Q1: TITLE OF CASE STORY
Pacific Financial Inclusion Programme (Phase 1)

Q2: CASE STORY ABSTRACT
The Pacific Financial Inclusion Programme (PFIP) aims to increase financial services among low income and rural households. It does this through activities such as designing financial literacy programs, developing the capacity of financial service providers and regulatory bodies and giving performance-based grants to financial service providers to develop and implement pro-poor financial services.

PFIP is jointly managed by the United Nations Development Programme (UNDP) and the United Nations Capital Development Fund (UNCDF). The programme is funded by the Australian Government, UNCDF, UNDP and EU Africa, Caribbean and Pacific Microfinance Framework Programme (EU/ACP). Australia provided around $10 million or 68 per cent of total funding for Phase 1, which started in 2008 and ended in June 2014. Phase 2 commenced in July 2014.
Q3: LONG DESCRIPTION OF THE CASE STORY

The goal of the Pacific Financial Inclusion Programme (PFIP) is to enhance financial inclusion in the Pacific – one of the least banked regions in the world. Planned outcomes included:

- improved national ownership and promoting financial inclusion;
- more people having access to financial services;
- better policies and programs for financial services developed for the poor; and
- program-initiated activities to be able to continue after Australia’s core funding finishes.

The first phase of the Programme had four output areas:
1) support and empower policy makers, donors and other stakeholders to make decisions, take coordinated action and allocate resources to promote financial inclusion;
2) support scalable, replicable and sustainable projects that deliver appropriate financial services to low-income people, small and micro-enterprises, including women and those in rural and remote areas;
3) create and share knowledge so the industry has access to local market intelligence and information on global best practices; and
4) build financial competencies and embed financial literacy in regional and national development strategies with replicable approaches that enable households to improve financial security and build economic opportunities.

PFIP research and projects are meant to be catalysts for investments, product design and financial inclusion activities. PFIP does this by generating a gap analysis for the country, in collaboration with key stakeholders and based on knowledge of the situation on the ground. The programme then identifies key constraints to the financial system and actively seeks out partners best positioned to offer solutions. PFIP then offers grants or technical assistance packages designed to assist and encourage the innovation necessary to introduce new ways of serving hard-to-reach populations.

The programme’s initial overall target was for 250,000 additional individuals and/or small and micro-enterprises in Pacific Island Countries (PICs) gaining access to one or more appropriate financial services by the end of 2011. As PFIP began approaching this target earlier than anticipated, the target and timeframe were adjusted to 500,000 additional individuals gaining access to services by June 2014.

PFIP delivered results against all four output areas in its first five years of operation. In 2008, interest in and activities around financial inclusion in the Pacific were in a developmental stage. PFIP paved the way for profound changes in the sector. It constructed the mechanisms necessary to establish appropriate regulatory frameworks and funded the development and widespread introduction of new products and technology-linked delivery channels. PFIP also introduced and scaled up the region’s first financial education initiatives and, through innovative research, became a thought leader in the region. The programme fine-tuned its internal expertise and developed best practices which will, in turn, inform the next phase of programming.

PFIP exceeded expectations in the development of replicable and scalable financial products and service innovations. As of December 2014, PFIP reported reaching a cumulative total of almost 556,000 mobile money subscribers and 390,000 depositors.

Results to date include:
- more than 450,000 people in Fiji, PNG, Solomon Islands, Tonga and Samoa now use mobile telecommunications to store and transfer money;
- the program helped more than 150,000 people access new savings accounts;
- Pacific financial inclusion is now country driven through national taskforces in Solomon Islands, Fiji and PNG; and
- more than 80 per cent of Fiji Social Welfare department welfare recipients received payments through a new low-cost bank account.

As PFIP transitions into its second phase (PFIP 2, 2014-2019), it will build on the successes, challenges and lessons learned during its first phase of operation.
Q4: Please add here web links to project/programme materials.
PFIP Website: http://www.pfip.org/
DFAT Website: Pacific Financial Inclusion Program

Q5: YOUR CONTACT DETAILS
Name: -
Ministry/Institution/Organization: Department of Foreign Affairs and Trade
Country: Australia
Email Address: aidfortrade@dfat.gov.au

Q6: FUNCTION
Public sector

Q7: FUNDING PARTNER Tick the appropriate box(es)
Multilateral organization

Q8: Additional information
Respondent skipped this question

Q9: START DATE OF PROJECT/PROGRAMME
2008

Q10: STATUS OF PROJECT/PROGRAMME
On-going

Q11: DURATION OR, IF ON-GOING, EXPECTED DURATION OF PROJECT/PROGRAMME
More than 5 years

Q12: COST OF PROJECT/PROGRAMME
US$10-20 million

Q13: Additional information
Respondent skipped this question

Q14: TYPE OF FUNDING FOR PROJECT/PROGRAMME
Grant

Q15: PROJECT/PROGRAMME TYPE
Regional
Q16: SINGLE COUNTRY/CUSTOMS TERRITORY
Respondent skipped this question

Q17: REGION (If the region does not appear in the drop down menu, please enter manually.)
Pacific Islands

Q18: MULTI-COUNTRY (Enter all countries or customs territories)
Respondent skipped this question

Q19: CASE STORY FOCUS
Tick the appropriate box(es)
REDUCING TRADE COSTS FOR MERCHANDISE GOODS,
Improving access to trade finance,
REDUCING TRADE COSTS FOR SERVICES,
Improving skills levels in service sectors

Q20: HOW SUCCESSFUL WAS THE PROJECT/PROGRAMME
Tick the appropriate box(es)
Very successful

Q21: WHAT WERE THE OUTPUTS OF THE PROJECT/PROGRAMME
Tick the appropriate box(es)
New trade finance scheme,
Services sector skills,
Other (please specify)
Improved access to financial services and financial literacy
**PUBLIC SECTOR CASE STORY TEMPLATE**

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<tr>
<th>Q22: Additional information (maximum 300 words)</th>
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<th>Q23: WHAT WERE THE OUTCOMES OF YOUR PROJECT/PROGRAMMETick the appropriate box(es)</th>
<th>Increase in trade finance available, Reduction in cost of financing of trade finance, Other (please specify) Improved access to financial services</th>
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<td>Q24: Additional information (maximum 300 words)</td>
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<th>Q25: WHAT WERE THE IMPACTS OF THE PROJECT/PROGRAMMETick the appropriate box(es)</th>
<th>Increase in remittances, Other (please specify) Increased financial services to Pacific Island Countries</th>
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<td>Q26: Additional information (maximum 300 words)</td>
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<th>Q27: LESSONS LEARNT Tick the appropriate box(es)</th>
<th>Importance of alignment between different development partners in programming, Importance of engagement by private sector, Importance of attention to long-term sustainability, Importance of political will and commitment by project partner</th>
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<td>Q28: Additional information (maximum 300 words)</td>
<td>Respondent skipped this question</td>
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<td>Q29: PROJECT OR PROGRAMME MONITORING AND EVALUATION FRAMEWORK Tick the appropriate box(es)</td>
<td>M&amp;E framework used</td>
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