



Solomon Islands: Strengthening Financial Inclusion

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|--|---|--|---|--|-----------------------------------|-----------------|---|-----------------|
| Project Name | Strengthening Financial Inclusion | | | | | | | |
| Project Number | 46508-001 | | | | | | | |
| Country | Solomon Islands | | | | | | | |
| Project Status | Active | | | | | | | |
| Project Type / Modality of Assistance | Technical Assistance | | | | | | | |
| Source of Funding / Amount | <table border="1"> <tr> <td colspan="2">TA 8723-SOL: Strengthening Financial Inclusion</td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 200,000.00</td> </tr> <tr> <td>Financial Sector Development Partnership Special Fund</td> <td>US\$ 400,000.00</td> </tr> </table> | | TA 8723-SOL: Strengthening Financial Inclusion | | Technical Assistance Special Fund | US\$ 200,000.00 | Financial Sector Development Partnership Special Fund | US\$ 400,000.00 |
| TA 8723-SOL: Strengthening Financial Inclusion | | | | | | | | |
| Technical Assistance Special Fund | US\$ 200,000.00 | | | | | | | |
| Financial Sector Development Partnership Special Fund | US\$ 400,000.00 | | | | | | | |
| Strategic Agendas | Inclusive economic growth | | | | | | | |
| Drivers of Change | Knowledge solutions Partnerships Private sector development | | | | | | | |
| Sector / Subsector | Agriculture, natural resources and rural development - Agro-industry, marketing, and trade Finance - Central banking systems - Inclusive finance | | | | | | | |
| Gender Equity and Mainstreaming | Effective gender mainstreaming | | | | | | | |
| Description | The Government of Solomon Islands requested ADB for technical assistance to improve access to and suitability of financial services to promote economic opportunities in rural areas. The TA will (i) increase the availability of suitable financial services and lessen financing constraints for selected smallholder farmers and small rural businesses, (ii) promote financial literacy and capacity, and (iii) safeguard consumer interests in branchless banking. ADB approved a technical assistance in the amount of \$660,000 with a \$400,000 contribution from the Financial Sector Development Partnership Special Fund in September 2014. | | | | | | | |
| Project Rationale and Linkage to Country/Regional Strategy | Solomon Islands comprises six large islands, dozens of smaller islands, and hundreds of islets and atolls. More than 80% of the 553,000 population live in widely dispersed villages of several hundred people, mostly on a subsistence level. Geographic dispersion and remoteness are major challenges that make service delivery costly. As a result, most rural dwellers lack access to health and education services, and markets. Transport services in rural areas and between outer islands are limited, and financial services are available only in urban and provincial centers. | | | | | | | |
| Impact | Smallholder farmers in two provinces actively participate in the cash economy. | | | | | | | |

Project Outcome

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| Description of Outcome | Selected smallholder farmers in two provinces use financial services. |
| Progress Toward Outcome | The TA's first phase is now complete and the completed assessments have been shared with the stakeholders. |

Implementation Progress

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| Description of Project Outputs | Selected Smallholder farmers in two provinces have improved knowledge on financial issues, Selected smallholder farmers, including coconut value chain stakeholders, are provided with adequate financial services Consumer interests in branchless banking models are safeguarded. |
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| Status of Implementation Progress (Outputs, Activities, and Issues) | Following completion of a review of existing branchless banking frameworks and policy discussions with CBSI, a branchless banking expert was fielded in February 2016. The expert is working with CBSI staff in managing risks related to the implementation of branchless banking operations, in particular on management of cash agents. An education tool and savings product is being designed in cooperation with a mobile network operator and/or bank. The pilot has been delayed, commencing in May 2017 for 5 months. |
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Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation The project team continues with various stakeholders, including the Solomon Islands National Financial Inclusion Taskforce, CBSI, and government representatives.

Business Opportunities

Consulting Services The TA will be implemented over 36 months from 30 October 2014 to 30 September 2017. It is anticipated that a total 10 person-months of intermittent international and national consulting services will be required for implementing of the TA's phase one. Additional consulting services are estimated at 10 person-months, intermittent. This will be determined after phase one and findings and recommendations for implementation have been discussed and agreed with the stakeholders. The consultants will be recruited under the Guidelines on the Use of Consultants (2013, as amended from time to time).

Procurement All goods procured under the TA will follow ADB's Procurement Guidelines (2013, as amended from time to time).

Responsible Staff

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|----------------------------|---|
| Responsible ADB Officer | Warid, Liliana Sera |
| Responsible ADB Department | Pacific Department |
| Responsible ADB Division | Pacific Liaison and Coordination Office in Sydney, Australia |
| Executing Agencies | <i>Central Bank of Solomon Islands P.O. Box 634, Honiara, Solomon Islands</i> |

Timetable

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|---------------------|----------------------------|
| Concept Clearance | 03 Jul 2014 |
| Fact Finding | 13 Aug 2014 to 22 Aug 2014 |
| MRM | - |
| Approval | 24 Sep 2014 |
| Last Review Mission | - |
| Last PDS Update | 30 Mar 2017 |

TA 8723-SOL

| Milestones | | | | | |
|-------------------------------|--------------|------------------|-------------|--------------------------|--------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 24 Sep 2014 | 20 Oct 2014 | 20 Oct 2014 | 29 Oct 2017 | - | - |
| Financing Plan/TA Utilization | | | | Cumulative Disbursements | |

| ADB | Cofinancing | Counterpart | | | | Total | Date | Amount |
|------------|-------------|-------------|---------------|-----------------|--------|------------|-------------|------------|
| | | Gov | Beneficiaries | Project Sponsor | Others | | | |
| 600,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 600,000.00 | 24 Sep 2014 | 319,892.85 |

Project Page <https://www.adb.org/projects/46508-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=46508-001>

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