

National Financial Inclusion Strategy – 3 (2021-2025)

Last week, we focus on the topic Financial Inclusion and what role CBSI plays to drive the agendas of financial inclusion. We've also highlighted the newly launched National Financial Inclusion Strategy – 3 NFIS 3 (2021-2025) but with little detail.

Therefore, in today's topic we will look into detail the Mission, Vision and Objectives of NFIS 3 and what we are looking forward to achieve in the next 5 years.

As mentioned in last week's article, the NFIS-3 was launched earlier this year on the month of April by the Governor of Central Bank, Dr Luke Forau and the Prime Minister Manasseh Sogavareh.

In his remarks during the launch, Governor Dr Luke Forau acknowledged that the "NFIS 3 draws on the successes of the past strategies and will further strengthen the financial inclusion journey."

The NFIS 3 is a comprehensive document with a vision and a mission focusing on five Key Priority Areas (KPA) of access and usage of financial services, financial literacy and consumer protection, formal credit, and data & measurement framework. The KPA are supported by six strategic objectives with activities, actions, and targets. (Refer to diagram below)

National Financial Inclusion Strategy 2021 - 2025

Vision	Ensure all Solomon Islanders have access to a range of quality and affordable financial services and products and be competent to use them to increase their resilience and improve their livelihood within the growing digital economy.
Mission	To achieve the vision, NFIS 3 has set two national goals to be met by 2025: <ul style="list-style-type: none"> • increase active users¹³ of financial accounts from 283,954 to 400,000 - of which 50 percent would be women; and • increase the number of access points from 825 to 1155.
Key Priority Areas	<ol style="list-style-type: none"> 1. Access to financial services 2. Usage of financial services 3. Financial Literacy & Consumer Protection 4. Formal Credit 5. Data & Measurement Framework
Strategic Objectives	<ol style="list-style-type: none"> 1. Amplify the reach and quality of digital financial services, products, and channels 2. Improve and promote MSME finance 3. Include women, youth and rural adults as fully engaged participants in the national financial sector 4. Build financial resilience in households and communities 5. Build financial empowerment in ways that are motivating, actionable and relevant to daily life 6. Develop and Implement Data & Measurement Framework

The **Vision** for NFIS 3 Financial Inclusion Strategy is to ***“Ensure all Solomon Islanders have access to a range of quality and affordable financial services and products and be competent to use them to increase their resilience and improved livelihood within the growing digital economy.”***

The vision is supported by a clear mission with goals, targets and actions to be implemented through a robust coordination structure in complement to the Solomon Islands Government National Development Strategy 2016-2035 which endeavors to “achieve inclusive economic growth by improving the social and economic livelihoods of all Solomon Islanders.”

At the time a review of the NFIS 2 was carried out to assess the progress and prepare for the development of NFIS 3. It was revealed that some progress was made in the key priority areas. Some significant milestones have been achieved.

As of March 2020, there were:

- 283,954 active users of financial accounts, of which 133,046 were women;
- 825 access points extended in the country;

- 74,094 participants, predominantly women, benefited from Financial Literacy training; National Financial Inclusion Strategy 2021 - 2025
- 28,890 individuals have taken up formal credit; and
- 21,441 people have participated as active savings group members.

“While NFIS 2 also focused on digital financial services (DFS) to drive access and usage of financial services, it fell short of the desired outcomes given the challenges of an underdeveloped digital and financial infrastructure, lack of enabling policies, as well as the limited agent network and the nascent implementations by providers.”

“Because of the country’s low population density coupled with the geographical locations over vast expanse of sea and a relatively underdeveloped physical infrastructure made it expensive for provision of financial services.”

Nonetheless, success stories from mobile money services such as Ezi Pei and YouSave LoMobile underscore the potential for DFS to accelerate financial inclusion.

Therefore, NFIS 3 will further emphasise the role of DFS facilitated by enabling policies, innovative partnerships and improved infrastructure, and work has already been carried out to ensure of a successful implementation of the strategy.

Governor Dr Luke Forau stated in the forward section of the NFIS 3 document,

We have already seen the benefits of our renewed focus on bringing innovative and responsive financial services, built upon digital and accessible technology, to the market. New partnerships have made possible the inclusion of the informal sector workers in the National Provident Fund and provided pathways for streamlining remittances, tax payments and savings

“Considering the disruptions caused by the COVID-19 pandemic and other challenges that affected the NFIS 2 implementation, the NFIS 3 considers the potential risks and measures to minimize the impact during its implementation. On that basis and in light of the financial inclusion initiatives taken to uplift Solomon Islanders, we expect higher levels of financial inclusion as we enter the next five-year plan.”

For more information click on the link <http://www.cbsi.com.sb/financial-inclusion/> and learn more about financial inclusion in Solomon Islands.

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