

United Nations Development Programme
Region: Asia and the Pacific
Joint Project Document
PACIFIC FINANCIAL INCLUSION PROGRAMME

UNDP Global Strategic Plan Expected Outcome : The Programme will contribute to “Policies, strategies and partnerships established to promote public-private sector collaboration and private sector and market development that benefits the poor and ensures that low income households and small enterprises have access to a broad range of financial services”. **Indicator:** Number of clients that have sustainable access to quality financial services at an affordable cost from financial service providers that are supported by UNDP or UNCDF, working in partnership with other donors.

Programme Expected Outputs/Annual Targets: (i) Constraints to building an inclusive financial sector addressed as needed to facilitate access to financial services (2 PICs per year); (ii) Demand driven knowledge products & market intelligence to inform product development, influence regulatory modernization & facilitate policy choices (5 in yr 1, 5 in yr 2, 4 in yr 3, 4 in yr 4); and (iii) Increase number of active clients of 8 selected FSPs delivering sustainable financial services to rural and low income women and men and micro-entrepreneurs (2 FSPs/yr from yr 1 to yr 4).

Executing Entity: UNDP Pacific Centre and UNCDF

The Programme aims to play a catalytic role in expanding access to financial services to 80% of the region’s population who are excluded, comprising of predominantly rural and low income women and men and micro-entrepreneurs. The Programme will do this through the creation of knowledge and its dissemination among policy makers, regulators, banks, non-bank financial institutions, telecommunications operators and other players to overcome challenges in financial service delivery to vulnerable groups and by providing performance-based support to FSPs to implement pro-poor financial services. Lessons from pilot projects will feed back into knowledge creation and dissemination. The Programme will position itself as a strategic facilitator of these partnerships and seeks to add value by helping to accelerate progress in creating inclusive financial sectors in the Pacific in partnership with governments, FSPs, PIFS, SPC, UNCDF, EU/ACP, UNDP Regional Centres & COs, other UN Agencies and donors.


Programme Period: 2008 - 2011
 Joint Project Title: Pacific Financial Inclusion Programme
 Atlas Award ID:
 Start Date : 1 Jan 2008
 End Date : 31 Dec 2011

 LPAC Meeting Date :
 BPAC Meeting Date :
 Fund Management Option: Combination Parallel/Pass through
 Managing or Administrative Agent: UNDP

| | |
|-----------------------------------|--------------|
| Total Resources Required | \$5,000,000 |
| Total Allocated resources: | \$2,050,000 |
| • Government | - |
| • Regular | \$ 250,000 |
| • UNCDF | \$1,250,000 |
| ○ Donor (EU/ACP) | \$ 550,000 * |
| ○ Donor | - |
| ○ Donor | - |
| Unfunded budget: | \$2,950,000 |
| In kind contributions | - |

* Based on Nov 2007 exchange rate. EU/ACP contribution is Euro 400,000 and will be converted to USD at the time of disbursement.

Agreed by UNDP:

Agreed by UNCDF : 

Agreed by Government :

Henriette Keijzers,
 Executive SECRETARY, A.C.T.



LIST OF ACRONYMS

| | |
|---------------|---|
| ADB | Asia Development Bank |
| ADB/PSDI | ADB Privates Sector Development Initiative |
| ADFIP | Association of Development Finance Institutions in the Pacific |
| AusAID | Australia Assistance for International Development |
| CGAP | Consultative Group to Assist the Poverty |
| ECF | Enterprise Challenged Fund, AusAID |
| ESCAP | Economic and Social Commission for Asia and Pacific |
| EU/ACP | European Union/Africa, Caribbean and Pacific Microfinance Programme |
| FDC | Foundation for Development Cooperation |
| FEMM | Forum Economic Ministers Meeting |
| FSSA | Financial Services Sector Assessment |
| IC | Investment Committee |
| IFC | International Finance Corporation |
| LDC | Least Developed Country |
| MFI | Microfinance Institution |
| MPN | Microfinance Pasifika Network |
| NZAID | New Zealand Assistance for International Development |
| PFTAC | Pacific Financial Technical Assistance Centre |
| PICs | Pacific island countries |
| PIFS | Pacific Forum Islands Secretariat |
| PITA | Pacific Islands Telecommunications Association |
| PIPSO | Pacific Islands Private Sector Organisation |
| PRCM | Pacific Resource Centre for Microfinance |
| RCB | Regional Centre Bangkok, UNDP |
| RCC | Regional Centre Colombo, UNDP |
| SIG/RFSF | Solomon Islands Rural Financial Services Fund |
| SPC | Secretariat of the Pacific Community |
| UNCDF | United Nations Capital Development Fund |
| UNDG | United Nations Development Group |
| UNDP | United Nations Development Programme |
| UNDP CO & MCO | UNDP Country Offices, Multi-Country Offices |
| WBG | World Bank Group |

PART 1: SITUATION ANALYSIS¹

Financial Services for Low Income People is a Financial Sector Issue

1. Financial inclusion is a development vision in which low income and disadvantaged women and men living everywhere in a country enjoy permanent access to a wide range of financial services, delivered by different types of financial and non-financial institutions through a variety of convenient mechanisms. Improving the access by large numbers of disadvantaged women and men to sustainable financial services is now recognized as a financial sector development issue requiring systemic change of the formal financial system to overcome the barriers that have excluded the majority of the population. Financial sector development has both a direct and indirect impact on reducing poverty because, firstly, of the link between financial sector development and more equitable growth and, secondly, through its impact in broadening access to finance by all.

2. An inclusive financial sector can be characterized by:

- Access by all bankable households, including women, and enterprises to a full range of financial services at a reasonable cost, including savings, short and long-term credit, mortgages, insurance, pensions, payments, local money transfers, international remittances, leasing and factoring;
- Soundness of institutions, which is maintained through performance monitoring by stakeholders and, where required, sound prudential regulation;
- Financial and institutional sustainability as a means of providing access to financial services over time;
- Multiple providers of financial services, wherever feasible, to bring cost-effective alternatives to customers, including sound private, non-profit and public providers.

Financial Exclusion in the Pacific

3. UNDP² estimates that around 6.5 million Pacific islanders, representing 80 % of low income people living in urban, peri-urban and predominantly remote villages and islands scattered across an ocean area covering 1/3 of the world's surface, do not have access to both formal and informal financial services. As a consequence, the majority of people who are excluded are not able to achieve their full economic potential and are denied the opportunities to attain a productive and dignified living.

4. Those excluded, and the impact of their exclusion, are summarized in the accompanying table. They represent the groups which will benefit from this programme.

¹ See Financial Services Sector Assessment of Pacific LDCs, UNDP, UNCDF & EU/ACP, June 2007
<http://www.uncdf.org/english/microfinance/sectorDev/index.php#assess>

² Banking the Unbanked in the Pacific, J Liew, UNDP Pacific Centre (2005), Paper presented to the World Bank Conference on Building Inclusive Financial Systems, Washington DC, May 2006

| Excluded Groups | Estimated Scale | Impact of Exclusion |
|--|--|---|
| Women & men living in rural villages & remote islands engaged in intermittent income earning activities – primarily handicrafts & food preparation for women & agriculture & fishing for men | 60 % – 80 % of population | No safe savings to manage what little is earned, leading to high consumption spending. No access to credit to smooth consumption or take advantage of income earning opportunities. Face difficulties paying for education & health services (if available). |
| Women, men, youth & children everywhere with no or low levels of financial knowledge and competencies | 80 % - 90% of population | Because of low financial literacy, they are considered by majority of commercial FSPs as not bankable. Without immediate intervention at community & school level, the problem will continue to be inter-generational. Experience of the ANZ Bank/UNDP Banking the Unbanked initiatives in Solomon Islands & Fiji shows that financial literacy better equip people to maximize use of banking service, generates demand for other products & sustains demand. The greatest impact at household level is felt when there is a convergence of banking service and financial literacy training. |
| Rural households engaged in permanent production – copra, cocoa, seaweed, kava food crops | 10 % - 50 % of rural population | No efficient payment systems. No safe savings and credit. Incur high cost to ship or accompany produce to town. Tend to spend all earnings before going home. Although earning, they face financial difficulties in meeting customary obligations, paying school fees, seeking medical care, improving dwellings & procuring inputs for production. |
| Public employees out-posted to rural areas | Significant – as one wage worker, on average, supports up to 20 persons. | They can spend between 30% to 50% of their wage packet to receive it. Erosion of income affects quality of life. As most are teachers and health workers, the need to travel to nearest bank branch results in missed work & lapse of service to community |
| Rural households that receives money from relatives working in towns and overseas | Significant – total annual overseas remittances to Pacific estimated at \$425 m | They can spend between 30% to 50% of the amount remitted to travel to nearest bank branch or agent. Similarly, the transaction cost to persons sending money (usually in cash) is very high, often finding someone reliable who is traveling. Overseas workers spend between 15% - 50% in fees to send money home in the Pacific. |
| Women and men engaged regularly in running a micro-enterprise in peri-urban and urban areas. They commonly earn below the poverty line or are most vulnerable to poverty | Significant – with urbanization growing at 20% annually in Pacific & growth of urban poverty | While living in proximity to banks, they don't qualify for access or are intimidated by formality. No safe savings to build lumpsums to meet higher costs of urban living & to build assets. No credit to smooth consumption, to expand micro-enterprises & to enter formal economy. Household are very vulnerable to sickness & death of income earner with absence of savings or micro-insurance. |
| Women with no current income or living under \$1 per day – typically living in informal settlements around in rural & urban population centres where potential for income generation exists | Significant – 40% - 60 % of women in poor households in peri-urban and urban areas | Access to responsive microfinance services can significantly improve the economic status, self-esteem and household well-being of poor women. MFIs like SPBD (Samoa) & VANWODS (Vanuatu) service exclusively poor women. VANWODS impact evaluation in June 2007 showed average savings of \$450; 97% of clients have business compared to 28% prior to joining; profits grew by 60% for long-term (5 years or more) clients; for long-term clients, 100% of female & male children attend primary school & 90% female & 100% attend secondary school. The sustainability and growth of such institutions are critical to the on-going well-being of poor women. |

5. The meager 20% coverage reflects both the formidable challenges that financial service providers face as well as the economic inefficiency of the infrastructure and systems providers use to deliver financial services. Traditional approaches to financial service delivery have been ineffective, largely because of inefficiencies in transport and communications infrastructure, payment system infrastructure, conventional financial institution models, service delivery models, and a general lack of understanding about the cash flows of rural households and producers.

6. Geographic isolation, demographic dispersion, limited income-generating opportunities, financial illiteracy and traditional socio-economic structures create formidable challenges for the delivery of financial services in PICs. The financial service access frontier has been defined primarily by the limits of traditional institutional models that rely on economies of scale to cover the costs of vertically integrated organizations. As a result, financial service providers, including commercial banks and microfinance initiatives, have struggled to find viable economies of scale outside of principal cities and rural population centres across the region.³

The Regional Policy Environment for Pro-poor Financial Services

7. At the Forum Economic Minister Meeting (FEMM) in 2004 Ministers considered the issue of microcredit. They noted success amongst microcredit schemes in the Pacific and endorsing their continued development. Pacific Islands Forum Secretariat (PIFS) was requested to work with others to develop a report on the success of microcredit schemes, including case studies. UNDP and PIFS prepared a regional study on *Successful Microfinance in the Pacific: Achieving Financial Inclusion* which introduced the concept of financial inclusion to FEMM 2006. The recommendations on priority actions to extend access to financial services for the majority of their populations were officially distributed to member countries.

8. While at this high level of collective policy articulation, regional governments acknowledge the importance of building inclusive financial systems, at the country, however, governments of PICs, with exception of PNG, have focused most of their attention on credit initiatives and state-owned development banks. In order to support member countries to identify key constraints and opportunities for overcoming financial exclusion, UNDP, UNCDF and EU/ACP Microfinance Programme conducted a Financial Services Sector Assessment (FSSA) of the 5 Pacific LDCs⁴ in 2007. This programme draws on the findings of the FSSA as well as country-level research and extensive consultations with national and regional stakeholders in the 5 LDCs as well as non-LDC countries.

The Regulatory Environment

9. With the help of the ADB, the governments of the Solomon Islands, Vanuatu and Samoa have launched comprehensive initiatives to establish a legal, judicial, and institutional framework for using moveable property as collateral in loan contracts. This is extremely important because of the complex problems associated with land titling and liens. Ability to pledge personal property that is not real estate is especially important to the poor, and especially women, since they have less access to land titles. Measurable results will come far on the horizon but these initiatives represent sound policy for building more inclusive financial systems.

10. The regulatory environments of LDCs and non-LDCs are generally conducive to commercial banking and financial services. However, there are several issues that will need to be addressed as financial service providers (FSPs) work out new channels for reaching the unbanked. Some challenges include “Know Your Customer” rules that require banks to collect and verify identification documentation on customers are creating barriers to access in majority of PICs. These barriers will become increasingly evident as banks expand services to poorer populations. Prudential regulations related to the role of third-party agents that conduct transactions on behalf of

³ Financial Services Sector Assessment of Pacific LDCs, UNDP, UNCDF & EU/ACP, June 2007

⁴ The 5 Pacific LDCs are Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuatu

banks will become increasingly important to pro-poor initiatives as they will likely play an important role in expanding services beyond the scope of bank branches. Caution about allowing unlicensed institutions to mobilize deposits is well-grounded in international standards for prudential regulation. However, unlicensed organizations like VANWODS Microfinance (Vanuatu) and SPBD Microfinance (Samoa) have proven to be the most effective financial service providers at reaching unbanked populations with credit. Future partnerships between these organizations and banks may spawn innovative savings service delivery channels for the unbanked.

The Supply of Financial Services

11. Commercially viable banking has been largely confined to large population centres. Bank lending practices are generally timid. Bank managers report that there are few 'bankable' projects. Collateral requirements are generally conservative. This imposes significant restrictions on lending because land titles in the region are rarely secure enough to serve as collateral. Banks have begun to experiment with branchless delivery models and some of these early stage initiatives are showing potential for extending services well beyond the current access frontier. The impact of these developments is small when measured by numbers of clients served but they represent, nevertheless, the most likely drivers of pro-poor services from the banking sector.

12. Pacific island governments have experimented with various credit delivery schemes. Repayment performance is generally perceived to be poor and in any case the initiatives are short-lived. These programmes are typically housed in some public sector institution for their duration and are not designed to create sustainable institutions. Many of the government-owned development banks of the region have collapsed or have undergone major restructuring and are credit driven.

The Demand for Financial Services

13. Precise assessments of demand are impossible in markets where supply is constrained or the population is uninformed about the possibility of services they have never encountered. It is possible, however, to interpret the potential demand that is reflected in current consumer behavior and in their response to pilot initiatives. Consumer responses to savings options, for example, provide some clues about broader demand for the service. Broadly speaking, there are indications that people are eager to access savings instruments when they can do so readily and without great cost.

14. The demand for credit is more complex. Just because people borrow and repay loans does not mean that they realise a net benefit from the transactions. In Samoa, consumption borrowing is wide spread. Banks report that many salaried workers maintain loan obligations that consume their entire pay packet. In the four archipelagic countries, the question about borrowing capacity arises more from the economic conditions that prevail in remote areas.

15. The demand for person-to-person transfer services is very evident in all of the countries. All of the countries receive significant foreign remittances from nationals living abroad. This money is transferred back to relatives by various channels, most of them expensive and unreliable. Domestic remittances are likely even more important.

Opportunities for Extending the Access Frontier

16. The access frontier has been defined primarily by the limits of traditional institutional models that rely on economies of scale to cover the costs of vertically integrated organisations. Banks, non-profit organisations and credit unions have all attempted to create organisations that perform all of the functions related to financial service provision and organisational management. Reliance on branch-based service channels is another limiting factor. As a result, financial service providers have struggled to find viable economies of scale outside of principal cities and remote populations have developed other mechanisms for managing their cash resources. The current reach of financial services is a reflection of the limits of branch banking.

17. However, new technologies are creating opportunities for extending the access frontier beyond the limits of branch banking. Emerging information and communications technologies are creating new opportunities in the areas of branchless banking, specialized organisational models, and product innovation. Moreover, most of these technologies are provided by telecommunications companies that are well positioned to participate in ventures to provide financial services to their mobile phone clientele. This process is already advancing rapidly in Vanuatu and Samoa. Collectively, these opportunities demonstrate that the access frontier is no longer defined by branch locations; the reach of telecommunications technology now defines the access frontier.

Supporting Financial Inclusion in the Pacific

18. Telecommunications technology is creating new opportunities to extend financial services to the unbanked. However, it is important to note that the actors that are positioned to exploit these opportunities are different in significant ways than the usual stakeholders in traditional development finance initiatives. They also lack access to pertinent knowledge and capacity development support. The champions of the new initiatives will come from a diverse cross-section of private, non-governmental and public sector players and create partnerships out of very different business models and social and economic motives. In simple terms, the key players that will push the access frontier are unassociated. Affecting change in the financial markets in the Pacific will require catalytic agents that identify and support champions of innovative initiatives, and make connections between these champions and stakeholders in other Pacific countries and contexts.

Current UNDP and Donor Programmes

19. Both ADB and UNDP are actively supporting commercial microfinance services. In PNG, ADB has set up the Microfinance Competence Centre to strengthen the sector and has led to an emerging microfinance industry comprising of licensed microfinance banks, loans and savings societies and NGO microfinance providers. ADB is partnering with the National Bank of Vanuatu on rural microcredit and electronic rural banking. UNDP has partnered with ANZ Bank to bank the unbanked in the Pacific which has seen mobile vehicular rural banking services piloted in Fiji and now replicated in Samoa, Solomon Islands, Tonga and Vanuatu with a combined outreach of 75,000 new accounts. These partnerships with commercial banks are particularly significant as they are validating a new strategy in extending the financial services frontier in the Pacific.

20. AusAID has launched the Enterprise Challenge Fund to provide risk-sharing grants to private businesses to implement business propositions with strong pro-poor and BEE outcomes. The ECF will operate in Fiji and PNG and then rolled-out in Vanuatu and Solomon Islands. The ECF represents a key strategic partner for this programme and efforts will be made at all levels to develop programming synergies.

21. In 2006, Microfinance Pasifika Network (MPN) was established, comprising of MFIs, commercial banks and donors supporting microfinance, to provide a platform for sharing knowledge, set performance standards and to provide a collective voice for microfinance practitioners and stakeholders in advancing the fledgling microfinance industry in the region. With UNDP support, MPN has developed a web-based portal to house the Pacific Resource Centre for Microfinance (PRCM) as the region's microfinance knowledge manager.

22. PIFS continues to play a key role in facilitating regional consensus and actions towards more inclusive financial sector policies and has supported microfinance training with BRI. Its work in telecommunications policy and regulatory modernization is seen as critical to bringing rural communities into the mainstream financial sector. The Secretariat of the Pacific Community (SPC) is taking the lead role in 2 important regional digital divide initiatives. The Pacific Rural Internet Connectivity Project (RICS) which plans to install 100 VSAT rural stations across the region holds real potential for testing the feasibility of extending ICT-enabled rural banking. UNDP has initiated

discussions on collaboration. The One Lap Top Per Child Project (OLPC) could prove effective in the delivery of financial education to rural children.

23. Limited financial literacy, among women, men and youth, is cited as a significant constraint on demand for financial services. UNDP has led the work on financial literacy training in the region and programmes are operating in Fiji and Solomon Islands and is about to start in Tonga, Kiribati, Tuvalu and Vanuatu. A survey is currently being carried out to measure the impact of ANZ rural banking and financial literacy training on rural households in Fiji. The results, including differentiation of responses by female and male financial actors, is expected in the first quarter of 2008. Remittances have now reached \$450 million per year to the Pacific but fees remain high from 15 % to 50%⁵. With overseas government-sponsored temporary work programmes becoming more significant, pre-departure training of migrant workers on financial knowledge will enable them to better save, invest and make informed choices between payment transfer services.

24. A microfinance gap analysis of the 5 LDCs is presented in Annex 6, identifying current constraints, needs, support programmes, gaps and responses from the programme.

PART 2: STRATEGY

Regional Dimension

25. The programme outputs are aligned to the Pacific Plan and FEMM action priorities and these regional development policy platforms are strategic entry points for the programme. The programme will contribute to the Pacific Plan Economic Growth objective “to improve income earnings and livelihoods through better access to goods, services, employment and other development opportunities”.

26. Because of the similarity of constraints faced by many PICs – for example geographical isolation and small population size; low levels of financial competencies - comparative analysis across countries with similar challenges will facilitate solutions sharing, identifying sub-regional approaches, explore cross-boundary ICT-enabled solutions and leading to economies of scale in delivery of interventions by the programme.

27. Knowledge creation and targeted dissemination to empower industry champions is a key strategy. Knowledge created will be managed by the Pacific Resource Centre for Microfinance of the Microfinance Pasifika Network. Continued capacity development and partnership with MPN will create a regional community of practice and ensure that knowledge created by the programme is permanently available to all.

28. A regional programme support facility will provide performance-based assistance to eligible FSPs⁶ to implement pro-poor financial services, products and use of new delivery channels. These successful models of pro-poor financial innovations, collectively, will act as centres of excellence for facilitating learning and regional replication. Business models that will have the greatest impact across the region will take advantage of economies afforded only through a region-wide market and by tapping opportunities provided by regional satellite coverage and networks.

Programme Strategy and Activity Clusters

⁵ World Bank, PACNEWS, 13 September 2007

⁶ Eligible FSPs include, but not limited to remittance companies, NGO microfinance institutions, commercial banks, regulated microfinance service providers, credit unions, development financing institutions, non-bank financial institutions, telecommunications providers facilitating fund transfers etc.

29. The Programme aims to play a catalytic role in expanding access to financial services for rural and low income women and men and micro-entrepreneurs in the five Pacific LDCs and 10 non-LDCs. The Programme will do this through:

- Generating and disseminating knowledge to implementation partners and stakeholders (including but not limited to financial and telecommunications regulators, policy makers, FSPs, financial literacy providers, microfinance support organisations and networks) to identify lower segment financial markets and to raise awareness on innovation in ICT-enabled delivery channels, product development, institutional models and regulatory modernization that benefit rural and low income women and men and micro-entrepreneurs.
- Active advocacy at regional policy level on removing constraints to financial inclusion, nurturing of regional networks and facilitation of partnerships to forge new financial services delivery channels, product development, ongoing knowledge management and financial and telecommunication policy modernization supporting pro-poor and gendered financial services experimentation.
- Catalytic funding support to solidify partnerships and build capacity of actors to design and implement viable models for delivering financial services to rural and low income women and men and micro-entrepreneurs.
- Generate a demonstration effect and feed back lessons learned into knowledge creation and dissemination through a deliberate effort to learn from the experience

30. The programme aims to position itself as a strategic facilitator of key partnerships to add value by helping to accelerate progress. The actors that will be engaged by the programme are not homogenous and do not have a history of forming partnerships (like telcos and banks; MFIs and banks, donors and telcos/banks etc). As a result of this, the programme has to be dynamic, flexible and opportunistic. This diversity of actors will require the programme to take an activist approach in the execution of the programme.

Programme Outputs

31. Through the combination of the above 4 mutually reinforcing strategies, the programme will seek to achieve the following outputs:

- Replicable projects, acting as regional network of demonstration and learning models, delivering financial services to women and men living and working in rural villages and remote islands and low income people and micro-entrepreneurs everywhere, showing improved pro-poor targeting and women empowerment and overall improvement in levels of efficiency, outreach and sustainability;
- The industry has access to knowledge and market intelligence on the demand for and supply of financial services - including ICT-enabled delivery channels and products, reliable information about rural cash flows and supply chains, economic opportunities, financial competency building approaches, gender dimension of financial exclusion, new institutional models, financial and telecommunication regulation modernization;
- Pacific Resource Centre for Microfinance (of the Microfinance Pasifika Network), a virtual web-based portal, acting as knowledge manager and gate-keeper of best practices for the region:

- New partnerships formed, especially between FSPs and telecom operators, and engaged in pilot business propositions demonstrating new delivery channels, products and institutional models;
- Regulatory framework (financial and telecommunication sectors) allows experiments and policymakers understand importance of removing constraints in the enabling environment to support new delivery channels and institutional models; and
- Lessons from pilot pro-poor and gendered financial services models are documented and project briefs/documents developed to facilitate replication of results by national governments, state and private FSPs and telcos, donors and UNDP Country Offices.
- Financial services development for rural and low income women and men and micro-entrepreneurs integrated into overall financial sector strategies and action plans at regional (including FEMM and the Pacific Plan) level and filtering to sub-regional and country level:
- Improved coordination, collaboration and linkages forged with donors, engaged in financial sector development, to optimize impact on vulnerable groups. Engage CGAP to ensure lessons learned and best practices from global branchless banking pilots are utilized.

Linkages with UNDP Country Programmes

32. The analyses of past performances and future needs conducted through the United Nations Development Assistance Framework (UNDAF) and Country Programme Action Plan (CPAP) in the Pacific identified emerging demands from Pacific island countries for technical advisory support to include: MDG-based national development strategies; preparation of national gender mainstreaming strategies; public sector reform; inclusive governance; CSO capacity development; national aid management; private sector development; environment management; and, energy service delivery.

33. UNDP Fiji and Samoa MCOs have identified priorities in the areas of (i) improved enabling environment for trade facilitation and development; (ii) income generation and employment opportunities created for vulnerable groups (women and youth); and (iii) enhanced financial competencies of vulnerable groups (rural and urban women and youth). Planned country programs in financial literacy training are particularly strategic in building the foundation for achieving inclusive financial sectors and will generate demand and encourage innovation by FSPs that can be supported by the regional programme. UNDP Country Programmes provide an important vehicle for more intensive efforts to remove constraints in the enabling environment and the scaling-up and replication of successful pilot projects supported by the programme.

Cross-Practice Linkages and Synergies

34. In designing, implementing and monitoring the programme's activities and outputs, it will identify deliberate and clear linkages with the other Pacific Centre's core programmes in Democratic Governance, Crisis Prevention and Recovery and Poverty Reduction and MDGs. The potential areas of mutual complementarity are shown in the accompanying matrix.

| Governance | CPR | MDGs |
|---|---|---|
| Local government strengthening and service delivery can provide safety net to people falling out of or not targeted by PFIP | Microfinance as tool for disaster and conflict preparedness & during recovery to rebuild household & community assets and create sustainable livelihoods | MDGI – integration of MDGs in national plans and budgets provides entry point for mainstreaming financial inclusion strategies |
| Local area poverty profiling will help identify vulnerable groups & facilitate M&E of impact on rural women & men | Policy platforms for conflict prevention and DRM affords opportunity for targeted advocacy on exclusionary factors that leads to inequity and threats to security | Poverty analysis will help identify vulnerable groups (and women) and financial exclusion indicators can be integrated into HIES. |
| Access to parliaments for sensitization legal reform that supports financial inclusion | | Research on exclusion of women and other vulnerable groups adds to body of knowledge to aid poverty analysis and poverty reduction policy development |
| Human rights frameworks and institution strengthening can provide support to advocacy work for creating inclusive financial sectors | | Financing and microfinance models for promoting renewable energy and sustainable resource use. |
| Prepare good practice notes on legal & regulatory modernization that are conducive to financial inclusion | | Entrepreneurship & financial education in school curriculum contributes to overcoming financial exclusion |
| | | PIPSO & regional business forum as effective vehicles for partnership building, advocacy & knowledge dissemination |

Legend

LED BY RESPECTIVE PRACTICE TEAM

LED BY PFIP

35. The knowledge created by the programme will also contribute to the growing role of the Pacific Centre as a regional knowledge centre. The programme team will work with the UNDP Regional Centres in Bangkok and Colombo to facilitate cross-centre and cross-thematic knowledge sharing in the area of financial inclusion. Through joint work planning, the PFIP can also draw on the expertise of the UNCDF Financial Inclusion Advisor for Asia based in the Colombo regional centre.

Human Rights Based Approach and Gender Mainstreaming

36. The programme will give specific emphasis to improving service delivery to the majority of Pacific islanders who are excluded from the financial system because they live in rural and remote communities, whose low level of income is assumed as unbankable by largely commercial banks, who are not financially literate, who are predominantly rural women without ownership rights to assets and who are female and male micro-entrepreneurs operating in the informal sector outside the protection of the law.

37. To ensure gender is mainstreamed into the design of specific interventions, implementation and monitoring and evaluation, the following actions will be made integral to programming:

- Stakeholders (including direct and indirect beneficiaries and affected parties), wherever practical, will participate in shaping the scope and terms of reference of all major research and independent evaluations to be undertaken and cost-effective mechanisms will be put in place for the meaningful participation of all stakeholders;
- Output targets and indicators will, wherever applicable and when data is available, be disaggregated by sex, location and vulnerable groupings and monitoring and reporting mechanisms put in place to measure respective benefits.

38. The programme strategy centres on the active engagement and participation of institutional partners and vulnerable groups in overcoming barriers to financial exclusion. The accompanying table highlights how the outputs and activities of the programme, in building an inclusive financial sector, can positively impinge on duty-bearers (governments, regulators, financial service providers) and rights-holders (excluded women and men).

FINANCIAL INCLUSION & HUMAN RIGHTS & GENDER MAINSTREAMING

| OUTPUTS & ACTIVITIES | DUTY BEARERS | RIGHTS HOLDERS |
|---|--|--|
| Financial inclusion integrated in formal financial sector development and poverty reduction plans | Financial sector in PICs adopt policies & strategies to be more inclusive of the 80% of region's people excluded - women and men living and working in rural villages and remote islands and low income people and micro-entrepreneurs everywhere, especially those living in peri-urban and urban informal settlements with majority of women in informal trading | |
| Regulatory modernization allowing pro-poor financial services innovation | Banks & other FSPs are more ready to invest in services & products for lower segment markets. Examples of regulatory modernization (supported by various donors) include : alternative anti-money laundering know-your-customer rules for rural and poor people; protection of poor people's savings (including recognition that women are better savers); use of movable assets & chattels as collateral is inclusive of the poor & micro-entrepreneurs; speeding up judicial process for debt recovery lowers risk of lending to low-income people | Conducive policy & regulatory environment for women and other vulnerable groups to exercise their rights |
| Market information on lower segment markets & successful models for serving women, micro-entrepreneurs & other vulnerable groups provided to FSPs | FSPs consider that rural & low income people are bankable. Change in corporate mindset of FSPs to the opportunities of serving lower segment markets. In particular to understand & tailor products to the financial dynamics specific to women, rural households, micro-entrepreneurs. | The programme's research methodology incorporates mechanisms for meaningful participation of women and other stakeholders to assess their own situation & to offer solutions tailored to their needs. |
| Financial literacy programmes | Financial illiteracy is a major constraint to demand for financial services. Financial capability building of vulnerable groups makes them more market-ready for banks and other FSPs to more efficiently serve them. | Lack of financial literacy self-excludes many from the financial system. Improved financial capabilities empower vulnerable people with money management knowledge & to know their rights as customers & consumers; able to make choices on financial products & costs; are less prone to predatory lending & get-rich quick pyramid schemes |
| Grant support to pilot projects serving vulnerable groups | Successful pilot projects provide inspiration and model for change in business behaviour by FSPs to the economic opportunities of serving lower segment markets | Women and other vulnerable people have access to responsive & affordable financial services. Access to safe savings, micro-insurance, payment systems and credit better enable women and other vulnerable to exercise the rights to education & health. |
| Projects showing improved levels of | | More women & vulnerable people have access to cheaper financial services & delivery |

| | | |
|---|---|---|
| efficiencies, outreach & sustainability | | channels to improve their livelihoods. Focus on sustainability builds permanence of services to vulnerable groups. |
| Monitoring & Evaluation | A financial inclusion policy framework encourages reporting by financial regulators and FSPs of progress towards extending financial services to women & vulnerable people. | Participatory assessment methodologies will be employed to enable beneficiaries and those negatively affected to provide a balanced evaluation. Ameliorate negative unintended impacts during design, implementation and M&E and assist those who are not directly targeted by the programme to access other areas of relevant support. |

Donor Coordination and Collaboration

39. Donors actively supporting private sector and financial sector development meet 3 times a year to share information, promote common approaches and strengthen collective efforts. They currently comprise of AusAID, World Bank Group, ADB, NZAid, EU/IEB and UNDP. The programme will seek to form substantive collaboration with relevant donor programmes and be conscious not to duplicate actions or impact negatively on each others work. The programme's multi-donor Investment Committee, that approves grants to FSPs, will provide the opportunity for donors to participate as funder and partner in supporting pro-poor financial innovations and, at the same time, strengthen alignment of their respective programmes.

40. At the global level the Programme will seek collaboration with CGAP's Technology Programme for the implementation of new technologies and identifying the conducive legal & regulatory framework to balance the facilitation of access to finance and protect the financial system. The Programme envisages to draw lessons learned from the global Technology Programme and also feed it with experiences in the Pacific.

Resource Mobilization Strategy

41. UNDP, UNCDF and EU/ACP will contribute a combined total funding of \$2.05 m towards the total programme budget of \$5 m. The available funding of \$2.05 m will be allocated towards the first 2 years of implementation to ensure that planned activities and outputs are fully accomplished. UNCDF's resources will be dedicated to the five (5) LDCs. UNDP, in addition to the \$250,000 core contribution, will undertake to allocate the initial amount of \$1.0 m from the Pacific Centre's non-core resources towards the programme budget.⁷ This amount is included in the \$2.95 m overall resource mobilization target for PFIP. Concurrently, the programme will begin concerted efforts to forge cost-sharing partnerships to mobilize the remaining balance from other donor partners. Ensuring timely achievement of programme outputs and the success of funded pilot projects is central to building donor confidence in the programme. Timely reporting and accountability to financing partners is also integral to building donor confidence in the programme. Active participation in the Pacific Private Sector Development Donor Group will create opportunities for co-financing of strategic activities. The programme Investment Committee, comprising of donor representatives and PIFS, will be an important vehicle for information sharing and resource mobilization. In case of shortfall in resources, the Investment Committee will prioritize results to be achieved, and the outputs would be reduced accordingly.

⁷ UNDP cannot commit these resources until 2008, however UNDP has committed to provide this programme 'first call' on Pacific Center's non-core resources as soon as they become available.

PART 3: PROJECT RESULTS AND RESOURCES FRAMEWORK

| <p>Outcome in UNDP Global Strategic Plan Results and Resource Framework: The Programme will contribute to “Policies, strategies and partnerships established to promote public-private sector collaboration and private-sector and market development that benefits the poor and ensures that low income households and small enterprises have access to a broad range of financial services.”</p> | | | | |
|--|---|--|---|---|
| <p>Outcome Indicators as stated in the UNDP Global Strategic Plan Results and Resources Framework: (i) Constraints to financial inclusion identified and addressed at regional and national level (yr 1); (ii) Demand driven knowledge products & market intelligence to inform product development, influence regulatory modernization & facilitate policy choices (5 in yr 1, 5 in yr 2, 4 in yr 3, 4 in yr 4); and (iii) Increase number of active clients of 8 selected FSPs delivering sustainable financial services to rural and low income women and men and micro-entrepreneurs (2 FSPs/yr from yr 1 to yr 4).</p> | | | | |
| <p>Key Result Area 1 : Promoting inclusive growth, gender equality and MDG achievement</p> | | | | |
| <p>Partnership Strategy : 1. Strategic partnership with PIFS for regional policy development & advocacy to remove constraints for building inclusive financial sectors. 2. Cultivate and forge implementation partnerships with FSPs to design and develop sustainable financial services targeting low-income households. 3. Substantive partnerships with UNDP COs, Regional Centres & policy development bureaus, UNCDF and UN agencies to strengthen 1-UN strategy for poverty reduction. 4. Pursue collaboration with donors to pool knowledge & resources to optimize impact on low-income households. 5. Engage CGAP to ensure lessons learned from global branchless banking pilots are captured and integrated into the PFIP.</p> | | | | |
| <p>Project title and ID (ATLAS Award ID): Pacific Financial Inclusion Programme</p> | | | | |
| Intended Outputs | Output Targets for (years) | Indicative Activities | Responsible Parties & Partners | Inputs |
| <p>OUTPUT 1 : KNOWLEDGE CREATED</p> | | | | |
| <p>1.1 The industry has access to knowledge and market intelligence on the demand for and supply of financial services to inform product development, influence regulatory modernization & facilitate policy choices that benefit women and men living and working in rural villages and remote islands and low income people and micro-entrepreneurs everywhere</p> <p>Indicator :</p> <ul style="list-style-type: none"> - Number of knowledge products tailored to the needs of stakeholders and, where applicable, data is disaggregated by sex, rural/urban and vulnerable groups - Number of research undertaken with participation of women & other vulnerable groups <p>Baseline :</p> <ul style="list-style-type: none"> - Shortage of research (coupled with strong demand) and information that are accessible & relevant inhibits stakeholders from considering alternative actions & approaches to servicing vulnerable groups | <p>1.1 Knowledge products tailored to the specific needs of actors and stakeholders (including UNDP COs) produced. Major knowledge products identified during FSSA include :</p> <ul style="list-style-type: none"> - 6 Financial services profiles for largest PICs (PNG, Fiji, Vanuatu, Tonga, Solomon Islands, Samoa) more detailed numbers on accounts & sectors (2 each in 2008, 09, 10) - Compilation of specialised knowledge on technology-enabled pro-poor financial services relevant for the Pacific (ongoing) - Knowledge on savings product development (MicroSave) (ongoing) - 3 rural household and supply chain cash flow studies (1 in 2008, 2 in 09) - 5 Brief notes on emerging models (ongoing) - Report on impact of financial literacy and rural banking on rural households in Fiji (2008) - Best practices on design, delivery & impact assessment of financial literacy programmes (2009) | <p>1.1 Activity Result : Demand-driven research and specialised TA delivered in a timely manner</p> <p>Actions :</p> <ul style="list-style-type: none"> 1.1.1 Active engagement & consultation with stakeholders (including UNDP COs) in scoping & preparing TOR for all research to ensure that knowledge creation is demand-driven & research incorporate participatory & gender sensitive approaches. 1.1.2 Timely recruitment of consultants & mobilisation of expertise to conduct the research and provision of TA 1.1.3 Identify and implement other targeted research and learning questions that can drive change | <p>Research supervision by Programme Team</p> <p>Partners : MPN/PRCM, FDC, RCC, RCB, UNDP COs, UNCDF, UNDP/PB, EU/ACP, research institutions, CGAP, PIFS, SPC, AUSAID, NZAID, ADB, WBG, UNIFEM, ESCAP</p> | <p>Policy & technical advisors : \$454,000</p> <p>Admin/support costs : \$106,000</p> <p>Research : \$321,000</p> |
| | | | <p>Sub-Total Output 1</p> | <p>\$ 881,000</p> |

| Intended Outputs | Output Targets for (years) | Indicative Activities | Responsible Parties & Partners | Inputs |
|---|--|---|--|--|
| OUTPUT 2 : KNOWLEDGE DISSEMINATED TO INFORM POSITIVE CHANGE | | | | |
| <p>2.1 Policy makers & industry stakeholders empowered with knowledge & information to make decisions & take actions to overcome challenges in financial service delivery to vulnerable women & men</p> <p>Indicators :</p> <ul style="list-style-type: none"> - Number of constraints to financial inclusion identified and removed - Number of positive change activities, partnerships & projects to overcome challenges in financial service delivery implemented by institutional stakeholders <p>Baseline :</p> <ul style="list-style-type: none"> - PICs have not integrated constraints based approach to financial inclusion in financial sector & national development plans | <p>2.1 Regional financial inclusion conference organized for regulators, policy makers & stakeholders (2008)</p> <p>2.2 Technical provided for key Pacific Island Forum policy & technical conferences & workshops – including FEMM, Pacific Governors of Central Banks, Financial Managers, PITA</p> <p>2.3 Knowledge products & other relevant information & links housed and disseminated through the web-based Pacific Resource Centre for Microfinance of the Microfinance Pasifika Network (2008 & ongoing)</p> <p>2.4 Financial literacy programmes adapted to emerging development opportunities like migrant workers & remittances, ICT-enabled products & services (2008 & ongoing)</p> <p>2.5 Policy & regulatory constraints are addressed by governments – building on ongoing financial policy and regulatory work by PIFS, ADB, IFC & other donors (2008 & ongoing)</p> | <p>2.1 Activity Result : Successfully organise regional conference on building inclusive financial sectors</p> <p>Actions :</p> <p>2.1.1 In partnership with PIFS, mobilise high level stakeholder participation & co-sponsorship of regional conference</p> <p>2.1.2 Ongoing joint-planning & regional advocacy work with PIFS & annual program results reporting to FEMM & results incorporated in PC's six-monthly reporting on contribution to Pacific Plan achievement</p> <p>2.2 Activity Result : Targeted knowledge transfer & learning facilitated</p> <p>Actions :</p> <p>2.2.1 Advocate & participate at regional meetings & workshops to build support for achievement of programme outputs</p> <p>2.2.2 Prepare Partnership Agreement with PRCM/MPN for regional knowledge management & dissemination</p> <p>2.2.3 Share research results through seminars & targeted mailing</p> <p>2.2.4 Disseminate replicable financial literacy programmes</p> <p>2.2.5 Share knowledge with UNDP COs to support country programming & staff capacity development</p> <p>2.3 Activity Result : Key partnerships developed that lead to pilot projects</p> <p>Actions :</p> <p>2.3.1 Active networking and visits to countries to meet with FSPs & stakeholders</p> <p>2.3.2 Partnership formed with SPC to test feasibility of Pacific Rural Internet Connectivity Project (RICS) for extending rural banking and the potential of the One Lap Top Per Child Project (OLPC) in delivery of financial education to rural children</p> <p>2.3.3 Agree on roles, linkages & communication strategy with govt. and donor funding mechanisms that are also open to FSPs in order to optimize coordination & impact – specifically Solomon Islands Rural Financial Services Fund, AusAID Enterprise Challenge Fund & ADB Private Sector Development Initiative</p> <p>2.3.4 Participation in meetings of Pacific Donor Private Sector Group for information sharing, joint activities & coordination</p> <p>2.3.5 Interact with CGAP's Technology Program to use lessons learned in branchless banking and take advantage of related policy advice</p> | <p>Policy advice & TA by Programme Team</p> <p>PCRM/MPN responsible for regional knowledge management</p> <p>Partners : MPN/PRCM, FDC, RCC, RCB, UNDP COs, UNCDF, EU/ACP, UNDP/PB, ESCAP, PFTAC, academia, CGAP, PIFS, SPC, AUSAID, NZAID, ADB, WBG, UNIFEM, ESCAP</p> | <p>Policy & technical advisors: \$453,000</p> <p>Admin/support costs : \$106,000</p> <p>Conference : \$180,000</p> <p>Policy & TA Missions : \$90,000</p> <p>Consultants : \$175,000</p> <p>Knowledge management by PRCM/MPM: \$80,000</p> |
| Sub-Total Output 2 | | | | \$ 1,084,000 |

| Intended Outputs | Output Targets for (years) | Indicative Activities | Responsible Parties & | Inputs |
|------------------|----------------------------|-----------------------|-----------------------|--------|
|------------------|----------------------------|-----------------------|-----------------------|--------|

| OUTPUT 3 : PRO-POOR FINANCIAL SERVICES IMPLEMENTED | | | Partners | |
|---|---|--|---|--|
| <p>3.1 Replicable projects, acting as regional network of demonstration and learning models, delivering financial services to women and men living and working in rural villages and remote islands and low income people and micro-entrepreneurs everywhere, showing improved inclusion of women and overall improvement in levels of efficiency, outreach and sustainability</p> <p>Indicator : - Number of projects & clients (where possible disaggregated by sex, location (rural/urban centre) with access to financial services</p> <p>Baseline : - Very early attempts at financial services innovation & small number of replicable projects targeting low income & rural people</p> | <p>3.1 Increase in number of active clients of 8 selected FSPs - from baseline established in grant agreements, 8 FSPs increase their number of active clients by 20 % per annum compounded, at least 50% of which are women</p> <p>3.2 FSPs produce new products and services, and utilize alternative delivery channels with efficiency increase that translates to lower costs for clients (against baseline established with FSPs)</p> <p>3.3 Successful replicable projects acting as and adding to a regional network of best practices for pro-poor financial service delivery</p> | <p>3.1 Activity Result : FSPs supported to implement financial services serving vulnerable groups</p> <p>Actions :</p> <p>3.1.1 Establish Investment Committee & briefing on TOR and project appraisal criteria, grant disbursement & monitoring & reporting procedures</p> <p>3.1.2 Award grants, monitor & report performance (including sex disaggregated information) to Investment Committee</p> <p>3.1.3 Pro-active technical support to FSPs & facilitation of partnerships to generate grant</p> <p>3.1.4 Engage with policymakers to address regulatory reform that may be needed to support new delivery channels and institutional models</p> <p>3.1.5 Prepare resource mobilization strategy, actively share information & disseminate successes to donor group to form cost-sharing partnerships to grow the grant facility and capacity development activities of the programme</p> <p>3.2 Activity Result : Lessons from FSP projects disseminated</p> <p>Actions :</p> <p>3.3.1 Document lessons learned (successes/challenges) from grant projects to feed into knowledge creation and dissemination</p> <p>3.3.2 Link with related initiatives, e.g. CGAP Technology Program, Pacific Challenge Fund</p> | <p>Investment Committee; Pro-active technical support from Programme Team</p> <p>Partners : FSPs, UNDP COs, UNCDF, EU/ACP, SIG/RFSF, AusAID/ECF, ADB/PSDI, CGAP Min of Finance, bank & telecom regulators</p> | <p>Policy & technical advisors : \$454,000</p> <p>Admin/support costs : \$104,000</p> <p>Capacity development grants to FSPs : \$2,161,000</p> <p>Consultants : \$105,000</p> <p>Mid-term & final evaluations: \$111,000</p> <p>Policy & TA missions : \$100,000</p> |
| | | | Sub-Total Output 3 | \$3,035,000 |
| | | | PROGRAMME TOTAL | \$5,000,000 |

PART 4: ANNUAL WORK PLAN: 2008 – 2011

The annotated Annual Work Plan for 2008 to 2011, showing core and non-core resources and resource mobilization targets and responsibilities of current confirmed funders, is contained in Annex 4

PART 5: MANAGEMENT ARRANGEMENTS

Programme Management

42. The programme will be implemented by the UNDP Pacific Centre, as a separate project under the umbrella MDG and Poverty Reduction programme, with clear management arrangements to facilitate multi-donor participation, and will build on the lessons and successes in piloting private-led pro-poor financial services and financial literacy training implemented by the MDG and Poverty Reduction practice team from 2005 to 2007.

43. Programme coordination will be vested in the Programme Investment Committee which will comprise, at the start of the project the main cost-sharing and policy advocacy partners – UNDP, UNCDF, EU/ACP, AusAID and PIFS. A representative from the respective organisations will be identified and confirmed once the programme is approved for implementation. The Investment Committee will approve the annual workplan, monitor progress and provide strategic directions to optimize the impact of the programme.

44. The Investment Committee will also review and approve project proposals supported by the grant facility. The Investment Committee will also ensure the efficient use of public resources, avoid duplication and maximise synergies with other donor partners. The Terms of Reference for the Investment Committee is contained in Annex 2, including the process for approval and expenditure of funds.

45. In accordance with PRINCE2⁸ project management and accountability methodology, adopted corporately by UNDP globally, the Investment Committee will constitute the Project Board. The apportionment of members into the roles of executive, senior beneficiary and senior supplier will be determined at its first meeting.

Programme Team

46. The programme will be staffed by a team consisting of a Pacific Financial Inclusion Advisor and a Regional Partnerships and Business Development Adviser; one Administrative Assistant; and one Young Professional for research support. The team will provide tailored policy advice and technical assistance to all stakeholders and sub-contract relevant services and expertise when needed. UNCDF Financial Inclusion Practice Area (FIPA) , in conjunction with UNDP Pacific Centre and EU/ACP, will procure the Programme team based on international competitive recruitment (see Annex 3 for TOR). The Programme team will submit annual work plans, grant agreements and progress reports to the Investment Committee. Recognising the substantive technical capacities of UNCDF Financial Inclusion Practice Area and UNCDF's role as

⁸ PRINCE 2 (Project in Controlled Environments) is a project management and accountability methodology which has been adopted corporately by UNDP globally. The Project Board is appointed by corporate management and is responsible for the success of the project. The multi-donor Programme Investment Committee (refer to Annex 2) will constitute the Project Board. The Executive role is to ensure ultimately accountability for the project. The Senior User role is to ensure that the outputs produced meet the needs of the end-user. The Senior Supplier role is to commit resources to ensure that the outputs produced will achieve the intended objectives within design, cost and time parameters. These are roles and several people can discharge the responsibilities of each of the 3 roles.

advisor to UNDP on all microfinance matters⁹, the programme team will have technical accountability to UNCDF and corporate and operational accountability to the Pacific Centre.

UNDP Administration and Joint Programming

47. As has been the case in the first two years of the Pacific Centre operation, the regional nature of the project prevents consideration of the National Execution (NEX) modality as there is no single intergovernmental agency considered suitable for the task of execution, especially in the area of financial inclusion. The Pacific Centre has demonstrated capacity to deliver effectively under the Direct Execution (DEX) modality and is considered to be in the best position to continue in this role for the Pacific projects to be implemented under the 2008-2011 Asia Pacific regional programme.

48. The administration of this Project shall be governed by UNDP rules and procedures as defined in the Results Management Guide within the policy context defined by the Executive Board.

49. Harmonization of UN funding will be achieved through Joint Programme Arrangements: This is a "Joint Programme", as defined by the UN Development Group (UNDG), and associates UNDP and UNCDF as follows:

- Fund management will be a combination of "parallel funding" (whereby UNDP and UNCDF manage their respective core funds through their separate business units) and "pass-through" (whereby Donor and other third party co-financing funds will be transferred to each of the two agencies according to their budget management responsibilities as detailed in the budget, through the intermediary of an Administrative Agent);
- For Donor and other third party co-financing, UNDP will act as Administrative Agent on behalf of both agencies, according to UNDG rules, and this will be reflected in (a) the Letter of Agreement signed between the Administrative Agent and Donor and other co-financing partners and (b) an inter-agency Memorandum of Understanding to be signed by both UNDP and UNCDF, and by other UN agencies which opt later to support this programme; and
- In the course of implementation of this programme, and in monitoring and reporting on progress, UNDP, UNCDF and other future associated UN agencies will collaborate according to the regulations for Joint Programmes as these are issued by UNDG.

PART 6: MONITORING AND EVALUATION

50. The M & E and Reporting Framework for the Pacific Centre will apply to the programme. Progress reports will be consolidated into the Pacific Centre's reports to its Management Committee and M&E will be carried out in accordance with the UNDP M & E Framework outlined in Annex 5.

51. In addition, FSPs receiving grants from the programme will report on performance against standard indicators and targets as set out in the Partnership Agreement. These indicators will be disaggregated by sex. The PFIA will compile the reports received into a consolidated semi-annual report for the Investment Committee.

52. The Investment Committee will provide reporting on an annual basis to FEMM and other relevant ministerial meetings.

⁹ See http://www.uncdf.org/english/microfinance/undp_policy.php

53. The programme team will make regular monitoring visits to the pilot projects to verify progress and to consult with stakeholders, especially women and men beneficiaries.

54. Where practical, and in conjunction of relevant regional meetings, key stakeholders will meet at least once every two years to review progress achieved; and actively discuss constraints and opportunities to support the development of an inclusive financial sector.

55. The programme is subject to an independent mid-term and final evaluation, managed by the UNCDF Evaluation Unit. The evaluation is in compliance with the UNCDF mandatory evaluation requirements in the UNDP Evaluation Policy¹⁰, to which UNCDF is party. Funding for the evaluation is included in the programme's budget. The evaluation will assess its overall performance, the outputs and outcomes produced against its initial targets, the impact it has brought or would likely to bring about with a focus on the progress toward sustainability of the FSPs, its relevance to the national context, and management efficiency.

56. The evaluations will provide mechanisms for the free and meaningful participation of local stakeholders – including women and targeted vulnerable groups.

57. The evaluation will be forward looking offering lessons learned and recommendations to improve programme performance. The results of these evaluations will feed into strategic, thematic and outcome evaluations carried out by UNCDF and UNDP. Success in carrying out development evaluation requires partnerships in evaluation with national and international actors. Opportunities will be sought for collaboration with programme partners in conducting the evaluations.

Quality Management for Project Activity Results

58. The quality of results produced by the programme activities will be assessed against the quality criteria and method of assessment described below:

| | | |
|---|--|--|
| OUTPUT 1.1 : The industry has access to knowledge & market intelligence on demand & supply of financial services to inform product development, influence regulatory modernization & facilitate policy choices | | |
| Activity Result 1.1 (Atlas Activity ID) | Demand-Driven Research & TA | Start Date: 1 Feb 08 End Date: 31 Dec 11 |
| Purpose | To provide policy makers, regulators & FSPs with demand-driven knowledge to inform product development, regulatory modernization & policy choices. | |
| Description | Identify knowledge & information needs of stakeholders, prepare TOR, deliver TA by programme team & recruit consultants as needed. | |
| Quality Criteria | Quality Method | Date of Assessment |
| TOR for research to be developed with client & quality to be measured against outputs in TOR | Client to assess quality and timeliness of research | Within 1 month from completion of each research activity |
| TOR for TA prepared with client (including UNDP COs) and timeliness and quality of TA provided by consultants and/or programme team measured against TOR | Client to assess quality and timeliness of consultant & TA from programme team | Within 1 month from completion of each TA mission |
| 6 monthly and annual targets met | Client requests for TA and specialised knowledge fully met & measured against workplan targets | 6 monthly & annual performance monitoring |
| OUTPUT 2.1 : Policy makers & industry stakeholders empowered with knowledge & information to make decisions & take actions to overcome challenges in financial service delivery to vulnerable groups | | |

¹⁰ See: <http://www.undp.org/eo/documents/Evaluation-Policy.pdf>

| | | |
|---|--|--|
| Activity Result 2.1 (Atlas Activity ID) | Regional Advocacy, Knowledge Management & Learning | Start Date: 1 Feb 08 End Date: 31 Dec 11 |
| Purpose | To provide policy makers, regulators & FSPs with specialized knowledge to facilitate product development, regulatory modernization & policy development. | |
| Description | Institutionalize regional knowledge management & dissemination function; advocate at relevant regional meetings & organise targeted knowledge sharing & learning events. Regional conference organized with PIFS and other industry stakeholders in 3 rd Quarter 2008 | |
| Quality Criteria | Quality Method | Date of Assessment |
| Advocacy objectives clearly identified and speakers and resource persons recruited against ability to produce the desired results | Outputs to be evaluated against the TOR and, where appropriate, the meeting resolution reflect the outcome of successful advocacy & learning | Within 1 month of activity completion |
| Number of knowledge products housed with Pacific Resource Centre for Microfinance (web-based portal) & accessible to industry stakeholders | PRCM/MPN to provide 6 monthly performance reports including number of hits, enquiries, discussion groups & other interactive learning. User validation by programme team. | 6 monthly performance reporting |
| Number of targeting mailing, workshops & seminars organized for knowledge dissemination & learning | Regular user satisfaction surveys carried out & workshop/seminar evaluation by participants | 6 monthly user survey; evaluation at the end of each workshop & seminar |
| Number of financial literacy modules developed & used by FSPs & partners | Modules to be field-tested & clients report on quality and level of usage | 6 monthly performance reporting |
| TOR for TA prepared with client (including UNDP COs) and timeliness and quality of TA provided by consultants and/or programme team measured against TOR | Client to assess quality and timeliness of TA. Programme team to take stock (including country visits) and report to Investment Committee on specific actions taken by beneficiary partners as a direct result of the TA. | Within 1 month from completion of each TA mission Quarterly progress report to Investment Committee |
| OUTPUT 3.1 : Replicable projects, acting as regional network of demonstration and learning models, delivering financial services to women and men living and working in rural villages and remote islands and low income people and micro-entrepreneurs everywhere, showing improved pro-poor targeting and women empowerment and overall improvement in levels of efficiency, outreach and sustainability | | |
| Activity Result 3.1 (Atlas Activity ID) | Support to FSPs | Start Date: 1 Feb 08 End Date: 31 Dec 11 |
| Purpose | Support to FSPs to implement financial services targeting women and men in rural areas, low income people and micro-entrepreneurs everywhere | |
| Description | Investment Committee to appraise proposals and award performance-based support to FSPs | |
| Quality Criteria | Quality Method | Date of Assessment |
| Number of proposals developed, through active facilitation by programme team, and submitted to Investment Committee for approval | Number of projects meeting selection criteria approved by Investment Committee and agreed package of support approved according to process time limits set out in Annex 2 | Quarterly progress and fund disbursement reports |
| Each pilot project will be measured on the increase in number of active clients - from baseline established in grant agreements, show increase number of active clients by 20 % per annum compounded, at least 50% of which are women. FSPs produce new products and | Quarterly reports by grant recipient, with validation by Programme team through site visits and independent assessment Independent impact evaluation of selected projects | Quarterly reports and 6 monthly site visits |

| | | |
|--|---|---|
| services, and utilize alternative delivery channels with efficiency increase that translates to lower costs for clients (against baseline established with FSPs) | | |
| Targeted TA & partnerships formed for successful implementation of regulatory changes to support new delivery channels and institutional models | Investment Committee to review progress in quarterly reports | Quarterly progress report to Investment Committee |
| Amount of additional resources mobilized to expand support to FSPs & for knowledge creation & dissemination | Investment Committee to review progress in quarterly reports | Quarterly progress report to Investment Committee |
| Activity Result 3.2 (Atlas Activity ID) | Lessons Learnt Disseminated | Start Date: 1 Feb 08 End Date: 31 Dec 11 |
| Purpose | Lessons documented to support regional community of practice and to fuel innovation and action by industry actors | |
| Description | Document project case studies, conduct impact assessment & disseminate knowledge through Pacific Resource Centre for Microfinance | |
| Quality Criteria | Quality Method | Date of Assessment |
| Number of evidence-based knowledge products produced by Programme & housed with PRCM & actively disseminated | Number of knowledge products produced reported to Investment Committee. PRCM/MPN to provide 6 monthly performance reports including number of hits, enquiries, discussion groups & other interactive learning. User validation by programme team. | Quarterly reports |

PART 7: LEGAL REQUIREMENTS

59. This regional project is directly executed by the UNDP Regional Pacific Centre, located in Fiji. As Fiji, the host country, has signed the Standard Basic Assistance Agreement (SBAA), the following text applies.

60. This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of (country) and UNDP, signed on (date). Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the implementing partner.

61. The executing agency shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

62. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement. The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>.

This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

PART 8: ANNEXES

Annex 1: Risk Log Matrix

| # | Description | Category | Impact & Probability | Countermeasures / Management Response | Owner | Author | Date Identified | Last Update | Status |
|---|--|-----------------------|--|---|---|-------------------|------------------------------------|-------------|--|
| 1 | Shortfall in reaching resource mobilisation target of \$2.95 m | Financial & Strategic | The target of \$2.95 m represents 59% of the total programme budget. Any shortfall will have proportional impact on its ability to achieve its intended outputs. Probability = 2 (low) | Resource mobilization strategy developed & entails : (i) Multi-donor Investment Committee to oversee programme performance & to review & approve grants to FSPs allows donors direct participation in financial decision making; (ii) potential of current donors in the Investment Committee (EU/ACP & AusAID) to consider additional funding based on successful results; (iii) FEMM supported regional strategy for financial inclusion (output in year 1) provides platform for resource mobilization; (iv) support to UNDP COs to mobilize resources for country replication of successful pilot initiatives; (v) provide knowledge leadership & produce high impact & visible results to support ongoing cost-sharing AusAID & NZAID to PC; (vi) dedicated staff responsible for partnership development & resource mobilization. | Partnerships & Business Development Manager working in close coordination with PC Manager | Project developer | During programme design – Oct 2007 | Nov 2007 | Progress & results of resource mobilization will be monitored quarterly. |
| 2 | FSPs are not interested to serve low income, rural clients and to give preference to women clients | Strategic | Programme will not achieve outreach target including women and vulnerable groups Probability = 2 (low) | Consultations with FSPs during formulation indicated strong interest. To ensure & fuel firm commitment, programme staff will ensure that market intelligence, policy & regulatory changes, & financial support are delivered on timely manner & that research and TA are demand-driven. | Financial Inclusion Adviser | Project developer | During programme design – Oct 2007 | Nov 2007 | No change in status |

Annex 2

Terms of Reference: PFIP Investment Committee

1. Programme Oversight

The PFIP Investment Committee (IC) shall oversee the implementation of the programme, entailing the approval of annual work plans, review of performance and financial reports, contribute to the performance appraisal of programme personnel and provision of guidance on the strategic direction of the programme. The IC will also have specific responsibility for the appraisal and approval of programme support to eligible FSPs.

In order to strengthen coordination, make efficient use of public resources, avoid duplication and optimize donor efforts in the microfinance sector, donors supporting financial service providers will be encouraged to join the Investment Committee (IC). The IC mechanism is also in line with the Paris Declaration on Aid Effectiveness¹¹ calling for donors' actions to be more harmonized, transparent and collectively effective.

2. Composition

The composition of the IC, at the start of the programme, will comprise of UNDP, UNCDF, EU/ACP (as start-up co-funders); AusAID (as cost-sharing contributor to the Pacific Centre's work programme and to strengthen linkages with the ECF); and PIFS (to strengthen linkages with regional economic growth, financial sector and telecommunications policy development). Members will agree to abide by microfinance best practices¹² in joining the committee.

Other donors and organisations will be invited to join the IC based on contribution of cost-sharing resources to the programme and/or on the relevance of their programme activities that will reinforce PFIP strategic objectives and contribute to collective effort and impact.

The members, at its first meeting, will select the Chair and to agree on the apportionment of roles to carryout its responsibilities and accountabilities as the Project Board (refer to Part 5.1 on Management Arrangements). The Pacific Financial Inclusion Adviser will serve as Secretariat to the Investment Committee.

3. Rationale

In order to accelerate and increase access by the majority who are excluded from the financial sector to sustainable and responsive financial services, the programme will provide results-oriented support to FSPs to build capacity, acquire market intelligence and specialized knowledge and minimise risks in investing in new financial services aimed at serving unserved and under-served clients.

In order to support innovation by FSPs, the management arrangements for this programme will be structured to be opportunistic, flexible and efficient. This arrangement will also minimize transaction costs to FSPs seeking assistance from the programme.

4. Scope of PFIP Support to FSPs and Selection Criteria

¹¹ Paris Declaration on Aid Effectiveness, Ownership, Harmonisation, Alignment, Results and Mutual Accountability, OECD-DAC, March 2, 2005 <http://www.oecd.org/dataoecd/11/41/34428351.pdf>

¹² Best-practices in microfinance are reflected in the "Good Practice Guidelines for Funders of Microfinance" recently approved by CGAP, and other CGAP Consensus Guidelines, Focus Notes, Technical Tools and other publications.

The purpose of the Partnership Support Facility is to provide results-oriented support (through a combination of performance-based grants, sub-contracting of specialised services, procurement of short-term expertise, training and fellowships and other direct support as appropriate) to eligible FSPs (refer to 4.3 below) for capacity development to design and implement a financial service (products, service delivery model, transaction channel) that will result in increased outreach (especially to rural people and women), depth (to vulnerable groups), improved efficiencies leading to reduced service and transaction costs and progressive achievement of sustainability.

Typically, a package of support to an eligible FSP may include, but not limited to, the procurement of specialised technical assistance, conduct market research, provision of specialised training and capacity development, facilitation of partnerships with key organisations for successful implementation of services, study visits to acquire knowledge, facilitation of policy and regulatory support and matching accountable cash grants for specific activities directly linked to specific outputs.

Eligible FSPs include, but not limited to, Remittance Companies, NGO Microfinance Institutions, Commercial Banks, Regulated Microfinance Service Providers, Credit Unions, Development Financing Institutions, Non-Bank Financial Institutions, Telecommunications Companies with potential of providing fund transfer services etc.

The criteria for selecting projects for programme support will include the following:

- Serving un-served and underserved markets (rural communities, micro-entrepreneurs, women, low-income people in urban areas etc);
- Results to be achieved (number of active clients, including percent women, low-income and rural people and other standard microfinance industry performance indicators);
- New products tailored to needs of clients and service channels leading to efficiency gains and lower costs for clients;
- Potential for scaling-up or replication across countries serving a greater number of active clients;
- Potential to achieve profitability within 5-7 years;
- Impact on influencing policy and regulatory changes;
- Scope and level of support requested from the programme; and
- Level of funding from internal or other (commercial) sources the FSP is providing to leverage programme support.

FSPs applying should clearly indicate in their proposals both the proportionate amount of support requested that is related to outreach outside of population centers and outreach (percent) to women clients.

All support to FSPs will have to receive the approval/no objection of the country government in which the FSP is operating. The Programme Team will put in place a mechanism to facilitate timely endorsement of FSP's projects; including exploring with Forum Island Countries to delegate authority to the PIFS within the Investment Committee framework, or a general statement of no objection for any FSP from their country applying/receiving funding.

The IC will, in assessing project proposals, take into consideration linkages with other government and donor financing facilities open to FSPs – in particular the AusAID Enterprise Challenge Fund, ADB Private Sector Development Initiative and the Solomon Islands Government Rural Financial Services Fund. It is expected that the programme team will consult with these funding organisations during the identification and development of proposals. The Programme will also coordinate with global initiatives working in related areas, such as the CGAP Technology Program and their on conducive legal & regulatory frameworks for branchless banking.

The IC will, at its first (virtual) meeting, review and endorse the criteria for appraising projects for programme support, developed by the Pacific Financial Inclusion Advisor (PFIA),- including delegating to the Programme Team discretionary authority for approving support below a certain size and/or falling within a specific scope of support.

5 Process for Approving Partnership Support Agreements

The IC may hold meetings either virtually with members providing comments via email, tele-conference or in person. Virtual meetings may be arranged when timely decisions are required.

For meetings where members are physically present, members unable to attend may communicate their interest in funding a proposal via email, or via proxy to an attending member.

Proposals will be circulated two (2) weeks in advance of meetings. Each proposal will be accompanied by an assessment by the PFIA, together with an institutional assessment of the partner organisation.

Decisions will be made on a developmental and commercial basis, and not be subject to political or disbursement pressures. Funding decisions will be taken by consensus to the greatest extent possible.

As per UNDP Microfinance Policy¹³, the programme will utilize a standard micro capital grant agreement in setting out the scope of support, outputs to be produced, key activities, duration of support, time-line for procurement of service or disbursement of funds and other roles and responsibilities of the FSP and the programme.

6. Harmonization of Performance Based Agreements and Reporting

Donor/Investors participating in the IC agree to utilize harmonized:

- Performance based grant agreements with targets for key indicators and minimum performance thresholds (for example for retail finance institutions - outreach: number of active clients (sex disaggregated); portfolio quality: portfolio at risk at 30 days; profitability/sustainability; adjusted return on assets etc): and
- Reporting requirements, using standard terms and definitions as developed by the Consultative Group to Assist the Poor (CGAP).

7. Execution/Implementation Arrangements

To ensure that funds are disbursed within two (2) weeks of Investment Committee approval, the programme will have only one UNDP administered joint programme fund account into which all cost-sharing contributions are allocated.

UNDP will report to the IC on key management indicators/time needed to:

| | |
|--|-----------------------------|
| Review/approve grant proposals/agreements from time of receipt | Target 2 weeks from receipt |
|--|-----------------------------|

¹³ See http://www.unCDF.org/english/microfinance/undp_policy.php

| | |
|--|---|
| Produce draft Investment Committee minutes | Target 3 days after meeting |
| Clearance of minutes by the Chair | Target 5 working days from draft |
| UNCDF sign approved grant agreements | Target 3 working days from final minutes |
| UNDP expend funds | Target 2 weeks from receipt of signed grant agreement |

Programme Team will track performance of each Partnership Agreement against these process management targets and provide reports to the IC on a quarterly basis. If these standards of efficiency are not met, then alternative management arrangements to address bottlenecks may be proposed by the IC members. Should business process reengineering not succeed in fixing bottlenecks, funders will have the right to withdraw their funds from these management arrangements and programme them through alternative channels.

8. Linkages to Regional Policy Dialogue

Annual performance reports will be compiled on: (i) investments made; (ii) results achieved by FSPs based on standard performance and financial indicators; and (iii) constraints and opportunities, for further developing the sector. The annual performance report will be made part of the overall annual Programme Progress Report that will be submitted to the Forum Economic Ministers Meeting (and other relevant high level sector meetings) to serve as ongoing advocacy and policy dialogue for achieving financial inclusion.

Annex 3
Terms of Reference: Programme Personnel

| |
|--|
| Pacific Financial Inclusion Advisor (L5/L6) |
|--|

The Pacific Financial Inclusion Advisor (PFIA) will have overall responsibility for managing the programme of assistance to ensure that the results specified in programme document are produced.

The PFIA will accomplish the programme results through a range of activities including, but not limited to the following:

Programme Management

- In close consultation with UNCDF and the UNDP Pacific Center¹⁴, and under the overall guidance of the Programme Investment Committee (IC), the PFIA is entrusted with the overall direction, implementation and management of the programme. S/he shall organize, coordinate, supervise and administer the personnel and the resources of the programme in line with UNDP's rules and regulations.
- Prepare annual workplans with performance targets and budgets for Investment Committee approval. The workplans submitted to the IC will cover both the technical components of the Programme as well as its management and administration, and clearly define indicators and targets for activities, as well as input of staff, short-term technical assistance and other resources.
- Prepare a mid-year and annual progress reports (APRs), narrative as well as financial reports and progress and results achieved for the IC.

Policy Advice & Technical Assistance

- Help identify knowledge gaps and design responses. Contribute to drafting terms of reference in relation to the different tenders for studies, TA provision etc. Assess opportunities within the programme budget to meet capacity development needs.
- Undertake and/or commission market and pro-poor financial sector studies to provide evidence-based knowledge and information to policy makers, regulators and FSPs.
- Based on relevant opportunities, respond to individual governments by reviewing constraints to financial inclusion and recommending solutions or expert advice.

Project Generation and Technical Support to FSPs

- Effective management of all financial, performance and operational aspects of the grant facility, including facilitating project implementation according to annual work plan of the project, ensuring achievement of outputs.
- Provide information on the programme's grant funding to targeted FSPs and Telecoms, and identify potential FSPs and Telecoms for investment, based on capacities for growth and potential to providing financial services in an efficient and financially viable manner.

¹⁴ The programme team will have technical accountability to UNCDF and corporate and operational accountability to the Pacific Centre. UNCDF will be the primary supervisor for the Pacific Financial Inclusion Advisor in the annual performance evaluation (RCA) based on input and guidance from all Investment Committee members.

- Assist applicants as needed to develop solid business plans and robust, performance-based proposals that could serve as the basis for investment, and identify an appropriate blend of grants, loans and technical assistance for FSPs and Telecoms to meet agreed performance targets.
- Organize trainings for funded FSPs around issues where common capacity-building is required. Provide on-site TA to FSPs focused on issues specific to individual FSPs. Assist recipients to identify appropriate technical assistance providers for specialized areas not within the competence of the programme team. Advise on the options for partnerships, mergers etc. where these could lead to efficiency gains for FSPs.
- Ensure that funded FSPs have a MIS that can produce relevant and accurate on-time portfolio and financial data and meet reporting requirements.
- The PFIA is required to monitor progress of recipient institutions by reviewing and verifying quarterly reported results through field visits, prior to facilitating the posting of participating FSPs' results on the MIX Market website as appropriate (www.themix.org).

Knowledge Sharing and Networking

- The PFIA will network with and share knowledge with the UNCDF Financial Inclusion Advisor for Asia based at RCC as well as the UNCDF Financial Inclusion Practice Team and relevant thematic teams at RCC, RCB and Caribbean SURF.
- Support the PPBDA in carrying out the knowledge creation and dissemination roles of the programme, including the documentation of project experience and lessons learnt to be posted on the Pacific Resource Centre for Microfinance.
- Engage with other initiatives, such as CGAP's Technology Program to see how the lessons learned and best practices from the global branchless banking pilots could be integrated into the PFIP.

Secretariat to Investment Committee

- Serve as Secretariat to the Investment Committee, ensuring that all required documentation is available to facilitate decision-making, and that performance-based agreements with FSPs are available for signature upon approval by the IC.
- Manage the resources placed under the IC decision-making framework and provide financial reporting on resources/expenditures to IC members, including the certification of all funds released from the IC to FSPs.
- Ensure that potential champions/market leaders are aware of the programme's resources and application processes. Ensure timely receipt and screening of responsive applications.
- Promote the adoption by all IC members of Good Practice Principles for Donor Support in line with CGAP best practices.

Profile of Applicants for PFIA

- The PFIA will hold a Master's degree from a reputable institution in finance or economics, and will have a minimum of 10 years relevant, practical working experience within the financial

sector and/or microfinance, preferably in least developed countries (LDCs). S/he will possess a dynamic, self-motivated personality with a sense of entrepreneurial initiative.

- Documented deep technical knowledge and experience in (Micro) finance good practices for industry building, and development of inclusive financial systems and products in emerging markets.
- Knowledge of latest developments in the field regarding application of technology packages to innovate in products and services.
- Strong networking capabilities and ability to associate him/herself with a range of actors with a view to building relations and facilitating links.
- Bank/MFI management experience is an advantage, with demonstrated experience with product development for rural, women and low income clients and micro-entrepreneurs.
- Strong financial analysis and business project appraisal skills.
- At least 3 years demonstrated experience in managing a development programme on microfinance or private sector financial service for rural and lower segment markets.
- Excellent organizational, inter-personal, communication and administrative skills, including solid experience in financial management.
- Fluency in written and spoken English, excellent computer skills.
- Familiarity with UN/UNCDF rules and procedures is an advantage.
- Prepared to travel frequently throughout the Pacific region

Pacific Partnerships & Business Development Adviser (L4/L5)¹⁵

The Pacific Partnerships & Business Development Adviser (PPBDA) will have overall responsibility for ensuring the quality assurance of the programme of assistance to ensure that the results specified in the programme document are of sufficient quality to achieve programme results. He/she will have primary responsibility for the knowledge management, M & E, resource mobilization and business development and corporate support roles of the programme.

In close consultation with the Investment Committee and under the overall guidance of the UNCDF Deputy Director, Inclusive Finance Practice Area, and the UNDP Pacific Center, the PPBDA is entrusted with the overall quality assurance and financial management of the Programme. S/he shall administer the financial resources of the Programme in line with UNDP's rules and regulations.

The PPBDA will accomplish the programme results through a range of activities including, but not limited to the following:

¹⁵ The programme team will have technical accountability to UNCDF and corporate and operational accountability to the Pacific Centre. UNDP will be the primary supervisor for the Pacific Partnerships & Business Development Manager in the annual performance evaluation (RCA) based on input and guidance from all Investment Committee members.

Programmatic Quality Assurance

- Provide quality assurance by actively reviewing initial drafts of the annual workplans and budgets prior to submission for Investment Committee approval.
- Review initial drafts of mid-year and annual progress reports (APRs).

Portfolio Management

- Development and approval of sector assessments and programme documents, ensuring soundness of technical design and strategy.
- Funding and implementation modality negotiated and agreed with UNDP, donors and governments;
- Review grant funding proposals ensuring clear performance outputs, targets and gender-sensitive indicators are established;
- Assure and track quarterly portfolio reporting and inform IC on a quarterly basis on overall performance including where inadequacies are found.
- Reporting of project achievements, delivery and other areas of accountability to IC for input to regular UNDP and UNCDF performance monitoring and reporting.
- Financial reporting for non-core resources to donors.
- Effective and efficient use of ATLAS in line with project cycle with Atlas approval authority at Level 2.

Monitoring and Evaluation

- Establish M&E framework and responsible for tracking and measuring overall programme performance and results at all levels of outputs and indicators.
- Assist the PPBDA in monitoring of grant recipient institutions by reviewing and validating quarterly reported results through field visits, prior to facilitating the posting of participating FSPs' results on the MIX Market website as appropriate (www.themix.org).
- Develop TOR and arrange for impact assessments of selected projects funded by the programme, ensuring that participatory methodologies are employed to ensure full participation by all stakeholders, including intended beneficiaries.
- Under the guidance of the UNCDF Evaluation Unit, arrange and facilitate the conduct of independent mid-term evaluation and final evaluation of the programme and share results with IC and other key regional and national stakeholders.

Technical & Policy Support

- In conjunction with the PFIA, provide technical and policy advice in the area of microfinance to key stakeholders in the region, including strengthening linkages with UNDP COs for national level replication of pilot projects.
- Provide effective and innovative programme strategies, formulation and design involving sector assessment, dialogue and negotiations with key regional stakeholders, including donors and

other investors, government officials, central banks and the microfinance industry, building on UNCDF and UNDP's comparative advantages and furthering UN goals and objectives.

- Develop a communications strategy that addresses issues of financial literacy among potential clients of financial services.
- Develop a list of Technical Service Providers (TSPs) including individuals and institutions that could be contracted on either a short or long-term basis to provide specialized services and expertise to the programme.

Knowledge Management

- Provide regional leadership in the active acquisition and sharing of demand-driven knowledge to all stakeholders.
- Identify, document and incorporate lessons learned from microfinance experience in the region, as input into portfolio management and planning at regional level, as input into UNCDF and UNDP programming for enhancing policy and capacity development to microfinance and for knowledge management collaborations with key partners, particularly Pacific Resource Centre for Microfinance and CGAP.
- Assist in the organization of information exchange events nationally or regionally and contribute to knowledge-sharing networks on microfinance initiatives regionally and globally.
- Collaboration with key partners and microfinance practitioners in the region for research and development of innovative, cutting-edge strategies and approaches to sharpen delivery of microfinance products and services in order to better achieve programme objectives.
- Participation and contributions to UNDP sub-practice in microfinance and small/medium enterprises. Serve as the primary resource, in conjunction with the PFIA, for knowledge management and cross-country learning in their region through active participation in the UNDP knowledge networks (Semfin).

Resource Mobilization

- Develop strategies to mobilize additional resources based on programme resource requirements and new sector opportunities and promote the inclusion of new investors in the Investment Committee, recording and managing commitments, disbursements and programming of fund contributions.
- Actively network, share knowledge and information and build technical and financing partnerships with donors.
- Manage the resources placed under the IC decision-making framework and provide financial reporting on resources/expenditures to IC members, including the certification of all funds released from the Investment Committee to FSPs, and based on sector funding needs, develop strategies to mobilize additional resources, or limit further funding placed under Investment Committee management.
- Annually, based on the pipeline of projects that could be funded, prepare multi-year projections estimating any gaps in meeting funding needs (grants, technical assistance) of FSPs and business services providers.

- Support the efforts of the UNDP Regional Pacific Centre senior management to mobilize additional resources for the programme.

Corporate Support

- Provide advice from regional perspective to support annual and cumulative UNCDF and UNDP results analyses and substantive inputs into Unit work plan and UNCDF Business Plan.
- Support to the development of UNDP and UNCDF programme and business strategies and to annual reviews.
- Provide advice to UNCDF and UNDP senior management on technical issues and business development opportunities, including inputs into corporate presentations and reports.
- Serve as UNDP Pacific Centre's representative to the Investment Committee.

Profile of Applicants for PRPM

- The PPBDA will hold a post-graduate degree from a reputable institution in finance or economics, and will have a minimum of 10 years relevant, practical working experience within the financial sector and/or microfinance, preferably in the Pacific and in LDCs. S/he will possess a dynamic, self-motivated personality with a sense of entrepreneurial initiative.
- Documented deep technical knowledge and experience in (Micro) finance good practices for industry building, and development of inclusive financial markets and products in emerging markets, especially through private sector partnerships.
- Strong networking capabilities and ability to associate him/herself with a range of actors (including regional organisations, UN agencies, policy makers, regulators, FSPs and donors) with a view to building relations and facilitating links.
- Proven resource mobilization experience and record of success and conversant with donor priorities and working mechanisms.
- Strong programme management experience with emphasis on monitoring and evaluation of microfinance projects and programmes with strengths in participatory evaluation methodologies.
- Strong research experience and experience in knowledge management and dissemination, including organizing regional information sharing and learning events, use of web-based information sharing portals and strategy development for effective internalization of knowledge and information.
- Extensive experience in sustainable livelihoods creation and poverty reduction programmes to provide a strong pro-poor perspective to financial inclusion policy and strategy development.
- Excellent organizational, inter-personal, communication and administrative skills, including solid experience in financial management.
- Extensive experience with UNDP/UNCDF programme management, procurement, contracting and financial management rules and procedures.
- Fluency in written and spoken English, excellent computer skills.
- Prepared to travel frequently throughout the Pacific region.

Annex 4

Annotated Annual Work Plans : 2008 – 2011

Award ID : 00048516 Award Title : PFIP Year 1: 2008

| Expected Outputs | Key Activities | Time Frame | | Responsible Party | Planned Budget | | | |
|--|---|------------|-----|---------------------------|----------------|--------------|---|-----------------------|
| | | Start | End | | Fund | Donor | Budget Description | Amount |
| Programme Management & implementation | Recruitment of programme team & ongoing management & implementation | 1Q | 4Q | UNCDF (with UNDP, EU-ACP) | Core | | 61300 Salary – Intl prof staff | \$250,000 |
| | | | | | Non Core | UNCDF/EU-ACP | 61300 Salary – Intl prof staff 61200 Salary – GS staff | \$95,000 \$74,000 |
| | | Sub-Total | | | | | | |
| Demand-driven research & TA | Conduct research & provision of TA | 1Q | 4Q | UNDP | Non Core | UNCDF/EU-ACP | 71200 Intl consultants | \$100,000 |
| Sub-Total | | | | | | | \$100,000 | |
| Regional advocacy, knowledge dissemination & targeted learning | Regional conference | 3Q | 3Q | UNDP | Non Core | UNCDF/EU-ACP | 71600 Travel 71200 Intl consultants | \$100,000 \$60,000 |
| | Knowledge management through PRCM | 1Q | 4Q | UNDP | Non Core | UNCDF/EU-ACP | 72100 Contractual services | \$20,000 |
| | Advocacy at regional meetings | 1Q | 4Q | UNDP | Non Core | UNCDF/EU-ACP | 71200 Intl consultants | \$20,000 |
| | Provision of responsive TA | 1Q | 4Q | UNDP | Non Core | UNCDF/EU-ACP | 71600 Travel 71200 Intl consultants | \$10,000 \$20,000 |
| Sub-Total | | | | | | | \$250,000 | |
| FSPs implement pro-poor financial services | Capacity building support & grants to FSPs | 2Q | 4Q | UNCDF, UNDP | Non Core | UNCDF/EU-ACP | 72600 Grants | \$541,000 |
| | TA to generate projects & support replication | 2Q | 4Q | UNCDF, UNDP | Non Core | UNCDF/EU-ACP | 71600 Travel 71200 Intl consultants | \$20,000 \$20,000 |
| Sub-Total | | | | | | | \$581,000 | |
| Total 2008 | | | | | | | \$1,350,000 | |
| Core & Non Core | | | | | | | \$1,350,000 | |
| Balance to be Mobilised | | | | | | | \$0 | |

Award ID : 00048516 Award Title : PFIP Year 2: 2009

| Expected Outputs | Key Activities | Time Frame | | Responsible Party | Planned Budget | | | |
|--|---|------------|-----|---------------------------|----------------|----------------------------------|--|----------------------|
| | | Start | End | | Fund | Donor | Budget Description | Amount |
| Programme Management & implementation | Ongoing management & implementation | 1Q | 4Q | UNCDF (with UNDP, EU-ACP) | Non Core | UNCDF/EU-ACP | 61300 Salary – Intl prof staff | \$345,000 |
| | | | | | | | 61200 Salary – GS staff | \$74,000 |
| Sub-Total | | | | | | | | \$419,000 |
| Demand-driven research & TA | Conduct research & provision of TA | 1Q | 4Q | UNDP | Non Core | To be identified | 71200 Intl consultants | \$90,000 |
| Sub-Total | | | | | | | | \$90,000 |
| Regional advocacy, knowledge dissemination & targeted learning | Knowledge management through PRCM | 1Q | 4Q | UNDP | Non Core | To be identified | 72100 Contractual services | \$20,000 |
| | Advocacy at regional meetings | 1Q | 4Q | UNDP | Non Core | To be identified | 71200 Intl consultants | \$20,000 |
| | Provision of responsive TA | 1Q | 4Q | UNDP | Non Core | To be identified | 71600 Travel 71200 Intl consultants | \$10,000 \$10,000 |
| Sub-Total | | | | | | | | \$60,000 |
| FSPs implement pro-poor financial services | Capacity building support & grants to FSPs | 2Q | 4Q | UNCDF, UNDP | Non Core | UNCDF/EU-ACP To be identified | 72600 Grants | \$281,000 |
| | | | | | | | 72600 Grants | \$269,000 |
| | TA to generate projects & support replication | 2Q | 4Q | UNDP | Non Core | To be identified | 71600 Travel 71200 Intl consultants | \$20,000 \$20,000 |
| | Mid-term evaluation | | 4Q | UNCDF | Non Core | To be identified | 71200 Intl consultants | \$41,000 |
| Sub-Total | | | | | | | | \$631,000 |
| Total 2009 | | | | | | | | \$1,200,000 |
| Core & Non Core | | | | | | | | \$700,000 |
| Balance to be Mobilised | | | | | | | | \$500,000 |

Award ID : 00048516 Award Title : PFIP Year 3: 2010

| Expected Outputs | Key Activities | Time Frame | | Responsible Party | Planned Budget | | | |
|--|---|------------|-----|--------------------|----------------|------------------|--|----------------------|
| | | Start | End | | Fund | Donor | Budget Description | Amount |
| Programme Management & implementation | Ongoing management & implementation | 1Q | 4Q | UNCDF (with UNDP,) | Non Core | To be identified | 61300 Salary – Intl prof staff | \$345,000 |
| | | | | | | | 61200 Salary – GS staff | \$74,000 |
| Sub-Total | | | | | | | | \$419,000 |
| Demand-driven research & TA | Conduct research & provision of TA | 1Q | 4Q | UNDP | Non Core | To be identified | 71200 Intl consultants | \$65,000 |
| Sub-Total | | | | | | | | \$65,000 |
| Regional advocacy, knowledge dissemination & targeted learning | Knowledge management through PRCM | 1Q | 4Q | UNDP | Non Core | To be identified | 72100 Contractual services | \$20,000 |
| | Advocacy at regional meetings | 1Q | 4Q | UNDP | Non Core | To be identified | 71200 Intl consultants 71600 Travel | \$30,000 \$10,000 |
| | Provision of responsive TA | 1Q | 4Q | UNDP | Non Core | To be identified | 71600 Travel 71200 Intl consultants | \$20,000 \$25,000 |
| Sub-Total | | | | | | | | \$105,000 |
| FSPs implement pro-poor financial services | Capacity building support & grants to FSPs | 2Q | 4Q | UNCDF, UNDP | Non Core | To be identified | 72600 Grants | \$550,000 |
| | TA to generate projects & support replication | 2Q | 4Q | UNDP | Non Core | To be identified | 71600 Travel 71200 Intl consultants | \$25,000 \$40,000 |
| Sub-Total | | | | | | | | \$615,000 |
| Total 2010 | | | | | | | | \$1,204,000 |
| Core & Non Core | | | | | | | | \$0 |
| Balance to be Mobilised | | | | | | | | \$1,204,000 |

Award ID : 00048516 Award Title : PFIP Year 4: 2011

| Expected Outputs | Key Activities | Time Frame | | Responsible Party | Planned Budget | | | |
|--|---|------------|-----|--------------------|----------------|------------------|--|----------------------|
| | | Start | End | | Fund | Donor | Budget Description | Amount |
| Programme Management & implementation | Ongoing management & implementation | 1Q | 4Q | UNCDF (with UNDP,) | Non Core | To be identified | 61300 Salary – Intl prof staff | \$345,000 |
| | | | | | | | 61200 Salary – GS staff | \$75,000 |
| Sub-Total | | | | | | | | \$420,000 |
| Demand-driven research & TA | Conduct research & provision of TA | 1Q | 4Q | UNDP | Non Core | To be identified | 71200 Intl consultants | \$66,000 |
| Sub-Total | | | | | | | | \$66,000 |
| Regional advocacy, knowledge dissemination & targeted learning | Knowledge management through PRCM | 1Q | 4Q | UNDP | Non Core | To be identified | 72100 Contractual services | \$20,000 |
| | Advocacy at regional meetings | 1Q | 4Q | UNDP | Non Core | To be identified | 71200 Intl consultants | \$30,000 |
| | Provision of responsive TA | 1Q | 4Q | UNDP | Non Core | To be identified | 71600 Travel 71200 Intl consultants | \$20,000 \$40,000 |
| Sub-Total | | | | | | | | \$110,000 |
| FSPs implement pro-poor financial services | Capacity building support & grants to FSPs | 2Q | 4Q | UNCDF, UNDP | Non Core | To be identified | 72600 Grants | \$520,000 |
| | TA to generate projects & support replication | 2Q | 4Q | UNDP | Non Core | To be identified | 71600 Travel 71200 Intl consultants | \$35,000 \$25,000 |
| | Final evaluation | | 4Q | UNCDF | Non Core | To be identified | 71200 Intl consultants | \$70,000 |
| Sub-Total | | | | | | | | \$650,000 |
| Total 2011 | | | | | | | | \$1,246,000 |
| Core & Non Core | | | | | | | | \$0 |
| Balance to be Mobilised | | | | | | | | \$1,246,000 |

Annex 5

UNDP M&E Framework

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle :

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Quarterly Progress Reports (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually :

- Annual Review Report. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- Annual Project Review. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Annex 6: Microfinance Sector Gap Analysis : Pacific LDCs (Kiribati, Samoa, Solomon Islands, Tuvalu & Vanuatu)

| Level | Constraints | Needs | Current Support | Gaps | Programme Support |
|-------|--|--|---|--|--|
| MACRO | <p>- While strong regional Ministerial support for financial inclusion exists, there is lack of understanding of specific policy and strategy choices to make financial sectors more inclusive – with LDC governments focusing primarily on credit initiatives and state-owned development banks.</p> <p>- The regulatory environment is generally conducive but the development of new delivery channels, institutional models and entry of telcos into the financial market will pose challenges to regulators. Current banking and telecommunication regulations are unprepared for mobile phone-enabled financial services</p> <p>- “Know Your Customer” rules that require banks to collect and verify identification documentation on customers are creating barriers to access in the LDCs, with these barriers will become increasingly evident as banks expand services to poorer and rural populations</p> <p>- Prudential regulations related to the role of third-party agents that conduct transactions on behalf of banks are not in place. Third-party agents will likely play an important role in expanding services beyond the scope of bank branches.</p> | <p>- Clear understanding by policy makers and regulators for the need of responsive policies & regulations for encouraging innovation and investments in pro-poor financial services</p> <p>- Industry endorsed set of strategic guidelines and recommended actions for the Pacific, based on global best practices, to facilitate a constraints-based approach to macro-level interventions</p> <p>- access to responsive technical assistance and knowledge on policy and regulatory modernization</p> <p>- judicial and legal reform for secured transactions</p> | <p>- ADB undertaking work on secured transactions in Samoa, Vanuatu and Solomon Is & will be extended to other PICs</p> <p>- ADB supporting regulatory reform in PNG for development of microfinance industry</p> <p>- PIFS, as secretariat to the annual Forum Economic Ministers Meeting, remains an important partner for regional advocacy for achieving financial inclusion and relevant issues related to framework ICT.</p> <p>AusAID and IFC planning research activities on gender and economic engagement and open to collaboration on research on strengthening women’s access to financial services</p> | <p>- Policy makers understand constraints & potentials for creating more inclusive and gendered financial sectors and make commitment for action</p> <p>- Access to responsive technical assistance & current knowledge on regulatory modernization – with emphasis on ICT enabled solutions</p> | <p>Output 1: Knowledge creation 1.1. demand-driven research regulatory modernization to allow experimentation by FSPs and the engendering of financial markets</p> <p>Output 2: Knowledge dissemination</p> <p>2.1. regional stakeholders conference on constraints & potential of achieving financial inclusions, – to facilitate country level activities to remove specific constraints, including those affecting women, related to FSPs’ projects.</p> <p>2.2. targeted knowledge transfer & learning facilitated including presentations at relevant policy meetings of banking and telecom regulators</p> |

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| | | Many of the regulatory constraints weigh more heavily on women | | | |
| MESO | <ul style="list-style-type: none"> - While donors have played the primary role in supporting retail initiatives and organizations, efforts have floundered on the challenges to creating sustainable MFIs and credit unions. Initial successes with commercial banks serving the poor are still limited. - None of the donors interviewed during the assessment have a specific programme with a mandate to build more inclusive financial systems - The recently created Microfinance Pasifika Network (MPN) will require further capacity development to realize its potential as an effective regional forum for dialogue and knowledge sharing | <ul style="list-style-type: none"> - more active dialogue and sharing of experience and knowledge amongst stakeholders in the region will benefit the industry | <ul style="list-style-type: none"> - The ADB-supported Microfinance Competence Centre in PNG provides training, industry standards and technical support to the microfinance industry - The Pacific Donor Group on Private Sector Development (AusAID, NZAID, ADB, WB, IFC, EIB, UNDP) represents the major players in the financial sector and has been a forum for consultations during the development of PFIP - Microfinance Pasifika Network has created in 2007, with support from UNDP, a web-based portal for learning and sharing of knowledge – Pacific Resource Centre for Microfinance | <ul style="list-style-type: none"> - mechanism for donor participation, coordination or efforts and sharing of information relating to all financial inclusion - sustainable institution acting as regional knowledge bank and manager | <p>Output 2: Knowledge dissemination</p> <p>2.2. targeted knowledge transfer & learning facilitated including support to Pacific Resource centre for Microfinance as regional knowledge bank and manager</p> <p>2.3. key partnerships developed that lead to pilot projects – including agreement on donor best practices, joint advocacy and implementation of initiatives and pooling of donor resources under PFIP</p> |
| MICRO | <ul style="list-style-type: none"> - FSPs do not have access to market intelligence and new pro-poor institutional models to serve lower segment markets - FSPs are generally conservative and timid in their lending behaviour - FSPs do not have HR capacity and access to specialized knowledge to | <ul style="list-style-type: none"> - FSPs lacking market intelligence (including better targeting of women) and demand-driven research and access to specialized knowledge and technical assistance | <ul style="list-style-type: none"> - AusAID Enterprise Challenge Fund providing matching grants for pro-poor business projects, including FSPs. Businesses have to compete across Asia and Pacific and be profitable in 3 years. ECF only covers 2 of the 5 LDCs & 4 out of the 15 PICs | <ul style="list-style-type: none"> - Need for dedicated capacity development oriented support to FSPs with longer (5 to 7 years) viability period that is inclusive of all 5 LDCs and 10 non-LDCs. | <p>Output 2: Knowledge dissemination</p> <p>2.2. targeted knowledge transfer & learning facilitated including financial literacy programmes</p> <p>Output 3: Pro-poor financial services implemented</p> |

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| | <p>develop and implement pro-poor services</p> <ul style="list-style-type: none"> - Widespread low financial literacy rates inhibiting demand for financial services – especially amongst low income and rural people - Telcos are unfamiliar with technology required for ICT-enabled financial intermediation - FSPs outreach restricted by poor telecommunications and power supply infrastructure - Except for MFIs targeting specifically women (VANWODS and SPBD), there is lack of focus, data and reporting on women's access to financial services | <ul style="list-style-type: none"> - Regulatory constraints removed to allow for innovation and experimentation – especially for mobile phone operators entering financial services market - Direct capacity development support to FSPs to design and implement pro-poor financial services - Access to specialised ICT knowledge | <ul style="list-style-type: none"> - Solomon Is Govt. has co-funded the expansion of ANZ rural banking to Malaita province with UNDP providing financial literacy training. SIG funding fully committed up to 2009. - ADB is supporting several retail activities - National Bank of Vanuatu on rural credit delivery and rural electronic banking; PNG Microfinance Competence Center until 2008 - WB is working on reducing the costs of remittance transfers for migrant workers, with AusAID setting up a website for facilitating choices of remittance transfer services - UNDP planning to implement financial literacy training programmes in Vanuatu, Tonga, Tuvalu and Kiribati | <ul style="list-style-type: none"> - Need for strategic partnership with ECF to facilitate scaling-up of more successful pilots. - financial literacy training to optimize acceptance and use, ensuring equal access by women, of new financial products and channels | <p>3.1. FSPs supported to implement financial services serving vulnerable women and men – with support approved by multi-donor Investment Committee, with participation of AusAID (together with PIFS EU/ACP) for optimizing synergies with ECF</p> <p>3.2. Lessons from FSP projects disseminated for up-scaling replication, with lessons fed into knowledge management</p> |
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| Annex 7 Total Project Budget Atlas Format: UNCDF Contribution | | | | | | | |
|--|---------------------------|------------------------|-----------------------------|---------|---------|--------|--------|
| UNCDF Contribution | Sector Development | | | | | | |
| Description | Activity Type | Budget Category | Total Initial budget | | | | |
| | | | | 2008 | 2009 | 2010 | 2011 |
| 1. Policy | | | | | | | |
| PFIA | ADVPL | CTRINT | - | | | | |
| ST consultants | ADVPL | CTRINT | 10,000 | | | | 10,000 |
| Training-Seminar | CAPMF | TRAIN | 40,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| UNCDF Missions | TECHB | PERINT | 40,000 | 20,000 | - | 20,000 | - |
| Mission Travel | TECHB | TRVINT | 45,000 | 22,000 | - | 23,000 | - |
| Subtotal | | | 135,000 | 52,000 | 10,000 | 53,000 | 20,000 |
| 2. Supportive Infrastructure | | | | | | | |
| PFIA | ADVPL | CTRINT | - | | | | |
| Grants: MFPacif | CAPMF | MCGRA | - | | | | |
| Subtotal | | | - | - | - | - | - |
| 3. Retail: FSP Capacity Building | | | | | | | |
| PFIA | ADVPL | CTRINT | - | | | | |
| PPBDA | ADVPL | CTRLOC | - | | | | |
| Grants | CAPMF | MCGRA | 1,055,476 | 500,000 | 490,000 | 35,000 | 30,476 |
| Soft Loans | CAPMF | LOANS | - | - | - | - | - |
| Subtotal | | | 1,055,476 | 500,000 | 490,000 | 35,000 | 30,476 |
| Programme Support Costs | | EXEC | 59,524 | 27,600 | 25,000 | 4,400 | 2523.8 |
| TOTAL | | | 1,250,000 | 579,600 | 525,000 | 92,400 | 53,000 |