



# CEFI NIUS

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## CEFI launches national insurance campaign

The Centre for Excellence in Financial Inclusion (CEFI) and Bank of Papua New Guinea (BPNG) in partnership with Inclusive Insurance Working Group launched the National Inclusive Insurance Campaign, titled “Get Insured, Rest Assured.”

The multi-platform campaign launched in October aims to spread awareness among the public on the importance of insurance as a risk management instrument.

Only 2% of the 8-million strong population is insured in Papua New Guinea - a shockingly low penetration rate for a country that ranks high on risk perception. Mr. Loi Bakani, Governor for Bank of Papua New Guinea, attributes the low penetration to the Wantok system, lack of awareness and financial incompetence.

“Insurance in PNG has some constraints because of the Wantok system. But with growing number of nuclear families, a lot of people are getting more independent. They are realizing that there is too much pressure on one person. Depending only on your relatives isn’t reliable and people need to look at modern Insurance products as a safety net.”



*The launch of Inclusive Insurance Campaign Videos.*

Recognizing this as a priority area, CEFI with the inclusive insurance working group, is working towards increasing the negligible 660,000 active Insurance policies to 1.5 million in a 5-year timeframe.

Mr. Saliya Ranasinghe, CEFI’s Executive Director, explains the way forward. ‘In the initial stages, the Government should look at subsidizing Insurance Premium so that the masses can be reached. Until we reach a substantial number of people, the cost of Insurance will always be an issue. If we increase the Insurance coverage amongst the population, the cost of the premium per person will automatically go down.’

One of the crucial goals of the awareness campaign is to simplify the concept of Insurance, which is usually mired in technical jargon. Mr. Raka Taviri, Deputy Chairman of the Inclusive Insurance Working Group speaks of the urgent intervention required.

“What will make a huge difference is the awareness level of people, accessibility to the Insurance products, policy environment and the willingness of the players to go the extra mile. There needs to be greater innovation, both on the product aspect and the service from the Insurance providers.”



# CEFI SME Loan Product Guide launched

Centre for Excellence in Financial Inclusion and Bank of Papua New Guinea with its partners in the SME sector today launched the National SME Product Loan Guide for micro, small and medium businesses in the country.

The guide booklet is a one-stop reference guide with detailed information on loan products available at licensed banking institutions, including client requirements and contact details of the institutions. The guide will assist individuals and businesses to access appropriate loans to start, develop and expand their businesses.

Bank of Papua New Guinea Governor and Chairman of CEFI Loi M Bakani CMG officially handed over the booklet to the Micro-Small-Medium-Enterprises (MSME) Council President Des Yanien and Centre for International Private Enterprise (CIPE) Country Director Eli Webb, witnessed by representatives from SME and agriculture



**BPNG Governor and Chairman of CEFI Loi M Bakani officially handed over the booklet to MSME Council President Des Yanien and CIPE Country Director Eli Webb.**

sectors and financial institutions.

Governor Loi M Bakani remarked that the SME lending product booklet will help bridge accessibility to banking services and products by small businesses, particularly those placed in rural and off grid locations.

“CEFI have started rolling out financial literacy in the country that has now reached more than 250,000 people to provide knowledge on Money Management Skills in Savings and Budgeting and Banking services. Lack of access to banking information still remain a challenge”

“This booklet will greatly assist to close off the gap and improve the PNG businesses.” Said Governor Bakani.

The National SME Product Loan Guide is part of the objective of the National Financial Inclusion Strategy 2016-2020 to improve access to finance for small to medium business in the country.

Download the SME Loan Product Guide [https://www.thecefi.org/.../sme-agri-booklet\\_2020\\_03-FINAL\\_co...](https://www.thecefi.org/.../sme-agri-booklet_2020_03-FINAL_co...)

## Progress Update: Digital Financial Services Working Group

The Digital Financial Services (DFS) Webinar held from 14<sup>th</sup> to 15<sup>th</sup> July, provided a way forward, to boost discussions centred around international best practices that PNG can learn from, with the theme: Emerging Future Scenarios in the Digital Finance Space for Papua New Guinea. The webinar was attended by respective government agencies which included Bank of Papua New Guinea; Mobile Network Operators; Financial Institutions; Fintech organizations; Academia; and Development partners, with a total of 83 participants from around the world and PNG participating.

The current DFS ecosystem needs to

be refined, taking into account customers value proposition and cost-effective profitable delivery channel for service providers. DFS ecosystem seek continued support from the Government (GoPNG), Bank of Papua New Guinea (BPNG), Mobile Network Operator (MNOs), Financial Institutions and other key stakeholders, to create an adequate space for the expansion of DFS in PNG.

The future DFS considerations are vital for the progress of services which may include:

- ♣ New Institutional Structures,
- ♣ Neo Banks – Digital Banks,

- ♣ Agents,
- ♣ Revisit the Business Models,
- ♣ Fintech Innovations,
- ♣ Nurture local innovations through incubation process,
- ♣ Attract foreign fintech companies,
- ♣ Diversify product offering (Client centred)- Credit facilities and Merchant payments,
- ♣ Literacy - Digital literacy and Digital financial literacy.



# CEFI implements Market For Village Farmers project

The Centre for Excellence in Financial Inclusion (CEFI) is implementing sub-component 2.2 of the Market for Village Farmers Project which is focused on providing a livelihood and financial literacy training and provision of innovative financial products and services to improve the lives of farming households in six selected provinces in the Highlands region and Morobe and East New Britain Provinces.

The Fresh Produce Development Agency (FPDA) and the CEFI have signed a 5-year Sub Project Agreement (SPA) in June 2020 to improve access to financial inclusion services and products.

CEFI has already engaged CARE International to develop training material for the project while it is in the process of recruiting an international consulting firm with experience in product development and agriculture finance to conduct due diligence study, develop business plan including putting together a three-year training plan to build internal capacities of partner financial institutions. Through this intervention CEFI is confident partner financial institutions will provide affordable and diversified financial services to 25 000 farming households.

CEFI has already secured interest from nine (9) financial institutions ranging from commercial banks, microfinance institutions to savings and loans societies.

CEFI Executive Director, Saliya Ranasinghe says CEFI has begun the ground works after the signing of the agreement with FPDA.

“CEFI has recruited full time staff and has established an office in Goroka, Eastern Highlands to administer the financial inclusion activities.”

From October 12-27 2020, CEFI participated in four roadshow events hosted by Fresh Produce Development Agency through its Market for Village Farmers Project Management Unit across the highlands and Morobe province to promote the project and to seek partnership support from provincial administration to deliver the project in the selected provinces.

During the roadshow, Memorandum of Agreements (MOA) were signed between International Fund for Agriculture Development (IFAD), Department of Agriculture and Livestock (DAL), Fresh Produce Development Agency

(FPDA) and the respective provinces to improve market access to farmers by facilitating their transition from semi-subsistence to agro farming businesses.

CEFI’s Special Projects Manager Busa Jeremiah Wenogo said CEFI will work strategically to deliver the Financial Inclusion Component.

“We will focus on two areas, training for farmers in financial literacy, community mobilization and nutrition with the training to target the family unit, primarily the father and mother. We will also work with financial institutions to offer innovative financial products and services to the households,” Mr Wenogo told the participants at Banz.

The Roadshow and Workshop concluded in Lae, Morobe province on October 27. with a Memorandum of Agreement signed between the Provincial Administration and Project Management Unit.

MVF is valued at \$USD38 million and is executed by the Government of PNG through DAL and implemented by FPDA, with funding from the International Fund for Agriculture Development (IFAD).

# CEFI Opens Goroka Office



*(from left to right) FPDA General Manager Mark Worinu, DAL Acting Secretary Danuiel Kombuk and Bank of Papua New Guinea Assistant Governor Alison Pidik, cutting the ribbon to officially open the CEFI Goroka Office.*

The Centre for Excellence in Financial Inclusion (CEFI) has extended its services to the highlands region with the opening of a new office in Goroka, Eastern Highlands Province. The office will serve as the focal point for coordinating CEFI's financial inclusion activities to support the Market for Village Farmers Project.

The CEFI office will support the project's overall aim of improving the livelihoods of village farming households in target provinces by facilitating their transition from semi-subsistence agriculture in the fresh produce and galip nut to market-oriented production and farming as a business.

CEFI Executive Director Saliya Ranasinghe highlighted that CEFI through the Goroka office will coordinate the delivery of Family Farm Team Training and work with nine selected Partner Financial Institutions (PFIs) to develop innovative financial products and services to meet commercial and business

financial needs of MVF rural farming communities.

"CEFI will work with CARE International PNG to conduct Family Farm Team Training to the 25,000 identified farming households in the Eastern Highlands, Western Highlands, Simbu, Jiwaka, Morobe and East New Britain Provinces and facilitate the access of farming households and other players in the fresh produce and galip nut value chains to affordable and diversified financial products and services." Mr Ranasinghe said.

Bank of Papua New Guinea Assistant Governor Alison Pidik states, "the decision to establish the CEFI office is to have CEFI presence in the highlands and closer ties with fresh produce farmers and partners so we're better positioned to bring improvement in the livelihood of family farmers. The office will house the CEFI Sub-Project Coordinator and field Officers."

FPDA General Manager Mark Worinu and Department of Agriculture Acting Secretary Daniel Kombuk are both equally proud of their partnership with CEFI and stated that the Papua New Guinea Government investment in the Market biliong Vilis Famas Projek is at the heart of government endeavour to translate subsistence farming to more organised and prospective business venture for majority for fresh produce farmers.

The Market for Village Farmers – Market Bilong Villis Fama (MVF) is a Government of PNG project financed by International Fund for Agriculture Development (IFAD), executed by National Department of Agriculture & Livestock, and implemented by Fresh Produce Development Agency (FPDA). The Project Development Objective (PDO) is to achieve sustainable, increased returns to village farming households from marketed oriented production.

# Partners Corner: Financial Institutions attend introductory workshop

Financial Institutions that attended an introductory workshop in November have expressed their interest to be involved in the Market For Village Farmers (MVF) Project.

During a general discussion the financial institutions identified key issues and challenges and suggested recommendations for the MVF project.

For some of the financial intuitions it was an opportunity to observe, share information, learn from other sister institutions and report their findings back to their management.

Financial institutions that attended the introductory workshops included Bank South Pacific, Westpac, Mi Bank, Women's Microbank, People's Microbank, Kada Poroman Micro Finance, Nasfund Contributors Savings and Loans and East New Britain Savings and Loans.

Some of the issues and challenges expressed by the financial institutions regarding agriculture lending was,

- risks involved,
- borrowers financially illiterate,
- accessing of data and information,
- lack of resources,
- farmers access to markets,
- lack of short term crops in the country and
- government's lack of assistance.

Recommendations presented to addressing the key underlining issues were,

- providing financial literacy training,
- sharing data and information,
- government supporting the ag-



*Representatives from financial institutions including micro-banks and commercial banks that attended the introductory workshop.*

riculture sector by enforcing a policy frame work to stop the import of fresh produce from overseas,

- opening tailored bank accounts targeted at framers,
- providing in-store facilities (eftpos machines) for farmers to ease banking and
- working in partnership with collaborators.

“We have shifted our Goroka office and we are in the FPDA building so that’s a sign of our interest and our willingness to participate.” – Trudi Egi, Chief Operating Officer – Operations MiBank

“The bank is happy to be part of this initiative and work together with stakeholder’s and sister institutions to make it happen for our farmers and bring them into financial inclusions.” – Melisha Sindiwan, Marketing Manageress Womens Micro Bank.

Stanerd Wai, BSP’s Head of SME-Retail Bank “In terms of entry into the agri-sector it’s a very high risk area and not all commercial banks want to

go down that path so as BSP. We are looking at other ways we can reach some of the players in the agri-sector.”

“At the moment we are not reaching the farmers directly but we are dealing with other value chain players, what we call prerogatives in terms of finding the financial solutions and also access to finance as well.”

Regarding working with collaborators, Mr Wai shared a case study focusing on BSP’s working partnership with New Britain Palm Oil and Hargy Oil Palm, two established oil palm companies, providing up to date data to assist the bank in its micro-business plan for its customers.

“We are still lending to this sector and these organizations have been very helpful to us (BSP) they provide all the data that we need and they are also giving us a lot of information about each of those farmers.”

# CEFI rolls out inclusive insurance

The Centre for Excellence in Financial Inclusion (CEFI), PNG Insurance Council, and insurance industry partners have signed a 4-month contract to conduct the country's first Nation-wide Inclusive Insurance awareness campaign with local media company, Pidgin Production.

Inclusive Insurance is one of the seven (7) Working Groups under the National Financial Inclusion Strategy 2016-2020, which has identified a need for nationwide awareness campaign to improve understanding of Insurance for citizens and businesses.

The campaign is aimed at improving citizens' knowledge on what insurance are, types of insurance products, and the processes of acquiring insurance policies from insurance companies.

The campaign will feature the industry projecting a unified voice on multiple media platforms to showcase and promote general and life insurance products, including insurance regulations in country. CEFI Executive Director Saliya Ranasinghe in his remarks stated that, "Insurance acts as a safety net for individuals and businesses in times of loss, accidents and crisis. In such sit-

uations, insurance can provide people with much-needed funds to help them recover from insurable events and to re-establish their livelihoods and businesses." This campaign drive is a collaboration of the Insurance Industry that includes, Bank of Papua New Guinea (BPNG), Pacific Financial Inclusion Programme (UNCDF/PFIP), Capital Insurance, Life Insurance Corporation, National Teacher's insurance, Office of Worker's Compensation, Trans Pacific Assurance, Tower Insurance, Office of Insurance Commission, BSP Life, MVIL, INSPAC PNG, CLI Company, Kwila Insurance Corporation LIC PNG, Pacific MMI Insurance and Workers Mutual Insurance (PNG).

## CEFI delivers Financial Literacy Training for Department of Finance employees

The Centre for Excellence in Financial Inclusion (CEFI) delivered Financial Literacy Training for 16 employees from Department of Finance (DoF) in Port Moresby.

The training conducted by CEFI provided key techniques of savings and budgeting, setting financial goals, developing family budget, accounting risks and spending wisely.

CEFI Executive director Saliya J Ranasinghe encouraged the staff from the DoF to be role models and spread the message of savings and budgeting.

"Be role models and convey this message (what you have learnt from this training) as much as possible and I hope this training will help you all and change your life in the way you manage money, said Mr Ranasinghe said.

"Our (CEFI's) main intention is to bring people to the financial mainstream. When we started there was 85 percent of the people in this country that did not have a bank account, we



*Staff from the Department of Finance with CEFI Senior Trainer Jill Pijui showing their certificates after completing the financial literacy training.*

only had 1.3 million bank accounts in the country but now it has come down to 65 (percent) and we have about 3.5 million bank accounts in Papua New Guinea now," Mr Ranasinghe told the staff from DoF.

DoF Deputy Secretary Special Projects, Samuel Penias thanked CEFI for making time available to deliver the training to his team.

"We were asked to run a financial literacy training and this the starting point and we don't want to go back and re-invent the wheel because CEFI has al-

ready done that," Mr Penias said.

CEFI is delivering Financial Literacy retail training and Training-of-Trainers (TOT) in partnership with registered training institutions, Non-Government-Organisations, Faith-Based-Organisations, Civil-Based-Organisations, government institutions, private enterprises, resource sector and commodity boards.

# Inaugural Graduate Development Program Launched

The Centre for Excellence in Financial Inclusion (CEFI) in August announced its inaugural Graduate Development Program for new and recent graduates from tertiary institutions and colleges, based in Port Moresby.

The CEFI Graduate Development program (GDP) offers graduates and soon to be graduates prospective opportunities to gain relevant experience in a range of disciplines that contribute to greater financial inclusivity for Papua New Guinea.

The cross-functional development program will provide graduates exposure to different units and disciplines in financial inclusion coordination, financial inclusion training, communications and stakeholder mobilization, finance and administration and special projects.

Executive Director of CEFI Saliya Ranasinghe said that the program illustrates CEFI's commitment to attracting and developing top performing graduates.

"CEFI's GDP program is designed to attract and develop leadership skills for outstanding candidates. It provides the technical and interpersonal skills that will help them deliver and advocate for financial inclusion programs and initiatives the country." Mr Ranasinghe said.

Mr Ranasinghe added the development of a more robust Graduate Program was identified as a key learning and development priority under CEFI's advocacy of Financial Inclusion agenda.

Based on research and data gathered, the administrative team developed

the blended learning program that includes mentoring, self-paced learning, participation in live and virtual workshops, experiential development days, local networking and project management.

The GDP information is available on CEFI website [www.thecefi.org](http://www.thecefi.org) or call +675 3225300 or email [info@thecefi.org](mailto:info@thecefi.org) for more information.

## Financial Inclusion Reports

- Covid-19 is accelerating digital banking across the globe: Here how it will impact Bangladesh

<https://nextbillion.net/covid19-digital-banking-bangladesh/>

- Digital Transformation at the service of clients

<https://www.bouldermft.org/blog/2020/11/30/p21-eng/>

- Crisis as an inflection point for women's financial inclusion

<https://www.findevgateway.org/blog/2020/11/crisis-inflection-point-womens-financial-inclusion>

- Challenges of financial inclusion for small producers and low income rural families – Covid-19

<https://www.bouldermft.org/blog/2020/11/23/p20-eng/>

- Weathering the storm II: A case study of Spandana

<https://www.findevgateway.org/case-study/2020/11/weathering-storm-ii-case-study-vitas-palestine>

- Impact of the Covid-19 pandemic on MSMEs

<https://www.findevgateway.org/slide-deck/2020/11/impact-covid-19-pandemic-msmes>

# *Meet our TrailBlazer - RURUVA ANE*



**Village/Province:** Viriolo, Abau District, Central Province

**Position at CEFI:** Senior Data Analyst

**What does your work involve?**

I am one of two data analysts working with CEFI. I look after Financial Performances data for partner institutions of CEFI. We call these partner institutions LFIs (Licensed Financial Institutions). The two categories of LFIs currently submitting data to CEFI are the micro-banks and savings and loans societies in Papua New Guinea. Currently, the data for these LFIs is collected on a quarterly basis on standard templates provided by CEFI. Such financial data as the LFI's balance sheet, profit & loss statement and other key performance data is captured in these reports and I represent CEFI as the central point to gather those reports. I check all these data for validity, correctness and consistency, then using inhouse tools (Compiler and Microvision), do further analysis before reporting. Development is currently ongoing for the production of a QPS report (Quarterly Performance Report) for each LFI, and at the year-end, annual reports are being produced. Much of this reporting phase is currently done in conjunction with externally-engaged sources.

**Why is (your role) it important to Financial Inclusion?**

Data is key to making business decisions and data is paramount and does not lie. Using data, organizations are able to make informed decisions to improve business performance, hence, the reason my role is important at CEFI.

**Where do you see your work in a few years?**

I commenced with CEFI in September, 2019 and from my experience with CEFI over the last 6 months, there is a need for CEFI to take ownership of the data it collects from all financial institutions in Papua New Guinea. Apart from the financial performance data I am custodian to, the operational data which my other colleague is responsible for, should be managed by CEFI at all levels. That is, CEFI must develop its capacity to manage the end-to-end process of such data from the data input stage and collection, to data analysis as well as forecasting, to the end process of reports publishing using business intelligence tools on its website or platforms CEFI endorses for its partners' consumption. I hope that soon I can be a part of that team to achieve that.

# Snap Shots

# About Us



CEFI Sub-Project Coordinator Sebastian Mugup, speaking to participants during the MVF roadshow in Mt Hagen.



CEFI's Financial Inclusion team members, Albert Mokis and Marie Eorage coordinating a Digital Financial Services Working Group Meeting.



CEFI Executive Director Saliya Ranasinghe presenting a certificate of participation to a staff from Department of Finance.



Local famers and stakeholders attending the MVF Roadshow in Banz, Jiwkak province.



CEFI Field Officer Paul Maina carry out awareness on CEFI's role in the MVF Project with local farmers, Susuan Kombangil and Joe Keps.



The MOA signed between Morobe Provincial Administration and Fresh Produce Development Authority.



CEFI Special Projects Manager Busa Jeremiah Wenogo speaking during the official opening of the MVF Office in Jiwaka.



Signing of the MOA between Hagen Provincial Administration and Fresh Food Produce Authority.

CEFI was established under the Association Incorporation Act and officially launched on the 24th April 2013 by the Honourable Prime Minister of Papua New Guinea, Mr. Peter O'Neill.

CEFI is endorsed by PNG's National Executive Council (NEC), as the industry apex organization for coordinating, advocating and monitoring all financial inclusion activities in PNG.

CEFI's vision, mission and values focus on financial inclusion and literacy, poverty elimination and the promotion of vibrant financial institutional operation in Papua New Guinea.

This newsletter is produced by the CEFI Communications and Stakeholder Mobilisation team to update and report on developments CEFI is implementing through Financial Inclusion in Papua New Guinea

If you have any comments or feedback, please send them to

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