



**PACIFIC DIGITAL
ECONOMY PROGRAMME**
Annual Report | 2021



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Acronyms

AWP	Annual Workplan
BSP	Bank of South Pacific
CBS	Central Bank of Samoa
CBSI	Central Bank Solomon Islands
DFAT	Australia Department of Foreign Affairs and Trade
DFI	Digital Frontiers Institute
DFS	Digital Financial Services
eKYC	Electronic Know Your Client
EU	European Union
FPF	Fiji Police Force
IC	Investment Committee
IDES	Inclusive Digital Economy Scorecard
KYC	Know Your Client
MCA	Ministry of Communication & Aviation
MCTTT	Ministry of Commerce, Trade and Tourism
MNO	Mobile Network Operator
MOU	Memorandum of Understanding
MSME	Micro, Small & Medium Enterprises
MTED	Ministry of Trade and Economic Development
MTO	Money Transfer Operator
NBV	National Bank of Vanuatu
NDET	National Digital Economy Taskforce
NDES	National Digital Economy Strategy
NFIT	National Financial Inclusion Taskforce
NES	National E-Commerce Strategy
NFIS	National Financial Inclusion Strategy
NRBT	National Reserve Bank of Tonga
OHCHR	Office of the United Nations High Commissioner for Human Rights
PADS	Project Appraisal Document
PCC	Police Clearance Certificate
PCC	Police Certificate Clearance
PDEP	Pacific Digital Economy Programme
PFIP	Pacific Financial Inclusion Programme
PIFS	Pacific Islands Forum Secretariat
PICs	Pacific Island Countries
PoS	Points of Sale
RFA	Request for Applications
RMF	Results Measurement Framework
SINPF	Solomon Islands National Provident Fund
TCSI	Telecommunications Commission Solomon Islands
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs

Introduction

The Pacific Digital Economy Programme, jointly implemented by the United Nations Capital Development Fund (UNCDF), the United Nations Development Programme (UNDP) and the United Nations Conference on Trade and Development (UNCTAD) which commenced in April 2021 builds on the success and achievements of the erstwhile Pacific Financial Inclusion Programme (PFIP).

Although 2021 has proven to be a challenging year for programme implementation especially due to the impact of the COVID-19 related travel restrictions, it has also laid the foundation for significant work to be undertaken in the coming years. Various studies and assessments have been done which have already informed the design of multiple programming initiatives, such as RFA's, and from which the first project proposals have already been approved by the investment committee.

The programme team would like to thank the many partners and collaborators who are contributing to our efforts. This appreciation is extended to many stakeholders, including programme staff, implementation partners, government stakeholders, knowledge leaders, expert influencers, wider global advocates and advocacy organizations, United Nations colleagues, collaborators in the wider fields of international and development finance and in the financial and digital industries, research participants, regulatory and policymaking leaders, and many other individual or organizational stakeholders.

This programme has been made possible by the generous funding support by Australia's Department of Foreign Affairs and Trade.

The drafting of this annual report was led by Bram Peters and Ajay Jagannath, but would not have been possible without the assistance and contributions from Ranadi Levula, Veima Bower, Yenlin De Silva, Zoe Victoria Tate, Sam Mulawa, Jane Mugenyi, Ayham Esmail, Malieta Inoke, Thomas Van Giffen and Dominic Leong.

1. Programme Stakeholders

Investment Committee

The Investment Committee (IC) acts as the Programme Board and is responsible for:

- providing guidance and strategic direction to the programme
- approving the annual work plans and doing budget appraisal
- approval of financial support to partners from the Programme Support Facility
- and overseeing the monitoring and evaluation and that the programme is compliant with the evaluation policies of the different UN agencies.

The IC is made up of the following members:

Name	Organization	Position
Ms. Joanna Houghton	DFAT	Development Counsellor
Mr. Denton Rarawa	PIFS	Senior Adviser - Economics
Ms. Revai Aalbaek	UNDP	Team leader - Effective Governance
Mr. Torbjörn Fredriksson	UNCTAD	Head, E-Commerce and Digital Economy Branch
Mr. Francois Coupienne	UNCDF	Global Digital Lead

During the year, the board met on two occasions:

- **21st April:** Election of IC chairperson and endorsement of the IC TOR; endorsement of the PDEP 2021 workplan and PDEP Support Facility
- **24th November:** Programme progress update was presented to IC. PDEP presented three proposals for approval of which all three have been approved (i) Solved Fiji Project, (ii) Cyber Foods Project in Fiji and the (iii) PIFS project to implement the regional e-commerce strategy.

Workstream Partners

<p>Enabling Policy and Regulation</p> <ul style="list-style-type: none"> • Pacific Island Forum Secretariat • Pacific Community • Reserve Bank of Vanuatu • Central Banks (Fiji, Tonga, Samoa, Solomon Islands, Vanuatu) • Telecom Regulatory Authorities (Fiji, Tonga, Samoa, Solomon Islands, Vanuatu) • Ministry of Commerce and Aviation and Ministry of Commerce, Industry, Labour and Immigration, Solomon Islands 	<p>Inclusive Innovation</p> <ul style="list-style-type: none"> • Cyber Foods • Solved Fiji • International Trade Centre • Green House Studios • Yumi Work Vanuatu
<p>Open Digital Payment Ecosystem</p> <ul style="list-style-type: none"> • Ministry of Trade and Economic Development (MTED) • Cyber Foods • Solved Fiji 	<p>Empowered Customers</p> <ul style="list-style-type: none"> • Central Banks (Fiji, Tonga, Samoa, Solomon Islands, Vanuatu) • Ministry of Education (Vanuatu)

2. Regional Updates

2.1 Enabling Policy and Regulation

- The **Inclusive Digital Economy Scorecard (IDES)** is a policy tool developed by UNCDF to support countries in better understanding and monitoring the status of their digital transformation, with a view to making it more inclusive. In 2021, six Pacific Islands countries including Fiji, Samoa, Tonga, Timor Leste and Vanuatu used the IDES tool to conduct initial assessments of how digitally inclusive their economies were. The results of these assessments were communicated with national stakeholders predominantly stakeholders from the central banks. By the end of 2021, Solomon Islands, adopted IDES as a policy tool and had published their [IDES report](#). The programme will continue to work with the remaining countries in 2022 onwards to utilize the IDES findings to chart interventions that will accelerate digital transformation in key sectors across PDEP supported PICs.
- In 2021, an outline of **UNCTAD's Digital Economy Report for the Pacific** was prepared and initial data collection and assessment activities were carried out. Building on the analysis from UNCTAD's global Digital Economy Report; the report will take stock of the digital economy in the region and explore the level and depth of e-commerce engagement by consumers and businesses in the Pacific, with a particular focus on the role of digital platforms. The report will incorporate work already carried out in the region, including the IDES tool and the eTrade Readiness Assessments.
- A draft **e-commerce legislation gap analysis for the Pacific** was prepared in 2021. The gap analysis will be followed up by a regional training course on legal aspects of e-commerce in early 2023, after which it will be finalized and published as an official regional report.
- An **online training for the Production of Statistics on the Digital Economy, aimed at building capacity in National Statistical Offices**, was developed in 2021 and will be delivered in the first half of 2022. This training will be delivered in collaboration with the Pacific Community (SPC) and the Pacific Islands Forum Secretariat (PIFS).
- New project document drafted for the implementation of the **Pacific Regional E-Commerce Strategy and Roadmap**. This initiative is to be led by the Pacific Islands Forum Secretariat (PIFS) with TA support from UNCTAD. Presentation of project documents to the IC were done in November 2021.

2.2 Open Digital Payment Ecosystems

- Publication of ['The Opportunity for Digital and E-Commerce Payments in the Pacific Region'](#) paper which explores the challenges and opportunities for digital and e-commerce payments in the Pacific region which will assist the programme with country workplans for 2022 as well as support the development of the Pacific Digital Payments Innovation Challenge in 2022.
- A **regional 'E-Commerce' Request for Applications (RFA)** was released calling for proposal submissions from Fiji, Solomon Islands, Tonga, and Vanuatu to support the development and/or expansion of digital payment solutions for micro and small enterprises using mobile based platforms such as smartphones and computer tablets. This is part of the programme's initiative to develop and expand e-commerce platforms to MSMEs to sell their goods and services online.
- A **regional 'Ecosystem Development' RFA** was also released calling for the deployment, expansion, and improvement of innovative agent models to expand the use and access to digital financial services in Fiji, Vanuatu, Tonga, and Samoa targeting marginalized segments

including rural dwellers, MSMEs, women and youth. The RFA responds to the limited agent networks and merchant acceptance of digital payments in these four countries, particularly in rural and remote areas. This initiative will be co-funded with resources from the EU through UNCDF's DFS4Resilience programme, which also covers the Pacific.

2.3 Inclusive Innovation

- In 2021, the programme conducted a **Regional Network Analysis and Mapping of Institutions supporting Entrepreneurship**. The [report findings](#) assist in identifying priority actions that will strengthen the entrepreneurship and innovation sector in the region. An RFA acting on the recommendation to build capacity of incubators that work with local entrepreneurs was drafted in 2021 and is expected to be launched in Q1 2022.

2.4 Empowered Customers

- In 2021, the programme supported the development of the **digital and financial literacy (DFL) survey questionnaire and study protocol**. It is the first international questionnaire to be developed to focus on the combination of digital and financial skills. The survey protocol will help to facilitate the collection and measurement of DFL across the population and within specific groups. The protocol will guide the roll out of the actual surveys across 7 PICs earmarked for 2022. Given the limitations in global frameworks used to measure DFL literacy, the instrument was developed to be used in other contexts outside the Pacific as well.
- PDEP has continued supporting the **Reuben James Summerlin (RJS) Award**. It was first launched in September 2015 in memory of the former UNCDF Pacific Financial Inclusion Programme (PFIP) Programme Manager Reuben Summerlin, who passed away the same year in a tragic road accident. The RJS Awards are designed to promote capacity development on digital financial services for staff from private and public sector partners in five countries: Fiji, Samoa, Vanuatu, Solomon Islands, and Tonga. The scholarships are awarded for different courses at the Digital Frontiers Institute (DFI).

3. Country Updates

3.1 Fiji

National Financial Inclusion Strategy (NFIS) 3.0 - 2022-2030

The programme drafted a Project Appraisal Document (PAD) for submission to the Investment Committee for approval in 2022. The project is designed to support the RBF in the implementation of the NFIS 3. Key Initiatives under this project includes support to raising financial education, literacy, and awareness, MSME development, resilience building activities and supporting digital financial service (DFS) and innovation activities.

Assessment of the Digital Economy

During the course of the year, and to support the development of new initiatives from PDEP's peer programme, the DFS4Resilience programme, which is funded by the EU, the programme team supported the development of an assessment report of Fiji's Digital Economy. The assessment indicated that Fiji has a relatively sophisticated communications infrastructure with the highest mobile and internet penetration in the Pacific Islands and has made notable progress in the regulatory environment. However, accelerated improvements must be made in implementing the many initiatives towards an inclusive digital economy in the areas of spurring innovation, advancing the digital payment ecosystem, and raising digital literacy across the population to build capacity and ability to navigate in a digital era. The IDES results were shared with the Reserve Bank of Fiji and digitalFIJI in 2021.

digitalFIJI is the Fiji Government's digital transformation programme. PDEP, through UNCTAD will work with the Ministry of Commerce, Trade, Tourism and Transport (MCTTT) in 2022 to develop a National E-commerce Strategy for Fiji.

Approved Projects under the E-Commerce RFA

Under the PDEP e-Commerce RFA, two of Fiji's project applicants were approved by the IC in November 2021, namely Cyber Foods and Solved Fiji.

Cyber Foods: Cyber Foods is an online food order and service delivery business and the pioneers of online food delivery in Fiji. Their project involves the revamp of their current website as currently they are not integrated with the restaurants. There has been an increase in demand for such services during COVID and Cyber foods is looking to upgrade its system to manage the increased demand and improve customer experience. The upgrade of their website and app would include an integration with an online payment gateway and as well as with Digicel's MyCash mobile money. Cyber food is looking to increase uptake of its services through capacity building of restaurants and through raising awareness via marketing campaigns.

Solved Fiji: The Solved Fiji project is targeted at supporting an existing aggregator platform called MAKETE. The grant funding provided will be used to

- support the enhancement of features on this platform
- increase vendor onboarding through the recruitment of consultants in rural areas
- have marketing campaigns targeted to various segments.

The uniqueness of this project is on targeting the informal sector and having no subscription fee until the vendors reach a level of transaction which is well suited to attract targeted customer segments. Project funding will also support the integration of BSPs payment gateway and Digicel's MyCash mobile money. This will help Solved Fiji to accelerate the adoption of the platform which would otherwise take more years as the platform development up to now has been entirely self-funded.



CEO-founder of Cyberfood, Majid Shahzad and team.



Solved Fiji team.

E-Police Clearance Certificate

Initial discussions held with the Ministry of Economy and the Fiji Police Force (FPF) around digitizing the process to obtaining police clearance as well as improving the database for the FPF that will in turn improve efficient retrieval of stored documentation. A TOR to recruit a consultant that will the conduct the scoping and feasibility study as well as develop a solutions document was drafted in 2021 and will be finalised and advertised in Q1 2022.

3.2 Samoa

National Financial Inclusion Strategy 2: 2021-2025

Through PFIP, UNCDF had contributed to the evaluation of the NFIS 1 and to develop the NFIS 2. With the remote support of an independent consultant, one-to-one consultations and stakeholder workshops were conducted. An assessment of the NFIS 1 was shared with the Central Bank as well as a draft of the NFIS 2. The NFIS 2 was further reviewed and amended in 2021 by CBS to include the consumer protection act including data protection and mandating digital literacy for all users of digital financial

services and mainstreaming gender. The finalisation of the NFIS 2 has taken much longer than anticipated due to changes in the government. PDEP programme staff will continue to follow up on the progress of this and will support the implementation of the strategy.

Assessment of the Digital Economy

In parallel similar work for Fiji, the programme team also supported the development of an assessment report of Samoa's Digital Economy. The assessment indicated that Samoa is firmly at growth stage and that improvement can be made in implementing initiatives towards an inclusive digital economy in the areas of spurring innovation, advancing the digital payments ecosystem, skilling MSMEs to be digitally included and raising digital literacy across the population to build capacity of its population to navigate the rapidly evolving digital economy. The assessment results have been communicated to the central bank of Samoa's digital team, financial inclusion team and policy and regulation team. The central bank has requested UNCDF for an IDES report to accompany the assessments to support further planning.

3.3 Solomon Islands

National E-commerce Strategy (NES)

In 2021, the Solomon Islands Government, supported by UNCTAD and UNCDF, established a Steering Committee and Technical Working Taskforce to guide the development of its first national e-commerce strategy (NES). The Strategy (NES) will provide a vision and roadmap for the development of e-commerce in Solomon Islands and will be developed based on consultations with Government, private sector, civil society stakeholders and development partners. Initial consultations for the diagnostics phase of the project commenced in 2021 and further consultations and Identification of strategic priorities will continue in Q1 and Q2 of 2022, with a strategy development workshop planned for mid-2022. The NES is expected to support job creation, trade, and economic growth in Solomon Islands.

Mobile Money via Our Telekom

Building off the foundational work of the Pacific Financial Inclusion Programme, PDEP has continued the engagement with Our Telekom to launch mobile money services in Solomon Islands. In 2021, a new project was designed to support the deployment of mobile money network, including the building of an agent network. The project was approved by the Investment Committee end 2021 and recruitment of consultants for TA is ongoing. Implementation of the project will start in Q1 2022.

E-commerce with Island Tech Solomon

Island Tech Solomon is initiating an e-commerce initiative with the aim of providing an e-commerce platform for MSMEs to enable trade specifically between the capital city and the Western Province. The platform will offer a digital alternative for rural populations who face high cost of travel to the capital for essential supplies. Similarly, it provides an easy market access to rural MSMEs to sell their goods to shoppers from Honiara directly. The project was conceptualised in 2021 to support outreach and training activities of the platform, to bring on board 180 new MSME vendors. The platform will be developed for web, mobile and integrate digital payment options. The project has been approved by the IC in January 2022.

Solomon Islands National Provident Fund (SINPF) Data Dashboard

PDEP started a project with SINPF which provides capacity building (dashboard development and training) to support data driven decision making by the SINPF. It aims to strengthen the ability of the youSave product team to successfully drive voluntary pension contributions among users. In 2021, the programme presented a data dashboard design to the SINPF team which was well received. SINPF would be providing additional datasets to UNCDF in 2022 to complete the dashboard. The completion of this will be followed by staff training on the usage of the dashboard.

Central Bank Solomon Islands SIM Registration Database

The CBSI and the Telecommunication Commission of Solomon Islands (TCSI) are partnering to develop a database for SIM registration for mobile phone users in Solomon Islands, which in turn can potentially be used for Customer Due Dilligence (CDD) by financial service providers. In 2021, UNCDF received an official request from CBSI to support local preparations for the regional E-KYC facility. This includes

supporting the demand side research and the readiness and feasibility of an E-KYC / digital ID database for Solomon Islands. A concept note to scope this out in more detail has been developed in 2021 and is currently being discussed with CBSI and TCSI.

3.4 Tonga

Inclusive Digital Economy Assessment

Tonga's digital economy is still at a nascent stage. However, with the e-Government project underway, it is expected that this will escalate the digital transformation for Tonga. This project is crucial for the success of PDEP initiatives since the e-Government project provides the core foundation for all digital Regulations and Policies.

The IDES tool was presented to all relevant stakeholders in 2021. Constructive feedbacks were received, and areas for improvement identified particularly relating to the binary and index scoring of the tool. Majority of the policies supporting the digital agenda across key government sectors are already drafted, except for the Financial Sector. UNCDF has liaised with the National Reserve Bank of Tonga (NRBT) with regards to finalizing the National Financial Inclusion Strategy (NFIS) which will be instrumental for the digital transformation of the financial sector.

E-commerce with Digicel

A new project was developed in 2021 proposing the development of an online e-Commerce platform, focusing on SMEs. The platform will act as a multi-vendor marketplace which will be a shared storefront for multiple e-commerce merchants. The targeted segments will include women, agricultural/handicraft as well as informal sector merchants. Trainings and capacity building workshops will be used to enhance the level of skills for those trading on the platform. The project has been approved by the IC in January 2022.

3.5 Vanuatu

International Payment Gateway and E-Commerce

End 2021 a new project was developed with an already known partner for UNCDF; SkyEye from Samoa. This is a company owned and operated by Pacific Islanders, that aims to localise technology solutions within the region. The objective of the project is to expand and deploy an already successful solution from the Samoan market to Vanuatu. It is an integrated online marketplace which will help MSMEs with easier, low cost and equitable access to markets. The Maua platform will help overcome the major hurdles for MSMEs to trade their goods and services online by providing multiple modes of digital payments, an online marketplace available on smart phones, a ready delivery network and the potential to reach the diaspora as a market thereby facilitating the MSME sector to scale and generate more employment. The project has been approved by the IC in January 2022.

Regional eKYC Utility

Technical assistance has been committed to Reserve Bank of Vanuatu to undertake the groundwork and scope piloting plan for introducing eKYC, as part of the regional e-KYC facility development project. Vanuatu is one of the three countries in the region planning to pilot eKYC as part of the regional initiative. Technical support will be provided in 2022 during the development and implementation of the pilot.

E-Police Clearance Certificate (PCC)

Feasibility and solution design document developed and published in July 2021. An RFA to develop a website and Android application to issue an electronic PCC was finalized and the implementing consultancy has signed the contract. The e-PCC platform and app are expected to be ready by third quarter of 2022.

Smart Islands

UNCDF and ITU are collaborating on the ITU Smart Islands initiative. South Malekula island has been identified in Vanuatu to implement the project. The programme is providing support to expand internet

connectivity to south Malekula. Preparatory work and investment due diligence was carried out in 202. Implementation is expected in Q2 of 2022.

Inclusive Digital Economy Assessment

Vanuatu continues to build the foundational digital rails (policy and regulation, infrastructure, skills) for citizens to access and use basic digital services, mainly in the telecommunications and finance sectors. PDEP team has finalized desk research on Inclusive Digital Economy Scorecards (IDES) for Vanuatu. The IDES results were shared with the Office of the Government’s Chief Information Officer (OGCIO), which is the government agency responsible for the digital transformation in Vanuatu. Further engagement with stakeholders and formal government validation is planned for 2022.

Financial Literacy

PDEP is also supporting the Reserve Bank of Vanuatu to include financial literacy into national curriculum for primary and secondary schools. RBV received grant funding to accredit the proposed financial literacy courses for Levels I, II & III.

4. Risk Log

The following risks were identified during the start and throughout the programme year and the measures taken to avoid, mitigate and reduce these risks are highlighted below

No.	Risks Identified	Impact	Countermeasures / Management response	Risk Status¹	Comments
1.	A global pandemic -Covid-19	Delays in project implementation due to mobility restrictions, reprioritization of resources by donors, Governments, health and safety of staff, changes in priorities of project partners etc.	Following Governments and UN wide protocols and procedures including business continuity plan, periodic review of workplans, regular staff checking, partner discussions etc.	Reducing for Fiji No Change for Other PICs	Vaccination rates are high, mobility and travel restrictions are being lifted and country is slowly returning to normal working conditions. However, this is applicable to Fiji only and not for all other programme supported PICs.
2.	Market development approach is distorted by other development partners that apply interventions that contradict or disrupt market mechanisms.	Duplication of efforts by multiple stakeholders with similar mandates	The programme will advocate for re-establishment of development partner alignment mechanisms that have stopped functioning (e.g., on private sector development and financial services), and moreover to ensure the effectiveness of these meetings, create a secretariat under the activities for workstream 1.	Reducing	Ongoing awareness on UNCDFs work with all UN agencies in joint planning forums, with donors, CROP agencies and other development partners.
3.	Pacific governments implementing policy and	Unlikely because COVID-19 has exasperated	Under Workstream 1, the programme aims to play a key role in public/private dialogue to properly	Reducing	COVID has heightened the need for digital solutions globally. The

¹ Risk Status Includes: Reducing, Increasing, No Change

No.	Risks Identified	Impact	Countermeasures / Management response	Risk Status ¹	Comments
	regulatory changes negatively impacting the development of digital economy	transition to digital economy	inform government of potential impact of policy and regulatory changes. Where possible create National Digital Economy Strategies and NDET (similar to NFIS & NFIT), which ensures ongoing public/private dialogue about policy and regulation.		programme is working to support these efforts throughout workstreams 1-4. Refer to workstream activity updates for details.
5.	Delay in programme start up and programme implementation.	Delay programmes start up, delayed activity implementation and possible under achievement of initially established targets for 2021.	Develop plan for acceleration of programme implementation.	No Change	Utilization of PFIP funds to kick start implementation. Frequent communication with primary donor (DFAT) through monthly calls on implementation progress and challenges. Delays in activity implementation mainly due to staffing challenges and travel restrictions due to COVID-19.

5. Other Programme Activities

- Support to PIFs in the moderation of various workshops relating to e-commerce payments and access to finance.
- Chaired a panel on human rights abuses in the gig economy hosted by UN-OHCHR
- Panel participation for Mastercard's led digital safari of the Pacific
- Organised regional webinars on challenges and opportunities in the digital payments and digital innovation space.
- Hosted several workshops and panel discussions on digital finance and digital economy in PIC's

6. Monitoring, Evaluation, Accountability and Learning

Results Measurement (RM) Framework

The programmes [Theory of Change](#) and [RM framework](#) for the inception phase was finalized in June 2021. The RMF contains a total of 16 indicators under the four workstreams – Enabling Policy and Regulation, Open Digital Payments Ecosystem, Inclusive Innovation and Empowered Customers.

The regional RM framework has been used to guide programme work planning across countries as well as target setting for all regional and country level project appraisal documents (PADS) submitted

to the Investment committee during the year. Targets at country level are further redistributed based on

- i. Population size
- ii. Total budget allocation
- iii. Number of implementing partners per country

Overall, the average achievement rate against the RM 2021 targets sits at 21% for 2021. The underachievement as reflected in [annex 2](#) is due to several factors, including delays in staff recruitment and onboarding of key programme staff, newly onboarded expatriate staff working remotely hindering smooth and timely engagement with national stakeholders and the COVID impacts on overall programme management and implementation in Fiji and other PICs. In hindsight, and with some of these risks that have been primary drivers for this delay already identified (#1 in the risk log), the programme management believes that the targets originally set for year 1 were overly ambitious. In addition to this, much of 2021 was dedicated towards project scoping, mapping, feasibility studies and solutions design activities. Actual project implementation and service roll out will commence in 2022 for most country projects.

Recording and Reporting

Partner reporting is yet to commence and will do so in Q1 of 2022 when the first partner projects will start their implementation. The programmes intent is to harmonize efforts across UNCDF Pacific programmes and therefore will build on the reporting and data management systems already established by UNCDF global, as well as its sister programme, the Pacific Insurance and Climate Adaption Programme (PICAP). PDEP will therefore adopt similar reporting and RM related templates, processes, and partner feedback mechanisms. These strengthened RM processes and culture have proven responsive to the PFIP 2019 Evaluation Recommendations which includes the need to

- i. Showcase more outcome and impact recording and reporting, including more outcome harvesting processes
- ii. Ensure data reliability through strengthened verification and monitoring by UNCDF project staff

Partner Reporting Orientation

Due to partner projects being approved late in Q4 of the year, reporting orientations with partner agencies is delayed and is earmarked for Q1 and Q2 of 2022 as project proposals get approved by the IC. The programme team intends to establish clear reporting flows and expectations from partner agencies to UNCDF on a quarterly basis.

7. Communications

The Pacific Digital Economy Programme (PDEP) was officially launched in Fiji's capital, Suva, on 25 November 2021. The event was attended by the Fijian Attorney-General and Minister for Economy, Aiyaz Sayed-Khaiyum; Acting Australian High Commissioner to Fiji, Paul Wilson; Pacific Islands Forum Deputy Secretary General, Dr Filimon Manoni; UN Resident Coordinator Sanaka Samarasingha; and UN Development Programme Resident Representative, Levan Bouadze. Local and regional media were also present and the event was covered widely in the national press. Key UNCDF partners from the private and public sectors were also present, including grant recipients, while regional UNCDF staff tuned in virtually. The high-level government representation and good media coverage indicates strong interest and support for what is a unique and important regional initiative.

In 2021, the communications team published five research reports, three press releases, four blogs, five impact stories, one focus note and a programme brief as well as maintained a consistent presence on social media.



The UNCDF Pacific team pictured with the Fijian Attorney-General and Minister for Economy, Aiyaz Sayed-Khaiyum; Acting Australian High Commissioner to Fiji, Paul Wilson; Pacific Islands Forum Deputy Secretary General, Dr Filimon Manoni; UN Resident Coordinator Sanaka Samarasinha; and UN Development Programme Resident Representative, Levan Bouadze at the PDEP launch event, November 2021.

Social media

Social media is a key strategic tool to reach audiences around the world. The programme leveraged UNCDF's existing presence on social media to boost visibility as well as share financial literacy/education material. UNCDF has a considerable global audience on Facebook with (154k followers), Instagram (6,975 followers), LinkedIn (78.2k followers), Twitter (18.8k followers) and Youtube (3.5k subscribers). The followers include government leaders, diplomats, central bank officials, senior private sector representatives, development organisations, academics, journalists, and other digital finance practitioners from around the world. To engage a wider audience and be part of global online conversations about digital finance, the programme uses relevant 'hashtags' in all its posts. PDEP's key donor; the Australian Government, and its implementation partners; UNDP, UNCDF and UNCTAD are tagged in all programme-related posts.

Events

The programme, like much of the world due to COVID-19, hosted and participated in virtual events to increase visibility and outreach for much of the year.

PDEP hosted three webinars in 2021:

1. 'Limiting Factors to Scaling Digital Finance in the Pacific: Myths and Reality'
Expert discussions were led by Head of eCommerce Vodafone Fiji, Shailendra Prasad, Financial Inclusion Unit Manager Central Bank of Solomon Islands, Linda Folia, UNCDF's East and Southern Africa Regional Manager UNCDF, Mike McCaffrey and UNCDF's Regional Technical Specialist, Ajay Jagannath.
2. 'Leveraging Digital Payments to address Financial Inclusion in the Pacific'
This webinar was organized in partnership with Kapronasia. The panelists included Governor of the Reserve Bank of Fiji, Ariff Ali, Regional Executive of ANZ Bank in the Pacific, Tessa Price, CEO of SkyEye, Sam Saili and UNCDF's Regional Manager, Bram Peters.
3. 'Strengthening the Innovation and Entrepreneurship Ecosystem in the Pacific'.
The panel included Director of the Pacific Economic Trade and Private Sector Engagement Section – Australia Department of Foreign Affairs and Trade, Cameron Reid, Immediate Past Chairman, Solomon Islands Chamber of Commerce & Industry (SICCI), Board Member - Central Bank of Solomon Islands (CBSI), Jay Bartlett, Associate Programme Officer- International Trade Centre, Nuria Rull Bes, and Entrepreneurs; Haitelenisia Angilau owner of Grace Consultancy and Sagufta Janif, the founder/Director of the Fusion Hub and BulaLance.

The programme team also participated in virtual events hosted externally. Mr Peters joined panels on 'Emerging priorities in the COVID-19 era' hosted by the Asian Development Bank and the US Embassy in Fiji's 'strengthening the resilience of MSMEs in a post-COVID economy' webinar. Regional Technical Specialist, Ajay Jagannath, was a panelist on the Mastercard Digital Safari and the International Telecommunication Union's Asia and the Pacific Regional Dialogue on Digital Transformation. Mr Peters and Mr Jagannath were also part of the Pacific Islands Forum Secretariat-led dialogue on formulating a Pacific regional e-commerce strategy.

Reports

- [The Viability of Mass Market Digital Finance in the Pacific](#)
- [Inclusive Digital Identity Platforms Country Diagnostics: Solomon Islands, Fiji & Vanuatu](#)
- [Vanuatu Electronic Police Clearance Certificate: Feasibility and solution design document](#)
- [Perspectives On Emerging E-commerce in the Pacific](#)
- [Entrepreneurship Ecosystem in the Pacific](#)

Press Release

- [New Programmes Launched to Support the Development of Inclusive Digital Economies in the Pacific Region](#)
- [Solomon Islands Launches Third National Financial Inclusion Strategy](#)

News Articles

- [Money Management](#) – published by the Fiji Times
- [‘I could help more’: could two new transfer companies change the game for Pacific expats?](#) – published by the Guardian
- [COVID-19 leads to huge growth in digital money transfers to Pacific but concerns remains over high fees](#) – published by ABC News
- [‘Taking the market by storm’](#) – published by the Fiji Times
- [Digital economy a great equalizer: Samarasinha](#) – published by FBC News

Blogs

- [The Pacific’s digital answer](#) – published by Blue Notes NZ
- [Bank accounts do help women in PNG](#) – published by DevPolicy
- [The Unprecedented Nature of Scaling Finance in the Pacific](#)
- [Besieged by COVID: MSMEs in Fiji seek way out of protracted crisis](#)

Impact Stories

- [Vanuatu Digital Transformation Blog Series: Electronic Police Clearance Certificate](#)
- [UNCDF’s First-ever Tonga Country Coordinator On Making Finance Work for Pacific Islanders](#)
- [‘Taking the Market by Storm’: Cheap Games Fiji an example of Pacific’s Untapped E-Commerce Potential](#)
- [Maua App: challenging the Pacific’s digital frontiers](#)
- [Digital Finance Helps Supermarket on Remote Fiji Island Maintain ‘Competitive Advantage’](#)

Distribution Materials

- [Snapshot: Pacific Digital Economy Programme](#)

Videos

- [UNCDF in Vanuatu](#)
- [News segment on PDEP launch – Fiji One News](#)
- [Fijian Attorney-General speaks at the launch event of the Pacific Digital Economy Programme \(PDEP\) – Fijian Government](#)

7. Financials

Programme Funding

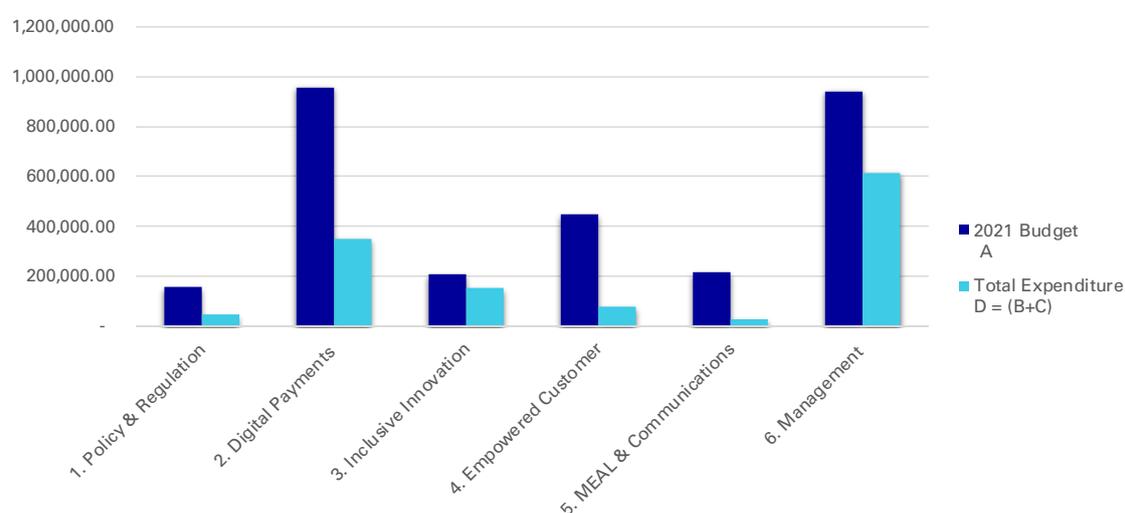
Total financial resources required for the full five-year programme phase (2021-2025) is projected at USD 24,451,126 with the first two-year inception phase workplan (2021-2022) budgeted at USD 6,476,146. The resources mobilised till date is USD 5,417,058.

Financial Delivery Against Annual Workplan

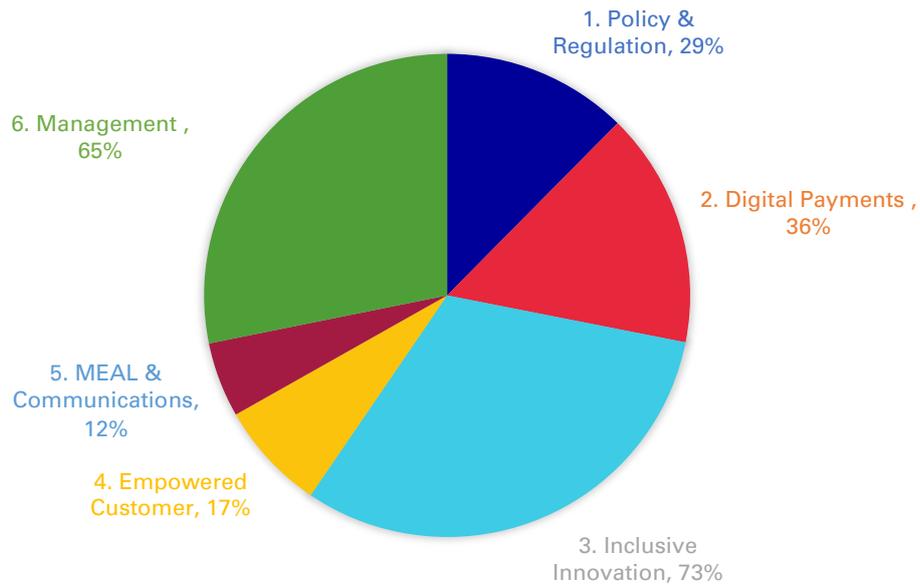
The programme has recorded a financial delivery of 40% for 2021.

Workstream	2021 Budget A	Commitment B	Expenditure C	Total Expenditure D = (B+C)	Budget Balance E = (A-D)	% Delivery F = D/A
1. Policy & Regulation	872,673.00	17,709.48	186,103.94	203,813.42	668,859.58	23%
2. Digital Payments	956,780.00	251,612.00	149,673.05	401,285.05	555,494.95	42%
3. Inclusive Innovation	209,240.00	11,000.00	141,011.82	152,011.82	57,228.18	73%
4. Empowered Customer	449,140.00	-	23,326.78	23,326.78	425,813.22	5%
5. MEALS & COMMS	214,800.00	-	24,994.80	24,994.80	189,805.20	12%
6. Management	225,560.00	-	130,534.59	130,534.59	95,025.41	58%
Total	2,928,193.00	280,321.48	655,644.98	935,966.46	1,992,226.54	32%

Please note that the programme team has prioritized to exhaust the leftover funds of the Pacific Financial Inclusion Programme (PFIP) to finance most of the activities and budget items implemented by UNCDF and UNDP during 2021. The programme management considers this the major driver for financial under-delivery for the PDEP programme.



Graph: Total expenditure against budget as of Dec 2021



Graph: Total expenditure by workstream as of Dec 2021

8. Outlook for 2022

Human Resources

Border restrictions imposed in response to the ongoing pandemic seem to be easing across the region due to the steady decline in Covid19 cases globally. The programme will look to move essential staff to their duty stations at the first available opportunity. To respond to staff turnover issues in 2021, the programme will identify opportunities to convert UNV contract modalities of country staff to ensure better remuneration and other benefits. Additionally, the programme will also prioritise hiring of more locally based staff from PICs to support the programme implementation going forward.

2022 Workplan

The 2022 AWP has been approved in January 2022. And this new year will be the last full year of the programme's inception phase. Learnings from the same will be incorporated with necessary changes made to the next phase of the programme cycle (2023-2025). The programme team intends to build on the strong foundation laid in 2021 and move towards implementation of some key projects in 2022. Additionally, the programme plans to launch a Digital Payments Innovation Challenge mid-2022 and pilot P2G/G2P e-Government payment services in Vanuatu and Fiji.

For 2022 the programme team will focus on the actual implementation of the activities for which a lot of groundwork happened in 2021 that has led to the development and approval of various new projects such as CyberFood in Fiji, the Financing of Low-carbon Transition of Mobile Base Stations with BeMobile in Solomon Islands, and the implementation of a Mobile Money platform with Our Telekom in Solomon Islands.

Several other projects and initiatives are in the pipeline for which proposals will be presented to the IC for approval later in 2022.

9. Annexures

Annex 1: Theory of Change

Goal	Inclusive digital economies in the Pacific that support rural communities, women, youth, MSMEs and seasonal workers to enhance market participation, resulting in poverty reduction, improved livelihoods and economic growth.					
Sector Outcomes	1) Expansion of the digital ecosystem with more investment, competition and innovation, and an increasing range and reach of services that leverage technology and reduce the digital divide					
	2) Market players benefit from growth and improved sustainability					
	3) Pacific Islanders increasingly use a range of digital services					
	4) Pacific Islanders regularly use financial services					
	5) Pacific Islanders regularly use digital payment services					
Client Outcomes	6) Pacific Islanders through improved ability, knowledge, skills and behaviors are able to meaningfully access and use digital services (Specific focus on: rural communities, women, youth, MSMEs and seasonal workers)					
Stakeholder Outcomes	7) Inclusive strategies, policies and regulations that enable access and usage of digital services are responsibly adopted, implemented and	8) Coordination mechanisms established and functioning resulting in improved harmonization of policy/regulation on digital services	9) Stakeholders strengthen last-mile digital infrastructure	10) Market players make digital payment services available, accessible, affordable, reliable and appropriate for customer needs	11) Inclusive innovative business models and services developed, tested and deployed at scale in various sectors of the digital economy	12) New models and delivery channels for building digital and financial capabilities are deployed at scale
Outputs	1. Policy makers and regulators have improved capacity, information and stakeholder relationships to develop, monitor and regulate services for an inclusive digital economy		2. Digital finance providers, mobile network operators, government and other actors are capable and committed to develop and expand infrastructure and payment offerings for an inclusive digital economy		3. Start-ups, corporates and other actors have increased capacity and network to build new businesses and develop innovative digital services for an inclusive digital economy	4. Partners have the capacity, tools, and delivery channels to efficiently build digital and financial skills and capabilities
Activities	1.1 Support assessment and data collection to inform the National Digital Economy Strategy and publish bi-annual Pacific edition of Digital Economy Report 1.2 Support creation of National Digital Economy Taskforce that includes private sector, development partners and other stakeholders to implement a National Digital Economy Strategy 1.3 Support development of National Digital Economy Strategy 1.4 Support capacity building of policy makers and regulators and assist in review, amendments and implementation of policies and regulations affecting the Digital Economy 1.5 Support PIFS' Pacific E-commerce Initiative, including		2.1 Support pilots and scaling of existing eGovernment initiatives that support the digital economy 2.2 Support development and scaling of new and/or existing 'open banking' solutions, shared digital payment networks and e-commerce platforms 2.3 Support development and scaling of market-led initiatives for last mile digital 'meso' infrastructure and 'micro' infrastructure 2.4 Leverage existing funding mechanisms to de-risk investments in last mile digital 'meso' and 'micro' infrastructure with blended-finance tools.		3.1 Develop ecosystem enabling activities (events, exchanges etc.) to facilitate matchmaking, new opportunities and partnerships between various stakeholders of the digital economy 3.2 Partner with existing co-working spaces / innovation hubs and enable development of new, or collaborate with existing incubation/acceleration programmes to support business community with mentoring and skill development for the digital economy 3.3 Leverage existing funding mechanisms (e.g. UNCDF's LMTF or BUILD Fund) to support Pacific digital economy businesses with blended-finance tools.	4.1 Survey on digital and financial literacy skills of Pacific Islanders 4.2 Support Ministry of Education to develop and integrate ICT / STEM education and financial literacy skills into national curricula 4.3 Support development and integration of digital economy and financial literacy related subjects into programmes and courses from tertiary educational institutions (e.g. TVET and university) 4.4 Support rural communities, women, MSME and seasonal workers acquiring the skills and knowledge to access and use digital and financial services
Ecosystem activities	Research and Learning, Knowledge Sharing, Public-Private Dialogue, Development Partner Coordination, Crowding in activities, Events, Training, Workshops, Exposure Visits, etc.					
	Workstream 1 Enabling Policy and Regulation		Workstream 2 Open Digital Payments Ecosystem		Workstream 3 Inclusive Innovation	Workstream 4 Empowered Customers

Annex 2: Results Measurement Framework – 2021 Update

Achievement Rate
100% and over
Between 75% and 99%
Between 50% and 74%
Less than 50%

Ind No.	Workstream	Indicator	Target 2021	Results 2021	Achievement Rate (%) ¹	Comments
1	Enabling Policy and Regulation	1.1 Number of countries that measure the development of their digital economy (GEN2)	1	1	100%	Solomon Islands IDES Report Published
2	Enabling Policy and Regulation	1.2 Number of countries with an established forum for regular public-private dialogue on the Digital Economy	1	1	100%	Establishment of National E-Commerce Strategy (NES) Steering Committee and Technical Working Taskforce in Solomon Islands
3	Enabling Policy and Regulation	1.3 Number of countries with a strategy on the Digital Economy (GEN3)	1	0	0%	Initial consultations for the diagnostics phase of the project commenced in 2021. Further consultations and identification of strategic priorities will continue in quarters one and two of 2022, with a strategy development workshop planned for mid-2022.
4	Open Digital Payments Ecosystem	2.1 Number of eGovernment service piloted and/or scaled (incl G2P/P2G)	1	0	0%	Vanuatu E-Police Clearance Certificate (PCC) Project underway. Feasibility and solution design document developed and published in July 2021. However, implementation roll out is yet to happen.
5	Open Digital Payments Ecosystem	2.2 Number of registered users of eGovernment services supported by the Programme (GEN3)	50,000	0	0%	Linked to indicator 2.1. Results will be reported following the full roll out of the PCC project reflected in indicator 2.1
6	Open Digital Payments Ecosystem	2.3 Number of active users of eGovernment services supported by the Programme (GEN3)	15,000	0	0%	Linked to indicator 2.1. Results will be reported following the full roll out of the PCC project reflected in indicator 2.1
7	Open Digital Payments Ecosystem	2.4 Number of services piloted and/or scaled that focus on open banking, shared digital payment networks and/or e-commerce platforms	1	0	0%	RFA on regional e-commerce launched in October 2021. Project proposals submitted to IC for approvals in November 2021. Roll out or pilot of services to commence in 2022
8	Open Digital Payments Ecosystem	2.5 Number of registered users for services supported by the Programme that focus on open banking, shared digital payment networks and/or e-commerce platforms (GEN3)	30,000	0	0%	Linked to indicator 2.4. Results will be reported following the roll out of services highlighted in indicator 2.4
9	Open Digital Payments Ecosystem	2.6 Number of active users for services supported by the Programme that focus on open banking, shared digital payment networks and/or e-commerce platforms	9,000	0	0%	Linked to indicator 2.4. Results will be reported following the roll out of services highlighted in indicator 2.4
10	Open Digital Payments Ecosystem	2.7 Number of last mile digital micro and/or meso infrastructure services piloted and/or scaled	1	0	0%	SI seasonal worker project put on hold and OURTELEKOM project pending approval by IC. These two projects will feed into this indicator.

Ind No.	Workstream	Indicator	Target 2021	Results 2021	Achievement Rate (%) ¹	Comments
11	Inclusive Innovation	3.1 Number of partnerships established with co-working spaces, innovation hubs and acceleration programs to develop the digital economy	2	1	50%	Partnership 1: Agreement with Green House Co-working space. Conducted the Regional Network Analysis and Mapping of Institutions supporting Entrepreneurship in 2021. The findings assist in the identification of priority areas to strengthen the innovation sector in the region. RFA acting on these recommendations to build capacity of incubators has been launched.
12	Empowered Customers	4.1 Countries where a survey is conducted on digital and financial literacy skills of Pacific Islanders	5	0	0%	Survey protocol developed in 2021. Roll out of survey earmarked for early 2022.
13	Empowered Customers	4.2 Number of national school curricula with ICT / STEM education and financial literacy skills integrated	0	NA	NA	
14	Empowered Customers	4.3 Number of tertiary educational institutions with digital economy and financial literacy related subjects integrated into their curriculum	0	NA	NA	
15	Empowered Customers	4.4 Number of initiatives piloted and/or scaled to support rural communities, women, MSME and seasonal workers acquiring the skills and knowledge to access and use digital and financial services	0	NA	NA	
16	Empowered Customers	4.5 Number of clients that participated in digital and financial literacy trainings	No Target	NA	NA	
AVERAGE INDICATORS ACHIVEMENT RATE					21%	

*Achievement rate: Capped at 120%

Annex 3: Annual Workplan – 2021 Update

LEAVING NO ONE BEHIND IN THE DIGITAL ERA - Pacific Digital Economy Programme						55%		Period Highlight 4															
AWP 2021	TA/Grant, loan, guarantee, etc.	Main source of funds	Budget (Grant, loan, guarantee)	PLAN	ACTUAL	%	Comments	Date	Legend: Plan (light purple), Actual (dark purple), % Complete (grey), Actual (beyond plan) (orange), % Complete (beyond plan) (yellow)														
				START DATE	END DATE	COMPLETION DATE			Periods 1-36														
1. Enabling Policy & Regulation						USD																	
Assessment and Data Collection for development of Pacific Digital Economy Report	TA/Grant	DFAT	330,000	5	8	5	8	60%		[Gantt chart showing progress from Period 4 to 12]													
Support development of National e-Commerce Strategies	TA/Grant	DFAT	320,000	5	8	5	8	100%		[Gantt chart showing progress from Period 4 to 12]													
Review and amendment of policies and regulation affecting the Digital Economy (eg Consumer Protection, e-transactions, data protection and cyber security)	TA/Grant	DFAT	45,000	5	8	5	8	85%	Assessment complete; amendment is underway	[Gantt chart showing progress from Period 4 to 12]													
Awareness workshops on Digital Economy and enabling environment	TA/Grant	DFAT	130,000	5	8	5	8	100%		[Gantt chart showing progress from Period 4 to 12]													
Support PIFS' Pacific E-commerce Initiative: regional e-commerce strategy and implementation framework	TA/Grant	DFAT	500,000	5	8	5	8	70%	On-Going	[Gantt chart showing progress from Period 4 to 12]													
			1,325,000																				
2. Open Digital Payment Ecosystem																							
Pilot and scaling of e-government payments services (P2G and G2P)	TA/Grant	DFAT	450,000	5	8	5	8	30%	Groundwork for P2G/G2P in Vanatu/Fiji completed; production underway	[Gantt chart showing progress from Period 4 to 12]													
E-Commerce payments de-risking initiatives for MSME merchants	TA/Grant	DFAT	300,000	5	8	5	8	0%	Discussion ongoing with RBF	[Gantt chart showing progress from Period 4 to 12]													
Innovation challenge on digital payments	TA/Grant	DFAT	220,000	5	8	5	8	35%	Groundwork complete; Challenge scheduled for May/June 22	[Gantt chart showing progress from Period 4 to 12]													
			970,000																				
3. Inclusive Innovation																							
RFA for co-working spaces and business innovation hubs focused on skill development of Pacific MSME entrepreneurs to participate in Digital Economy	TA/Grant	DFAT	100,000	5	8	5	8	100%	Evaluation underway	[Gantt chart showing progress from Period 4 to 12]													
Workstream Sub-total			100,000																				
4. Empowered customers																							
Baseline survey on Digital and Financial Literacy	TA/Grant	DFAT	435,000	5	8	5	8	30%	Survey Protocol developed and RFA launched; Partner Selection complete	[Gantt chart showing progress from Period 4 to 12]													
Workstream Sub-total			435,000																				
Communication and Knowledge Sharing																							
Research, conferences and publishing related to Digital Economy	TA/Grant	DFAT	30,000	5	8	5	8	20%		[Gantt chart showing progress from Period 4 to 12]													
All MEAL Activities, including impact assessments, and learnings	TA/Grant	DFAT	90,000	5	8	5	8	25%		[Gantt chart showing progress from Period 4 to 12]													
Workstream Sub-total			120,000																				
Team management																							
Programme implementation and support	TA	DFAT	133,216	5	8	5	8	65%		[Gantt chart showing progress from Period 4 to 12]													
Programmable Total			3,083,216																				
GMS (7%)	379,873		215,825																				
Multi Party Trust Fund (MPTF) - Fund Administration Cost (1%)			30,832																				
Grand Total			3,329,873																				

Annex 4: Annual Workplan 2022

LEAVING NO ONE BEHIND IN THE DIGITAL ERA - Pacific Digital Economy Programme						Period Highlight 1		Plan	Actual	% Complete	Actual (beyond)																					
Samoa	TA, grant, loan, guarantee, etc.	Funder	Budget (grant, loan, guarantee, etc.)	PLAN	ACTUAL	%	Comments	Date	Periods																							
AWP 2022				START	DURATION	COMPLETE	Add comments regarding the projects for the monthly update		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
			USD																													
1. Enabling Policy & Regulation																																
Assessment and Data Collection for development of Pacific Digital Economy Report	TA/Grant	DFAT	175,000	1	12	0	0	0%																								
Support development of National e-Commerce Strategies	TA/Grant	DFAT	175,000	1	12	0	0	0%																								
Awareness workshops on Digital Economy and enabling environment	TA/Grant	DFAT	82,500	1	12	0	0	0%																								
Support women digital entrepreneurs (eTrade4women)	TA/Grant	DFAT	42,500	1	12	0	0	0%																								
Support development of NFIS Tonga and Kiribati	TA/Grant	DFAT	130,000	1	12	0	0	0%																								
Workstream Sub-total		16%	605,000					0%																								
2. Open Digital Payment Ecosystem																																
Pilot and scaling of e-government payments services (P2G and G2P)	TA/Grant	DFAT	220,000	1	12	0	0	0%																								
Innovation challenge on digital payments	TA/Grant	DFAT	450,000	1	12	0	0	0%																								
Additional support and de-risking for eCommerce payments	TA/Grant	DFAT	200,000	1	12	0	0	0%																								
Develop pipeline for de-risking of last-mile digital infrastructure	TA/Grant	DFAT	150,000	1	12	0	0	0%																								
Workstream Sub-total		28%	1,020,000					0%																								
3. Inclusive Innovation																																
Regional capacity building programme for local incubators or incubation provider programmes (IPPs)	TA/Grant	DFAT	250,000	1	12	0	0	0%																								
Regional digital innovation summit for entrepreneurs	TA/Grant	DFAT	235,000	1	12	0	0	0%																								
Workstream Sub-total		13%	485,000					0%																								
4. Empowered customers																																
Digital Financial Literacy Baseline Survey	TA/Grant	DFAT	435,000	1	12	0	0	0%																								
Support for PhD academic research using survey data	TA/Grant	DFAT	100,000	1	12	0	0	0%																								
Support development of dedicated financial services for seasonal workers	TA/Grant	DFAT	100,000	1	12	0	0	0%																								
Workstream Sub-total		17%	635,000					0%																								
5. Communication and Knowledge Sharing																																
Activities to support learnings by partner organizations and regional collaboration amongst public and private stakeholders re digital economy	TA/Grant	DFAT	85,000	1	12	0	0	0%																								
Research, conferences and publishing related to Digital Finance and Digital Economy	TA/Grant	DFAT	85,000	1	12	0	0	0%																								
All MEAL Activities, including impact assessments, and learnings	TA/Grant	DFAT	160,000	1	12	0	0	0%																								
Workstream Sub-total		9%	330,000					0%																								
6. Team management																																
Program Implementation and Support	TA	DFAT	350,000	1	12	0	0	0%																								
Programmable Total			3,425,000																													
GMS (7%)			239,750																													
Multi Party Trust Fund (MPTF) - Fund Administration Cost (1%)			34,250																													
Grand Total			3,699,000																													

Annex 5: Programme Learnings

Workstream 1: Policy and Regulation

IDES Government buy-In: Difficult to obtain government buy-in for IDES for a variety of reasons including

- ❖ The need to consult a wide array of government stakeholders and non-traditional government partners for UNCDF.
- ❖ Difficult to have everyone in the same room (virtual and non-virtual) due to competing priorities and the reprioritization of PIC governments towards the covid response.
- ❖ Difficulties in establishing relationships and networks with PIC stakeholders due to country leads working remotely because of covid travel restrictions.

What we have learned

- ❖ Virtual consultation and one-on-one consultations are difficult to achieve government buy-in and in-depth engagement. There is a need to reprioritize programme efforts to focus on achieving IDES buy-in or adoption as policy tool from PICs that have staff presence. A workshop validation approach for IDES (as was done in Solomon Islands) has proven to be the most effective way to obtaining government buy-in and IDES ownership. Hence the need for "boots on the ground".

NDES vs NES: Ongoing debate about what is relevant for the Pacific. The establishment of a National Digital Economy Strategy (NDES) or a National E-Commerce Strategy (NES).

What we have learned

- ❖ The agenda of the UN agency will eventually have to align with what PIC governments want. Therefore, the programme needs to be flexible enough to adjust plans to accommodate the needs of PIC governments and other key programme partners.
- ❖ UNCDF and UNDP must leverage its strength and not stretch itself thin especially with the staffing challenges it faces. Focus on e-commerce is what is seen to be realistic and within the programmes capacity to deliver on.

Workstream 2: Open Digital Payment Ecosystem

Digitization of P2G/G2P e-Government payment services

Projects on piloting and scaling of P2G/G2P e-Government services require cooperation between multiple government departments and ministries.

What we have learned

- ❖ Since payments business models are intrinsically volume driven, and governments are potentially one of the bigger payments processing clients, digitization of their payments is key to drive volumes in the region. In many cases this requires substantial discussions with multiple government agencies (e.g. central bank, ministry of finance and line ministries) to align, especially on the scope of initiatives to digitize government payments. The approach to start off with a smaller scope and a very particular use case and thus a limited number of stakeholders yields quicker results. Thereafter other stakeholders can be crowded in for scaling to other payments use cases. Prime examples of this approach are the digitization of payments for police clearance reports in Vanuatu and Fiji.

Workstream 3: Inclusive Innovation

Overall maturity levels of the Innovation Ecosystem in the region: The outcome of the report on the Network Analysis and Mapping of Institutions supporting Entrepreneurship.

What we have learned:

- ❖ The nascent stage of the Entrepreneur and Innovation ecosystem in Tonga, Samoa and Solomon Islands indicates that more resources need to be deployed than previously envisaged to stimulate the ecosystem. These resources need to be invested primarily in capacity building of business incubation hubs, for which an RFA will be launched in Q1 2022.

Workstream 4: Empowered Customers Empowered Customers

Digital Financial Literacy Survey: During the initial scoping for the survey the programme team discovered that there were several survey tools developed by global development partners, such as UNESCO, OECD and EU, but there was no global standard, and nor was this covering the scope of both digital as well as financial literacy.

What we have learned

- ❖ The programme team has not planned enough time for the preparation of the survey and should have allocated more time for desk-research on already available survey tools.
- ❖ The programme realized that the development of this survey will be a first of its kind internationally and for that reason has engaged with Dr Adele Atkinson, Senior Policy and Research Analyst on Financial Education for the OECD to develop the survey protocols and to support the selection of a research firm to implement the survey in the region.

Programme Management

What we have learned

- ❖ Learnings from the programming are not captured enough in a structural and consistent manner. UNCDF colleagues have developed a new approach to capture insights and learnings from implementation of projects and overall programming. The programme management will kick-start this in 2022. Insights and learnings will feed into the development of the next phase of PDEP.
- ❖ Better programme planning and forecasting is required. Based on the overall programmatic and financial results of 2021, the programme management team realizes the need to strengthen planning and forecasting of budgets, RM targets, and management of programmatic risks.
- ❖ Year 1 targets under workstream 1, indicators 2.1 to 2.7, should ideally be Nil to Minimum given that the first year of the inception phase was to be utilized for foundational activities, such as research and market assessments upon which projects can be designed and implemented.
- ❖ High staff turnover on International UNV contracts have proven to be a significant challenge. Exit interviews and other discussions with these staff have proven that the financial remuneration and other benefits are not considered attractive enough, especially for those staff that need to financially support a family and are sole breadwinners.
- ❖ Recruitment of a successor for UNCDF's Regional Lead has proven to be significantly more challenging than anticipated. Primarily due to internal requirements vs the supply of potential candidates. The engagement of an executive search firm to support this recruitment should have been done from the on-set.



This programme is supported by:

