

**Meeting Report**

**Stakeholder Consultation and Report Launch on Micro,  
Small and Medium-sized Enterprises' Access to Finance in  
Samoa**

18 August 2020, Lava Hotel, Apia, Samoa

## Introduction

Micro, small and medium-sized enterprises (MSME) make a significant contribution to economic growth and job creation across Asia and the Pacific. However, they often encounter difficulties in accessing finance, with women-owned MSME's particularly underserved by financial institutions, due to economic and socio-cultural factors. In recent decades, governments and related agencies have set up mechanisms and strategies to facilitate the flow of finance. The result has been an increase in financial inclusion but the impact on enterprise finance and the extent to which the financing gap has been reduced require further assessment.

The study titled: '[\*Micro, Small and Medium-sized Enterprises' Access to Finance in Samoa\*](#)' analysed the supply and demand of financial services for micro, small and medium enterprises (MSMEs) in Samoa. It also analysed Samoa's policy and regulatory frameworks already in place, as well as gaps which need to be addressed to enable MSMEs to better access and use financial services. The preparation of the report involved extensive consultations with government agencies, credit providers, non-governmental organisations, development agencies and the private sector, including local accountants and a sample of SMEs in Samoa, between August and January 2020. Consultations were also undertaken in Australia with the Asian Development Bank (ADB) and Pacific Rise a facilitator of impact investment in the Pacific Islands.

The report provides both financial and non-financial recommendations to further support Samoa's MSMEs. Recommendations include the proposal of a collateral shortfall partial guarantee scheme, specialised support to the Samoa Business Hub in assessing and supporting the preparation of bankable proposals, and short-term technical support to the Development Bank of Samoa to further equip its staff in providing mentoring to microfinance borrowers and support to delinquent SME borrowers on optional work-out strategies.

Due to the COVID-19 pandemic, this report is complemented by a '[\*COVID-19 Supplemental Report and Recommendations\*](#)' which further analyses the pandemic's impact on MSME's access to finance in Samoa. The report provides additional and complementary recommendations based on the evolving economic impacts on Samoa's MSMEs.

Both reports were commissioned by the United Nations Economic and Social Commission for Asia (ESCAP), at the request of the Central Bank of Samoa (CBS), and in partnership with the United Nation's Capital Development Fund (UNCDF). The studies are undertaken with financial support from the Government of Canada, through Global Affairs Canada.

## Objective

The report launch and stakeholder consultation was conducted with the aim to further discuss and disseminate the report's findings and recommendations. While also discussing and further determining coordination and collective actions among key stakeholders.

Overall the consultation aimed to:

- Further disseminate the findings and recommendations in a multi-stakeholder format.
- Discuss the key recommendations and how the recommendations can be applied and taken forward to support MSME access to finance and business growth in Samoa.
- Discuss the key recommendations and how the recommendations can be applied to specifically support women-owned/led MSMEs in Samoa.

- To gain consensus on the key recommendations to be taken forward, the responsible entity to lead such initiatives and consensus as to what additional support/resources/efforts are needed to advance the recommendations into action.

## Proceedings

The stakeholder consultation and report launch was conducted in-person for participants located in Samoa and virtually via zoom for participants located outside Samoa.

The meeting brought together approximately 60 government policymakers and regulators, financial services providers, development banks and agencies, non-governmental organizations, key private sector stakeholders. Experts in the areas of gender, business development, and banking and financial inclusion were invited to participate as resource persons.

## Opening Session

Ms. Lanna Lome-Ieremia, Manager, Financial System Development, Central Bank of Samoa welcomed participants located in Samoa and online participants to the Stakeholder Consultation and Report launch on 'Micro, Small and Medium-sized Enterprises' Access to Finance in Samoa'. After which a prayer was offered by Mr. Alofaifo Seleni.

Ms. Maiava Atalina Emma Ainuu-Enari, Governor, Central Bank of Samoa delivered the Keynote Address. The address was followed by opening remarks from: Mr. Pulotu Lyndon Chu-Ling, Chief Executive Officer, Ministry of Commerce, Industry and Labour (MCIL), Samoa; Mr. Iosefa Maiava, Head, UNESCAP Subregional Office for the Pacific; and Mr. Bram Peters, Program Manager, Pacific Financial Inclusion Programme, United Nations Capital Development Fund (UNCDF).

Ms. Ainuu-Enari noted that the meeting was to be convened on 31 March 2020, however due to the COVID-19 pandemic, the meeting was delayed. The Governor noted that the delay presented an opportunity for further assessment to be undertaken on the impacts of COVID-19 on Samoa's MSMEs, which resulted in the preparation of a supplementary study which is also to be discussed.

Ms. Ainuu-Enari noted that the MSME access to finance study was done in collaboration with the Ministry of Commerce, Industry and Labour, to compliment the MSME national development policy. She noted the importance of MSMEs to innovation, job creation, income generation, training and overall economic development. Further stating that MSMEs contribute to all of the Sustainable Development Goals (SDG) in some way and their importance in implementing the 2030 agenda. However, lack of access to finance prevents MSMEs from reaching their full potential. Ms. Ainuu-Enari noted that SMEs represent 88 per cent of all enterprises in Samoa. Therefore access to finance and support to MSMEs is a "not to be missed opportunity" to progress on Samoa's national development plans and SDG aspirations.

It was noted that data on MSME along with a definition of MSMEs have been two barriers faced in undertaking the study. It was further noted that the Central Bank of Samoa has already begun establishing a credit information bureau to allow for an improved enabling environment for MSME to access finance. The bureau will also support accurate credit risk assessments to be undertaken, and allow for consumers and enterprises to enjoy more choice in services.

Mr. Chu-Ling noted the importance of the study in assessing the access to finance needs of MSMEs in Samoa. He noted that the purpose of the study includes proposing policy measure which support Samoa's MSMEs and that the study directly links with the MSME development policy strategies. Access

to finance was identified as one of the six thematic areas in the MSME policy, which is aimed to be achieved by strengthening the quality of financial sector data to better understand the financial needs of MSMEs, addressing supply side barriers faced by MSMEs, enhancing the financial literacy of MSMEs and provision of insurance to support the stability of MSMEs. Mr. Chu-Ling concluded by noting MCIL's continued commitment to work with CBS and all relevant stakeholders to implement policies, strategies and programmes geared towards the development of Samoa's MSME sector.

Mr. Maiava recognized Samoa's achievement in preventing the spread of COVID-19. He also noted that despite this success, the virus knows no boundaries and has impacted economies globally, with Samoa's tourism and agricultural sectors particularly impacted by this crisis. Mr. Maiava noted that the study found that micro enterprise financing was well covered in Samoa, however at the same time found that only approximately 50 per cent of SMEs have obtained commercial finance, pointing to a significant financing gap in the SME sector. He noted that the report highlighted bottlenecks which include SMEs limited ability to provide bankable proposals to financial institutions, lack of collateral and lack of alternative financing mechanisms, as well as a limited supply of specialized financial products and services.

Mr. Maiava concluded by stating that the studies are aimed at being action oriented and that the recommendations are positioned to mobilize action in collaboration with the government, local entities and development partners. He further thanked the Central Bank of Samoa, UNCDF and Global Affairs Canada for their partnership and support in undertaking this important work.

Mr. Peters thanked the Central Bank of Samoa, ESCAP and all participants who supported the report. He mentioned that the COVID-19 pandemic has affected economies globally, including Samoa which only recently began to recover from a 2019 measles outbreak. Mr. Peters highlighted that it is important that we recognize that this is just the beginning of the actual work, specifically the work related to women-led and women-owned MSMEs in Samoa. He noted that the findings and recommendations from the report will create fertile ground for the discussion and reflection on these concrete actions, noting that some stakeholders may already have begun working on these.

Mr. Peters concluded by noting that UNCDF has been working in the region through the Pacific Financial Inclusion Programme, however MSMEs and women are a priority in UNCDF's future programmed work in the region. UNCDF is looking forward to collaborating and implementing these recommendations.

## Brief on Micro, Small and Medium-sized Enterprises' Access to Finance Series

Ms. Tientip Subhanij, Chief of Financing for Development at ESCAP provided a brief presentation on the background of the MSME Access to Financing study series, which has been undertaken in several countries including Bangladesh, Cambodia and Nepal, with Samoa being the first country report to be publicly launched. Ms. Subhanij noted that the study series has received strong support from ESCAP member states, including countries in the Pacific, at ESCAP's intergovernmental meetings. At these meetings member states requested ESCAP to work on MSME financing and continue assisting member states to develop relevant policies, regulations and pertinent fintech solutions.

Ms. Subhanij explained that in order to structure the publication series, a framework was developed to provide common guidelines to conduct the studies across Asia and the Pacific and allow the studies to be comparable, yet tailored to the country's needs. The study series has been done in various countries to facilitate discussions at the country level to understand the financing constraints and

what needs to be done in order to come up with concrete outcomes at the end of each study. Thus far some of the common findings across the studies have included: 1. The need to develop a more systematic and comprehensive national database on MSME credit to understand gaps and improve the functioning of credit information bureaus; 2. The need to amend regulatory frameworks and processes to better facilitate MSME business registration and the use of mechanisms such as movable asset registries and movable collateral; 3. The need to improve the capacities of MSMEs to develop business plans, prepare financial reports and produce the documentation required by financial institutions when applying for loans.

Ms. Subhanij stated that ESCAP is pleased that several of the national studies have already been embedded in policy implementation, for example in Cambodia, and ESCAP hopes that these studies will lead to concrete actions in Samoa.

Ms. Sudha Gooty, Programme Manager, Catalyzing Women's Entrepreneurship, ESCAP presented an overview of the Catalyzing Women's Entrepreneurship (CWE) programme, which supported the development of the MSME Access to Finance in Samoa study and the COVID-19 Supplementary Report and Recommendations. The CWE programme is a five-year initiative supported by the Government of Canada, which focuses on creating an enabling environment for women entrepreneurs through three interconnected pillars of work, which are: policy and regulation, innovative financing and ICT and business skills development.

Ms. Gooty noted the encouraging progress Samoa has made on women's empowerment including increased female workforce participation and the increase of women in top management positions, making Samoa one of the highest ranked among Pacific countries when it comes to women's empowerment. She also mentioned that the informal economy, which is made up of a considerable number of women-run enterprises, should also be considered, particularly in regard to access to government support and incentives. She further encouraged formalization of businesses through government incentives and policy considerations for business registration processes. Ms. Gooty also highlighted that it is important that the sessions consider the broader ecosystem in which MSMEs operate in Samoa, to understand interconnected barriers such as utilization of ICT to improve productivity, social-cultural norms and barriers, among others.

## Session 1: Micro, Small and Medium-sized enterprises' Access to Finance in Samoa and Recommendations

### **Presentation by Mr. John Hardin, Consultant, ESCAP**

Mr. Hardin discussed the methodology that was used to undertake the study, which included consultations with ministries, all of the banks in Samoa, a cross-section of SMEs, donor organizations, etc. He also coordinated with the project under MCIL that is developing an MSME policy framework and in parallel was commissioned to undertake a review of the Development Bank of Samoa's microfinance scheme, both of which provided further insights into this report.

Mr. Hardin began by presenting the report findings in the microfinance sector, noting that women in particular have benefited from microfinance schemes in Samoa, with most of the microfinance clients being women. Furthermore, based on the interviews Mr. Hardin undertook in Savaii, it was found that 70 per cent of those interviewed, reported an increase in family incomes as a direct result of the DBS loans they received, with total increased income 3.3 times the value of the loans that were provided to them. Additionally, 87 per cent of interviewed borrowers plan to expand or diversify their

microenterprises. He noted that overall, the DBS programme had a positive impact. However the scheme is resource heavy to operate raising potential sustainability risks. Regarding the business enabling environment, there were very few issues raised from credit providers and borrowers. However, one point for improvement which was noted is that there is currently no credit bureau.

Regarding SME access to finance, the supply of finance is adequate. However there are limits to accessibility. The major finding was that SMEs state that they cannot access affordable credit, while lenders counter that they do not receive bankable proposals. The banks are liquid and are interested in SME lending, however they have a negative perception on the reliability of SMEs as clients. This is not unique to Samoa, it is seen throughout the Pacific, where banks prefer to lend to corporates and/or provide individual financial services as their main income streams. Mr. Hardin noted the importance of the establishment of a credit bureau to support SMEs in providing financial track record information.

Additionally, Mr. Hardin noted the unmet demand for SME commercial financing has resulted in sector growth constraints. As a result, it was recommended that the focus of support be targeted towards SME demand side shortcomings, particularly the strengthening of local business service providers to support SMEs in developing stronger business plans and bankable proposals. In addition, local financial and business advisory institutions warrant support in properly assessing finance submissions and the Samoa Business Hub needs to be adequately equipped to play a stronger role with priority given to women entrepreneurs to build confidence. Furthermore, to address collateral gaps, a partial guarantee scheme was proposed. The borrower would be required to provide a minimum of 50 per cent of the collateral and 90 per cent of the balance would be covered by the guarantee. An additional recommendation was to develop a clear definition of MSMEs and improve data collection on MSMEs to support improved service provisions.

### **Panel Discussion Session 1**

The first panel discussion reflected on the recommendations presented their views and actions currently underway and identified potential approaches to taking the recommendations forward. All panelists noted that they found the recommendations appropriate and agreed with the recommendations.

The panel was moderated by Mr. Vaitulia Alatina Ioelu, Chief Executive Officer, Samoa Business Hub (SBH). The panelists included: Mr. Pulotu Lyndon Chu-Ling, Chief Executive Officer, Ministry of Commerce, Industry & Labour (MCIL); Ms. Goretti Godinet Fau, Manager Loans, Development Bank of Samoa (DBS); Ms. Luapene Lefau, General Manager, South Pacific Business Development (SPBD); and Ms. Tauiliili Ruth Penaia, Senior Manager, Samoa Commercial Bank (SCB).

Mr. Ioelu highlighted the three key recommendations for discussion which include: the collateral shortfall partial guarantee scheme, the integrated SME assistance programme, increase support for the Development Bank of Samoa. It was also noted that these are recommendations and there is room for adjustment and further contribution as to how the recommendations can be taken forward.

Mr. Chu-Ling reiterated the importance of MSMEs in the development of Samoa's economy. He emphasized that MCIL will stand by MSMEs to help them in their development. He noted that the key issue that has come out of the study is MSMEs ability to prepare bankable proposals and the need to develop MSMEs capacities to do so. He further noted that the supply of finance is sufficient and therefore the need is for further support to the MSMEs directly. He noted that further intervention is needed here from the private sector and support providers including chambers of commerce and associations. Additionally, awareness is needed for MSMEs to be informed of service providers and be

able to access such services. Furthermore, Mr. Chu-Ling mentioned MCIL programmes aimed at helping entrepreneurs in specific sectors such as handicrafts, which support the provision of duty-free raw material inputs and packaging for products being produced. The Ministry is available to provide the right information and guidance.

Ms. Lefau noted that the South Pacific Business Development (SPBD) has a mission to empower women through financial access and economic development, with a focus at the grassroots level. It was highlighted that SPBD has been providing microfinance services for over the past 20 years, having provided over 94,000 loans to women for starting or investing in their business. They have worked with 28,000 successful micro entrepreneurs over 372 villages. The majority of clients have been with SPBD for over 5 years and 91 per cent of SPBD clients are women. The SPBD is a strong advocate and practitioner of financial inclusion.

Ms. Lefau further stated that SPBD supports the overall report, particularly recommendation 1 (collateral shortfall guarantee scheme) and recommendation 2 (integrated SME assistance programme) and appreciates the recognition of SPBD and its role in supporting MSMEs. The collateral shortfall guarantee scheme lessens the pressure on women to meet the collateral demands for applications, assisting women empowerment for the expansion of their businesses. As mentioned by Ms. Lefau SPBD supports the two recommendations which cover SMEs and although micro finance is not a priority for this initiative appreciates SBPD's recognition in the MSME area.

Due to COVID-19 SPBD further noted that they support the recommendation for a concessional loan to be provided to SPBD to grow their SME portfolio and support those SMEs who need support. She concluded by mentioning the need for collaboration between the financial institutions in the provision of finance and support services. She also noted the delay in the roll-out of SPBD's mobile money tool, which they hope to have live soon.

Ms. Penaia began with a quote stating "Any economy cannot thrive without a healthy private sector. When local businesses flourish, they create jobs and generate income that can be spent and invested domestically. A government that cares about the economic well-being and advancement of the people it represents pays special attention to laws and regulations affecting local small and medium-sized enterprises." In that regard, she expressed appreciation for the government of Samoa's work to improve business regulations.

The Samoa Commercial Bank (SCB) has a commitment to developing MSMEs, which she notes is evidenced in the services they offer, such as their agribusiness financing scheme. Ms. Penaia stated that SCB supports the report findings, particularly the collateral shortfall credit guarantee scheme and Samoa Business Hub's proposed role in the scheme to be the key leader. She also noted that the 90 per cent coverage of the guarantee is an acceptable risk sharing arrangement. However, it is important that the committee to assess borrowers are experienced in business and financial management. Ms. Penaia further stated that SBC supported the recommendation for capacity building through an integrated SME assistance programme. She recommended that the focus of the trainings should be on practical exercises and actual cases, which will ensure the approach results in stronger bankable proposal submissions.

Ms. Fau noted the Development Bank of Samoa's (DBS) role as a financial institution providing financial services to a range of MSMEs and large enterprises. She highlighted that 98 per cent of DBS's portfolio is made up of MSMEs. Ms. Fau mentioned the impacts of COVID-19 on MSMEs in different market segments including tourism, transport and food/supermarkets. Under the government stimulus package, DBS has given interest-free loan repayments for 2 months, providing assistance on

a case-by-case basis and DBS has been proactive in meeting their clients to understand the impacts of COVID-19 on their enterprises. Based on this they are working with clients to restructure their loans.

In terms of the report recommendations, Ms. Fau stated that the collateral shortfall credit guarantee scheme is aligned with the work they are doing with SBH and the recommendation is agreeable, as well as the integrated SME assistance scheme. She noted that in terms of technical support they are currently receiving such support from ADB, Australia and MCIL.

In closing, Mr. Ioelu key takeaways from the meeting including the need to build the capacity of SMEs and service providers in preparing bank proposals and the opportunity to build more trust between service providers and banks. He also noted the number of financial services highlighted that are already in operation and the work DBS has already begun to take forward in terms of loan restructuring. He concluded by thanking the independent review team who provided comments and guidance on the recommendations and the panelists for their feedback and remarks.

### **Question and Answer Session 1**

The first question was raised by Digicel noting the important role of the private sector in the provision of jobs, training and skills for workers and the advancement of the economy both in normal and adverse times. The second inquiry was regarding what the collateral shortfall guarantee scheme would look like in practice and price, and would the farms and farm products produced by farmers be eligible under the scheme? The third question was regarding rural access to finance of unbanked individuals, given that there is no national identification card in Samoa, which is required to open a bank account, many people remain excluded. How can these recommendations support those individuals?

Mr. Chu-Ling responded that the ICT sector is key in these challenging times, with the sector providing a major contribution to all aspects of Samoa's economy. The infrastructure is in place to facilitate their operations. With regard to the second question, Mr. Chu-Ling mentioned the personal property and security register of MCIL, which provides an asset registry that banks can consider when applicants apply for a loan.

Mr. Hardin responded to the inquiry regarding the collateral shortfall partial guarantee scheme. He mentioned that what the collateral will look like is at the discretion of the banks. He explained that banks and other approved lenders would submit a request for a guarantee in those cases where the borrower has satisfied all the lender's credit assessment criteria apart from sufficient acceptable collateral. The applicant would be required to put forward half of the required collateral and the guarantee would cover 90 per cent of the remaining amount, while the lender takes the risk on the remaining 10 per cent.

Ms. Penaia further responded to the inquiry on the collateral shortfall partial guarantee scheme noting the preferred collateral is land, particularly for commercial purposes. The reason that they agree with this approach is that it covers cases where collateral value is not sufficient. She also noted alternative schemes such as the Samoa agribusiness programme which provides supplementary capital, with flexible repayments made based on the cash flow of the business, as well as a 100 per cent credit guarantee scheme for smaller SME loans that is being provided to SBH.

In reference to the last question regarding access to bank accounts, Ms. Penaia noted that she disagreed with the point on access to banking may be difficult due to no universal identification in Samoa. She noted that SBC accepts birth certificates as an alternative form of identification, along with a referral from a member of the community. To make services more accessible they have also



reduced their account opening requirement to only 10 tala, along with the abolition of many other fees. Ms. Lefau also mentioned that SPBD requires all members to have a savings account and their team travels to rural areas to support in account opening.

## Session 2: COVID-19 Supplemental Report and Recommendations

### Presentation by Mr. John Hardin, Consultant, ESCAP

Mr. Hardin highlighted additional recommendations building on those presented in Session 1. The recommendations are divided into two parts, short-medium term and medium-long term recommendations. The short-medium term recommendations include continued loan repayment relief from SPBD and DBS, plus a capital injection to DBS to roll out their successful microfinance scheme for women and youth, and a loan restructuring facility in order to relieve businesses that are struggling due to the COVID-19. Additionally, a concessional loan to SPBD for SME credit has been recommended – SPBD’s programme to roll out SME credit for around 400 women entrepreneurs has been successful and a concessional loan to roll this out would be particularly helpful for women SMEs. A concessional loan is recommended due to the fact that SPBD already holds significant debt and taking on further debt could impact the interest rates paid by clients.

It was further recommended that the SABS scheme be extended beyond agriculture to other types of SMEs, noting the future of the scheme/funding is uncertain. Given the economic impact of COVID 19 the proposed upgrading of SBH’s capabilities to assist clients is more important than ever. In regard to women, they are disproportionately affected by COVID 19 and it is important to offer more generous and tailored support for women entrepreneurs.

In the immediate to medium term reduced statutory reserve deposit requirements could be considered, although only temporarily, to free up bank funds for lending. In the midterm, it was also recommended to consider on concessional loans to banks for dedicated SME lending, which could be useful if it is coupled with SMEs business support for finance proposal development. He further noted that it is important to fast track the development of a credit bureau and that the collateral shortfall guarantee scheme is even a greater need. Additionally, FinTech and further development of mobile money agent networks are also a consideration raised in the report.

Two key sectors – tourism and agriculture - are also identified in the study as particularly impacted due to COVID-19. There is an opportunity for the tourism sector to promote Samoa as a safe tourist destination, however it was also recognized that the international travel situation remains unclear, and identified “bubble tourism” (Australia, New Zealand and several Pacific island destinations) may not be possible in the near future. It was recommended that both SBH and DBS that special attention be given to tourism, agribusiness and agribusiness supply chains.

He concluded by congratulating the Government of Samoa in their work to take early, decisive and effective measures to minimize the COVID-19 impacts on the business sector.

### Panel Discussion Session 2

The second panel discussed and reflected on the recommendations from both the COVID-19 Supplementary Report and Recommendations and the recommendations covered in the first session. The panel was moderated by Ms. Susana Laulu, Chief Executive Officer, Development Bank of Samoa (DBS). The panelists included: Mr. Leaupepe Esera Poliko, Manager-Security, Legal & Recovery Unit, Samoa Business Hub (SBH); Mr. Lemauga Hobart Vaai, Chief Executive Officer, Samoa Chamber of

Commerce (CoC); Ms. Rosalina Leiofi-Satuala, Office Manager, Samoa Hotel Association (SHA); and Mr. Donald Leumaga, Facility Manager, Samoa Agri Business Support program (SABS).

Ms. Laulu began the session by noting DBS's support of the recommendations in this report. She noted that the government has already provided assistance to pay the interest on all loans with the development bank that are interest-bearing. In terms of capital injection, the government has allocated 4 million tala to support businesses who have been affected by the impact COVID-19. Therefore, several of the recommendations have now been addressed by the government. She also mentioned the technical assistance that DBS has recently received in loan restructuring.

Mr. Vaai highlighted that the Samoa Chamber of Commerce (CoC) has undertaken multiple surveys looking beyond the CoC membership; the results have been reported to key ministries to identify the support needed by the private sector. Furthermore, CoC has recently concluded a national ILO rapid assistance survey, which highlights key details on the impacts of COVID-19 on employees and families of employees. Some of the key messages from the report that they will be taking away, is for their Business Link Pacific (BLP) programme, they currently have 120 BLP project working with 20 of their local businesses who are supporting the programme through advisory services. Mr. Vaai highlighted the importance of tapping into local expertise, noting that Samoa has some excellent local providers who provide technical assistance and accounting firms who understand compliance, cash flow and other requirements to support business scale-up.

Mr. Vaai further highlighted that one of the key findings from the CoC survey was the identification of social issues such as youth unemployment, the survey found that 45 per cent of young women were now unemployed and that 80 to 90 per cent of youth were thinking of starting a new business as a way out of the impacts seen due to COVID-19. One of the key areas of focus for the CoC is providing financial literacy and business support. He further noted the work CoC is doing with Business Link Pacific and the development of a finance finder for SMEs that will be launched later this year.

Ms. Leiofi-Satuala agreed with the recommendations provided in this report. The Samoa Hotel Association (SHA) has been significantly affected by the economic impacts of COVID-19. It was noted that around Samoa the hotels are only open for events and/or the weekends, and there is a high level of unemployment in the industry. She noted that Samoa Tourism Authority (STA) has stepped in to work alongside with Samoa Hotel Association together with Digicel in collecting data on unemployment in Samoa in the tourism industry. They have also started to try to promote local tourism and promotion of local talents through televised shows such as cooking and offering training and special offers at hotels.

Mr. Leumaga stated that the Agri Business Support program (SABS) has supported agriculture finance since 2014, through a partnership with the Asian Development Bank (ADB). The project includes a financing facility and provides 50 per cent guarantee to farmers and supports them in financial tracking and proposal development to ensure that their financing proposals are bankable. He further noted the interest rates are between 6-9 per cent for bank loans which they support farmers in receiving. They also focus on supporting women-owned agribusiness with business support services. It was noted that SABS refunds business support services received by the agricultural entrepreneurs at 80 per cent of the costs. Mr. Leumaga further noted the strong collaboration with commercial banks, combined with the technical support in business proposal development by SABS, allows for agricultural proposals to be consistently funded by commercial banks. He noted that there is a strong consistent pipeline of agricultural businesses that continue to need support. He noted that regarding the recommendations he believes that SABS and SBH should work together to increase the outputs.

Mr. Poliko noted that SBH fully supports the recommendations put forward in the report. SBH's aspirational goal is to become the go to agency in Samoa for MSMEs and the region. They have a 20-year history supporting MSMEs and have support from the New Zealand government for the 100 per cent guarantee and the Government of Samoa supported partial guarantee. SBH also runs a business training and capacity building programme and supports business planning, this is linked with the various levels of the guarantee scheme that they offer. They are also piloting a microinsurance product in parallel. He noted that this report has come in a timely manner, at a time where SBH has also been looking at how it can improve the delivery of its products, particularly to better facilitate bankable proposals, he further noted that 42 per cent of their support goes to women business owners.

In closing the session, Ms. Laulu noted the topics that were highlighted in the discussion, first being the importance of data in how to manage the uncertainty of COVID-19 and for the ability of the borrower to provide the information needed to financing institutions. Secondly, she noted the support services needed in order to submit a bankable proposal and the support services available through SBH and CoC. Third, she noted alternatives to collateral and blended finance options to make finance affordable. She further concluded noting the need for collaboration and coordination among the sector to advance access to finance for entrepreneurs.

## **Question and Answer Session 2**

The first question was asked by a vanilla farmer who was interested in further learning about plans for a payment gateway to allow for transactions between banks, credit card and Paypal, to support export transactions. Mr. Vaai responded that a committee has been developed to establish a national action plan on e-commerce which is awaiting approval.

Ms. Ainuu-Enari, Governor, Central Bank of Samoa, highlighted the importance of the establishment of the credit bureau which will allow all credit institutions to have access to the same data. This will affect collateral requirements in the long run, as credit history can support reductions in such requirements.

Ms. Saili from SkyEye, noted that they have been funded by ESCAP and PFIP to develop a payments gateway. There have been some issues with local bank integration, however a solution may have been found here. Once it is launched the gateway will allow for both local and international payments.

## **Closing Session**

Ms. Iris Kissiti, Financial Inclusion Coordinator, Pacific Financial Inclusion Programme, UNCDF thanked the Central Bank of Samoa and ESCAP for collaborating in organizing this workshop. She further thanked the stakeholders who participated in the report consultations and the workshop. Ms. Kissiti noted that the recommendations are actionable and will enable access to finance for MSMEs. She further noted that MSMEs are a key focus on UNCDF's current and future programming in Samoa, under the strategy "Leaving no one behind in the digital ear." She further noted the resilience of digital is unquestionable, as found during the COVID-19 pandemic. Noting it is key to looking into digital finance solutions that are relevant and affordable to the people of Samoa. She concluded by stating that UNCDF is looking forward to continuing its collaboration on these issues.

Mr. Alberto Isgut, Economic Affairs Officer, ESCAP expressed appreciation to CBS and UNCDF for the collaboration and results that have been achieved. He noted that this is only the beginning of the process. Further noting that when the study was initiated the focus was on structural issues to support MSME access to finance, however now due to COVID-19 the priorities of the government are focused on solving the immediate issues faced by MSMEs. It is important to not lose sight of the long-term

objectives and to identify ways to combine these immediate and longer-term measures to solve both the immediate and structural issues facing MSME finance. He concluded by noting the value of the recommendation regarding technical assistance to the development of bankable proposals, not only for access to financing but for business planning, sustainability and growth purpose.

Ms. Deanna Morris, Programme Management Officer, Catalyzing Women's Entrepreneurship, ESCAP thanked the entire CBS team for their partnership over the past one year in the undertaking of the study and leadership and convening of the workshop. She further thanked UNCDF, the Government of Canada and those who participated as interviewees for the study and the workshop panelists/participants insights, comments and advice in how the recommendations are being taken forward and can be taken forward as we move ahead.

She noted that ESCAP is committed to advancing women's entrepreneurship, with the Catalyzing Women's Entrepreneurship programme as one representation of that support. As part of the programme, ESCAP has established partnerships in Samoa and has earmarked budgeting to continue to provide support and technical assistances. ESCAP is already committed to support SBH in the establishment of an ICT Accelerator Programme for women entrepreneurs and supporting the advancement of FinTech and financial inclusion through various partnerships including UNCDF, SkyEye and Good Return. She concluded that ESCAP is looking forward to engaging further and providing technical support in taking forward the recommendations.

Ms. Lanna Lome-Ieremia, Manager, Financial System Development, Central Bank of Samoa concluded noting the importance of taking these recommendations forward and that CBS is looking forward to working together to do so.

## Annex: List of Participants

<b>Institution</b>	<b>Name</b>	<b>Designation</b>
ANZ Bank	Sharon Rasch	RM
	Malia Matila	RM
Australian High Comm. (DFAT)	Meritiana F Tanuvasa	Program Manager – EG&G
	Micheline Tauaa	Manager – PSP
BDO Samoa	Hanalei Betham	Chief Operating Officer
	Ernest Betham	Partner
Bank South Pacific	Maryann Lameko-Vaai	Country Head
Chamber of Commerce	Lemauga Hobart Vaai	Chief Executive Officer
	John Lemoa	
Central Bank of Samoa	Maiava Atalina Ainuu-Enari	Governor
	Tapusina Asalele	Manager – FSRS Dept.
	Alofaifo Seleni	Assist. Manager – Financial Supervision and Regulation Dept.
	Siavata Nofoaiga	Assist. Manager – Financial Supervision and Regulation Dept.
	John Lemalu	Senior Economist – Economics Dept.
	Yalynn Leuluai	Economist Financial Market Development
Development Bank of Samoa	Susana Laulu	Chief Executive Officer
	Goretti Godinet Fau	Manager Loans
	Migao Tiotio Fanene	Manager – Savaii Office
Digicel Samoa	Mark Witthuhn	Chief Executive Officer
Ministry of Commerce Infrastructure and Labor	Pulotu Lyndon ChuLing	Chief Executive Officer
	Jacinta Matulino	ACEO Industry Development and Investment Promotion Division
	Lisi Iosefa	Principal Officer – IDIP Division
Ministry of Finance	Lusia Matalasi	Accounts Division
	Faasaina Faataga	PFM & FSC Division
Ministry of Women Culture and Social Development	Misa S Talataina	ACEO – DCEP
	Leute Ilimalaota	Entrepreneurship S Officer
National Bank of Samoa	Russell Poppleton	Head of Credit
	Saveatama M Vaafusuaga	Head of Business
Osana Chips & Catering	Natalia Tone	Co-Owner
Samoa Agri-Business Support Program	Donald Leumaga	Facility Manager
Samoa Business Association of Samoa Arts and Handicrafts	Sua Louis Schwalger	President
Samoa Business Hub	Vaitulia Alatina Ioelu	Chief Executive Officer
	Leaupepe Esera Poliko	Manager – Security, Legal and Recovery Unit
Samoa Bureau of Statistics	Leota Salani	ACEO – Finance Stats Division
	Edith Taosoga Faaola	ACEO – Economics Stats Division
Samoa Commercial Bank	Ruth Penaia	Senior Manager
	Jordan Ah Liki	Manager Corporate Lending
Samoa Hotel Association	Rosalina Leiofi-Satuala	Officer Manager

Samoa National Provident Fund	Faalogo Luana Esera	Fund's CFO
	Siligatusa L Tupou	CIO
SkyEye Pacific	Sam Saili	Chief Executive Officer
	Anamaria Saili	
South Pacific Business Development	Luapene Lefau	General Manager
	Isabel Tuatagaloa	
Treasure Box	Stefani Szegedi	Manager
Vodafone Samoa	Conrad Tuioti	Corporate Sales Manager
	Rebecca Maulio	Head M-Tala
Vaoala Vanilla	Shelley Burich	Entrepreneur
WE Accounting	Timoci Naivukedrau	Branch Manager
Women in Business Inc (WIBDI)	Nuuao Lalomilo	Senior Finance Officer
<b>Online Participants</b>		
Akina	Guy Redding	Director, International Development
Business Link Pacific	Paul Wendland	Deputy Director
	Steve Knapp	Director
Central Bank of Samoa	Benjamin Pereira	Assistant Governor - Policy
ESCAP Subregional Office for the Pacific	Iosefa Maiava	Head of Office
ESCAP	Alberto Isgut	Economic Affairs Officer
	Deanna Morris	Programme Management Officer, CWE Programme
	John Hardin	Consultant
	Naylin Oo	Economic Affairs Officer
	Oliver Paddison	Chief, Countries of Special Needs Section
	Su-Arjar Lewchalmvongs	Research Assistant
	Sudha Gooty	Programme Manager, CWE Programme
	Tientip Subhanij	Chief, Financing for Development Section
	Yusuke Tateno	Economic Affairs Officer
DT Global	Steven Baker	Practice Leader, Asia Pacific
Good Return	Fifi Rashando	Impact Investment Manager
	Nicola Roth	Social Impact Field Support Officer
Pacific Financial Inclusion Programme	Bram Peters	Program Manager
	Naomi De Groot	Knowledge Management Specialist
SBH	Stephen Morris	Strategy and Business Planning Advisor