



CASE STUDY

PARTNERING FOR SUCCESS: ENHANCING WOMEN'S DIGITAL, FINANCIAL AND BUSINESS CAPABILITIES IN PAPUA NEW GUINEA

JULY 2023

Background and Challenges

Despite the launch of Papua New Guinea's (PNG) First National Financial Inclusion and Financial Literacy Strategy in 2014-2015, the progress in achieving financial inclusion has been slow and limited. There is a significant need for improvement, especially in providing equal opportunities for women and ensuring inclusivity in the strategy's implementation.

In May 2022, United Nations Capital Development Fund (UNCDF) in partnership with the United Nations Development Programme (UNDP) launched the Rapid Finance Facility (RFF) project in PNG. The RFF Project was designed to provide support to women entrepreneurs by offering digital and financial services. The project aimed to enhance financial inclusion and address the disproportionate impact of the COVID-19 pandemic on women. By empowering women with digital tools and access to financial services, the project sought to create opportunities for economic growth and resilience in the face of challenging circumstances. The project took a comprehensive approach to address the key barriers women entrepreneurs face in the formal and informal business sectors.

In PNG, many agrarian families and micro, small and medium enterprises (MSMEs), struggle with saving and do not have access to financial services. Their lack of financial and business skills has led to low utilization of bank accounts, even among those who have opened them, and a heavy reliance on cash transactions. This reliance on cash has also led to an increase in robberies. Additionally, there is a lack of confidence in banks, particularly among women who may not have been trained in banking.

An inefficient training network and limited opportunities in rural areas have hindered access to financial and business literacy training for many. Low levels of numeracy and literacy have further deterred the understanding of banking, financial access, and the use of digital financial products and services impeding financial inclusion. Additionally, social constraints have created inequity in business opportunities, access to finance, and overall growth potential, particularly for women-owned businesses and communities.

The RFF project aimed to enhance women-led MSMEs' capacities, enabling them to effectively utilize digital tools and digital financial services through capacity-building training. The project also prioritized access to a range of financial services for women entrepreneurs to actively participate in the digital economy. The RFF project targeted informal businesses in Lae and Port Moresby, which are crucial business hubs in Papua New Guinea.

Low mobile phone penetration rate

Despite the increasing mobile phone penetration rates in Papua New Guinea, it is important to note that women's ownership of mobile phones lag behind significantly compared to men. 30% of women who own a handset received it as a gift, while the majority cannot afford to have one. About half of the female population have access to a mobile phone through their social network. Low mobile phone penetration rates coupled with poor digital literacy, limits the opportunity to drive women's financial inclusion through mobile money or other digital channels.

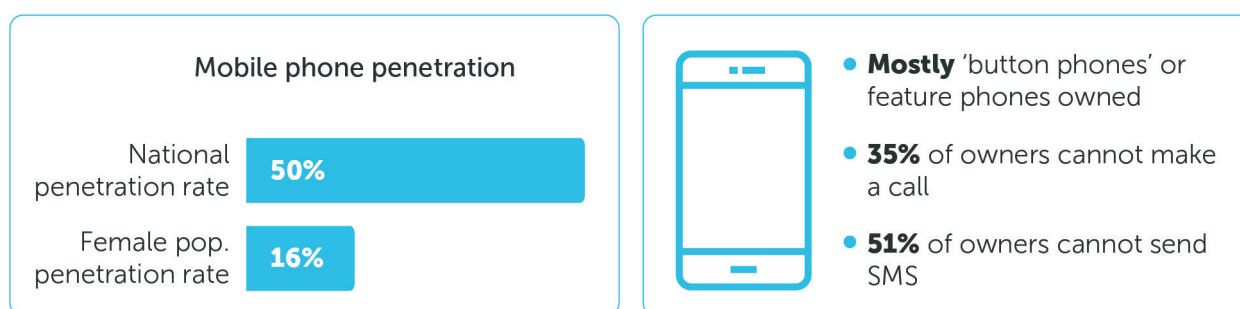


Figure 1 Source: FI Data Quarterly (Centre for Excellence in financial Inclusion 1028) Reports Papua New Guinea National Financial Inclusion (2016-2020); Dalberg analysis.

Activities and Processes

The primary focus of the RFF project was to improve the digital literacy of women micro-entrepreneurs, enabling them to use digital financial services effectively. The project's activities were designed to foster innovation and promote the use of technology by enhancing connectivity and digital skills among the target group.

Lae and Port Moresby where RFF project was implemented offered a significant opportunity to create an impact and reach a large number of women-owned micro-enterprises. However, due to the differences in the types of businesses found in each city, the project faced a unique challenge. Although Port Moresby serves as the capital city and has a wide range of businesses, many businesses in Lae are small and locally owned, catering to the local market and conducting business primarily in the local language.

The RFF project worked with five partners, each bringing their strengths, to ensure that the training program was tailored to the specific needs of the target groups in these cities.

The five partners were:

1. AgBook – a non-governmental organization that focuses on improving the productivity and profitability of agriculture through access to markets, finance, and technology.



2. Digicel Financial Service Limited – a telecommunications and mobile network provider.
3. Tok Stret Consulting Limited – a management consulting firm that aims to help businesses and organizations navigate the complex landscape of Papua New Guinea and the Pacific.
4. Westpac Banking Corporation – one of the largest and oldest financial institutions operating in PNG.
5. PNGX Markets Limited – a platform for trading securities such as shares, bonds, and other financial instruments and is on a mission to promote investment opportunities in PNG.

Each of the partners brought different strengths and know-how to the project. They customized different training modules to meet the needs of women's MSMEs and to train the women in basic, intermediate, and advanced business development skills accordingly. They also utilized each other's networks, as well as expertise, to provide opportunities for access to financial services and develop the business and financial capabilities of women MSMEs.

Outlined below are the distinctive areas of expertise and value-add that each partner brought to the project:

AgBook utilized its popular training and development program 'Mama Binis' to provide face-to-face entrepreneurial development training for MSMEs. They also provided guidance on using Facebook to build the entrepreneurs network in finding customers and distributors. Additionally, they offered free enrollment to their AgBook Academy – an online and offline learning community – for further learning on business basics, cycles, income, and profitability to those who had email access. The activities benefitted 2,250 participants, of which 2,181 were women and 69 were men.

PNGX provided basic, intermediate, and advanced training to boost women's business and financial management capabilities and created avenues for women to access financial services. Using their local presence, they onboarded women-led MSMEs and provided in-person training to 935 MSMEs following a preliminary needs assessment survey. This was especially important since many of the participants had limited income and lacked the necessary funds or devices to access the internet.

Digicel developed and deployed a mobile wallet called CellMoni and a digital merchant payment network that focused on women-led MSMEs. They distributed 2,000 phones to participants free of charge and activated the CellMoni mobile money wallet along with a free sim card and an initial balance of 5 Kina. The cost of equipping these women was covered solely by Digicel. Digicel was able to appoint 11 certified financial literacy trainers and provided financial literacy training to 2,047 women MSMEs.

Tok Stret leveraged its local network to provide face-to-face training to 632 entrepreneurs on the basic knowledge of starting up businesses and accessing the national government's loan program, particularly in hard-to-reach areas in Lae. They offered eight distinct training programs to cater to the interests and training needs of MSMEs. In addition, Digicel and Tok Stret agreed to partner in Lae to support the delivery of up to 550 mobile money digital wallet registrations for women entrepreneurs.

Westpac provided financial literacy training using their existing ready-to-use program with easy-to-understand modules that included a lot of visuals for better understanding at the grassroots level. By leveraging their strong local presence, they were able to provide in-person training sessions through established women's groups to 1,300 participants.

Amplifying impact through collaborative efforts

Digicel faced challenges due to limited local presence, as participants were not preselected and had varying literacy levels and understanding. However, with the facilitation of UNCDF, Digicel partnered with Tok Stret in Lae and PNGX in Port Moresby, improving the quality of applicants for Digicel's mobile money wallets. This was possible because Tok Stret and PNGX had direct contacts with local women's groups. In Lae, Digicel and Tok Stret collaborated to support up to 550 mobile money digital wallet registrations for women entrepreneurs.

The project has created avenues for the expansion of collaboration among the partners and beyond. The opportunity to work closely with UNCDF has empowered the partners to move ahead with financial literacy training.



Through our partnership with the UNCDF, we have gained recognition as a proficient provider of financial literacy training and established valuable connections with other UN agencies in the field of financial literacy and education within the country. Furthermore, our collaboration with other RFF project partners such as PNGX and Tok Stret, facilitated by the UNCDF, has opened up possibilities for future collaborations and synergistic endeavors.

- Mr. Emile Tuzayana, Head of Mobile Financial Services, DigiCel

The collaboration between Digicel and Westpac provided new women entrepreneurs in rural Lae with an opportunity to network and connect with other women-led MSMEs, expanding their professional connections and widening their business network.

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Having personally delivered the program to over 1,000 participants, witnessing the transformative impact of the content on their lives was incredibly motivating. It was eye-opening to see how many of them had little knowledge about money management and were taken aback when confronted with examples of how they could save and utilize their money more wisely. Collaborating with Digicel for digital literacy training on business applications not only enhanced my own skill set but also proved instrumental for AgBook. This partnership empowered us to develop innovative programs and scale up our strategy by employing 'Business Guides' to further support entrepreneurs.

- Nicole Isifu, Facilitator for Agbook



Results

The RFF project has been instrumental in empowering women and MSMEs in Lae and Port Moresby by enhancing their financial literacy and digital skills. Through strategic collaborations and comprehensive training programs, the project has successfully addressed the needs and challenges faced by entrepreneurs in these regions. The initiatives included financial management training, digital literacy programs, and the provision of access to digital financial services. Furthermore, the project fostered partnerships among the implementing partners, and leveraged local women's groups and existing networks to ensure the effective delivery of training and support in rural Lae with limited mobile penetration.

The impact of these efforts can be seen through the testimonials of participants who have undergone the training:

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The training has helped me understand how I can manage the income from my farm. I realized after the training that I have been very wasteful with money and not using it solely for my farm business. Through the program, I have gained a deeper understanding of my strengths and weaknesses and have learned effective strategies to address them. It has truly empowered me to make better financial decisions and optimize the potential of my farm business.

- Janet Theo, Farmer

“

I am glad to have attended this training because I've always wanted to do business through my phone. I have gained valuable insights on how to use my phone effectively and find out my distributors. The knowledge and skills I have acquired during the training have opened up new possibilities for my business and given me the confidence to explore digital avenues for growth.

- Naomi Ahwong, Entrepreneur

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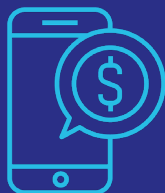
When it comes to finances, I used to have a carefree approach and didn't keep any financial records. I would just spend and rely on my personal funds to finance my expenses. However, now I realize the significance of proper record-keeping, such as maintaining an income statement and a balance sheet. It has become clear to me that this practice is crucial for effective financial management. I am now committed to opening up to the idea of meticulous record-keeping, as it will greatly benefit me in the long run.

- Lucy Napitalia, Entrepreneur



7,047

Total participants in financial literacy trainings



2,047

New Active DFS users



20

Agents trained and deployed in Port Moresby



2,000

Participants provided with free phones with activated mobile wallets



4,000

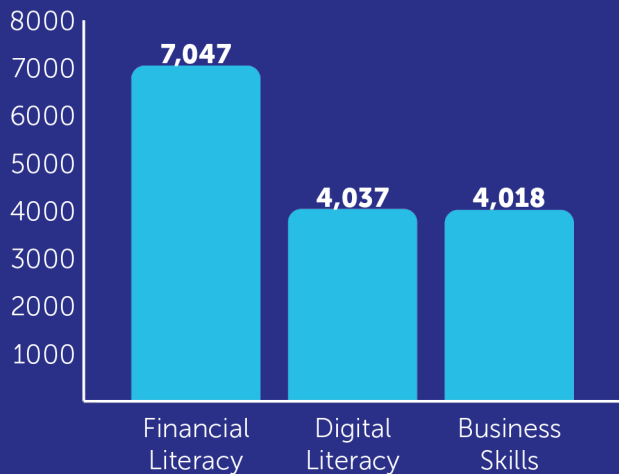
Participants trained in digital literacy



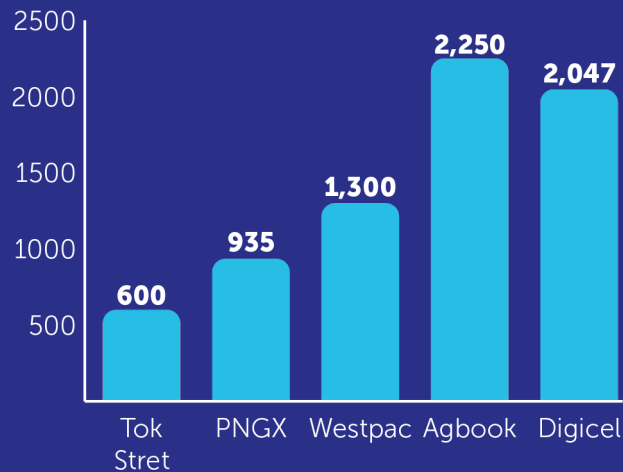
4,018

Participants trained on business development services

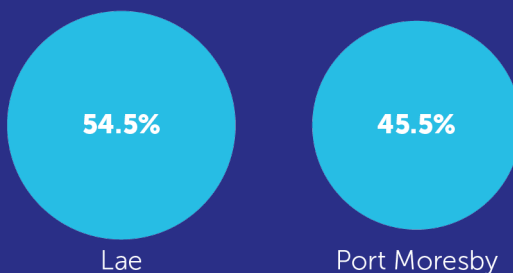
CAPACITY BUILDING



PARTNERS DELIVERING TRAINING ON FINANCIAL LITERACY, DIGITAL LITERACY, AND BUSINESS SKILLS



% OF TRAINING PROVIDED IN LAE AND IN PORT MORESBY



Learning

The learnings from the RFF project emphasize the importance of collaboration, delivering impactful training programs, fostering complementary partnerships, and recognizing the broader benefits of capacity-building initiatives for achieving gender equality in financial inclusion and supporting entrepreneurship in Papua New Guinea.

- 1. The power of partnerships:** UNCDF played a unique role in forging Digicel's partnership with TokStret and PNGX by acting as a facilitator, helping them identify synergies and develop joint strategies. This was instrumental in navigating challenges, particularly in relation to access to local networks and improving the quality of participants. Synergistic partnerships enhance the reach of programs, and also open doors for future collaborations.
- 2. Innovation and scalability:** Collaborating with Digicel for digital literacy training allowed AgBook to develop innovative programs and expand its strategy by employing "Business Guides." This highlights the importance of learning and embracing newer solutions to reach a wider audience and scale up initiatives effectively. Notably, the implementation of the DEFINE Skills training program, delivered by partner PNGX, garnered significant attention from the PNG government, sparking interest in its potential nationwide rollout. This underscores the project's success and demonstrates its potential to serve as a model for future endeavours in the country.
- 3. High demand for training and transformative impact:** The overwhelming interest in the training programs highlights the need for capacity-building opportunities among entrepreneurs, including both men and women. The significant number of participants, exceeding the initial target, demonstrates the relevance and importance of such training initiatives. The testimonials from those who attended the training serve as powerful evidence of its value and effectiveness. Participants have witnessed firsthand the transformative impact of the training, empowering them to make informed financial decisions and drive improvements in their businesses.
- 4. Progression and interest in advanced programs:** Participants have shown a desire to advance in their training journey, indicating a willingness to acquire deeper knowledge and skills. This highlights the importance of offering progressive training programs to meet the evolving needs and aspirations of entrepreneurs.

Conclusion

The RFF project in Papua New Guinea supported women entrepreneurs by providing them with essential business and digital skills as well as tools to succeed in the digital era. The project also helped to enhance women's access to digital and financial services by registering women on digital wallets, distributing mobile phones and deploying women agents to facilitate their seamless onboarding onto the digital platform.

The impact of the project was amplified through partnerships between private sector actors and institutions, which facilitated the exchange of expertise and knowledge, amplifying project impact. UNCDF's financial support coupled with technical assistance and its role in forging partnerships has ignited the momentum for an inclusive digital economy. Moreover, the project has also opened avenues for future collaborations with the PNG government, providing opportunities for sustained impact and collaboration.

In conclusion, by equipping women entrepreneurs with digital skills, financial literacy, and necessary resources, the project has fostered economic growth and opportunities, paving the way for a more inclusive and promising future for women in Papua New Guinea.



Funder Recognition

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Reference: www.uncdf.org

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