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**News Flash**

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**Pacific Sustainable Livelihoods Programme (PSLP)** is a regional technical facility based in Suva, Fiji to provide Pacific Island countries with value-added services to eradicate poverty through sustainable livelihoods creation.

## Financial literacy training and banking service for rural Fiji

UNDP has teamed up with ANZ Bank to introduce a unique solution to the 300,000 rural people who remain largely unbanked and lacking in money management skills.

The financial literacy training will be carried out in almost all rural villages and settlements in Fiji. It will be jointly implemented by the UNDP/PSLP and the Micro Finance Division of the National Centre for Small and Micro Enterprise Development (NCSMED).

This partnership between UNDP and ANZ Bank is unprecedented anywhere in the world and represents a pooling of expertise and resources towards the shared vision of creating a vibrant and empowered rural economy.

12 months into the planning stage, the rural banking initiative was launched by the Prime Minister of Fiji Hon. Laisenia Qarase, last month.

We are targeting to serve the 300,000 rural people living in the 1,600 villages, settlements and towns on the main and outer islands in Fiji. These people represent 45 % of the country's population and majority of them do not have access to financial services.

The absence of banking facilities has long been acknowledged as a critical missing link in the rural development strategy being steered by the government. Rural economic development had for decades been slow as a result.

There was considerable pressure from the Fiji Government and Fiji Reserve Bank to provide an appropriate banking solution to these areas in the hope of stimulating the rural economy. In response to this, the ANZ and the UNDP began discussions to design a sustainable and inclusive rural banking service.



*Carolyn Blacklock - Rural Banking Manager, ANZ, John Velegrinis - General Manager ANZ, Peter Witham - UNDP Resident Representative, Jeff Liew - UNDP-PSLP Regional Project Manager at the launch..*

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The discussions which followed, acknowledged that the provision of banking services to the rural areas would not be sufficient nor sustainable without developing financial literacy amongst the rural people. Thus was formed a partnership, where ANZ will provide the mobile banking service through a fleet of “bank-on-wheels” and UNDP will conduct financial literacy education.

An important element in this partnership is that the bank has committed itself to providing an inclusive, affordable and transparent service.

Rural banking service and financial education is a sustainable and effective strategy towards the achievement of the Millennium Development Goals.

### **The community gains:**

Financial education is to teach people about money and how to manage it wisely.

According to PSLP’s Regional Programme Manager, Jeff Liew, “poor people want to save and will save, regardless of race. Nowadays, learning to manage one’s money is also about managing your life and your future.”

Hence, financial literacy will enable people in rural areas to become more informed financial decision makers by becoming aware of their financial situation – are they constantly borrowing; are their children unable to attend school because they can’t pay school fees; do they suffer from cycles of hardship and financial insecurity.

## Editorial



Bula everyone!!  
Welcome to the special issue of PEP Talk dedicated to our latest venture – the rural banking initiative. This issue aims to instigate thinking on development in rural areas and inform readers on UNDP-PSLP’s role

under the rural banking initiative.

We believe that having access to financial services is everyone’s right and it should not be limited to urban areas. Hence the rural banking service and financial education is a strategy towards the achievement of the Millennium Development Goals.

It will open opportunities for people in rural areas to earn, save and flatten cycles of financial uncertainty.

PSLP has been involved in providing technical assistance to microfinance projects regionally but this is the first time we are involved in a national drive.

PSLP is willing to work with all kinds of partners to help the disadvantaged. The Team looks forward to your support and input.

Vinaka! (APrabha)

“Once people understand their financial situation, they can learn basic skills related to earning, budgeting, saving, borrowing and investing money” says Mr. Liew.

Not surprisingly financial education will eventually help people make informed choices and learn how to manage their money to fulfil their personal or family goals and to invest in new economic opportunities.



Mr. Josefa Serulagilagi assured the ANZ and UNDP of the province’s support for such an initiative.

It empowers people who have been economically sidelined, it helps them invest in their children’s education and to be able to seek and pay for health and other basic services.

It also increases gender-equity through the greater economic participation of women through microfinance groups and new income generating opportunities.

Mr. Liew said, “these services will un-leash the economic potential and help in poverty reduction in rural communities in Fiji.”

## ANZ’s bank on wheels

NO ACCESS to basic banking services in rural Fiji will be a thing of the past in the coming months.

ANZ’s fully-armoured mobile banking units will now probe areas such as Tailevu, Naitasiri and other parts of rural Fiji to develop a savings ethic by providing basic banking services.

They will use a fleet of custom made four-wheel-drive trucks as mobile bank branches on Viti and Vanua Levu and boats and planes to reach outlying islands. ANZ staff will travel in separate vehicles during these visits.

Ensuring full security, ANZ’s partner City Security Services will provide the logistics for the movements of the mobile banking unit and each vehicle will be supported by a chase car and trained armoured officers.

The ANZ understands the need to provide convenient banking to the entire community and they have designed affordable services with two specific Rural Banking products:

(1) The Rural Banking Everyday account. This product is ideal for individuals, groups, mataqali’s, co-operatives etc

# Taking financial literacy to countryside

NAYAVU in Tailevu will be the first village to be visited by the financial literacy trainers come October 2004.

Jeff Liew, Wilfred Garcia, Roderic Evers and Luse Motoya of PSLP have been very busy lately with designing the financial literacy education modules, brochures etc with the active participation of the MFD and our partners and beneficiaries.

PSLP is carrying out a series of financial education programme with a team of trainers drawn together from various government agencies and NGOs that are already actively involved in capacity building work with rural communities throughout the country. These include the NCSMED; Department of Cooperatives; Ministry of Fijian Affairs and Regional Development; Ministry of Multi-Ethnic Affairs; Ministry of Women, Social Welfare and Poverty Alleviation; Fiji Credit Union League and Consumer Council of Fiji.

The training in rural areas will focus on the household's ability to make a decent living, setting goals and prioritising, budgeting and most importantly saving. The topics on agenda include – household financial position, household budgeting, banking facilities and financial services and savings.

Moving on, a core team of 4 trainers will work with trainers from local organisations such as the Provincial Council and District Office in carrying out trainings. This will ensure the training is relevant to the area and local dialect is spoken. Core trainers will also train Provincial Council staff and the Turaga ni Koro (village heads) in each village to assist with the village level training.

The team plans to do half day long trainings in vernacular at each location. There are 1169 villages and over 500 settlements in rural Fiji and the training is for all ethnic groups including men, women, youth and school children.

A highlight will be training of school children in order to inculcate a savings habit from the very young.

If you live in Fiji, don't forget to inform your rural communities to be on the look out for this useful training.

**If anyone in Fiji or other Pacific Island countries would like a copy of the rural financial literacy education materials please email us.**

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have a need to make regular deposits and regular withdrawals. To open an account costs \$5. They can withdraw as often as they like and will still only pay \$3 per month as an Account Maintenance Fee.

(2) The other account is the Rural Banking Savings account. This product has been designed for those individuals, families, groups, mataqali's, co-operatives etc that want to save for a specific purpose or want to save for unexpected events. It is ideal for regular deposits but infrequent withdrawals. There is no monthly account maintenance fee. However, a \$3 Withdrawal fee is charged each time you take money from the account.

The arrival of the rural banking unit at the village and settlements provides a great potential for savings in the rural areas and it will not displace other microfinance institutions. These institutions, savings groups and individuals will now have a safe place to bank their money.

It is estimated that the desired savings culture may finally eventuate in rural Fiji.

## Think - Tank



Some questions to trigger thoughts on your rural communities financial situation:

1. Do people always borrow and repay later? (No budgeting skills)
2. Are people able to improve their houses? (Ability to save for a goal)
3. Are parents able to pay children's school fees? (No ability to save and budget)
4. Can people afford medical services? (No savings for emergencies)
5. Do people use money properly? (Knowing your income and expenditures)

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