



RESERVE BANK OF FIJI

PRESS RELEASE



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NATIONAL FINANCIAL INCLUSION TASKFORCE SUPPORTS THE WORK OF THE MICROFINANCE SECTOR

Microfinance when properly managed and supervised, helps to reduce poverty and has benefits for Fiji's macroeconomic and financial sector development. Studies have shown that when the poor and the underserved in society have access to a range of basic financial services like safe, affordable and appropriate savings, loans, payment and insurance products, they can better manage their limited financial resources, plan ahead and weather the unexpected shocks that are part of life

The National Financial Inclusion Taskforce (NFIT), which was established in 2010, embraces microfinance as one of its core focus areas of development and has commended the current microfinance services providers for their commitment and investment in Fiji. These institutions are enablers, providing people in the informal sector much greater access to basic financial services and in the process empowering the poor, particularly our women, to better help themselves. Microfinance is vital for Fiji's large informal sector, much of which has, in the past, been outside the coverage of formal banking services.

The Chairman of the National Financial Inclusion Taskforce, Mr Robin Yarrow, said that "microfinance services can make a significant difference to the lives of the poor in terms of housing, health and education, as well as improving the status and empowering women in social and economic activities". He acknowledged, however, that in the past there had been a few inadequately managed Microfinance Institutions (MFIs) that previously operated under the ambit of the National Centre for Small and Medium Enterprises Development. These poorly managed institutions are now being closed following a recent review of the program and Government has undertaken, upon completion of a final audit review, to reimburse clients who had placed their savings with these MFIs.

Mr Yarrow highlighted that existing Microfinance Service Providers such as the commercial banks and privately owned MFIs are not included in this review. The commercial banks were required by the Reserve Bank of Fiji, from 2010 to set up internal microfinance units to service the poor and low income earners, particularly in remote and rural areas. He added that the substantial achievements recorded by Fiji towards more inclusive development have only been made possible through the collaboration and support of our microfinance service and other development partners and they must be commended for their efforts.

The Governor of the Reserve Bank, Mr Barry Whiteside said that "the Reserve Bank of Fiji, through the National Financial Inclusion Taskforce, will continue to work closely with all relevant stakeholders in the development of microfinance and other financial inclusion initiatives in ensuring that the poor or those considered unbankable, are able to access affordable and appropriate savings, credit, insurance and payment facilities supported by appropriate financial education and consumer protection".