, content quality, and accessibility. A draft assessment report has been submitted and is under BCTL internal review; final feedback will guide revisions to improve usability and impact.

## **Tonga**

**National Financial Inclusion Strategy 1.0 (2023-27):** UNCDF supported the National Reserve Bank of Tonga (NRBT) in drafting the 2025 NFIS Work plan and reviewing the Terms of Reference (TOR). UNCDF is awaiting NRBT to confirm dates for the working group meetings and the National Taskforce so that NFIS implementation can be formally launched and progress tracked over the remaining two years.

## **Vanuatu**

**Digital Financial Services Regulatory Framework (2024-30):** Until Q3 2023, Vanuatu had no formal DFS regulator due to an MoU between the RBV and the telecom regulator. With PDEP support, RBV was designated as the DFS regulator, but a governing framework was still needed. This project supported RBV to develop a DFS regulatory framework, operational guidelines, and a consumer protection policy, culminating in the official launch of the “Operating Guidelines for Mobile Money Service Providers (MMSPs)” on 3 July 2025 at the 3rd National Economic Symposium in Santo.

**Developing National Strategy and Implementation Plan for Data Security and Data Privacy for Vanuatu:** About 15,000 Vanuatu workers travel abroad each year for seasonal work, making remittances vital, but access is difficult for many rural families due to centralized services and limited digital infrastructure. After the 2022 cyberattack, stronger data protection became a priority for digitizing remittances. At the request of the Department of Communication & Digital Transformation (DCDT), UNCDF developed a framework to secure remittance transactions, protect migrant workers, and prevent fraud; the final version has been accepted and is being finalized by DCDT, with an official launch expected in Q1 2026.

## ii) Indicator Based Performance Assessment:

	<u>Achieved</u> Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
<b>Indicator 1.1</b> Number of countries that measure the development of their digital economy (GEN2) <b>Baseline: 4 (2022)   Planned Target: 7</b>	7	<b>Target Achieved</b> Fiji, PNG, Samoa, Solomon Islands, Tonga, Timor Leste, Vanuatu	PDEP 2025 Annual Report
<b>Indicator 1.2</b> Number of national and regional forums established for regular dialogue on E- Commerce or the Digital Economy <b>Baseline: 1 (2021)   Planned Target: 12</b>	13	<b>Target Exceeded</b> <b>Through partnership with PIFs, four Regional Committees have been established</b> 1. Pacific E-Commerce Committee 2. Pacific E-Commerce Development Partners Sub Committee 3. Pacific E-Commerce Private Sector Sub-Committee 4. Pacific Regional Alliance <b>National Level Committees Established through PIFs Partnership:</b> 5. KI   6. VU   7. TV   8. PNG   9. TO   10. TL   11. FJ   12. SI   13. FJ sub committee	PDEP 2025 Annual Report
<b>Indicator 1.3:</b> Number of countries that endorse and / or launch their Digital and/ or E-Commerce. <b>Baseline: 0 (2022)   Planned Target: 8</b>	8	<b>Target Achieved</b> National E-Commerce Strategy: 1. SI   2. TO   3. SM   4. VU   5. CK   6. FJ   7. PG   8. KI	PDEP 2025 Annual Report
<b>Indicator 1.4:</b> Number of PICs whose policy makers and regulators received support to review, amend and implement policies, regulations and strategies affecting the digital economy. <b>Baseline: 2 (2022)   Planned Target: 8</b>	11	<b>Target Exceeded</b> 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 9. Cook Islands: Policy and Reg Framework 10. Tonga: NFIS Implementation	PDEP 2025 Annual Report

<p><b>Indicator 2:1</b> Number of eGovernment services piloted and/or scaled (incl G2P/P2G)  <b>Baseline: 1 (2022)   Planned Target: 5</b></p>	7	<p><b>Target Exceeded</b></p> <ol style="list-style-type: none"> <li>1. VU: Electronic Police Clearance Certificate mobile app</li> <li>2. VU: Electronic Police Clearance Certificate web app</li> <li>3. KI: G2P Digitization of Social Welfare Payments via ANZ</li> <li>4. SI: Launch of MobileFund nano-loan product</li> <li>5. VU: CRIM application digitization project</li> <li>6. KI: G2P using Mobile Wallets (Social Welfare Payments)</li> <li>7. FJ: Electronic Police Clearance Certificate</li> </ol>	PDEP 2025 Annual Report
<p><b>Indicator 2:2</b> Number of services piloted and/or scaled that focus on open banking, digital financial services, and payment networks and/or e-commerce platforms.  <b>Baseline: 5 (2022)   Planned Target: 15</b></p>	15	<p><b>Target Exceeded</b></p> <ol style="list-style-type: none"> <li>1. FJ: Cyberfoods App</li> <li>2. FJ: Makete Aggregator Platform</li> <li>3. FJ: Makete Mobile App</li> <li>4. SI: MM services via Our Telekom</li> <li>5. SI: E-Commerce Platform with Island Tech</li> <li>6. TO: Digicel Beehive E-Commerce Platform</li> <li>7. VU: Maua E-Commerce Platform with SkyEye</li> <li>8. FJ: MHITS and Vodafone: 08 May</li> <li>9. FJ: CyberFood Revamp Relaunch of Food Delivery Platform: 11 May</li> <li>10. TO: Alternative Credit Scoring Solution</li> </ol> <p>Regional Agent Network Project for Digicel in 4 PICs: FJ   TO   VU   WS</p> <p>15.VU: Growsmart – first ever digital wallet based savings product</p>	PDEP 2025 Annual Report
<p><b>Indicator 2:3</b> 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)  <b>Baseline: 2,570 (2022)   Planned Target: 831,154</b></p>	639,942	<p><b>Target Partially Achieved</b></p> <p>FJ (127,929+31352+1869+13340) TO (7,927+17+976+10265) SI (231,192+15300+233+224+162085) VU (5,165+2529+451+25444) WS (3,644)</p> <p>Total: 639,942</p>	PDEP 2025 Annual Report
<p><b>Indicator 2:4</b> Number of active users for services supported by the Programme that focuses on open banking, shared digital payment networks and/or e-commerce platforms.  <b>Baseline: 1,498 (2022)   Planned Target: 194,247</b></p>	174,430	<p><b>Target Partially Achieved</b></p> <p>FJ (41,015+22042+1122)   TO (3,335+110+5009)   SI (49,962+15300+233+224+56836)   VU (1,593+818+143+5817)   WS (1,844)</p> <p>Total: 174,430</p>	PDEP 2025 Annual Report
<p><b>Indicator 2:5</b> Number of last mile digital micro and/or meso infrastructure services piloted and/or scaled.  <b>Baseline: 1 (2022)   Planned Target: 7</b></p>	6	<p><b>Target Partially Achieved</b></p> <p>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.</p> <p><b>FJ:</b> Launch of FDB Chatbot</p>	PDEP 2025 Annual Report

		<b>SI:</b> Telekom Mobile Money Infrastructure	
<b>Indicator 2:6</b> Number of partnerships established with Digital finance providers, mobile network operators, government, and other actors to develop an inclusive digital economy. <b>Baseline: 15 (2022)   Planned Target: 33</b>	45	<b>Target Exceeded</b> Target here is cumulative across years. Of the 45, 14 new investment projects/partners were newly signed / implemented in 2025.	PDEP 2025 Annual Report
<b>Indicator 3:1</b> Number of partnerships established with co-working spaces, innovation hubs and acceleration programs to develop the digital economy. <b>Baseline: 1 (2022)   Planned Target: 7</b>	5	<b>Target Partially Achieved</b> 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. <b>FJ Innovation Hub:</b> Partnership with the Reserve Bank.	PDEP 2025 Annual Report
<b>Indicator 3:2</b> Number of new and improved innovative products and services piloted disaggregated by digital and non- digital and project focus. <b>Baseline: 6 (2022)   Planned Target: 21</b>	28	<b>Target Exceeded</b> <ul style="list-style-type: none"> <li>• Savings-led Instant Digital Loan (MobileFund) in SI</li> <li>• Digicel Micro Merchant Services piloted in FJ   TO   VU   SM</li> <li>• Improved MyCash App QR codes in FJ   TO   VU   SM</li> <li>• VU CRIM application digitization project launched.</li> <li>• KI G2P using Mobile Wallets (Social Welfare Payments)</li> <li>• KI G2P Scale of using Bank Accounts</li> <li>• VU: Growsmart – first ever digital wallet based savings product</li> </ul>	PDEP 2025 Annual Report
<b>Indicator 4:1</b> Countries where a survey is conducted on digital and financial literacy skills of Pacific Islanders <b>Baseline: 0  Planned Target: 9</b>	8	<b>Target Partially Achieved</b> Digital Financial Literacy Baseline Survey conducted in eight countries including <b>1.FJ   2.VU   3. SI   4.PG   5. SM   6.TO   7.TL   8. CK</b>	PDEP 2025 Annual Report
<b>Indicator 4:2</b> Number of targeted financial and digital literacy campaigns/initiatives for rural communities, women, MSMEs and seasonal workers <b>Baseline: 0   Planned Target: 160</b>	136	<b>Target Partially Achieved</b>	PDEP 2025 Annual Report
<b>Indicator 4:3</b> 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. <b>Baseline: 0   Planned Target: 2</b>	1	<b>Target Partially Achieved</b> Kiribati Institute of Technology (KIT) – Digital Financial Literacy Curriculum developed and approved	PDEP 2025 Annual Report
<b>Indicator 4:4</b> Number of people who have received capacity development support to improve their DFL knowledge and skills <b>Baseline: 0   Planned Target: 197,444</b>	195,725	<b>Target Partially Achieved</b> UNCDF   UNCTAD   PIFs Facilitated Events: 795+296 UNCDF Partner Supported Events: (RBF + SkyeEye + Digicel + Island Tech)	PDEP 2025 Annual Report

		<p>(10,649 + 173,263 + 271 + 34)  FJ RBF: 662+17+716  FJ Anti Scam Awareness: 938  VU SkyeEye: 38+30  TO Digicel: 34  FJ Digicel: 61  TO Digicel: 70  SM Digicel: 21  VU Digicel: 30  SI OurTelekom: 1,519  <i>SI Our-Telekom: 1,519 (Number of agents trained: Data provided by Fakhrol) + (50% of total new customers registered 231,192 customers trained as provided by Majidul (OurTelekom Lead) as the closest estimates). However this is not supported by the workplan activities in the signed agreement</i></p> <p>National Scam Awareness Week  Outreach Activities Aug- Oct: (267+29+34+37+18+4814)</p>	
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### 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.