

# FIJI National Financial Inclusion Strategy 2022-2030



**RESERVE  
BANK OF FIJI**

*“Leading Fiji to Economic Success”*



**NFIT**  
National Financial  
Inclusion Taskforce

## VISION

Empowering Fijians to build resilient and sustainable livelihoods and businesses through financial inclusion.

## STRATEGIC OBJECTIVES

1. All Fijians have convenient and timely access to affordable products and services offered by the formal financial sector.
2. All Fijians use a range of financial products and services to meet lifecycle needs and build financial resilience.
3. All Fijians have sufficient financial education and access to clear, transparent information that equips them to make informed financial decisions.
4. All Fijians receive high quality customer service from the financial sector and their interests are adequately protected.

# FIJI

## National Financial Inclusion Strategy 2022-2030

“We recognise and appreciate that this is an ambitious plan but we are confident that it is not an impossible one...the third NFIS is neither the Reserve Bank’s nor the financial sector’s plan alone; it is OUR plan and OUR Strategy for the next 9 years. It requires the full support of all stakeholders and partners, innovation and a ‘CAN DO’ attitude by all of us.”

**Ariff Ali**  
Governor of Reserve Bank of Fiji

# FOREWORD



**Governor of Reserve Bank of Fiji  
Ariff Ali**

This is the third National Financial Inclusion Strategy (NFIS) for Fiji, building on the progress made from the previous two 5-year strategic plans implemented from 2010. As Governor and Chairman of the National Financial Inclusion Taskforce (NFIT), I am personally honoured to be leading the Reserve Bank's efforts and achievements in the financial inclusion space, something that has not been the core mandate for central banks but is rapidly gaining traction. I have experienced first-hand the benefits of being financially included and I also know from both personal experience and from my observations when travelling around Fiji and meeting people from all walks of life what it means to be excluded with no access to financial products, services or information that can make life a little easier. On the other hand, I am pleased to note the progress and milestone achievements in our financial inclusion journey, which are testament to the partnership and passion demonstrated by stakeholders. I take this opportunity to sincerely thank

all our stakeholders in the financial sector and our partners who have journeyed with us over the decade and contributed towards our financial inclusion progress and achievements.

The first NFIS in 2010 focused on improving access to formal financial services and much of this emphasis continued in the second NFIS. According to the Demand Side Survey (DSS) 2020 we had made great strides in this area with bank account ownership increasing from 60 percent to 78 percent and formal financial account ownership rising to 81 percent from 64 percent. The positive outturn was underpinned by a number of initiatives such as the introduction of financial education in schools; ongoing financial literacy campaigns and awareness sessions; Government transition from cheque payments to direct bank account deposits for social welfare benefits; student loan scholarship payments; lease payments to individual landowners; and pension payments. Other significant achievements included the narrowing of the gender gap by 9 percentage points; rollout of affordable insurance products such as the bundled insurance product which increased insurance uptake from 12 percent in 2015 to 37 percent in 2020; the improved uptake of mobile money from 2 percent to 27 percent supported through an increase in inward mobile money remittances and expansion of the mobile money retail ecosystem; and an enhanced collection of financial inclusion data at the disaggregated level which will aid us in measuring financial inclusion progress

and provide useful input for evidence-based policy development.

As we stand at the commencement of a new Strategy, we acknowledge that the years 2020 and 2021 have been some of the most difficult and challenging for everyone. We have had to adapt to a radically changing environment – demonstrating both our vulnerability and resilience as a country. Navigating the COVID-19 environment presented us with the rare opportunity to embrace, reform and recover sustainably and with greater resilience. In its own ways, the pandemic accelerated the progress of our digital and mobile money platforms and prompted many of us to relook at and revamp our processes towards a new normal of doing business.

Our third NFIS will run from 2022 to 2030<sup>1</sup>. The realignment of our usual 5-year NFIS to a longer term plan and towards achievement of the United Nations (UN) Sustainable Development Goals (SDGs) by 2030 signals a shift in how we will approach financial inclusion in Fiji going forward. In the new NFIS, our focus will be on the people who need the most help. In this regard, the center of our initiatives are women, rural communities, youths, people living with disabilities (PWDs) and micro, small and medium enterprises (MSMEs). What this means is that we will transition from the previous “access centered” plans that defined our financial inclusion efforts up to 2020 to a strategy focused on increasing “usage” by emphasising customer-centric policy initiatives that meet the needs of the most vulnerable population and addresses the persistent gaps and inequalities for both individuals as well as MSMEs. We believe this will ensure that financial inclusion translates not only into more

accounts and higher transaction volumes, but into meaningful impact in the everyday lives of those we serve.

The new NFIS 2022-2030 framework targets four thematic areas of development:

- I. **Inclusive Finance** – Access to formal financial services is essential to enhancing the ability of individuals and households to manage their lives and build their future. Including them in the formal economy is a critical contribution to poverty reduction, tackling inequality, and fostering inclusive growth. This pillar will focus on ensuring that Fijians, especially the most vulnerable and financially excluded, are able to access and effectively use a range of products and services that are affordable and designed to suit their needs. This pillar also includes the development of specific financial products to combat and build resilience to climate change and economic shocks;
- II. **Digital Financial Services (DFS)** – DFS is a key catalyst that promotes financial inclusion by overcoming barriers to formal financial service access and usage by our underserved target groups. The recent COVID-19 experience has taught us that using the digital platform can work and is safe and more efficient. This pillar will build on this momentum through embracing innovation to enable higher rates of both access and usage of impactful financial services;
- III. **MSME Finance** – I firmly believe that MSMEs are engines of inclusive growth as they create employment, stimulate economic activity, contribute to better standards of

1. Review of the NFIS 2016-2020 was undertaken in 2021.

living and a reduce poverty. Access to finance remains a key constraint for many smaller Fijian businesses and is a barrier to recognising their full potential. This pillar focuses on providing alternative financing options for MSMEs, in particular women, youth and PWDs. With a vast and fast evolving array of risks and challenges in the sector, having tailored and affordable financial solutions is critical for MSMEs to survive and continue operating sustainably; and

#### **IV. Consumer Protection and Financial Capability**

– financial inclusion is also about social responsibility of market players and providers. Important prerequisites for the safe use of financial products are transparency, financial consumer protection mechanisms and financial literacy. It is impossible for Fijians to benefit from the full potential of financial services if they are not financially literate. This pillar will look into the implementation of a robust market conduct framework, increase our financial literacy efforts, leverage digital platform and re-examine the financial education programme in schools. Our goal is to financially prepare our young people for life in the real world which is full of new challenges, is rapidly evolving and

so much more different from the younger days of my generation. We need our Fijian children to start learning good saving habits early in life and understand the value of money sooner so they can contribute to a more financially responsible Fijian economy in the future.

We recognise and appreciate that this is an ambitious plan but we are confident that it is not an impossible one. Similar to the previous strategic plans, the third NFIS is neither the Reserve Bank's nor the financial sector's plan alone; it is OUR plan and OUR Strategy for the next 9 years. It requires the full support of all stakeholders and partners, innovation and a 'CAN DO' attitude by all of us.

I have no doubt whatsoever that we will achieve the objectives set out within this new 'Strategy' because I have confidence in the passion and commitment of our partners and stakeholders. The Reserve Bank will do all it can to facilitate development and innovation towards meeting our financial inclusion goals so that come 2030, we will see further progress made translated into improved livelihoods for ordinary Fijians.



**Ariff Ali**

Governor, Chairman National Financial  
Inclusion Taskforce

## ACKNOWLEDGEMENT

The Reserve Bank of Fiji wishes to acknowledge all its stakeholders including financial services providers (FSPs), government agencies, civil society organisations (CSOs) and the private sector who have contributed to the development of Fiji's NFIS 2022-2030. We also recognise the technical guidance offered by FinValue Advisors Private Limited and funding support from AFI.

A special appreciation is also extended to our development partners, the United Nations Capital Development Fund (UNCDF), United Nations Economic and Social Commission for Asia and the Pacific, International Finance Corporation, World Banking Group, Asian Development Bank and support from fellow peers from the AFI network including Bank of Ghana, Reserve Bank of Malawi, Ministry of Finance Zambia, Reserve Bank of Zimbabwe and AFI's Gender Specialist.

The NFIS is a result of an extensive collaborative process that involved significant stakeholder reflection and consultation which is closely aligned with the World Bank's toolkit for developing and operationalising a NFIS and the AFI policy model for NFIS.

The RBF calls on all stakeholders to provide the strong footing needed to successfully implement the new NFIS, with your continuous partnership, collaboration and passion.

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## LIST OF ACRONYMS

AFI	Alliance for Financial Inclusion
AML	Anti-Money Laundering
CFT	Combating of Financing for Terrorism
COVID-19	Coronavirus Disease
CSOs	Civil Society Organisations
DFS	Digital Financial Services
DSS	Demand Side Survey
FSPs	Financial Service Providers
G2P	Government-to-Person
GDP	Gross Domestic Product
KM	Kilometres
M&E	Monitoring & Evaluation
MFI	Microfinance Institutions
MSMEs	Micro, Small and Medium Enterprises
MTOs	Money Transfer Operators
NDP	National Development Plan
NFIS	National Financial Inclusion Strategy

NPS	National Payment System
NFIT	National Financial Inclusion Taskforce
PIRI	Pacific Islands Regional Initiative
PPSR	Personal Property Securities Registry
PWDs	Persons with Disabilities
RBF	Reserve Bank of Fiji
SDGs	Sustainable Development Goals
TOR	Terms of Reference
UNCDF	United Nations Capital Development Fund

# EXECUTIVE SUMMARY

The NFIS 2022-2030 builds on two earlier NFIS; the first from 2010-2014 and the second from 2016-2020. Given the remarkable progress with the access dimension that continues to play an important role in financial inclusion, the third NFIS shifts its focus to regular usage of financial services that will meaningfully translate to resilient and sustainable livelihoods and businesses.

The Vision for NFIS is *“Empowering Fijians to build resilient and sustainable livelihoods and businesses through financial inclusion”*. In realising this Vision, it is expected that Fijians will be able to access and use appropriate financial services to manage risks and better plan for the future.

The NFIS supports Government’s 20-Year National Development Plan (2017-2036) and, for the first time is aligned to the achievement of the UN SDGs. The NFIS prioritises vulnerable and disadvantaged segments of the population especially women, youths, rural and maritime communities, PWDs and low-income households due to existing disparities in financial inclusion. By making available financial services that meet the needs of users, the NFIS will not only lead to financial deepening but usage of these services will also help Fijians to build resilience against economic shocks such as the COVID-19 and climate change induced events. It will enable access to financial resources for enterprises and help them towards the broader

goal of wealth creation and business sustainability.

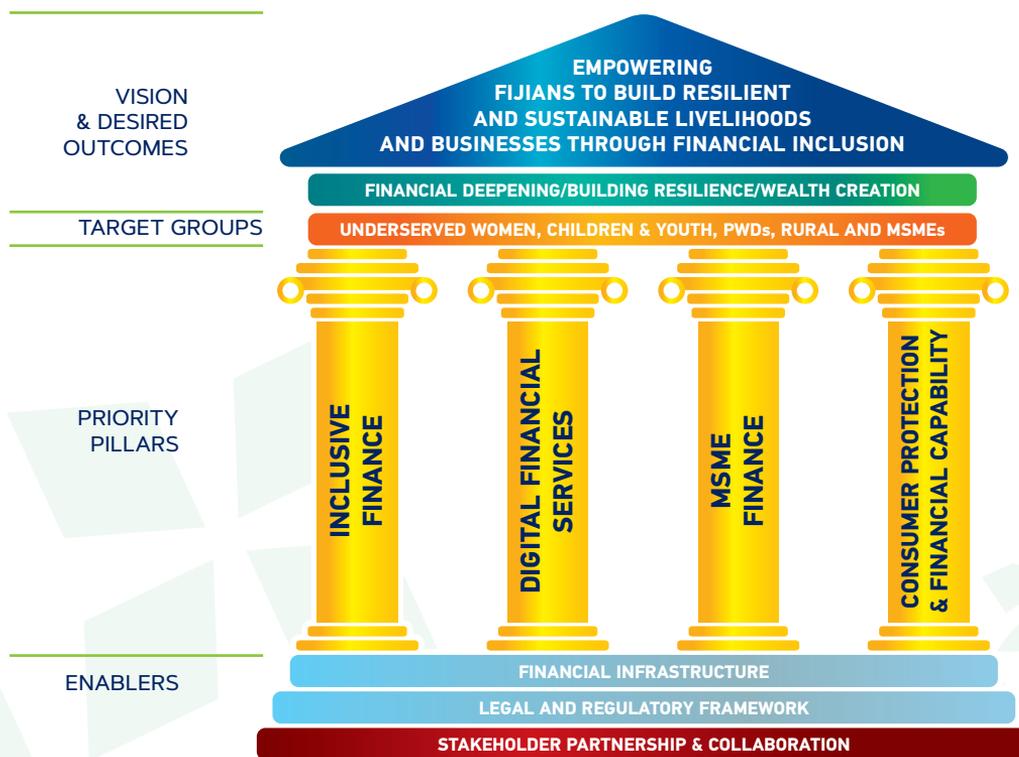
The NFIS sets a comprehensive framework structured around four key priority pillars to advance financial inclusion for the next nine years: (I) Inclusive Finance; (II) Digital Financial Services; (III) MSME Finance; and (IV) Consumer Protection and Financial Capability. The framework identifies financial infrastructure, legal and regulatory framework and stakeholder partnership and collaboration as critical enablers serving as foundation of the financial inclusion pillars. The NFIS incorporates a results framework with a detailed implementation plan outlining a broad range of activities and actions that will assist in achieving the strategic objectives as follows:

1. All Fijians have convenient and timely access to affordable products and services offered by the formal financial sector.
2. All Fijians use a range of financial products and services to meet lifecycle needs and build financial resilience.
3. All Fijians have sufficient financial education and access to clear, transparent information that equips them to make informed financial decisions.
4. All Fijians receive high quality customer service from the financial sector and their interests are adequately protected.

The implementation of the NFIS will be guided by the NFIT, a coordinated structure comprising private and public sector players, government agencies, CSOs and development partners. The NFIT heads the governance structure and is supported by the Working Groups (WGs) for implementation which will require an integrated and multi stakeholder approach to mobilise resources and ensure that the targets are met and desired outcomes are achieved. The measurement of progress toward the

NFIS objectives will be supported by a robust gender sensitive monitoring and evaluation (M&E) framework that will include effective collection of data at the disaggregated level. In addition, it is important to evaluate the outcomes at the overall NFIS level as well as the specific policy and programme initiatives. Such evaluations will help assess the impact of programmes and identify their intended and unintended outcomes.

Figure 1: NFIS Framework for 2022-2030



# INTRODUCTION

**“Financial inclusion means that Fijians are empowered to safely access and use a broad range of affordable and appropriate financial products that meet their needs and are delivered in a responsible and sustainable way.”**

The definition of financial inclusion has been modified to reflect the intent and spirit of the overall vision of the third NFIS. The revision of the definition encompasses the expectations around the usage aspect that will be emphasised in the strategy to ensure that financial products are made affordable, are of high quality and appropriate in the Fijian context. The foundation of the definition is to empower Fijians, irrespective of their social and economic backgrounds to instill trust and build their financial capacity.

The Vision Statement of the third NFIS has been reformulated to capture the current and emerging financial inclusion priorities for Fiji.

**Empowering Fijians to build resilient and sustainable livelihoods and businesses through financial inclusion**

The eventual goal is to help Fijians build livelihoods and businesses that are sustainable and resilient to economic shocks. To make this

happen, the Vision Statement relies on empowering individuals and businesses through the provision of affordable and quality financial services.

The NFIS is closely aligned with a number of SDGs, both directly and indirectly. The strategic actions are positioned prominently as an enabler for:



SDG 1 - To end poverty in all its forms;



SDG 5 - Achieve gender equality and economic empowerment of women;



SDG 8 - Promote jobs and economic growth;



SDG 9 - Foster innovations and build resilient infrastructure;



SDG 10 - Reduce inequalities;



SDG 13 - Take urgent action to combat climate change and its impacts; and



SDG 17 - Strengthen the means of implementation through global partnership

The development of NFIS involved significant reflection and consultation with wider stakeholders including, public and private sectors, FSPs, CSOs and development partners.

# CURRENT STATE OF FINANCIAL INCLUSION

## Financial Sector Landscape

The financial sector comprises both regulated and non-regulated FSPs. The RBF is the primary regulator for a wide range of financial institutions and markets which includes the commercial banks, the development bank, credit institutions, the superannuation fund, insurance companies, brokers and agents, capital markets (incl. the stock exchange and intermediaries), foreign exchange dealers and money changers, payment service providers, non-bank financial institutions and the credit information reporting agency. The RBF is also the Registrar of Fiji's movable collateral registry.

From 2016-2020 the financial sector grew by 32 percent in terms of gross assets of which 30 percent was growth in the banking sector alone. Traditional credit unions, financial cooperatives, moneylenders and microfinance institutions (MFIs) mainly cater for the financial requirements

of the underserved population and this is currently outside the regulatory and supervisory ambit of the RBF as illustrated below (Figure 2).

## State of Financial Inclusion in Fiji

Financial inclusion in Fiji has recorded significant growth in recent years. As of 2020, 81 percent of adult Fijians (50% women) had access to formal financial services, compared to 64 percent in 2014 (44% women). The banked population accounted for 78 percent in 2020 indicating an improvement in Fijians' confidence to use banking services.

Despite these achievements, 19 percent of the adult population remain excluded from the formal financial sector. The harder-to-reach maritime and other remote areas reported the highest exclusion rates due to lack of financial service access points.

Figure 2: Financial Sector Landscape of Fiji

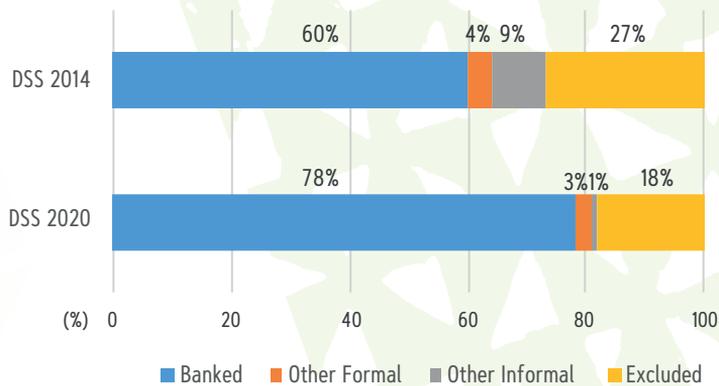
### Regulated Institutions

- ⊕ Commercial Banks
- ⊕ Fiji Development Bank
- ⊕ Insurance Companies
- ⊕ Fiji National Provident Fund
- ⊕ Restricted Foreign Exchange Dealers
- ⊕ Capital Market Intermediaries
- ⊕ Mobile Money Operators
- ⊕ Licensed Credit Institutions

### Unregulated Institutions

- ⊕ Finance Companies
- ⊕ Microfinance Institutions
- ⊕ Credit Unions
- ⊕ Cooperatives
- ⊕ Money Lenders
- ⊕ Pawn Shops
- ⊕ Hire Purchase Providers

Figure 3: Financial Inclusion Strands 2014-2020,



Source: Fiji Demand Side Survey

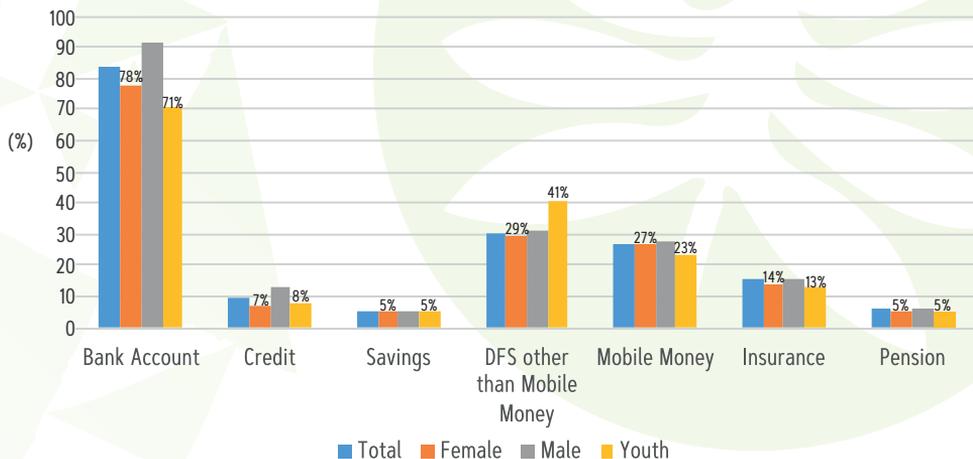
### Underserved Segments: Women, Youth, Rural Communities, MSMEs and PWDs

Women, youths, PWDs and those in the rural and maritime areas remained underserved and have been the ongoing target of financial inclusion initiatives in Fiji. Within these underserved target groups, those who live in rural areas suffer from potentially life-threatening conditions such as HIV/ AIDS, PWDs and those who lack basic formal education or are illiterate are more likely to experience

greater challenges than their counterparts who live in the urban areas, do not have a disability and are literate.

The previous two NFIS paved the way for financial inclusion dialogue and actions focusing the attention of the RBF, Government and the financial sector on segments of the population who were still experiencing inequalities to access basic financial services. While the target segments recorded improved access to bank accounts,

Figure 4: Uptake of Financial Inclusion Instruments



Source: Reserve Bank of Fiji

usage of other financial instruments remain relatively low as shown in Figure 4. This limits their opportunities to sustainably improve livelihoods, build resilience and to start and grow businesses in their communities.

The **gender gap in access to financial services** measured through bank account ownership from the supply-side was recorded at 13 percentage points in 2020. The **gap exists across all financial inclusion instruments** and is primarily a result of a low level of literacy and reliance on informal financial sources/services. Women also lack opportunities to gain business skills, have more unpaid domestic responsibilities and less collateral to use when applying for finance.

On the other hand, the positive uptake of DFS by the youth (41% in 2020) demonstrates an opportunity to advance financial inclusion for this segment. Lessons can be learned from these sectors to support increasing women's use for DFS.

The low population density, harder-to-reach maritime and other remote areas reported the highest level of exclusion due to **inadequate distribution of financial access points**. The average distance to accessing a financial service in rural areas is 15 kilometres (KM) compared to an average of 3KM in urban areas. This particularly impacts women that have less income and free time to travel to access points and generally lower volume transactions that incur proportionately higher transaction cost. In addition, limited telecommunication and Internet connectivity in these areas pose an

additional obstacle in expanding DFS in remote locations and women generally have lower levels of digital financial literacy which can impede usage although, access is available.

There is a long history of **registered yet unregulated financial institutions** in Fiji such as MFIs, traditional credit unions, financial cooperatives, savings clubs and both formal and informal moneylenders who cater to the financial requirements of the underserved population. However, the scale and quality of initiatives undertaken in these settings are unable to meet the demand and personal borrowing from friends and family for instance is ubiquitous. This indicates that the one-size-fits all approach by formal FSPs must be reviewed to ensure that financial products are tailored to the needs of targeted segments.

The 2017 Housing and Population Census reported **18 percent of adult PWDs of which 59 percent are banked**. Technology is breaking down barriers and enables PWDs to access more information and services, although there may be few who would prefer a person-to-person interaction to access services. This often forces PWDs to rely on someone else to help, further complicating the process, compromising security, confidentiality and privacy. Most importantly, culture needs to be shifted to embrace and recognise that PWDs have the ability to positively impact economic prosperity and that, along with the rest of society, must have equal access to education, employment and the means to support financial independence.

## Inclusive Finance

The use of various financial products such as insurance, remittance and mobile money and other DFS products have shown significant progress since 2014.

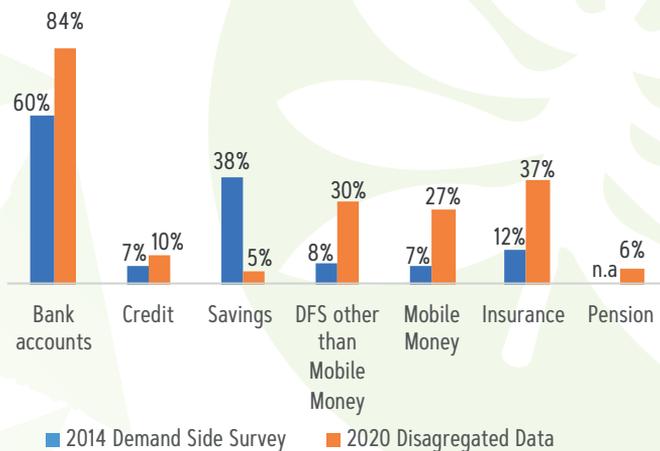
**Uptake of credit was significantly low** with only 10 percent of Fijians borrowing from formal sources while 12 percent resorted to informal borrowings (51% are women). This lack of borrowing also constrains MSME growth especially for women-led businesses.

**Savings has significantly reduced** due to a review of the definition and classification of supply-side data. However, Fiji's population is regarded as net savers largely due to the superannuation mandatory deduction. Although a substantial proportion of the low-income segment use informal means of savings as it offers convenience and flexibility, efforts to bring together the formal sector with

the corresponding needs of those in the informal sector can potentially expand the reach of such products.

The **insurance uptake has shown significant progress** reporting more than a third of Fijians covered with an insurance product. However, **only two percent had climate related insurance** specifying limited measures in place to protect them against such events. A major area of concern is that insurance uptake is limited to high income groups such as those in formal employment. The success of the bundled insurance product needs to be expanded across other segments through greater awareness and literacy among Fijians. The consumer protection risks with bundled insurance products including lack of understanding from beneficiaries on premiums, the risks covered, and the claims process potentially hinders the ability of the product to be market driven and limit reliance on subsidies. Product innovation along with scaling

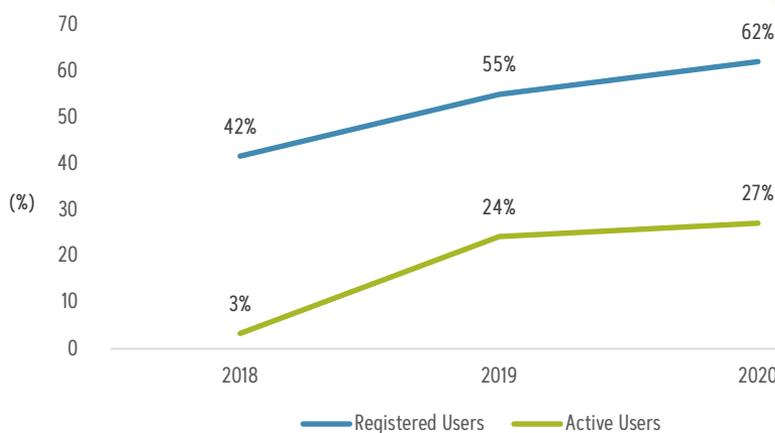
Figure 5: Uptake of Financial Inclusion Instruments



Source: Reserve Bank of Fiji

## Digital Financial Services

Figure 6: Mobile Money Uptake



Source: Reserve Bank of Fiji

up affordable insurance products that meets the needs of low-income households, including those in the rural areas such as farmers will need to be a key focus.

**Fiji is a major remittance recipient country** with inward remittance representing eight percent of total Gross Domestic Product (GDP) in 2020. Women (57%) are the major recipients as compared to men (43%). While the Money Transfer Operators (MTOs) are the most popular means of receiving remittance, the share of mobile money as a channel for receiving remittance significantly increased from around one percent in 2015 to 22 percent in 2021. This increase was driven by a number of factors including, expansion of agencies, convenience, fee-free remittance promotion and COVID-19 restrictions. The use of remittances should be promoted by increasing competition among the service providers, lowering cost of transaction and introducing remittance-linked financial products that will assist in building resilience among Fijians.

DFS hold a strong potential for expanding financial inclusion in Fiji as seen during the COVID-19 pandemic where individuals and businesses opted for more online transactions and Government leveraging digital payments for G2P transfers. However, **there is still limited uptake and usage of DFS among the adult population.** In 2020, only 27 percent of adults actively used the mobile money platform (within the 90-day reporting period) despite 62 percent adults registering for mobile money services. The uptake of other digital platforms such as internet banking and mobile banking also remained low among the banked adults at 30 and 21 percent respectively. This is despite high mobile phone connectivity with 139 percent of the population having access to mobile phones and 75 percent having smartphones.

Various factors including demand side barriers account for the low uptake and usage of DFS including **poor connectivity** in rural and maritime areas, **lack of interoperability** among

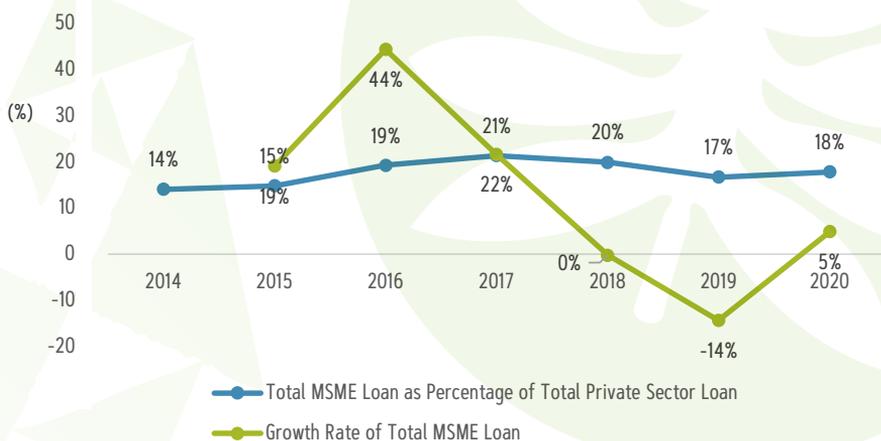
the service providers, the cost of using the services, limited acceptance of digital payments by merchants, the lack of DFS regulations and customer protection frameworks, **low digital literacy** and **lack of trust in the digital payments**. Hence, 88 percent of Fijian adults preferred cash as opposed to digital payments.

DFS have long been provided by traditional banks and MNOs in Fiji. The MNOs entered the market more than a decade ago and since then no new entrants have penetrated the market. This could be attributed to **lack of an enabling regulatory environment that ensures a level playing field and encourages competition and innovation**. The launch of the FinTech Regulatory Sandbox in December 2019 provided the platform for development of innovative DFS solutions and customer-centric products, however this will require proportionate regulations and a robust customer protection framework to ensure the safety of the customers and service providers.

The enactment of the National Payment System (NPS) Act 2021 is one of the first steps towards reforming and modernising payment systems in the country. The Act together with NPS Strategy 2022-2026 are expected to promote a conducive payments ecosystem in Fiji through promotion of interoperable services between various FSPs, improve the uptake of DFS, increase the use cases for customers; thereby helping achieve the country's financial inclusion goals. It also provides RBF with the mandate of regulating and supervising payment system providers and enabling the effective implementation of these reforms and policy initiatives.

The NFIS will place emphasis on expanding the usage of DFS through targeted digital literacy campaigns, intuitive design of digital finance products, interoperability, expanded coverage of telecom and internet network, improved use cases for various customer segments and

Figure 7: MSME Loans



Source: Reserve Bank of Fiji

sub-segments and wider partnership between DFS providers and other public and private sector agencies.

### MSME Finance

MSMEs account for around 18 percent of GDP, employ around 60 percent of the working population and account for close to 90 percent of registered businesses in Fiji. While MSMEs form the backbone of the economy, they **continue to operate largely out of the purview of the formal financial sector.**

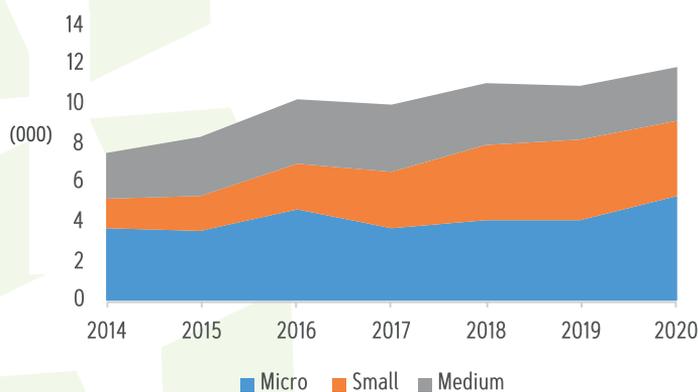
The MSME Fiji-Policy Framework 2020 (MSME Policy) provides the national definition of MSMEs in relation to their annual turnover. A “micro” enterprise has turnover of up to \$50,000; a “small” enterprise has turnover from \$50,000 to \$300,000 and a “medium” enterprise has turnover from \$300,000 to \$1,250,000.

In 2020, MSME loans accounted for less than 20 percent of total private sector loans from formal lending institutions (banks and credit

institutions). MSME loans grew at 5 percent year-on-year in 2020, compared to a higher 19 percent in 2015. The decline in growth rate was mainly due to the perception of MSME as high-risk propositions which led to **lending institutions imposing high capital and collateral requirements thereby limiting access to formal credit.** The latter part of the decline in 2020 and 2021 was also caused by the COVID-19 pandemic which is consistent with the general decline in private sector credit.

This may be further challenging for women-owned MSMEs where women already have limited access to credit from the formal lending institutions. In 2020, **only seven percent of women borrowed formally and less than 10 women-led MSMEs were registered under the MSME Guarantee Scheme administered by the RBF. Access to these schemes and incentives for MSMEs and in particular women-led MSMEs, are further hindered by the lack of collateral, low financial literacy, lack of entrepreneurial skills**

Figure 8: Number of MSME Loans



Source: Reserve Bank of Fiji

**and lack of customised financial products.**

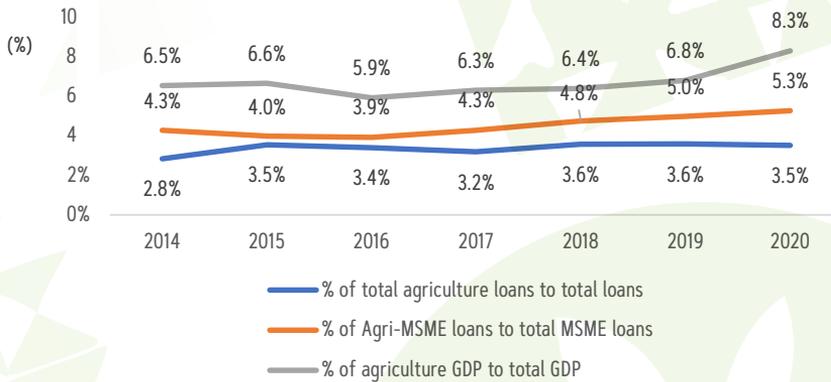
Various measures developed to improve MSME access to finance such as the MSME Credit Guarantee Scheme and secured transaction reform establishing a moveable asset collateral registry mainly focus on the bankability of MSMEs. The policies and avenues for non-bank financing, alternate financing instruments such as factoring, leasing, crowdfunding,

peer-to-peer lending, formalising MFIs, setting up a specialised institution to serve the MSME sector, and building capacity of FSPs to support MSMEs and start-ups are yet to be addressed.

**The lack of data on MSMEs as well as the absence of an effective credit bureau also hinder financial institutions to lend to MSMEs.**

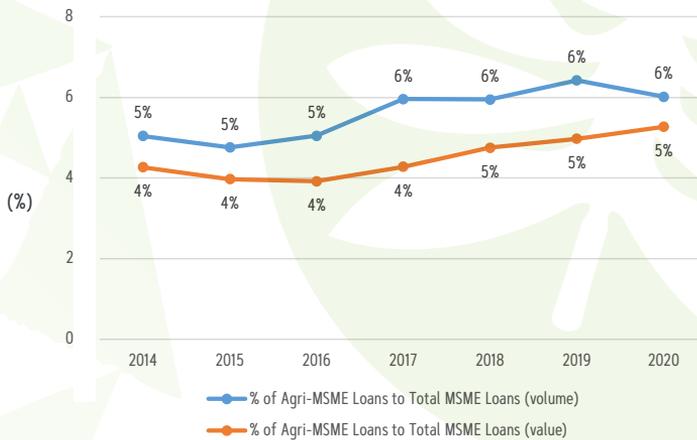
This provides the necessary areas that need development and improvement in this new Strategy.

Figure 9: Agriculture Sector Lending from formal financial institutions



Source: Reserve Bank of Fiji

Figure 10: Loans to Agri-MSME from formal financial institutions



Source: Reserve Bank of Fiji

2 2020 Agriculture census reports 37 percent (70,991) of Fiji households listing agriculture as their main economic activity.

Agriculture accounts for approximately eight percent of Fiji's GDP and represents the country's third largest sector; however, it receives less than four percent of total loan funding from formal lending institutions (figure 8) and constitutes only five percent of total MSME loans (Figure 9). The figure is considered low since over a third of Fijian households list agriculture as their main source of livelihood<sup>2</sup>. While some growth in the sector is expected as a result of COVID-related job losses, it is unclear whether financial products are meeting the demand and needs of small-holder farmers to diversify or scale-up productions and mitigate against climate risks. Hence, there is a need to examine and evaluate financing mechanisms available to support growth in the agricultural sector.

### Financial Literacy and Consumer Protection

The rapid growth in financial inclusion and technological advancement in the financial sector in recent years has resulted in peoples' increasing access to basic financial services – many for the first time. While this progress is celebrated, the increase in inclusion brings with it **exposure to new risks that consumers may not fully understand**. To address these risks, consumer protection, market conduct rules and financial literacy programmes targeted at particular segments of the population are imperative.

In 2013, the NFIT successfully integrated financial education topics into the primary and secondary school curriculum. The challenge

going forward is to ensure an **effective translation to usage of basic financial services in order to stimulate responsible financial behaviour at a young age**. Educating children early and teaching them to form good savings and financial management habits must be prioritised.

Consumer protection and targeted financial literacy must be the role of all stakeholders. Programmes should be designed to **translate into meaningful usage**. This means that financial literacy seminars and workshops must leave participants with practical actions to implement post workshop. This also means that the one-off 'tick the box' programmes are no longer sufficient. Effective follow up and monitoring must be factored into financial literacy plans. This is particularly important for vulnerable groups such as women.

DFS has the potential to expand financial services to remote areas and to vulnerable groups at a low cost and with convenience, yet 73 percent are not using mobile money and two thirds of banked adults are not actively using internet banking (70 percent) in 2020. Common reasons highlighted across the two platforms include **lack of digital literacy, awareness on the availability of such platforms and safety concerns of cyber-crime**. Providers need to ensure that financial literacy is integrated into product marketing and designed to provide bite sized inputs to people at the time of decision-making or at different stages of usage of these services.

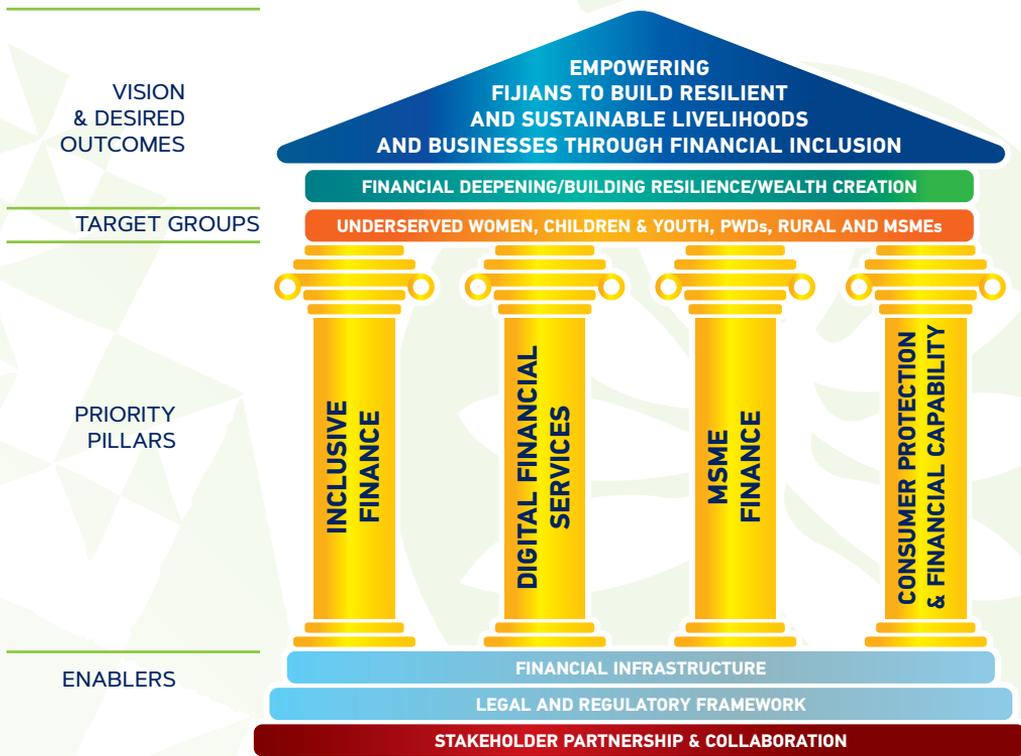
# NFIS FRAMEWORK 2022-2030

The NFIS framework provides the necessary structure to advance financial inclusion for the next nine years.

The foundational layer are the key enablers that form an integral part for building a strong footing for a sustainable and inclusive financial system. The four pillars are the priority areas that address the gaps in

financial inclusion. Whilst the priority pillars target all segments of the population, special attention will be given to vulnerable groups such as the underserved, women, youth, PWDs, those in rural and maritime areas and MSMEs. All parts of the framework are intertwined to support the desired outcomes and vision.

Figure 11: NFIS Framework 2022-2030



## Desired Outcomes for NFIS

The NFIS aims to contribute towards inclusive economic growth that is sustainable through three desired outcomes:

- (i) **Financial deepening** - expanding the reach of financial services across various population segments and improve the uptake and usage of these products thus enabling people to effectively meet their financial life-cycle needs;
- (ii) **Resilience building** - supporting the development of client-centric products and services to help Fijians, especially the vulnerable segments, withstand and rebound from shocks like climate change impacts; and
- (iii) **Wealth creation** - strengthening the legal, regulatory and supervisory framework as well as create a supportive infrastructure to promote MSMEs contribution in economic activity.

Figure 12: Desired Outcomes



## PRIORITY PILLAR I – INCLUSIVE FINANCE

### Objective

Support financial deepening through improved access to and use of inclusive financial products and services that meet life-cycle needs and build resilience.



Appropriate and affordable financial services provide low-income and vulnerable groups, including women, with the resources they need to make investments and manage unexpected expenses to help them address poverty (SDGs 1 and 5), reduce inequality (SDG 10) and build resilience against the impact of climate change events (SDG 13).

### Strategic Actions

1. Develop and implement responsive and appropriate policies and guidelines to enable a conducive environment for inclusive financial products and services;
2. Address access and usage gaps to financial products and services for underserved segments;
3. Strengthen pathways to formal financial inclusion for users of informal financial services.
4. Develop affordable and appropriate financial products and services including those to mitigate shocks and build resilience to climate change impact; and
5. Measure access to and usage of broad range of financial products and services at a disaggregated level.

### Notes:

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## PRIORITY PILLAR II - DIGITAL FINANCIAL SERVICES

### Objective

Foster technological innovations to accelerate access to and usage of affordable and convenient financial products and services.



DFS enables financial services such as savings, payments, credit, and insurance to be delivered efficiently at scale with widespread benefits that not only drives growth, but also enables faster progress towards achieving the SDGs. For instance, gender sensitive DFS can facilitate women to be able earn more and build assets contributing to gender equality and economic growth (SDG 5); enable small businesses to grow, innovate, and reach new markets, bringing more people into the digital economy (SDG 9); and create economic opportunities for rural and low-income households by providing new tools and partnerships to actively participate in economic activities and improve financial resilience (SDG 10 and 17).

### Strategic Actions

1. Promote technology enabled financial products and delivery channels;
2. Promote full interoperability and create an enabling payments ecosystem;
3. Create an enabling regulatory environment;
4. Support DFS infrastructure development; and
5. Develop a gender sensitive FinTech Ecosystem.

### Notes:

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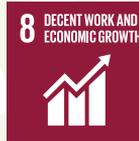


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## PRIORITY PILLAR III – MSME FINANCE

### Objective

Promote economic growth that is broad-based, inclusive and sustainable through improving access to finance for MSMEs and their financial resilience.



MSMEs help reduce the proportion of people living in poverty through job creation and economic growth (SDG 1) and play a key role in ensuring women's active participation in business and trade (SDG 5). With conducive policies in place, MSMEs can help societies achieve higher levels of economic productivity as drivers of diversification, technological upgrading and innovation (SDG 8) and help in providing to low income and the vulnerable groups in particular the underserved regions (SDG 10).

### Strategic Actions

1. Develop an enabling regulatory framework for MSMEs;
2. Establish a specialised institution for MSME sector;
3. Develop value-chain financing programmes and initiatives; and
4. Develop suitable financial products and services to support start-ups and key target sectors (e.g. agriculture).

### Notes:

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## Priority Pillar IV – Consumer Protection & Financial Capability

### Objective

Ensure all Fijians have access to high quality financial education and are equipped to make informed financial decisions and ensure safety and protection of consumers.



Consumer protection and financial capability can contribute to economic growth and sustainable development by improving financial inclusion and wellbeing as well as bridging the socio-economic gaps and inequalities that restrict access to financial services (SDG 1, 5 and 10). Consumer protection and financial capability can also strengthen consumer resilience to major financial shocks (SDG 13).

### Strategic Actions

1. Establish a consumer protection framework for the financial sector;
2. Review the complaints management framework and existing dispute resolution mechanisms for financial consumers;
3. Develop and implement a comprehensive and gender sensitive financial literacy strategy; and
4. Implement a robust programme for schools to complement the FinEd Programme.

### Notes:

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## Enablers

### Financial Infrastructure

A conducive financial infrastructure is essential in enabling wider access to and support the efficient delivery of financial services. The NFIS will strengthen the existing infrastructure such as the credit information system, collateral registry and the digital ecosystem including physical infrastructure while addressing the constraints and making it conducive for use by FSPs and consumers alike. Strengthening these underlying infrastructure are a prerequisite to furthering the financial inclusion objectives of this Strategy.

### Legal & Regulatory Framework

Having an enabling and updated policy, legal, and regulatory framework for financial services is crucial in maintaining an appropriate balance between financial inclusion objectives and financial stability. In this regard, the emphasis is on reviewing the existing legal, regulatory and supervisory frameworks pertaining to different industries within the financial sector, applying proportionality in regulations based on emerging trends to promote innovations, cater for vulnerable segments, support the development of a sustainable and inclusive financial system and protect financial consumers.

### Stakeholder Partnership & Collaboration

The foundation of the NFIS is effective stakeholder partnerships and collaboration. Strong commitment from all regulators, policy makers, public and private sector players, development partners and CSOs is imperative for the successful implementation of the Strategy. This can only be achieved if there is a greater sense of ownership and responsibility from all players to actively participate and collaborate in pursuit of implementing the planned activities and achieving the desired outcomes.

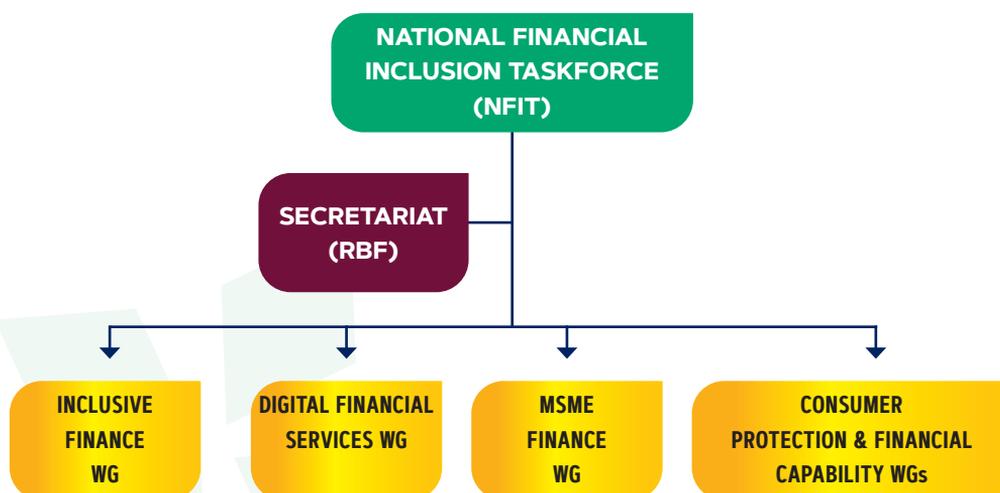
# COORDINATION STRUCTURE

The design of the NFIS underscores the involvement of various sectors and stakeholders from the public and the private sectors, regulators, development partners and CSOs at the implementation stage. A strong buy-in and active involvement of these stakeholders under the leadership of RBF ensures that all agencies share a common vision and remain committed towards the successful implementation of the NFIS and optimum utilisation of resources.

The NFIT forms the Governance layer, while the WGs is the Implementation Layer. The NFIT and WGs will be supported by the cross-functional Secretariat that is the RBF. The NFIT and its WGs will have a gender focal point to ensure that targets set for women's equal access to financial inclusion are met.

The figure below provides an overview of the coordination structure for the NFIS.

Figure 13: Coordination Structure



## National Financial Inclusion Taskforce

The NFIT was constituted in 2010 and was guided by a Terms of Reference (TOR). The roles and responsibilities under this TOR have been revised and updated in line with the strategic goals and priorities of the third NFIS. Broadly, the NFIT will continue to function as the apex body providing strategic guidance and oversight to the various policies, programmes and initiatives pursued under the NFIS and approve appropriate course correction including revision in NFIS action plan if needed.

The composition of membership will include high level officials from RBF, Government, representatives from FSPs development partners and chairs of the WGs. In certain cases, other institutions or subject-matter experts may be invited as temporary members to join the NFIT.

## Working Groups

The core purpose of the WGs is to operationalise related activities in accordance with the implementation plan and timelines. The TOR for each WG will be drawn separately based on their mandated area. Broadly, each WG is required to develop annual action plans (including timelines, targets, delegation of responsibilities etc.) related to respective thematic areas which will then be approved by NFIT; implement and undertake activities as envisaged under the action plan; and submit quarterly progress updates with respect to related activities and targets to the NFIT.

The WGs will comprise relevant stakeholders related to the thematic area and must include FSPs from public and private sectors, other implementing agencies, industry bodies, donors, development agencies etc. These members will include senior officials designated to handle relevant technical matters in their respective organisations. Each WG will be chaired by a member from the respective WG membership pool. The appointed official of the agency would be at a senior management level. The deputy chairperson will be a senior officer of the RBF who will assist in guiding WG activities in alignment with meeting the NFIS deliverables and targets.

Subgroups can be formed by each WG during the NFIS period to implement specific activities outlined in the implementation plan.

## Secretariat

The Secretariat will assist and coordinate the WGs and NFIT in carrying out their responsibilities. The Secretariat is a part of RBF and will monitor and evaluate the progress of NFIS targets, undertake relevant research, provide logistical and administrative support to the NFIT, WGs and any other body or committee formed as part of the implementation of the Strategy. The Secretariat will also be responsible for liaising with external parties such as donors, consultants and independent experts as needed.

# STAKEHOLDERS

To translate the vision and objectives of the NFIS, all stakeholders (public and private) will need to work in tandem to realise individual targets and the collective goals of the Strategy. The implementation of the Strategy will require an integrated and multi stakeholder approach to ensure that the targets are met and desired outcomes are achieved. The table below provides an ecosystem view of various stakeholders directly or indirectly involved in the financial inclusion agenda.

## Stakeholder Roles and Responsibilities

The broad set of roles and responsibilities of stakeholders are provided below:

Table 1: Financial Inclusion Key Stakeholders

Category	Roles and Responsibilities
Other Regulators	<ul style="list-style-type: none"> <li>• Ensure enabling regulatory and supervisory framework is in place for financial inclusion;</li> <li>• Coordinate and monitor financial inclusion initiatives;</li> <li>• Provide advice to government and providers on financial inclusion initiatives and developments; and</li> <li>• Ensure compliance with financial inclusion policies.</li> </ul>
Government Ministries and Public Sector agencies	<ul style="list-style-type: none"> <li>• Ensure a broad-based commitment to financial inclusion within their respective Ministry;</li> <li>• Align respective sectoral and other plans with the goals approved by the NFIS (to the extent applicable);</li> <li>• Implement programmes in partnership with other public sector agencies and/or private sector providers; and</li> <li>• Provide disaggregated data on financial inclusion to RBF.</li> </ul>
Financial Service Providers	<ul style="list-style-type: none"> <li>• Implement programmes, projects and products as proposed by the various WGs; and</li> <li>• Provide relevant and disaggregated data on financial inclusion to RBF in a timely manner, as per prescribed guidelines.</li> </ul>
Development Partners	<ul style="list-style-type: none"> <li>• Provide advisory and technical assistance to regulators and policymakers for legal and policy frameworks;</li> <li>• Provide support to Government Ministries in design of suitable programmes to achieve financial inclusion for women, youth and other target segments;</li> <li>• Share best practices from across the globe on emerging innovations;</li> <li>• Provide financial support and technical know-how to FSPs on developing customer-centric and data driven financial products and services; and</li> <li>• Provide support in piloting new technologies, products, and programmes.</li> </ul>
CSOs and Industry Bodies	<ul style="list-style-type: none"> <li>• Implement programmes, projects and products as proposed by the various WG; and</li> <li>• Disseminate information and awareness about financial inclusion programmes.</li> </ul>

# MONITORING & EVALUATION

The M&E framework entails complete buy-in and ownership of all stakeholders involved in the implementation of NFIS. This implies that stakeholders not only take responsibility for activities and programmes to be implemented but also for effective collection of data for monitoring and measuring the progress of NFIS initiatives, including the collection of disaggregated data.

The main objectives of the M&E framework are to:

1. detail a plan of action under each strategic pillar including key performance indicators and associated targets;
2. monitor and measure the overall progress of the NFIS vis-à-vis the planned outcomes through appropriate measurement tools from both the supply and demand-side;
3. undertake regular analysis of data to identify trends, opportunities and challenges;
4. provide periodic reports to help stakeholders in the decision-making process;
5. make adjustments in approaches and strategies for relevance, efficiency, effectiveness, sustainability and impact; and
6. ensure that the M&E is undertaken in a gender sensitive way.

The primary responsibility for coordination of the M&E framework rests with the NFIS Secretariat. The Secretariat will undertake continuous monitoring of the programme to ensure that results are in conformity with the planned outcomes, track the performance of indicators vis-à-vis targets, and monitor overall progress in accordance with the NFIS implementation plan and specific action plans of the WGs.

The scope of the M&E framework includes a structure for assessing national-level progress towards objectives set forth in the NFIS, using defined gender sensitive indicators and targets. The M&E framework includes a separate set of indicators for each strategic pillar. These indicators represent outcomes that are more directly linked with specific NFIS actions and are qualitative and quantitative in nature. Indicators are drawn from the Alliance for Financial Inclusion (AFI) Core Set of Financial Inclusion Indicators, DFS, SME Finance Base, SME Finance Plus, Mobile Financial Services, Quality Indicators as well as the Pacific Islands Regional Initiative (PIRI) set of indicators, the G20 Set of Financial Inclusion Indicators and are tailored to the Fijian context and disaggregated by gender, age and location. The M&E framework will be measured through the supply-side disaggregated data that the RBF collects on an annual basis. The indicators and targets will be reviewed

and updated on an annual basis and as needed.

In addition to monitoring the progress of NFIS, it is important to evaluate the outcomes and financial inclusion progress at the overall NFIS level as well as that of specific policy and programme initiatives. Such evaluations will help assess the impact of programmes and identify their

intended and unintended outcomes. Given the long-term duration of the NFIS, it is proposed to conduct a short-term (2024), mid-term (2027) as well as end-of-period evaluation (2030). The short and mid-term evaluation will, inform how the Strategy is contributing towards national goals and revisions will be made where necessary.

# RESULTS FRAMEWORK

Table 2: Financial Inclusion Indicators

No	Financial Inclusion Dimensions	Indicator	Baseline 2020 (p)	Short Term Target (2024)	Medium Term Target (2027)	End of NFIS Target (2030)
<b>Indicators at Impact level</b>						
1	<b>Access</b>	Percentage of population (age 15+) financially included (formal)	84%	86% (17,156)	88%	90%
2		Women	78%	80% (11,550)	83%	85%
3		Youth	71%	75% (13,180)	80%	85%
<b>Indicators for Priority Pillar I - Inclusive Finance</b>						
4		Number of access points per 10,000 adults	122.5	124 (192)	TBD	TBD
5	<b>Usage</b>	Percentage of population (age 15+) with a regulated savings account	5%	TBD	TBD	TBD
6		Women	5%	TBD	TBD	TBD
7		Youth	5%	TBD	TBD	TBD
8		Percentage of population (age 15+) with a regulated credit account	10%	15% (32,841)	18	20
9		Women	7%	10% (11,246)	TBD	TBD
10		Youth	8%	12% (10,574)	TBD	TBD
11		Percentage of population (age 15+) covered under an insurance policy	37%	40% (23,532)	45%	50%
12		Percentage of population (age 15+) with a superannuation account.	71%	73% (18,196)	TBD	TBD

No	Financial Inclusion Dimensions	Indicator	Baseline 2020 (p)	Short Term Target (2024)	Medium Term Target (2027)	End of NFIS Target (2030)	
<b>Indicators for Priority Pillar II - Digital Financial Services</b>							
13	<b>Usage</b>	Percentage of the population (age 15+) with an active mobile money account (used at least once in the last 90 days)	27%	31% (26,381)	35%	40%	
14		Women	27%	31% (14,621)	TBD	TBD	
15		Youth	23%	30% (19,368)	TBD	TBD	
16		Percentage of population (age 15+) making or receiving digital payments other than mobile money	30%	34%	37%	45%	
17		Women	29%	32%	TBD	TBD	
18		Youth	41%	45%	TBD	TBD	
19		Number of DFS transactions per account	22	30	35	40	
20		Number of mobile money transactions per account	21	30	35	40	
<b>Indicators for Priority Pillar III- MSME Finance</b>							
21		Percentage of MSMEs with a deposit account at a regulated financial institution	TBD	TBD	TBD	TBD	
22		Women	TBD	TBD	TBD	TBD	
23		Youth	TBD	TBD	TBD	TBD	
24		Percentage of MSMEs with an outstanding loan account at a regulated financial institution	TBD	TBD	TBD	TBD	
25		Women	TBD	TBD	TBD	TBD	
26	Youth	TBD	TBD	TBD	TBD		
27	Number of MSMEs using alternative financing mechanisms	TBD	TBD	TBD	TBD		

No	Financial Inclusion Dimensions	Indicator	Baseline 2020 (p)	Short Term Target (2024)	Medium Term Target (2027)	End of NFIS Target (2030)
28	<b>Usage</b>	Women	TBD	TBD	TBD	TBD
29		Youth	TBD	TBD	TBD	TBD
30		Number of MSMEs with an insurance cover	TBD	TBD	TBD	TBD
31		Women	TBD	TBD	TBD	TBD
32		Youth	TBD	TBD	TBD	TBD
33			Share of MSME loans in business loans	14%	16%	25%
<b>Indicators for Priority Pillar IV – Consumer Protection &amp; Financial Capability</b>						
34	<b>Quality</b>	Percentage of complaints registered with LFIs and resolved within 3 months.	95%	98%	TBD	TBD
35		Percentage of children (below 14yrs) with a savings account at a formal financial institution	4%	8% (10,900)	15%	20%
36		Percentage of population reached through financial literacy awareness campaigns	74%	80% (59,165)	85	90
37		Women	TBD	20,000	TBD	TBD
38		Youth	TBD	30,000	TBD	TBD
39		PWDs	TBD	30,000	TBD	TBD

Note:

TBD – To Be Determined. Baseline data is not yet available. The Strategy's implementation plan includes the collection of related data.

# IMPLEMENTATION PLAN

## PRIORITY PILLAR I – INCLUSIVE FINANCE

No.	Strategic Actions	Activities	Implementation Timeline	Lead WG	Strategic Measures
1.1	Develop and implement responsive and appropriate policies and guidelines to enable a conducive environment for inclusive financial products and services.	<p>1.1.1 Develop and implement guidelines for Inclusive Green Finance – including definitions and taxonomy.</p> <p>1.1.2 Develop and implement policies to enable customer-centric products and service innovations.</p>	<p>Short Term</p> <p>Medium Term</p>	<p>Inclusive Finance</p> <p>Inclusive Finance</p>	<p>Policy Guideline</p> <p>Policies/Guidelines</p>
1.2	Address access and usage gaps to financial products and services for underserved segments.	<p>1.2.1 Review and update geospatial map of financial access points and develop expansion strategy to cover underserved locations.</p> <p>1.2.2 Facilitate greater penetration of agent networks and other cost-effective delivery channels in focus geographies (rural areas, remote and maritime regions etc.).</p>	<p>Short-Medium Term</p> <p>Short-Medium Term</p>	<p>Inclusive Finance</p> <p>Inclusive Finance</p>	<p>Web-based interactive geospatial map for financial inclusion</p> <p>Number of access points per 10,000 adults; Percentage of administrative units with at least one access point. Percentage of total population living in administrative units with at least one access point Number of cash-in and cash-out access points per 10,000 adults</p>
1.3	Strengthen pathways to formal financial inclusion for users of informal financial services.	<p>1.3.1 Develop plans for digitising informal savings group and other FSPs.</p> <p>1.3.2 Conduct a study to identify measures to reduce informality and implement recommendations.</p>	<p>Medium Term</p> <p>Medium Term</p>	<p>Inclusive Finance DFS</p> <p>Inclusive Finance</p>	<p>Number of savings groups linked to FIs</p> <p>Assessment report</p>

## PRIORITY PILLAR I – INCLUSIVE FINANCE (CONTINUED)

No.	Strategic Actions	Activities	Implementation Timeline	Lead WG	Strategic Measures
1.4	Develop affordable and appropriate financial products and services including those to mitigate shocks and build resilience to adverse impacts of climate change.	1.4.1 Promote the design and implementation of financial products and services for target segments for environmentally sustainable activities and adaptation to climate change and to respond to shocks e.g., credit lines, credit guarantee funds, savings solutions, remittances and insurance.	Short-Medium Term	Inclusive Finance	Number of products and services implemented to build resilience and responds to climate change and shocks.
		1.4.2 Design approaches to reduce barriers to accessing financial services especially for the target group.	Short Term	Inclusive Finance	Percentage Regulated FIs with tiered KYC product requirements
		1.4.3 Design, test and adopt customer-centric, digital-enabled financial products and services e.g., savings, credit, payments, investments, insurance remittances and pension.	Short-Medium Term	Inclusive Finance	Percentage of adults with a regulated savings account; Percentage of adults with a regulated credit account; No. of remittance-linked products introduced Percentage of adults with remittance-linked products Number of persons covered under a parametric/index insurance product. Percentage of adults using digital payments
1.5	Measure access to and usage of broad range of financial products and services at a disaggregated level.	1.5.1 Collect and analyse data received from the supply-side to monitor progress of financial inclusion initiatives.	Short-Long Term	Inclusive Finance/ NFIS Secretariat	Annual financial inclusion data published at a disaggregated level.
		1.5.2 Review the disaggregated data policy to align with financial inclusion data needs.	Medium Term	Inclusive Finance/ NFIS Secretariat	Revised disaggregated data policy statement.

Note:  
Short Term: 2022-2024 | Medium Term: 2025-2027 | Long Term: 2028-2030

## PRIORITY PILLAR II – DIGITAL FINANCIAL SERVICES

Sr. No.	Strategic Actions	Activities	Implementation Timeline	Lead WG	Indicators
2.1	Promote technology enabled financial products and delivery channels.	2.1.1 Review and issue agency guidelines that create enabling agent network for all FSPs and that clearly eliminate agent exclusivity.	Short Term	DFS	An updated and standard guidelines issued for engagement of agents by banks and non-bank payment service providers Percentage of agents that are non-exclusive
		2.1.2 Promote use of agents by authorising and licensing payment service providers.	Short Term	DFS	No. of DFS agents per 10,000 population No. of DFS women agents per 10,000 population
		2.1.3 Develop and publish an Agents Registry.	Medium Term	DFS	Agents Registry is accessible to public
		2.1.4 Expand outreach of insurance and pension products through application of digital technology.	Short-Medium Term	DFS	Percentage of adults with insurance product Percentage of retired adults with pension
		2.1.5 Advocate and encourage payment service providers to widely deploy point of sale digital payment acceptance solutions, such as QR Codes and Electronic Funds Transfer Point of Sale terminals.	Short-Medium Term	DFS/Consumer Protection & Financial Capability	Number of merchants with digital payments acceptance solutions such as QR, EFTPOS terminals and other products.
		2.1.6 Create awareness and encourage Government to utilise digital payment services for Person-to-Government payments e.g., mobile money, EFTPOS, QR Codes, etc.	Short Term	DFS/Consumer Protection & Financial Capability	Percentage of P2G payments delivered via digital channels

## PRIORITY PILLAR II – DIGITAL FINANCIAL SERVICES

Sr. No.	Strategic Actions	Activities	Implementation Timeline	Lead WG	Indicators
2.2	Promote full interoperability and create an enabling payments ecosystem.	2.2.1 Establish partnerships with start-ups, corporates, innovation hubs and other actors to develop the digital economy, with a focus on serving vulnerable and hard to reach communities.	Medium Term	DFS	Number of partnerships established to develop the digital economy.
		2.2.2 Promote and encourage interoperable payment products and services.	Short Term	DFS	Percentage of adults making or receiving a digital payment Cashless retail transactions per capita Data on the use of digital payment instrument issued by one payment service provider over the infrastructure of another unaffiliated payment service provider.
2.3	Create an enabling regulatory environment.	2.3.1 Strengthen, refine and update KYC and AML/CFT regulations to harmonise across products and introduce tiered, risk-based KYC guidelines with a focus on providing access for vulnerable groups.	Short Term	DFS/Consumer Protection & Financial Capability	Percentage of regulated FIs with tiered KYC product requirements Number of accounts opened with reduced/simplified KYC.
		2.3.2 Develop a centralised e-KYC database for market players to verify customer KYC requirements.	Short-Medium Term	DFS	e-KYC Database
2.4	Support DFS infrastructure development.	2.4.1 Support Government initiatives to broaden network connectivity.	Medium Term	DFS	Percentage of adult population accessing internet connectivity
		2.4.2 Engage stakeholders to enhance and implement infrastructure-sharing avenues at reduced costs.	Medium Term	DFS	Percentage of adult population accessing internet connectivity

## PRIORITY PILLAR II – DIGITAL FINANCIAL SERVICES

Sr. No.	Strategic Actions	Activities	Implementation Timeline	Lead WG	Indicators
2.5	Develop a gender sensitive FinTech Ecosystem.	2.5.1 Develop and implement a gender sensitive FinTech Strategy for Fiji.	Short Term	DFS	Successful launch and implementation of FinTech Strategy
		2.5.2 Review and refine FinTech Regulatory Sandbox Guidelines.	Short Term	DFS	Revised Regulatory Sandbox Guidelines issued
		2.5.3 Promote regulatory sandbox across the region and encourage innovative FinTech to test their solutions in the sandbox.	Short-Medium Term	DFS	Number of solutions tested in the Sandbox
		2.5.4 Develop licensing and supervisory framework to regulate graduates of the FinTech Regulatory Sandbox.	Medium Term	DFS	Graduates of the FinTech Regulatory Sandbox licensed and/or supervised by RBF
		2.5.5 Promote collaboration between FSPs and FinTech to stimulate innovations e.g., Open APIs, Direct Debits, etc.	Medium-Long Term	DFS	Number of new products and services through collation between incumbent FSPs and non-banks or FinTechs.

Note:  
Short Term: 2022-2024 | Medium Term: 2025-2-27 | Long Term: 2028-2030

## PRIORITY PILLAR III – MSME FINANCE

Sr. No.	Strategic Actions	Activities	Implementation Timeline	Lead WG	Indicators
3.1	Develop an enabling regulatory framework for MSMEs.	3.1.1 Implement regulatory framework for MFIs and ODTIs.	Short Term	MSME Finance	MFI & ODTI Regulations
		3.1.2 Build supervisory capacity of regulators to proportionately regulate and supervise MFIs and ODTIs.	Short-Medium Term	MSME Finance	Capacity building/trainings conducted
		3.1.3 Assess the institutional, operational and governance constraints in MFIs, Credit Unions and Financial Co-operatives.	Short Term	MSME Finance	Assessment report
		3.1.4 Strengthen the use of Fiji's Credit Information Registry.	Medium Term	MSME Finance	Availability of a broad-base credit information registry
		3.1.5 Strengthen and streamline the Personal Property Security Registry (PPSR).	Medium Term	MSME Finance	Number of vendors registered in PPSR Number of customers registered in PPSR
3.2	Establish a specialised institution to cater for the MSME sector.	3.2.1 Provide MSMEs with business development and related services – improve bankability and access to credit.	Medium Term	MSME Finance	Number of MSMEs accessing related services.
		3.2.2 Propose options for the establishment of specialised MSME institution.	Medium Term	MSME Finance	Concept paper with proposed options.
		3.2.3 Cabinet Paper for approval of MSME institution.	Medium Term	MSME Finance	Cabinet paper.

## PRIORITY PILLAR III – MSME FINANCE

Sr. No.	Strategic Actions	Activities	Implementation Timeline	Lead WG	Indicators
3.3	Develop value-chain financing programmes and initiatives.	3.3.1 Build capacity of FSPs to offer agriculture value-chain financing (e.g. warehouse receipt financing).	Short Term	MSME Finance	Number of capacity trainings conducted for FSPs Number of FSP participants attending capacity building training.
		3.4.1 Conduct a feasibility study to assess market potential and demand for alternative financing products for MSMEs with a focus on closing the gender gap in access to finance.	Medium Term	MSME Finance	Assessment Report New business lending under alternative platforms for MSMEs
3.4	Develop suitable financial products and services to support start-ups and key target sectors (e.g. agriculture).	3.4.2 Undertake assessment to determine existing constraints and potential actions to remove impediments to accessing financial services for MSMEs – bank account, credit etc, with special focus on women-led MSMEs.	Short Term	MSME Finance	Percentage of MSMEs with a deposit account at a regulated financial institution Percentage of MSMEs with an outstanding loan at a regulated financial institution Percentage of MSME loans assessed with information from PPSR and/or credit rating agency
		3.4.3 Develop guidelines for promoting agricultural and MSME insurance.	Medium Term	MSME Finance	Issue Guidelines
		3.4.4 Develop a MSME Information Repository and Database.	Short-Medium Term	MSME Finance	MSME repository and database MSME baseline indicators
		3.4.5 Develop a national definition for women-led MSMEs.	Short Term	MSME Finance	Women-led MSME definition

Note:  
Short Term: 2022-2024 | Medium Term: 2025-2-27 | Long Term: 2028-2030

## PRIORITY PILLAR IV – CONSUMER PROTECTION & FINANCIAL CAPABILITY

Sr. No.	Strategic Actions	Activities	Implementation Timeline	Lead WG	Indicators
4.1	Establish consumer protection framework for the financial sector.	4.1.1 Review, clarify and develop relevant legal provisions to establish mandates for financial consumer protection regulation and supervision.	Medium Term	Consumer Protection & Financial Capability	Available legal provisions to mandate financial consumer protection regulation
		4.1.2 Develop policy and regulatory framework for financial consumer protection.	Medium Term	Consumer Protection & Financial Capability	Regulatory Framework for financial consumer protection.
		4.1.3 Build capacity of regulator to undertake financial consumer protection supervision.	Medium-Long Term	Consumer Protection & Financial Capability	Number of capacity trainings conducted Number of participants in consumer protection supervision trainings.
		4.1.4 Design and undertake awareness campaigns on consumers right and responsibilities with respect to financial services, particularly focusing on reaching vulnerable groups.	Ongoing	Consumer Protection & Financial Capability	Number of awareness campaigns conducted Percentage of population reached through awareness campaigns measured by women, youth and PWDs.
4.2	Review the complaints management framework and existing dispute resolution mechanisms for financial consumers.	4.2.1 Review and refine existing complaints handling protocols for financial institutions and include other FSPs such as MNOs.	Short- Term	Consumer Protection & Financial Capability	Reviewed policy guideline for complaints management
		4.2.2 Undertake focused campaigns to strengthen customer awareness of dispute-resolution channels.	Ongoing	Consumer Protection & Financial Capability	Number of focused campaigns Percentage of population reached from awareness of dispute-resolution channels
		4.2.3 Develop online portal to register, collect and monitor complaints data and publish reports at regular intervals at a disaggregated level.	Medium Term	Consumer Protection & Financial Capability	Online portal for complaints data

## Priority Pillar IV – Consumer Protection & Financial Capability (continued)

Sr. No.	Strategic Actions	Activities	Implementation Timeline	Lead WG	Indicators
4.3	Develop a comprehensive gender sensitive Financial Literacy Strategy.	4.3.1 Review existing landscape (demand and supply) of financial literacy programmes and develop a comprehensive gender sensitive programme aligned to the NFIS.	Short Term	Consumer Protection & Financial Capability	Financial/digital literacy strategy
		4.3.2 Implement the financial/digital literacy program and establish a national coordination mechanism for stakeholders.	Short-Long Term	Consumer Protection & Financial Capability	Action items implemented from the financial/digital literacy strategy Number of ToTs conducted; Number of accredited Trainers.
		4.3.3 Conduct ToT for target group including women, youth and PWDs.	Short-Long Term	Consumer Protection & Financial Capability	Number of ToTs conducted for the target group; Number of accredited Trainers for the target group.
		4.3.4 Monitor and evaluate effectiveness of financial literacy programs	Long Term	Consumer Protection & Financial Capability	M&E Report

## Priority Pillar IV – Consumer Protection & Financial Capability (continued)

Sr. No.	Strategic Actions	Activities	Implementation Timeline	Lead WG	Indicators
4.3		4.3.5 Develop financial literacy content focused on use of specific products (insurance, pension, climate change etc.) digital technologies, delivery channels, rights and protection of consumers, dispute resolution mechanisms etc. by target groups	Short Term	Consumer Protection & Financial Capability	Financial literacy Manual
		4.3.6 Make available financial literacy modules in local languages	Medium Term	Consumer Protection & Financial Capability	Financial Literacy Manual in vernacular
4.4	Implement a robust programme for schools to complement the FinEd Programme.	4.4.1 Review and refine existing financial education modules to make them outcome-oriented.	Medium Term	Consumer Protection & Financial Capability	Revised FinED manual
		4.4.2 Put in place a measurement and monitoring system that tracks the progress and impact of financial education.	Medium Term	Consumer Protection & Financial Capability	M&E Framework for FinED

Note:  
Short Term: 2022-2024 | Medium Term: 2025-2-27 | Long Term: 2028-2030



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