



# RESERVE BANK OF VANUATU

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## PRESS RELEASE

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### Governor Athy Addressed FIT Inception Meeting



Following appointments made by Prime Minister Salwai early this year of the National Financial Inclusion Council (NFIC), the Financial Inclusion Taskforce (FIT) and the subsequent Working Groups, an inaugural meeting of the joint group took place at the Reserve Bank on Wednesday July 18<sup>th</sup>, 2018.

In his opening remarks, Governor Athy, who is chairman of the FIT welcomed the members, saying, “...*he cannot over-emphasize the importance and the historical aspect*

*of the meeting as that was the first time that the FIT has met under its new mandate...and more importantly, because of the recent elevation of the Chairman of the National Financial Inclusion Council (NFIC) to the Prime Minister - to which the FIT reports....”*

Having the Prime Minister as the chair dramatically underscores the importance placed on financial inclusion and its mandate to improve access to finance by households and the business sector in Vanuatu. This arrangement is something novel in both Vanuatu and within the region. The meeting heard that although FIT existed in the past, the idea that its role could be enhanced through the creation of the NFIC, followed from study visits to Malaysia and Thailand in 2016.

According to the Governor, most of the appointments were done in recognition of the leadership and expertise that each of the members have in their respective fields.

The meeting witnessed presentations of the roles of the NFIC, FIT and the Working Groups by members of the RBV Technical Advisory Committee and how they are going to function together. Athy continued to say that the understanding of the committee roles and responsibilities is important because the work of the NFIC has been elevated to be chaired by the Hon. Prime Minister. But then he cautioned the Taskforce and Working Group members stating that *“...the arrangement implies that the Head of Government will in a way also act as a monitoring & evaluating mechanism which means that the Taskforce and Working Groups will have to work harder in fulfilling their respective work plans outlined in the National Financial Inclusion Strategy ....”*

Governor then epitomized the financial inclusion journey in Vanuatu to that of a butterfly life cycle saying *“... that Vanuatu’s financial inclusion journey is still in the embryonic stage of its development and he wants to see tangible progress towards the caterpillar and pupa stages...”*

Based on the governance structure of the National Financial Inclusion Strategy, NFIC that is chaired by the Prime Minister functions as the highest policy-making body for the steering and coordination of the overall implementation of the strategy.

The FIT which is chaired by the Governor of the Reserve Bank, reports to the Financial Inclusion Council to ensure effective implementation of the strategic action plans of the National Strategy document. In this way, FIT is the coordinating body of the NFIC with strategic goals of creating an enabling policy environment and financial infrastructure; promoting and fostering inclusive products, services and channels; promoting financing for MSMEs; promoting financial literacy and consumer empowerment.

The strategic goals are divided into four (4) with each one taken care of by a Working Group in a bid to achieve the strategic objectives. The four Working Groups that serve under the FIT are namely the Regulatory Working Group (RWG), Inclusive Products and Services Working Group (IPSWG), MSME Finance Working Group (MSMEFWG) and the Financial Literacy and Consumer Empowerment Working Group (FLCEWG).

Members also received briefings on the Vanuatu National Financial Inclusion Strategy (NFIS) 2018 – 2023, which serves as our overall policy document. The overarching goal of the strategy is to ensure that by 2023, a total of 130,000 Ni-Vanuatu's will be active users of financial services, of which 50% must be women and, that a suite of MSME business finance products are available and tailored to businesses led by women and youth. The useful thing about the targets set in the strategy is that they are based on studies carried out by the Reserve Bank over the years, including the nationally represented Financial Services *Demand –Side Survey* and the *Vanuatu MSME Finance Survey* conducted in 2016.

Governor concluded his remarks by echoing this, “.... *let me remind us to show the National Financial Inclusion Council that we can complete the “butterfly life cycle” within the space of time specified under the strategy....*”

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