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**IFC Launch Initiative to Help Expand Access to Finance for Microentrepreneurs in the Pacific**

**Sydney, Australia August 26, 2010**—IFC, a member of the World Bank Group, today launched the Pacific Microfinance Initiative to improve access to basic financial services, particularly for women, rural households, and enterprises in Papua New Guinea, Timor-Leste, and the Pacific Islands.

The Australian government is providing 9.5 million Australian dollars toward the total cost of the four-year, 12.3 million Australian dollar (\$11.3 million) initiative.

The initiative will improve the ability of microfinance institutions and other financial service providers to efficiently deliver financial services to Pacific Island communities lacking access to money, loans, and business banking services. Estimates suggest that less than 20 percent of adults in the Pacific have access to financial services.

“Together with the Australian government, IFC will help expand loans, savings, and other basic financial services in the Pacific,” said Karin Finkelston, IFC Director for East Asia and Pacific. “The goal is to allow households and businesses to transition from every day survival to establishing businesses that are sustainable in the long term.”

IFC will provide performance-based grants and business advice to financial service providers so that they can better reach communities in isolated areas. IFC will help participating providers, including banking and microfinance institutions, nongovernmental organizations, and nontraditional financial service partners, such as mobile phone and agribusiness companies, develop business plans with measurable expansion targets. Grant disbursement will be contingent on meeting the pre-agreed performance targets.

The initiative also will work with governments to improve the regulatory, legislative, and financial infrastructure to broaden financial inclusion in the region.

IFC’s first partner under the initiative is the South Pacific Business Development Foundation, whose customers are mainly women micro-entrepreneurs. The South Pacific Business Development Foundation anticipates that it will significantly broaden its outreach over the next few years from its current 12,000 member base by developing new products and expanding credit, savings, and insurance services.

The launch of the initiative comes after the first private sector dialogue at the Pacific Islands Forum earlier this month where companies and donor partners, including IFC, discussed with government officials ways of improving financial services in the region.

**About IFC**

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in developing countries. We create opportunity for people to escape poverty and improve their lives. We do so by providing financing to help businesses employ more people and supply essential services, by mobilizing capital from others, and by delivering advisory services to ensure sustainable development. In a time of global economic uncertainty, our new investments climbed to a record \$18 billion in fiscal 2010. For more information, visit [www.ifc.org](http://www.ifc.org). For more information about the Australian government’s Overseas Aid Program (AusAID), visit [www.ausaid.gov.au](http://www.ausaid.gov.au).

For more information about the South Pacific Business Development Foundation visit [www.spbd.ws](http://www.spbd.ws) and [www.microdreams.org](http://www.microdreams.org)