PFIP aims to add one million Pacific Islanders to the formal financial sector by 2019 by spearheading policy and regulatory initiatives, facilitating access to appropriate financial services and delivery channels and by strengthening financial competencies and consumer empowerment.

PFIP is a Pacific-wide programme helping low-income households gain access to quality and affordable financial services and financial education. It is jointly managed by the UN Capital Development Fund (UNCDF) and the United Nations Development Programme (UNDP) and receives funding from the Australian Government, the European Union and the New Zealand Government. PFIP operates from the UNDP Pacific Centre in Suva, Fiji and has offices in Solomon Islands and Papua New Guinea. It will open an office in Samoa in 2015.
Financial Diaries of Low Income Households

There is lack of information on the estimated 90 percent of Papua New Guineans who are unbanked. Mostly from low-income households, they lack access to basic financial tools needed for building and maintaining financial security and wellbeing. Filling information gaps on the financial lives of low-income households will help government and private sector to design initiatives and financial products to increase access to, and usage of, the financial sector.

To address this gap, the Financial Diaries Project was launched in Papua New Guinea (PNG) in 2012 to help map the financial lives of the poor and to better understand their financial behavior with regards to indebtedness, the use of social grants, savings, their response to unexpected events and the management of micro businesses.

Financial Diaries is a comprehensive collection of temporal, spatial and network data, which will enable financial service providers to understand the ways in which consumers use money and transact within their social networks.

As of September 2013, Financial Diaries data were collected in Port Moresby, Kimbe, and Goroka over a period of 22 weeks capturing information from 240 respondents of which half were women. In addition to quantitative transaction data, 45 indepth qualitative interviews were conducted to better understand the rationale behind the financial decisions made by respondents.

The project is implemented by Bank of Papua New Guinea with technical assistance from Microfinance Opportunities and technical advice and financial assistance from PFIP.

Key Findings
• Respondents typically travelled large distances to interact with banks and deposited and withdrew large sums of money. This indicates the inconvenience of money management through the formal financial system.
• There is a strong correlation between account ownership and education, suggesting that banks face a challenge in reaching the less educated segments of society. Hence, education campaigns to explain the benefits of bank account ownership are among the initiatives that are needed to increase the uptake and use of bank accounts.

Key Outcomes
• This is the first Financial Diaries project in the Pacific that focuses on the financial behavior of the poor and is expected to have far reaching impact on financial inclusion in PNG
• Diaries enable practitioners to link consumer financial behavior to product development as the data can reveal underserved market segments, consumer behaviors that have not yet been matched to financial products and current products and features that are underutilised
• It also enables policy makers to take relevant steps to help frame appropriate market conduct and consumer protection norms