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TERMS OF REFERENCE

PROJECT: Survey to assess the province's readiness to pilot financial inclusion activities in the districts

Background

The National Financial Inclusion Policy (NFIP) and National Financial Inclusion Strategy 2023-2027 (NFIS) outlined the role of government is to set policy goals, set the rules (through regulation) and address market failures where justified. The Government Departments which have a stake in financial inclusion are the Department of National Planning & Monitoring, the Department of Community Development & Religion, Department of Treasury, the Department of Finance, the Department of Education, the Department of Provincial & Local Governments Affairs, the Department of Agriculture & Livestock and sub-national government (Provincial and District Administrations)

Financial inclusion is an agenda that is part of and contributes in many ways towards accomplishing these departments' respective policy objectives and the greater vision of the National Government as articulated in the Vision 2050, the Marape Manifesto and the Medium Term Development Plans. There is a need to coordinate activities with all the identified stakeholders and, where justified, to provide resources to address market failures which constrains financial inclusion initiatives. The NFIS has targeted Provincial Government Engagement Roll-Out Programs (PGEP) as a key priority area to address these problems. The specific objective of PGEP is to promote the integration of financial inclusion in the planning and implementation processes of the National and sub-national governments.

A critical element of embedding the financial inclusion agenda into the provincial government's planning process is to have up to date data on the level of financial inclusion in a province. Such data will be crucial to inform various relevant authorities on the serious need for government intervention in pursuing financial inclusion initiatives as a key agenda for their provinces' respective development.

The Survey is the first step in embedding financial inclusion in the province. The survey will gather key information to guide the provincial government to make informed decision about prioritization and allocation of resources to promote financial inclusion in their province. Overall, the data collected will be crucial in monitoring the implementation of the key initiatives under the PGEP and help to evaluate the effects of a change and track the progress of improvement made as a result of intervention brought on by the partnership between CEFI and the respective provincial government in driving financial inclusion in the province. This information will be crucial when it comes to evaluating the impact of the MOU signed between CEFI and the provincial governments. It assists both parties to determine whether the partnership has led to progress and where necessary appropriate changes can be implemented to ensure that the partnership is on track to achieve its targets and objectives.

Purpose

The purpose of the survey is to gather a set of data that will inform CEFI and the partner provincial government about the status of financial inclusion in the province. The survey will also identify appropriate intervention that is required to support the piloting of financial inclusion initiative at the district level.

Key objective

The key objective of the survey project is to assist both CEFI and the Provincial Government to cascade the financial inclusion interventions down to the district and LLG Level.

Sub-key objectives

- 1) Map out the demographic distribution in the district
- 2) Identify key economic impact projects / activities in the district and the challenges faced in sustaining these economic activities
- 3) Identify the beneficiaries of these projects
- 4) Assess if there are spinoffs from these project particularly the presence of SMEs in the project impact area.
- 5) Map out level of cashflow (inflows and outflows in a week/month/year)
- 6) Identify the presence or proximity of financial institutions and the services they offer in the district.
- 7) Determine the direct and indirect costs of accessing financial services in the district
- 8) Identify the types and level of risks associated with doing business in the target community/district.
- 9) Assess the efficiency and effective of essential government services and infrastructure to aid the expansion of financial inclusion identifying gaps and proposing appropriate interventions. Focus areas includes roads, bridges, police station and telecommunication infrastructure, presence of government institutions and agencies such as SOEs, Govt Departs, IRC, IPA etc.
- 10) Identify if there are any donor or government (both national and provincial) interventions or support programs pertaining to agriculture, livestock, fisheries, financial literacy, SMEs, women support program etc

Scope of work

The survey will begin with a desktop review and where necessary a field survey will be conducted to verify the findings.

(i) Conduct a desktop review

Review and analyze relevant reports and documents to be supplied by both the provincial administration and CEFI/BPNG

(ii) Design a pilot plan for the Financial Inclusion Roll-out into the Districts/LLGs

The findings from the desktop review will be used to formulate a plan of action to promote and embed financial inclusion in the selected district with a keen focus on agent banking and deployment of innovative technologies (digital platform) to broaden the access points.

Duration of the Survey

The survey is expected to be completed in one (1) month.

Reporting

A report and an action plan will be furnished and tabled before the Provincial Financial Inclusion Steering Committee for its deliberation and endorsement.