



# **PAPUA NEW GUINEA NATIONAL FINANCIAL INCLUSION AND FINANCIAL LITERACY STRATEGY 2014-2015**



*To be submitted to National Executive Council*



Hon. Don Polye, Minister for Treasury and Member for Kandep (centre right) launched the “National Strategy for Financial Inclusion and Financial Literacy 2014 – 2015” and Mr. Loi M. Bakani, Governor of Bank of Papua New Guinea (centre left) launched a National Youth Savings Campaign where 13 financial institutions made commitment to participate.



Financial inclusion is emerging as a priority for policymakers and regulators in financial sector development, with an increasing number of countries introducing comprehensive measures to improve access to and usage of tailored financial services, informed by a fast-growing body of experience and knowledge on its role in promoting inclusive growth. The growing priority placed on financial inclusion is illustrated by the commitments made by financial regulators from 35 developing countries to financial inclusion and to financial education under the Maya Declaration.

Papua New Guinea, through the Bank of Papua New Guinea, also joined the league by making our commitments under the Maya Declaration at the Alliance for Financial Inclusion's annual Global Policy Forum in 2013. The basis for this commitment is the National Financial Inclusion and Financial Literacy Strategy 2014-2015, developed in consultation with a diverse range of stakeholders, including representatives from various government departments, to support the achievement of the financial inclusion aspirations articulated in the National Informal Economy Policy 2011-2015.

Research supports the notion that improved financial tools will give people greater ability to capture opportunities and move out of poverty at faster rates, while slowing the rate at which they are knocked back into poverty due to adverse shocks. Impacts will occur at three levels: *i)* reducing transaction costs; *ii)* managing health, lifecycle and agricultural shocks; and *iii)* economy-wide efficiencies. But just 15 percent of Papua New Guineans have access to any type of formal financial services and if you go out to the rural areas, and if you go out to women and the youth of our country, the numbers drop even quite a bit below that.

One of the most promising ways to deliver these financial services to the poor – profitably and at scale – is by using digital payment platforms. As people adapt to new technologies, as they are lifting themselves out, one of the things that hold them back is the lack of financial services. Their only choice option is cash and cash is a bit of a trap; it can be stolen, you can't submit yourself to discipline policies, you don't get interest on it, you don't have insurance or credit and so in a lot of ways, it is the most limiting way to hold assets. Today, we have five electronic money providers, who are increasing the pace at which people are offered financial services through innovative use of local trade stores to increase outreach. The launch of the automated National Payments System, supported by the passage of the National Payments Act 2013, will support interoperability and accelerate transactions.

I believe that the combined effect of the interventions articulated in the Action Plan of the National Financial Inclusion and Financial Literacy Strategy 2014-2015 will create new opportunities to develop innovative partnerships to enable access for Papua New Guineans to partake in growing an inclusive and sustainable Papua New Guinea.

I thank Prime Minister Peter O’Neil for his guiding leadership and Treasurer Don Polye for his unrelenting support. I also thank our donor friends and the numerous stakeholders who have stepped up to help achieve an inclusive financial sector in our country. In particular, I thank the Pacific Financial Inclusion Programme for their technical and coordination support through the Working Group on Financial Inclusion and Financial Literacy Strategy 2014-2015.

Loi M. Bakani  
GOVERNOR, Bank of PNG  
Chairman, Centre for Excellence in Financial Inclusion

December 5, 2013

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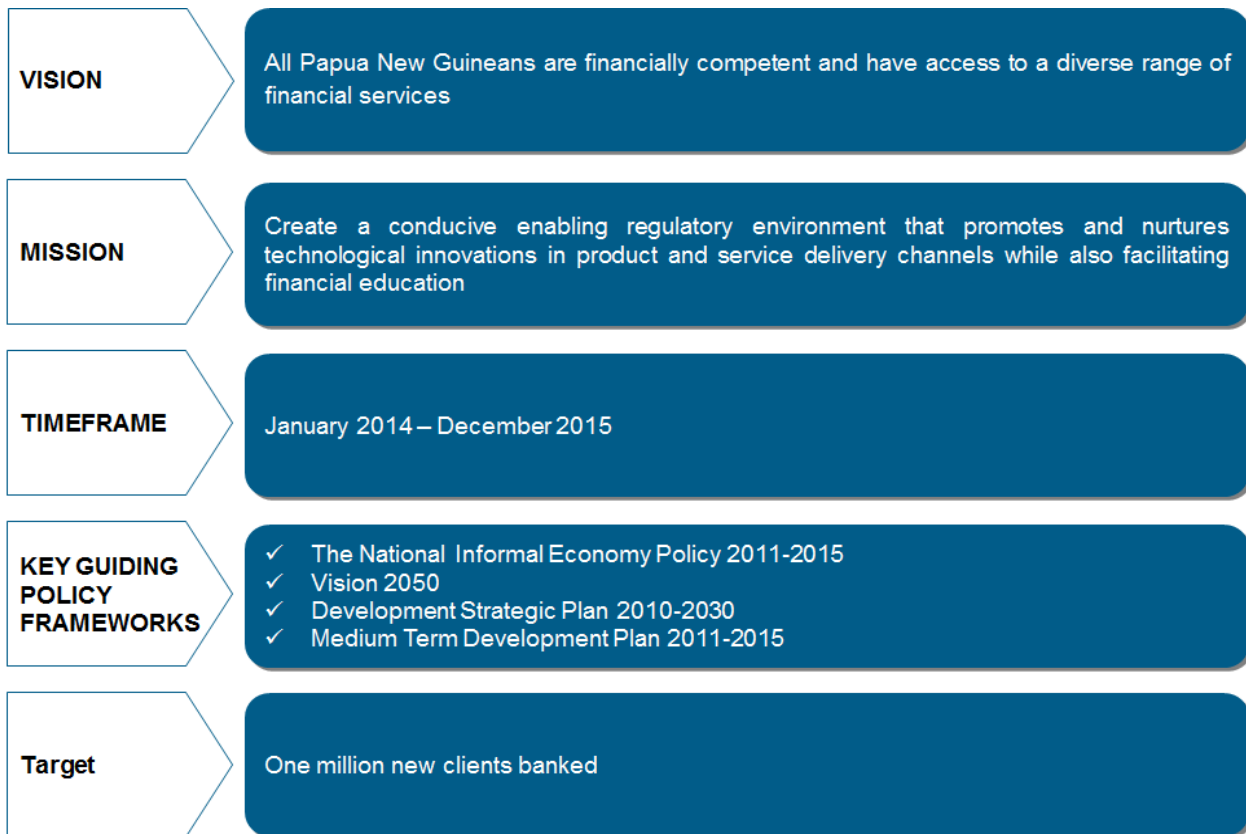
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## A. Introduction

The National Financial Inclusion and Financial Literacy Strategy 2014-2015 is the outcome of a series of consultations led by the Working Group on Financial Inclusion and Financial Literacy<sup>1</sup> and the national stakeholders workshops held in August 2013. The Bank of Papua New Guinea (BPNG) hosted the workshops with technical and financial assistance from the UN Capital Development Fund (UNCDF) implemented Pacific Financial Inclusion Programme<sup>2</sup> (PFIP) supported by United Nations Development Programme (UNDP), the Australian Aid Agency and the European Union (EU), and the Center for Excellence in Financial Inclusion (CEFI). Stakeholders convened to build on the priorities for financial inclusion in the National Informal Economy Policy 2011-2015<sup>3</sup>, and established targets for 2014 and 2015 in the country's first ever national strategy on financial inclusion and financial literacy.

The 2-day national stakeholders workshop was attended by senior representatives from the private sector, financial service providers, development partners, rural producers and micro entrepreneurs and government agencies including Department of Community Development, Religion and Youth; Department of Trade, Commerce and Industry; Department of Education; and Department of National Planning and Monitoring. Preceding the national workshop, a workshop to address the financial exclusion of women was also held.



<sup>1</sup> The Working Group membership consists of BPNG, CIMC Sub-committee on Financial Inclusion, CEFI, PFIP, IFC, ADB, and the Microfinance Expansion Project, Australian Aid and the Department of Community Development. The Working Group is led by the BPNG.

<sup>2</sup> The Pacific Financial Inclusion Programme (PFIP) is a joint programme of the UN Capital Development Fund (UNCDF) and United Nations Development Programme (UNDP) with additional funding support from Australian Aid and the European Union/Africa, Caribbean and Pacific Microfinance Framework Programme (EU/ACP).

<sup>3</sup> The National Informal Economy Policy 2011-2015 recognizes financial inclusion as a priority action area as well as the intrinsic role of BPNG, the formal financial sector and the telecommunications sector.

**Key Strategic  
Objective Areas**

- i. To reach one million more unbanked low-income people in PNG and micro and small enterprises, with a diverse range of financial services. Fifty percent of people reached will be women;
- ii. To lead efforts to create a financially competent generation of Papua New Guineans through financial education and youth-focused financial products and financial literacy;
- iii. To actively support innovative use of technology for scaling-up access to financial services and financial literacy;
- iv. To strengthen consumer protection by issuing prudential guidelines and creating a platform for various national regulators and industry networks to monitor consumer protection;
- v. To begin the process of integrating financial inclusion in local and national government;
- vi. To promote regular collection and use of financial access data to inform policy making and help identify key dimensions of financial inclusion in PNG; and
- vii. To optimize these results through knowledge sharing and effective coordination of stakeholders, including development partners, by the newly established CEFI chaired by the BPNG.

Responsibilities for the implementation of the National Financial Inclusion and Financial Literacy Strategy are delineated in *Section E. Action Plan 2014-2015*. Implementation will be coordinated and monitored by CEFI which was endorsed by the National Executive Council (NEC) in 2013 as the coordinating entity for all initiatives relating to financial inclusion. CEFI will work closely with the Sub-committee on Financial Inclusion of the multi-stakeholder Consultative Implementation and Monitoring Council (CIMC) responsible for overseeing the implementation of the National Informal Economy Policy.

## B. Current Status of Financial Inclusion in PNG

Financial inclusion in Papua New Guinea (PNG) has received active support from the national government, resulting in a diverse range of service providers, financial products and delivery channels. Together, the five mobile money providers claim over 300,000 registered users since the opening of the mobile money market in 2011. Growing at an annual rate of 202 percent since 2008, the number of financial services agents now surpasses bank branches in the country.

In PNG several significant barriers restrict the number of low-income households that participate in the formal financial sector. The high costs of serving poor customers relative to the revenues generated by small transactions and balances, the high costs of building a distribution system to acquire and serve low-income customers, and a lack of products and services tailored to the needs of low-income customers deprive individuals, families and communities of the socio-economic benefits associated with financial inclusion.

### *Financial Service Providers at a Glance, July 2013*

- ❖ 4 commercial banks with 111 branches
- ❖ More than 390 ATMs and over 13,000 EFTPOS
- ❖ 4 microbanks with 27 branches
- ❖ 771 commercial bank, microbank and Post PNG agents
- ❖ 21 savings and loan associations (few actively operating)
- ❖ 6-8 NGO-MFIs
- ❖ 4 superannuation funds
- ❖ 2 Investment Managers; and 3 Fund Administrators
- ❖ 4 life insurers and 18 general insurers

Table 1 below shows usage and access in PNG using the G20 Financial Inclusion Indicators for which data is available.

Table 1 – PNG Financial Inclusion Indicators

Category	Indicator		Indicator Calculation <sup>4</sup>	Measures
Formally banked adults	% of adults <sup>5</sup> with an account at a formal financial institution (June 2013)	National	14.63%	Usage
		<i>Southern</i>	21.05%	
		<i>Highlands</i>	8.33%	
		<i>Momase</i>	17.82%	
		<i>Islands</i>	20.75%	
	Number of deposit accounts per 1,000 adults (June 2013)	National	439	
		<i>Southern</i>	632	
		<i>Highlands</i>	250	
<i>Momase</i>		535		
Adults with credit at regulated institutions	% of adults with at least one loan outstanding from a regulated financial institution (December 2012)	National	6.98%	Usage
		Number of borrowers per 1,000 adults (December 2012)	National	



Point of Service & E-money accounts	Number of branches per 100,000 adults (June 2013)	National	3	Access
		Southern	6	
		Highlands	2	
		Momase	4	
		Islands	5	
Point of Service & E-money accounts	Number of ATMs per 100,000 adults (June 2013)	National	10	Access
		National	330	
Point of Service & E-money accounts	Number of POS terminals per 100,000 inhabitants (June 2013)	National	330	Access
		National	330	
E-money accounts	Number of e-money accounts for mobile payments (July 2013)	National	386,000	Access

The unbanked segment currently stands at 85.62 percent of the total population with the Highland Region having the highest percentage at 91.92 percent, followed by the Momase Region at 82.30 percent. Notably, both regions also have correspondingly low levels of human development indicators, including the lowest literacy rates at 39.2 percent and 53.9 percent respectively.<sup>6</sup>

Figure 1 – Total Banked and Unbanked Adults by Region



Financial access points - defined here as bank branches and agents - are also disproportionately distributed. In the Southern and Island Regions, one branch/agent services 3,004 and 3,350 adults on average respectively. In the Highlands region, where 42 percent of the country's population resides, there is only one branch/agent serving 8,427 adults.

<sup>4</sup> Calculated by using raw data collected for the PNG Financial Services Sector Assessment 2013 (Report being finalized)

<sup>5</sup> Adults defined as age 15 and above as per international criteria

<sup>6</sup> HIES 2009-2010

<sup>7</sup> PFIP and BPNG, 2013, Papua New Guinea Financial Competency Survey Report

Table 2 – Ratio of Branches/Agents and Economically Active Population

	Total No. of Branches and Agents	Adult Population	Adult Population Served Per Branch/Agent
Southern Region	252	756,977	3,004
Highlands Region	218	1,836,978	8,427
Momase Region	198	1,007,261	5,087
Islands Region	158	529,254	3,350
National	826	4,142,514	5,015

### Financial Competency of Low-income Population

According to the 2013 survey results measuring financial competency of low-income households in PNG<sup>7</sup>, the overall level of adult financial competence is low and low-moderate (see Table 3 below).

Table 3 – Levels of Financial Competence by Competency Area

Competency Score	Competency Area
High	None of the Competency Areas were scored as High
Moderate – High	Competence with managing regular and one-off expenditures
Low-Moderate	Competence with managing essential expenditures
	Competence with setting household goals and plans
	Competence with managing household income
	Competence with identifying and recording household expenditures
	Competence with managing requests for financial assistance
	Competence with managing savings
	Competence with managing borrowing
	Competence with managing long term savings
Low	Competence with keeping household records
	Competence with household budgeting
	Competence with non-cash transactions
	Competence with managing cost of money

Other key findings of the survey include:

- Rural households appear to face constraints to financial competence due to lack of access to financial services (in particular, transaction services),
- Men in urban communities are more likely to identify themselves as financially competent. This may be due to higher English language ability and easier access to financial services (in particular through employment). Women appear to be less involved in the management of the household's finances,

<sup>7</sup> PFIP and BPNG, 2013, Papua New Guinea Financial Competency Survey Report

- Men in urban communities are more likely to identify themselves as financially competent. This may be due to higher English language ability and easier access to financial services (in particular through employment). Women appear to be less involved in the management of the household's finances,
- Cash continues to be the dominant mode of payment across both urban and rural households,
- Households identified as most competent at managing immediate activities and less competent at managing more sophisticated activities, in particular planned activities and non-cash transactions,
- Low competence in managing cost of money make low-income people especially vulnerable to predator lending and other scams

### ***Women's Financial Inclusion***

Women constitute approximately 50 percent of the country's seven million population but make up less than 30 percent of the total financial services accounts in the country. They represent an untapped population of economically active, low-income micro entrepreneurs and rural producers. The financial disempowerment of women in low-income households in PNG is pervasive. Irrespective of where they live, women in low-income households are:

- less likely to be able to communicate in English
- less likely to own and be able to use a mobile phone
- less likely to own financial products
- less likely to be involved in household financial management
- likely to work, but in occupations that have a lower requirement for a bank account
- more likely to not know how they will support themselves when they are no longer able to earn

Recent research by Women's World Banking (WWB)<sup>8</sup> revealed that domestic conflicts that result in violence are often struggles over control of money. In such struggles women's personal money is highly vulnerable.

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<sup>8</sup> WWB, 2013, *Deepening Financial Inclusion for Women in the Pacific Islands: An assessment of the gender issues surrounding women's ability to access and control financial resources in Papua New Guinea and Samoa*

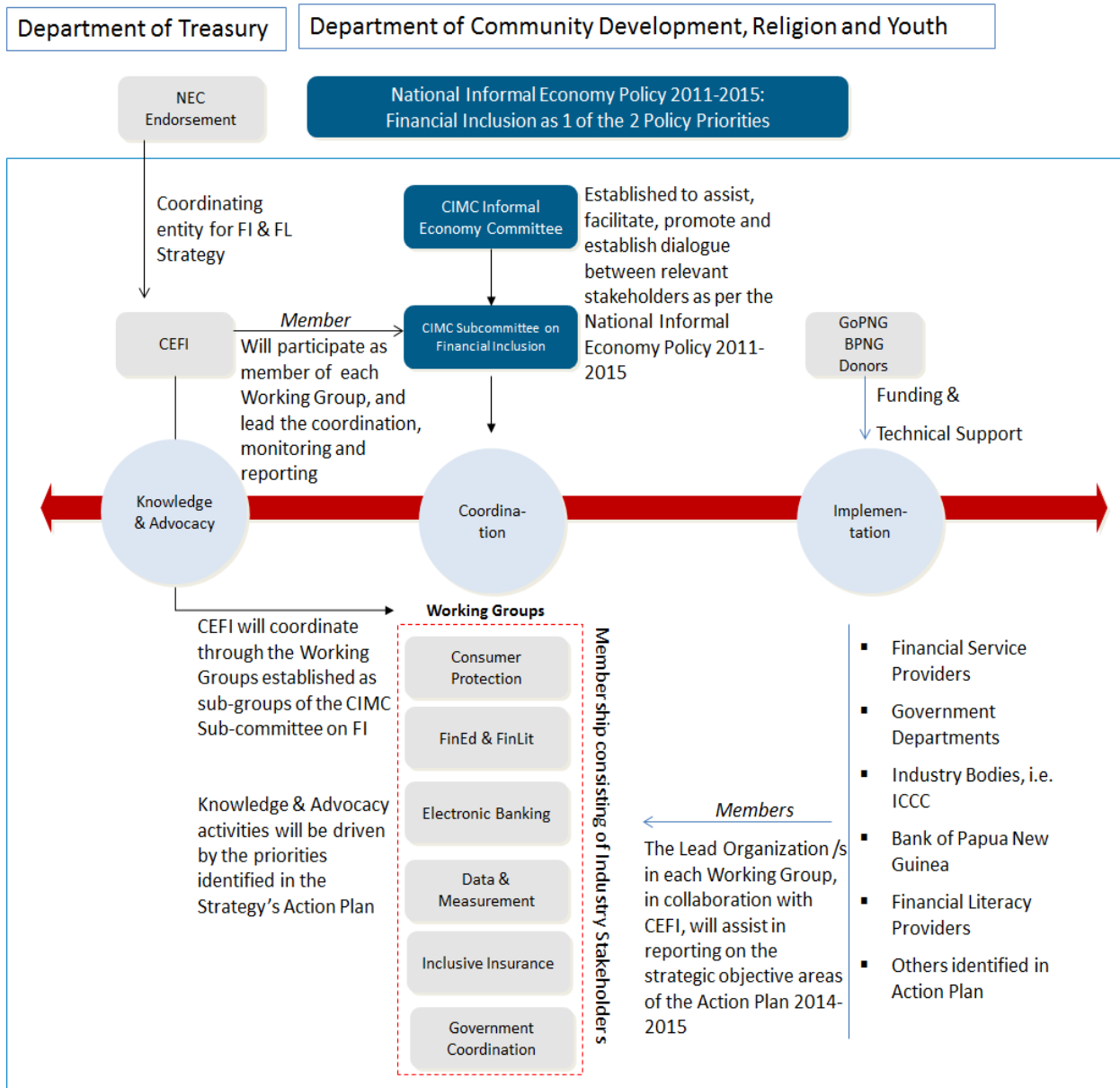
### C. Key Principles

The following principles, adopted from the G20 Principles for Innovative Financial Inclusion, aim to help create an enabling policy and regulatory environment for innovative financial inclusion. The enabling environment can critically increase the speed at which the financial services access gap will close for the unbanked population. These principles for innovative financial inclusion derive from the experiences and lessons learned by policymakers worldwide, especially those from developing countries. In the planning, implementation and results measurement of the National Strategy, BPNG and key stakeholders will take into consideration the G20 Principles for Innovative Financial Inclusion. These are:

1. **Leadership:** Cultivate a broad-based government commitment to financial inclusion to help alleviate poverty and drive inclusive economic growth,
2. **Diversity:** Implement policy approaches that promote competition and provide market-based incentives for delivery of sustainable financial access and usage of a broad range of affordable services (savings, credit, payments and transfers, insurance) as well as a diversity of service providers,
3. **Innovation:** Promote technological and institutional innovation as a means to expand financial system access and usage, including by addressing infrastructure weaknesses,
4. **Protection:** Encourage a comprehensive approach to consumer protection that recognizes the roles of government, providers and consumers,
5. **Empowerment:** Develop financial literacy and financial capability,
6. **Cooperation:** Create an institutional environment with clear lines of accountability and coordination within government; and also encourage partnerships and direct consultation across government, business and other stakeholders,
7. **Knowledge:** Utilize improved data to make evidence based policy, measure progress, and consider an incremental “test and learn” approach acceptable to both regulator and service provider,
8. **Proportionality:** Build a policy and regulatory framework that is proportionate with the risks and benefits involved in such innovative products and services and is based on an understanding of the gaps and barriers in existing regulation;, and,
9. **Framework:** Consider the following in the regulatory framework, international standards, national circumstances and support for a competitive landscape: an appropriate, flexible, risk-based Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime; conditions for the use of agents as a customer interface; a clear regulatory regime reflecting for electronically stored value; and market-based incentives to achieve the long-term goal of broad interoperability and interconnection.

These principles are a reflection of the conditions conducive to spurring innovation for financial inclusion while protecting financial stability and consumers.

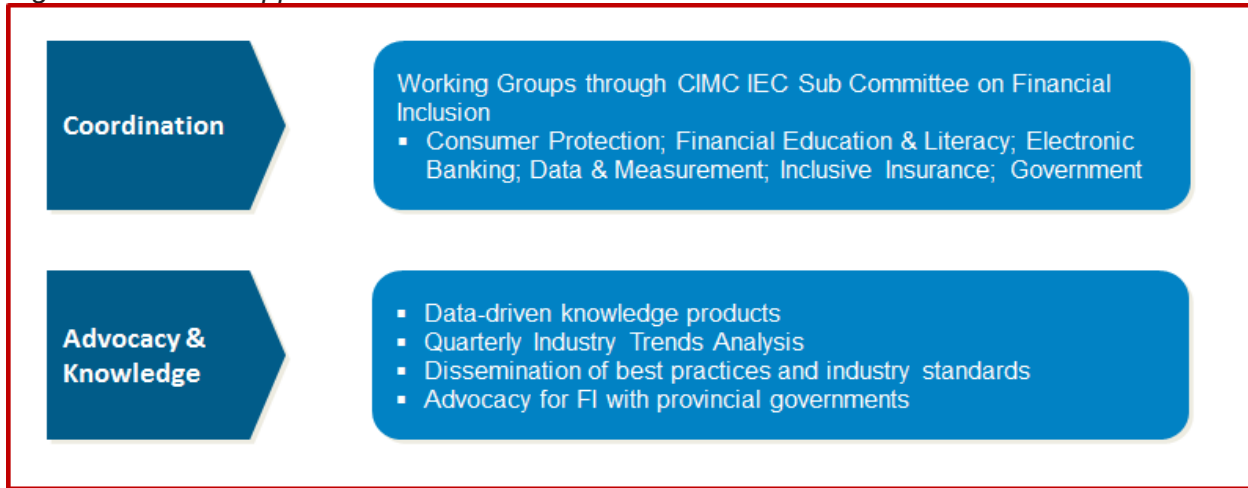
### D. Implementation Management



The Financial Inclusion Policy contained in National Informal Economy Policy 2011-2015 provides the national development policy framework for the Financial Inclusion and Financial Literacy Strategy 2014-2015. CEFI, endorsed by the NEC to coordinate all financial inclusion initiatives in PNG, will have the primary role of coordinating and monitoring the implementation of the strategy. CEFI will work closely with the CIMC Financial Inclusion Sub-Committee, currently chaired by the Governor of BPNG, to coordinate, monitor and report on the implementation of the targets set out in the strategy's action plan.

CEFI aims to build an inclusive partnership mechanism and will build on the competency areas of key stakeholders in order to maximize impact from a wide range of financial inclusion efforts.

*Figure 2 – CEFI’s Approach*



### **Coordination**

CEFI will, as appropriate, set up a number of working groups to help address key priorities identified in the strategy. The membership of the working groups will be drawn from the CIMC Informal Economy Committee’s (IEC) Sub-committee on Financial Inclusion. CEFI will also leverage the existing consultative mechanism within CIMC. The working groups will include key stakeholders working in the respective areas and will meet quarterly to measure progress against the key areas of the strategy that fall within their ambit. The proposed working groups will include:

- **Working Group on Consumer Protection**

This working group will serve as the coordinating body for consumer protection and market conduct initiatives. It will work with industry standard bodies such as the ICCC and other regulators to appropriately protect vulnerable users of financial services. In addition, the working group will promote globally accepted best practices in empowering clients and protecting their interests.

- **Working Group on Financial Education and Financial Literacy**

This working group will oversee the implementation of the financial literacy activities in the strategy and will harness the capacities of its member organizations to support timely implementation. It will have a specific focus on facilitating actions to introduce financial education into the school curricula. This working group will also actively promote standards for the delivery of financial literacy training in PNG.

- **Working Group on Electronic Banking**

This working group will focus on innovative ways to expand access and encourage markets using ICT. It will facilitate the development of payment systems that serve the low-income population sustainably in order to reduce the time and money that low income-earning people spend to conduct financial transactions. This working group will also identify

pertinent research that will enable service providers to better serve low-income and remote communities.

▪ **Working Group on Data and Measurement**

This working group will encourage and promote the importance of collecting and sharing relevant data to measure progress in financial inclusion. It will work closely with the National Statistics Office, CEFI and BPNG to help institutionalize a standard set of indicators that will be collected on a regular basis. The working group is expected to also actively promote the sharing of data and to highlight gaps in outreach and services through digital mapping and other effective mediums of data presentation.

▪ **Working Group on Inclusive Insurance**

This working group will actively promote the development of a conducive policy and regulatory environment for the growth of the inclusive insurance market. It will facilitate partnership between government and private sector for offering relevant products to the poor; including the use of alternate channels for distribution.

▪ **Working Group on Government Coordination on Financial Inclusion**

This working group will ensure that the various government departments' activities related to financial inclusion are coordinated and complimentary, with the overall goal of decentralizing delivery of financial services, financial education, and financial awareness for low-income consumers and MSMEs.

Gender will be mainstreamed across all working groups, with focused attention on women's access to financial services, greater gender balance in inclusive financial sector intermediaries (i.e. governance, management and staffing), and creating an enabling policy, regulatory and legislative environment that promotes and enhances the development of women-centric financial services.

**Advocacy & Knowledge**

CEFI will also undertake advocacy and knowledge-sharing/dissemination as part of its core function. CEFI's advocacy will focus on the importance of financial inclusion to economic growth with provincial governments. CEFI will create a platform for provincial governments to commit to the goals of financial inclusion and financial literacy and help create tangible interventions through provincial allocation of (District Service Improvement Program (DSIP) and Provincial Service Improvement Program (PSIP) funds to financial education. Most importantly, CEFI's advocacy is critical to ensuring that the government-funded credit schemes conform to best-practices and do not distort the ultimate goal of creating an inclusive financial sector in PNG.

CEFI will also generate knowledge products to harness the inherent value of its data collection efforts, such as quarterly trends analyses of financial inclusion in PNG. CEFI will also enable its website to feature and disseminate all knowledge and research products emerging out of partners' work in the sector.

For its important role in gender balance and equity, CEFI will have a gender desk. This desk will support the significance and importance gender has in achieving the vision, mission and objectives of financial inclusion.

## **E. Action Plan 2014-2015**

The National Financial Inclusion and Financial Literacy Strategy has identified financial inclusion (for individuals as well as micro and small enterprises) as a key driver of economic growth, reduced economic vulnerability for individual household, poverty alleviation, promotion of gender equity and balance, and improved quality of life for people around the country. Guided by the G20's Innovative financial inclusion<sup>9</sup> principles, Papua New Guinea will create an enabling policy and regulatory environment that will accelerate financial inclusion.

The goal of a financial inclusion strategy and action plan is to bring together initiatives from the public sector, financial and non-financial institutions, and other stakeholders to expand and improve financial inclusion while maintaining sufficient focus on financial stability, integrity, market conduct, and consumer protection.

PNG's Commitments for 2014-2015 to the Maya Declaration on Financial Inclusion made at the September 2013 Alliance for Financial Inclusion Global Policy Forum will form the framework of the action plan. These commitments are:

- i. To reach one million more unbanked low-income people in PNG and micro and small enterprises, with a diverse range of financial services. Fifty percent of people reached will be women;*
- ii. To lead efforts to create a financially competent generation of Papua New Guineans through financial education and youth-focused financial products and financial literacy;*
- iii. To actively support innovative use of technology for scaling-up access to financial services and financial literacy;*
- iv. To strengthen consumer protection by issuing prudential guidelines and creating a platform for various national regulators and industry networks to monitor consumer protection;*
- v. To begin the process of integrating financial inclusion in local and national government;*
- vi. To promote regular collection and use of financial access data to inform policy making and help identify key dimensions of financial inclusion in PNG; and*
- vii. To optimize these results through knowledge sharing and effective coordination of stakeholders, including development partners, by the newly established CEFI chaired by the Bank of PNG.*

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<sup>9</sup> Innovative Financial Inclusion means improving access to financial services for poor people through the safe and sound spread of new approaches.



	Action	Lead Organizations	Start Date	End Date	Measureable Indicators
1	<b>STRATEGIC OBJECTIVE 1: TO REACH ONE MILLION MORE UNBANKED LOW-INCOME PEOPLE IN PAPUA NEW GUINEA AND MICRO AND SMALL ENTERPRISES, WITH A DIVERSE RANGE OF FINANCIAL SERVICES. FIFTY PERCENT OF PEOPLE REACHED WILL BE WOMEN</b>				
1.1	<i>Measure quarterly progress of banking one million more unbanked (linked to 6.1.2)</i>	BPNG with assistance from donors and the Working Group on Data & Monitoring	Quarter 1 2014	Ongoing	1) Report on progress (linked to 6.1.2)
1.2	<i>Measure quarterly progress of ensuring that 50% of the 1 million more unbanked are women (linked to 6.1.2)</i>	BPNG with assistance from donors and the Working Group on Data & Monitoring	Quarter 1 2014	Ongoing	1) Report on number of women banked (linked to 6.1.2)
1.3	<i>Develop SME Risk Share Facility to enable access to formal, small and medium enterprises (SME)</i>	Department of Trade, Commerce, and Industry with assistance from IFC	Ongoing	Quarter 4 2015	1) Risk-share facilities operational; 2) Report on number of SMEs accessing financial services (linked to 6.1.2)
1.4	<i>Develop Micro Enterprise Risk Share Facility to enable access to loans for informal sector micro enterprises, including women-owned micro enterprises</i>	Department of Treasury with assistance from Microfinance Expansion Project (MEP)	Quarter 2, 2014	TBD	1) Risk-share facilities operational; 2) Report on number of micro enterprises accessing financial services (linked to 6.1.2)
1.5	<i>Implement secured transactions framework with online registry to support the Personal Property Security Act</i>	Treasury with assistance from ADB	Ongoing	Quarter 3 2014	1) Online registry functioning; 2) Track the number of filings
1.6	<i>Provide financial and technical assistance to scale-up access to mobile money (MM) and branchless banking (linked to 3.1.4)</i>	IFC, PFIP, ADB, MEP	Ongoing	Quarter 4 2015	1) Track number of MM accounts the country (from baseline of 386,000 in July 2013)
1.7	<i>Provide financial and technical assistance to create viable inclusive insurance products for the low-income population</i>	MEP, PFIP	Ongoing	Quarter 4, 2015	1) Viable inclusive insurance product offered by at least one financial institution

<b>STRATEGIC OBJECTIVE 2: TO LEAD EFFORTS TO CREATE A FINANCIALLY COMPETENT GENERATION OF PAPUA NEW GUINEANS THROUGH FINANCIAL EDUCATION AND YOUTH-FOCUSED FINANCIAL PRODUCTS AND FINANCIAL LITERACY</b>					
<b>Strengthen and Enhance the Coordination of and Development of Effective Financial Literacy Programs for Low-Income Population</b>					
2					
2.1					
2.1.1	Establish Working Group on Financial Education and financial literacy and hold quarterly meetings	CEFI and CIMC IEC Sub-committee on FI, with support from MEP	Quarter 1 2014	Ongoing	1) Minutes of Sub-group meetings; 2) Annual work plan of the working group
2.1.2	Compile and update consolidated list of financial literacy providers - their location, content and target group of training	CEFI	Quarter 1 2014	Quarter 1 2014, Ongoing	1) Updated list of providers and coverage of training circulated quarterly
2.1.3	Identify minimum key learning outcomes that financial literacy providers should measure, disseminate to providers and monitor effectiveness	CEFI, PFIP	Quarter 2 2014	Quarter 2 2014	1) Key learning outcomes issued to providers and advocated; 2) achievement of outcomes measured
2.2	<b>Increase Focus on Financial Education for Youth</b>				
2.2.1	Sign MoU with Department of Education to introduce financial education in school curriculum	Department of Education, BPNG	Ongoing	Quarter 1 2014	1) MoU signed and implementation strategy agreed upon
2.2.2	Financial education programmes customized to suit students at schools and other learning institutions	Department of Education with assistance from IFC and PFIP	Quarter 1 2014	Quarter 4 2015	1) Number of modules that suit school children & students of other training institutions; 2) Number of school children and students provided with FL training
2.2.3	Begin implementation of financial education in schools (primary, secondary) and/or vocational and technical institution from 2015	Department of Education with assistance from	Quarter 1 2015	Ongoing	1) Scoping exercise by experts completed, 2) Implementation plan

		IFC, PFIP		and budget approved
2.3	<b>Increase Understanding of Low-Income Customers</b>			
2.3.1	Increasing understanding of the behavior of low-income customers	IFC, PFIP	Ongoing	Q1 2014 1) Published report on behavior study by IFC 2) Workshop to disseminate profiles and segmentation of low-income clients
2.3.2	National Financial Capability Survey	BPNG, WB	Ongoing	Q4 2014 1) Publish report on National Financial Capability Survey
<b>3</b>	<b>STRATEGIC OBJECTIVE 3: TO ACTIVELY SUPPORT INNOVATIVE USE OF TECHNOLOGY FOR SCALING-UP ACCESS TO FINANCIAL SERVICES AND FINANCIAL LITERACY</b>			
3.1	<b>To Strengthen Coordination and Collaboration Between Stakeholders for Building the Ecosystem to Support Cost-Effective Electronic and Mobile Banking</b>			
3.1.1	Establish Working Group on Electronic Banking, and hold quarterly meetings	CEFI, CIMC IEC Sub-committee on FI	Quarter 1 2014	Ongoing 1) Minutes of Sub-group meetings; 2) Annual work plan of the working group
3.1.2	Review of the draft NICTA Regulation on SIM Card Registrations and the Universal ID proposal	BPNG with assistance from donors	Quarter 1 2014	1) Unified response to the draft by the PNG Financial Inclusion Sector
3.1.3	Advocacy and regulatory guidance for payment systems interoperability including lowering barriers of entry for other financial institutions such as Micro Banks	Working Group on Electronic Banking	Quarter 1 2015	1) Lowered barriers of entry for other financial institutions in the National Payment system
3.1.4	Provide financial and technical assistance to scale-up access to mobile and branchless banking (linked to 1.6)	IFC, PFIP, ADB, MEP	Ongoing	Quarter 4 2015 1) Track number of mobile money accounts in the country (from baseline of 320,000)

									in July 2013)
3.2	<b>Transition cash to electronic payments to drive up transaction volume, lower costs and build interconnected ecosystem supporting electronic banking</b>								
3.2.1	Scoping study to map and quantify G2P payments (social transfers, royalties, wages, and pension payments) in PNG	PFIP, IFC	Quarter 1 2014	Quarter 4 2014	1) Publication on landscape of G2P payments in PNG, and cost-benefit analysis of transitioning to electronic payments				
3.3	<b>Financial literacy over mobile phones and other ITC</b>								
3.3.1	Pilot mobile phone financial literacy programmes (linked to 4.1.4)	PFIP, IFC	Quarter 4 2014	Ongoing	1) Lessons Learnt; 2) Recommendations for scaling-up				
4	<b>STRATEGIC OBJECTIVE 4: TO STRENGTHEN CONSUMER PROTECTION BY ISSUING PRUDENTIAL GUIDELINES AND CREATING A PLATFORM FOR VARIOUS NATIONAL REGULATORS AND INDUSTRY NETWORKS TO MONITOR CONSUMER PROTECTION</b>								
4.1	<b>To Strengthen Coordination and Collaboration Between Stakeholders for Protecting Consumers and Guiding Market Conduct</b>								
4.1.1	Establish Working Group on Consumer Protection, and hold quarterly meetings	CEFI, CIMC IEC Sub-committee on FI	Quarter 1 2014	Ongoing	1) Minutes of Sub-group meetings; 2) Annual work plan of the working group				
4.1.2	ICCC strengthen synergies between financial inclusion and their own mandate to provide standards/code of conduct based on international best practices on consumer protection in consensus with regulator	ICCC, other standard setting bodies, BPNG	Quarter 2 2014	Quarter 3 2014	1) Code of Conduct				
4.1.3	Preparation of prudential guidelines to licensed financial institutions on consumer protection	BPNG with assistance from MEP	Ongoing	Quarter 4 2014	1) Prudential Guidelines developed and issued				
4.1.4	Pilot consumer awareness notices via mobile phones (linked with 3.3.1)	PFIP	Quarter 4 2014	Ongoing	1) Lessons Learnt 2) Implementation				

							recommendations for scaling-up
<b>5</b>	<b>STRATEGIC OBJECTIVE 5: TO BEGIN THE PROCESS OF INTEGRATING FINANCIAL INCLUSION IN LOCAL AND NATIONAL GOVERNMENT</b>						
5.1	<i>Integrating financial inclusion in local and national government through facilitating efficient and effective coordination to support various on-going financial inclusion efforts; monitor progress over time; and ensure continuity on financial inclusion in national and sub-national planning</i>						
5.1.1	Establish Working Group on Government Coordination for Financial Inclusion and hold quarterly meetings	CEFI, CIMC IEC Sub-committee on FI	Quarter 1 2014	Ongoing	1) Minutes of Sub-group meetings; 2) Annual work plan of the working group		
5.1.2	DSIP Annual Budget makes provision for financial literacy and financial education for rural-based informal workers across at least 50% of all districts	Office of Rural Development through advocacy by Department of Community Development, Religion and Youth supported by CEFI	Quarter 4 2014	Ongoing	1) DSIP annual expenditure reports		
5.2	<b>Standardizing definition of Micro, Small and Medium Enterprises</b>						
5.2.1	Assist Department of Trade, Commerce and Industry to establish national definition of MSME	Working Group on Government Coordination for Financial Inclusion	Quarter 1 2014	Quarter 4 2015	1) National definition for MSMEs		

<b>6</b>	<b>STRATEGIC OBJECTIVE 6: TO PROMOTE REGULAR COLLECTION AND USE OF FINANCIAL ACCESS DATA TO INFORM POLICY MAKING AND HELP IDENTIFY KEY DIMENSIONS OF FINANCIAL INCLUSION IN PAPUA NEW GUINEA</b>				
6.1	<i>Harmonizing definitions and approaches for data collection using global guidelines such as from G20/AFI-PIWG dataset, and expanding the scope of collection to include all dimensions of inclusion</i>				
6.1.1	Establish Working Group on Data & Measurement, and hold quarterly meetings.	CEFI, CIMC IEC Sub-committee on FI	Quarter 1 2014	Ongoing	1) Minutes of Sub-group meetings; 2) Annual work plan of the Working Group
6.1.2	Quarterly reporting on the PNG Financial Inclusion Indicators plus the specific indicators related to specific activities in the National Financial Inclusion and Financial Literacy Strategy	BPNG, CEFI	Quarter 1 2014	Ongoing	1) Quarterly Reports
6.1.3	Maintain registry of products available in the market and their performance against consumer protection standards	CEFI	Quarter 2 2014	Ongoing	1) Annually updated registry of products in the marketplace and scoring of these products against industry consumer protection standards
<b>7</b>	<b>STRATEGIC OBJECTIVE 7: TO OPTIMIZE THESE RESULTS THROUGH KNOWLEDGE SHARING AND EFFECTIVE COORDINATION OF STAKEHOLDERS, INCLUDING DEVELOPMENT PARTNERS, BY THE NEWLY ESTABLISHED CENTRE OF EXCELLENCE FOR FINANCIAL INCLUSION CHAIRED BY THE BANK OF PAPUA NEW GUINEA.</b>				
7.1	<i>Advocate for knowledge sharing, including impact assessments, lessons learnt etc. through creating a central knowledge platform where information can be accessed and disseminated</i>	CEFI	Quarter 1 2014	Ongoing	1) Web platform of knowledge from PNG's FI & FL stakeholders; 2) Regular dissemination of materials across provinces and departments





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