



Participants of the Womens Financial Inclusion Workshop in PNG

Women and financial services partnerships in PNG

THE Bank of Papua New Guinea (Bank PNG) in partnership with the Pacific Financial Inclusion Program (PFIP), the Centre for Excellence in Financial Inclusion (CEFI) and Women's World Banking convened resource participants active in financial inclusion and women's empowerment at the Central Bank. Together, stakeholders identified concrete and measurable actions by regulators, policy planners, practitioners, service providers and donors over the next two years (2014-15) to increase and deepen women's financial access and empowerment.

Women constitute approximately 50% of the country's 7 million people but disproportionately represent less than 30% of total financial services portfolio in the country. They represent an untapped population of economically active low-income businesswomen, who are also household financial managers, making a large volume of transactions.

All participating commercial banks and micro banks concurred that women represent an important market segment for them and at today's workshop, made a commitment to increase outreach to women to 50% of total portfolio by 2015.

According to Governor Loi Bakani, it is critical to consider the multi-dimensional issues relating to the financial empowerment of women in PNG. Financial services

are mostly high-cost and not fully responsive to the needs of women. Financial institutions are emerging with savings and loans products but low-income customers, especially women are struggling to connect these services with a clear plan to achieve their goals, be it strengthening a business or saving for an asset.

Partnership was a recurring theme with resounding concurrence that facilitated partnership that has clearly delineated roles is imperative, and requires technical expertise to balance social impact and sustainability.

"We need to forge partnerships between the meso organizations and the retail providers to help prepare low-income women working in the informal sector to address KYC requirements, financial literacy, and empowerment" said Anthony Delacruz, CEO of People's Microbank. Participants also agreed that one of the biggest impediments for women's access to loans is lack of collateral. Community based women organizations can help bridge this gap.

Representatives stressed the importance of financial education and marketing, using an interactive marketing, promotions and sales approach rather than traditional, less effective and higher cost classroom trainings to embed financial literacy messages that reach women. Representatives debated whether financial literacy should be a public good provided through public-private partnership

due to high investment costs required of delivering them in PNG.

Everyone acknowledged that financial literacy is particularly important around mobile money. Women identified lack of knowledge about mobile money services or how to use them as key barriers, believing that they are too complicated.

GSMA research shows that in Papua New Guinea, 47% of women and 35% of men who want a mobile financial account identified lack of understanding of how to use it as their chief reason for not opening an account.

Participants also explored the connections between violence against women and financial needs. Recent research by Women's World Banking in PNG has revealed that domestic conflicts that result in violence are often struggles over control of money; women's personal money becomes highly vulnerable. The workshop participants stressed the importance of enabling women to protect and grow their savings as a key driver for building an inclusive financial system that includes women.

This includes training staff and financial service agents to be conscious of linkages between money, household conflict and violence and be very strict on privacy issues.

The workshop highlighted the acute need for gender disaggregated data to measure the impact of access to finance.

Women's World Banking identified the potential use of quantitative customer data, such as the data collected on application forms, and financial performance data to measure if financial service providers are in fact targeting low-income women, if the products and services are meeting customer needs and what outcomes women are experiencing as a result of accessing these financial services. There was resounding agreement about the need to use a segmented approach to build stronger businesswomen who can become strong customers.

The main recommendations from Women's Access to Financial Services Workshop will be presented by a representative from this group at the National Financial Inclusion and Financial Literacy Strategy Workshop on 22 - 23 August at the Grand Papua Hotel, to be integrated in the National Strategy for Financial Inclusion and Financial Literacy 2014-15.

Centre for Excellence in Financial Inclusion

Centre for Excellence in Financial Inclusion (CEFI) is designed to be the coordinating entity for all initiatives related to financial inclusion by driving the National Strategy for Financial Inclusion in PNG. National Executive Council, on 26 June 2013, endorsed the CEFI as the apex institution to drive the national strategy for financial inclusion in the country and

coordinate all initiatives related to financial inclusion in PNG. www.thecefi.org

Pacific Financial Inclusion Program

The Pacific Financial Inclusion Programme (PFIP) is a joint program of the United Nations Capital Development Fund (UNCDF) and United Nations Development Programme (UNDP) with additional funding support from the Australian Agency for International Development (AusAID) and the European Union/Africa, Caribbean and Pacific Microfinance Framework Programme (EU/ACP). www.pfip.org

Women's World Banking

Women's World Banking is a global network comprised of 39 leading microfinance institutions from 28 countries, serving more than 19 million clients, 73 percent of whom are women. The outstanding loan portfolio of the networks amounts to US\$ 6.9 billion compared to a savings portfolio of US\$ 4.4 billion. Although its members are diverse in geography, size and structure, they are all united by the firm belief that microfinance must remain committed to women as clients, innovators and leaders. www.womenworldbanking.org