Barry Whiteside: Developing microfinance in Fiji

Opening address by Mr Barry Whiteside, Governor of the Reserve Bank of Fiji, during the media launch of the 2015 Microfinance Awards, Reserve Bank of Fiji, Suva, 12 June 2015.

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Salutations
Our valued sponsors of the Microfinance Awards
All our Stakeholders in Financial Inclusion
Members of the Media
Invited Guests
Ladies and Gentlemen

Welcome and introduction
A very good morning to you all
It is with great pleasure that I welcome you all to the media launch of our 3rd National Microfinance Awards.

The Awards are indeed very special as they enable us to honour and recognize the outstanding achievements and contributions of some of the best micro-entrepreneurs and microfinance service providers in Fiji. Small businesses in our country must be nurtured, for given time and support they will grow and lend their combined weight to the Fijian economy.

The theme for our Awards continues to be focussed on “Bringing out the Best” in the area of microfinance. With this theme in mind I am extremely pleased to announce that we have added a new Award category this year to honour and recognize the efforts of our Young Microfinance entrepreneurs. This now takes our total number of categories to four:

1. Best Microfinance Entrepreneur – Individual;
2. Best Microfinance Entrepreneur – Partnership;
3. Best Microfinance Young Entrepreneur; and

Similar to our past occasions, the Microfinance Service Providers will be nominating several of their best microfinance entrepreneurs to the Individual, Partnership and Young Entrepreneur categories and will also qualify as entrants to the Institution category.

Nominations for all entries are now open and will close on the 31st August 2015, to allow for a thorough assessment of all applications received. We hope to receive a wide cross section of entries from around the country.

A panel of judges will assess all the nominations based on specific criteria set out by the Awards Committee. All this will culminate in an Awards night in early November, to which the finalists will be invited and where we will announce the winners and celebrate their achievements.

Microfinance – inclusive finance
Ladies and gentlemen, earlier this month the Minister of Employment, Productivity and Industrial Relations highlighted that there are 46,277 job seekers currently registered on their database, of which around 4,400 are tertiary graduates.
To those looking for a job and who cannot find one, I encourage you to look at setting up your own little businesses. Bring out your entrepreneurial spirit and nurture it. I believe that with passion, positivity and determination, many of you can succeed and make a decent living.

Microfinance continues to show compelling evidence in lifting the standard of living for the under privileged. This has been noted in submissions for these very Awards over the past two years. It has been inspiring to see how these micro entrepreneurs started with virtually nothing, but with a little support through microfinance, have been able to provide for their families, build assets, as well as mitigate risks in their lives. I am so pleased to learn from last year’s winners, that participating in the Awards has inspired their respective communities, friends and families to start their own businesses.

**National demand side survey**

Late last year, the Reserve Bank in partnership with the Pacific Financial Inclusion Programme and the Fiji Bureau of Statistics conducted a National Demand-Side Survey of financial services and products in our country. As can be deduced from its title, the survey targeted the users and potential users of financial services across the whole of Fiji. The final Report for this survey noted that there is room for expansion and product innovation to meet the needs of our microfinance sector.

When we talk about microfinance we should not only focus on the credit or lending side but realise that it is important that our micro-entrepreneurs have access to a whole range of financial services that are accessible and affordable. These financial services play an important role in helping poor families manage their lives as well as protecting them against unexpected financial shocks.

Microfinance Service Providers should ask themselves, are our current products properly designed to suit the needs of our micro-entrepreneurs? Are our current products adding value to benefit them? Apart from providing credit, are there suitable savings mechanisms in place? What about insurance: life insurance, health and general insurance? Do they have easy access to these services? Are they aware of the types of services available to them?

**Financial literacy**

With the availability of various financial products, changing technology and delivery mechanisms of financial services, financial literacy is an essential everyday life skill. Being able to understand our financial landscape and manage money and financial risks effectively does make a world of difference in our lives. For example, using your mobile wallet to conduct business transactions can save you time and money.

**Regulatory stance**

Ladies and gentlemen, to support our micro-entrepreneurs, the Reserve Bank issued clear guidelines in 2010 for the commercial banks to set up microfinance windows to provide products and services to meet the needs of low income earners and our rural populace who had long been excluded from banking services. This, followed by our branchless banking guideline, has seen positive responses from our banks supporting our unserved and underserved communities through innovative banking and delivery channels.

**Microfinance expositions**

The feedback received from our demand survey also tells us that lack of awareness is a major reason why people do not use the formal financial system. The Reserve Bank, in partnership with our financial stakeholders, has been raising awareness and promoting the microfinance sector through 19 financial inclusion expositions around Fiji since 2010. Eight
expositions alone were held in the maritime area. These expositions provide a one-stop shop for financial services to areas where there is little to no access.

**Progress out of poverty Index (PPI)**

I am also pleased to report that an important focus of the Reserve Bank and the National Financial Inclusion Taskforce is to empower individuals, especially the poor, to contribute to economic development and poverty alleviation. I thank our Microfinance Institutions (and especially Elrico Munoz and his SPBD team) for taking the initiative in introducing the Progress out of Poverty Indicator tool which will enable us to assess the poverty level of clients and track progress out of poverty over time. Currently two Microfinance Service Providers have fully adopted this tracking system while others, including commercial banks and Government, have shown interest in adopting it. With this tracking tool, we hope to see more people graduate out of poverty over time.

**Media**

With these few words ladies and gentlemen, let us not forget the important role that you, our media, can play in the whole area of financial inclusion and microfinance— you can raise awareness on issues relating to microfinance, you can prompt discussions about its promises and opportunities and the developments that are out there. We invite you to join us in disseminating useful information to strengthen this extremely important and growing sector.

**Concluding statement**

At the Reserve Bank we are proud of the model for financial inclusion that we have helped develop for Fiji. It is a model built around all our stakeholders. It is a model of team work, where one institution is not necessarily trying to go one up on its competitors. And it is all for the good of giving our people the necessary hand-up that they may need to lift themselves and their families out of poverty.

Let us keep in mind that if we all work together, we can help improve the lives of hundreds, if not thousands, of Fijians. Through our collaborative efforts, we can help inspire more micro-entrepreneurs generate more success stories and achieve a more balanced and sustained growth, a growth that is inclusive.

Finally, we must not forget that these Awards would not be possible if it wasn't for our sponsors. Once again let me say how grateful we are for your generous support and to have you on board for 2015. This year our sponsors include:

1. Pacific Financial Inclusion Programme (Gold Sponsor)
2. ANZ Bank (Gold)
3. Life Insurance Corporation of India (Silver)
4. Westpac Banking Corporation (Silver)
5. Bank South Pacific (Silver)
6. Bank of Baroda (Bronze)
7. HFC Bank (Bronze)

Thank you once again for your kind support.

Ladies and gentlemen, I now have much pleasure in launching the 2015 National Microfinance Awards and thank you all so much for joining us today.

*Vinaka*