

Barry Whiteside: Development of microfinance in Fiji

Opening speech by Mr Barry Whiteside, Governor of the Reserve Bank of Fiji, at the South Pacific Business Development's First Year Anniversary, Suva, 7 December 2011.

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Mr. Gregory Casagrande – Founder of the South Pacific Business Development Group,
Mr. Elrico Munoz – General Manager, South Pacific Business Development Microfinance Fiji Ltd,

Management, Staff and Members of South Pacific Business Development Microfinance Fiji,
Our Lady Entrepreneurs

Distinguished Guests,

Ladies and Gentlemen.

A Good Afternoon and bula vinaka to you all!

It is an honor and great pleasure to be here with you today to celebrate South Pacific Business Development (SPBD) Fiji's first anniversary as a microfinance institution in Fiji. From what I have heard, it has certainly been a year of many successes.

I wish to thank Elrico for his kind invitation and I congratulate SPBD for its impressive achievements in providing inclusive financial services to almost 3,000 women and organizing more than 145 village-based groups throughout the Rewa, Tailevu, Namosi, Suva and Lami areas. What a wonderful achievement!

Women and microfinance

The theme for your foundation day of "***Empowering Women through Microfinance***" is a very fitting one. It not only reflects the work that is being done by SPBD, but also serves as a national call to encourage women to believe in their talent and skills and to use these effectively to improve their families livelihoods. I applaud the management and all you micro entrepreneurs of SPBD for taking up this initiative and excelling in it.

The availability, to previously unbanked and underserved areas, of small loans, savings and investment opportunities, micro-insurance and other financial products and services, provides a truly powerful tool for social and economic change, especially for women.

Several studies reveal that by having access to some form of financial services, women have become more confident and more independent. They are receiving the recognition that they deserve in their families, their communities and their villages. Today, women play a crucial role in decision making. I believe that all clients of SPBD Fiji present here today have experienced this change and it is definitely a positive one for our whole country.

This is what microfinance is all about, empowering women, making a positive change that spreads its benefits not only to your family members, but also to the community at large. Microfinance acts as a bridge for women to be able to turn their dreams into reality. I know many of you have personally felt and lived this welcome change.

Microfinance to support these developments

Ladies and gentlemen, financial inclusion, which includes microfinance, has been acknowledged the world over as being critical to lifting the living standards of people and addressing poverty. Financial inclusion is all about the availability of safe savings,

appropriately designed loans and appropriate insurance and payment services, all designed for the poor and low income households. Financial inclusion is about empowering or helping people to help themselves to increase their income, acquire capital, manage risk and work their way out of poverty and into a better life.

According to the 2008–2009 Household Income and Expenditure Survey for Fiji, there has been a large increase in the number of self-employed women in our country. Data indicate these women represented 24 percent of total self-employed in 2008, up from 16 percent in 2002. I would expect the numbers to have increased even further with the advent of SPBD Fiji and your participation over the past 12 months. These numbers are surely a positive sign, indicating that recent initiatives to encourage and support women in self-employment are clearly bearing fruit.

To all micro-entrepreneurs present here today and to those who are interested in starting up a micro business, please remember that microfinance is not only about receiving loans. It is much more than that. It is also about savings. Therefore, it is very important that you make wise decisions while using the funds that are made available to you. I encourage you to take heed of the financial literacy training that is disseminated to you by the Company.

Saving a dollar today, and whenever you can, will go a long way. Starting your own business is the very first step. Ensuring that you expand this business is also very critical for a sustained flow of income. Using the revenue from your own business to put food on your table and to educate your children are the building blocks for a prosperous nation. Microfinance is a platform that has provided you with an opportunity to do just that.

Development in financial inclusion and microfinance

Ladies and Gentleman, as you may be aware, in 2009 a National Microfinance Workshop was organized by the Reserve Bank and supported by the Pacific Financial Inclusion Programme (PFIP). A key outcome at this workshop was the commitment by all the participants to a common vision of ***“...reaching at least 150,000 unbanked citizens through a coordinated national effort by the year 2014”***.

It is extremely encouraging to note that we are on track towards achieving these goals, perhaps even earlier than targeted. By September this year, 34 percent of the 150,000 persons targeted, have since had some form of access to basic financial services. This, I am happy to say, is due to the efforts of all the stakeholders that are part of this process of enabling an outreach of greater financial inclusion in Fiji.

In addition to this, the Reserve Bank of Fiji has continued its outreach and awareness programmes by way of microfinance expositions or expos throughout Fiji. This year we held two expos, as a follow up to those held in Ba, Labasa and Suva in 2010.

A first ever microfinance expo was held in the Maritime zone (from 21 to 25 March) covering Savusavu, Taveuni, Koro, Gau and Levuka.

The second expo was when the Reserve Bank, in partnership with thirteen other stakeholders, including SPBD, organized a Microfinance Village at the 2011 Vodafone Hibiscus Festival in Suva from 19–27 August. The objective was to disseminate and promote awareness to the public about the broad range of financial services and products available and to create an opportunity for the micro-entrepreneurs to not only sell their wares, but to also allow them to gather financial information from all the various financial institutions which had set up their stalls under one roof at Albert Park. I understand that some of you entrepreneurs even took the opportunity to make some investments and open some savings deposits.

I would just like to mention that the RBF Microfinance Village was awarded the ***“Most Entertaining Booth”*** by the Hibiscus Festival organizers. The spectacular performances by the SPBD clients, which I am sure include some of you who are present here today, were

one of the highlights in the village. The colourful costumes and traditional and contemporary dance numbers made the event fun-filled and more family oriented. A big Vinaka Vakalevu to all the performers.

We are indeed really grateful for the tremendous on-going support from all the stakeholders that have enabled us to take a collaborative approach to greater financial inclusion in Fiji.

SPBD catalyst for promoting microfinance

Ladies and Gentlemen, today I am extremely delighted to share some of the achievements that SPBD Fiji has accomplished in its short life in our country.

In just 12 months of operations, the company has been able to provide some form of financial service to almost 3,000 women. The range of activities, in which the entrepreneurs are involved, signifies how innovative women are in ensuring a sustained livelihood for themselves and their families.

SPBD Fiji clients have saved about \$300,000 and have taken out \$2.3 million as loans to start or expand a small business. It is also pleasing to note that SPBD has maintained an excellent repayment rate of no less than 97 percent. This is a tremendous outcome and it speaks volumes for the Company's policies and procedures and relationships with the lady clients.

Ladies and Gentlemen, today, we shall also witness a showcase of how entrepreneurship development through microfinance has changed the lives of women. I congratulate the finalists of the SPBD Businesswoman of the Year Awards, for serving as living inspiration to all the ladies here. To all you businesswomen, I salute you for taking that extra step to improve your lives and the lives of your loved ones.

I understand SPBD has partnered with other institutions in providing better services to its clients. An example is its partnership with Westpac in the provision of financial literacy sessions in the villages. Recently, SPBD has partnered with the Life Insurance Corporation of India to provide microinsurance coverage for its members at very affordable cost and with simple, easily understood procedures. Very soon, SPBD clients will also be able to repay their loans and build their savings through Vodaphone's MPAiSA mobile phone payment system.

SPBD has been working tirelessly to ensure that its clients are getting the best services available.

In the coming years, we look forward to SPBD expanding its services not only across the whole island of Viti Levu, but also to the other islands, including Vanua Levu and even the smaller islands. I understand the Company has an ambitious target of reaching 15,000 clients by 2015. I certainly wish SPBD the very best in achieving this vision.

Conclusion

Ladies and Gentlemen, in concluding, I would just like to say that it is important for us in the Reserve Bank to be acquainted with, and be a part of, the ongoing initiatives, developments and future prospects in Fiji's microfinance sector. As a regulator we try our best to create an enabling environment for microfinance to thrive in Fiji. It is our job to ensure there is a competitive market that upholds the value of transparency and accountability and a level playing field for all.

The active participation of women in the economy, as well as contributing to economic growth, is something that microfinance facilitates and something we can all be proud of. The onus is on each one of you present here today to work hand in hand to provide your families a means to better your standard of living. The time cannot be more opportune for those who

are thinking of making a difference in their lives to be part of microfinance and the whole financial inclusion drive.

Ladies, please take this moment to reflect on the positive changes that microfinance has brought about in your family, community and the nation at large. You are doing something special, so I urge you to keep up the momentum. We all know that an economy is only as good as its individual units that encompass it.

I have always believed that “financial inclusion is not about giving handouts to anyone, it’s about helping the people to help themselves”.

Once again, I thank Mr. Casagrande and Mr. Munoz for their kind invitation. I wish them and their team at SPBD every success. I also would like to express my appreciation to SPBD for continuing to contribute to the development of microfinance in Fiji. May you continue to do so for many more years.

To all you award nominees here today, I wish you the best and congratulate you on your achievements. In my mind, even if you miss out on a prize, you are all still winners.

Vinaka Vakalevu.