

WOMEN'S FINANCIAL INCLUSION, DIGITAL FINANCIAL SERVICES AND COVID-19 POLICY RESPONSE: CASE OF FIJI



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ACKNOWLEDGMENTS

This case study is a product of the Gender Inclusive Finance (GIF) workstream.

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We would like to extend a special thanks to ConsumerCentriX (Consultants) for their contributions to this case study.

We would like to thank AFI member institutions, partners, and donors for generously contributing to the development of this publication.

The Gender Inclusive Finance workstream is partially financed by Sweden and other partners.

FIJI AT A GLANCE

As an island nation in the Pacific Ocean, Fiji saw strong disruptions to its key economic activities caused by the COVID-19 pandemic, which disrupted travel for tourism and overseas work. Together with the challenges of climate change, Fiji understands it faces a need to revise and diversify its growth strategy for resilience.

Fiji is the second-largest economy in the Pacific. This archipelago stretches across 312 islands and has a population of around 902,000 concentrated on the country's two main islands: Viti Levu and Vanua Levu. The capital, Suva, is located on the southeast coast island of Viti Levu, the most populous island, which, together with Vanua Levu, accounts for almost 90 percent of Fiji's population. These two islands also account for 56 percent of the population living in urban areas. The remaining islands are principally rural. Fiji is mostly a young nation, with around 62 percent of the population below the age of 34 and an average age of 28.2. With a fertility rate of 2.7 births per woman, Fiji experiences annual population growth of 0.7 percent.¹

As a multi-ethnic country, around half of Fiji's population is made up of the major indigenous group called the iTaukei. Almost 90 percent of the land on the islands is owned by communal land-owning units of the iTaukei. Lease income from the use of such lands represents communal income and presents a special aspect of the socioeconomics of Fiji.²

Before COVID-19, services accounted for around 70 percent of the economy, providing jobs for nearly 40 percent of Fijians. Tourism—a mainstay of the economy and a major source of foreign exchange—contributed nearly 40 percent of GDP, with over 894,000 visitor arrivals in 2019. The largest foreign exchange earner is the tourism sector, which employs approximately

118,000 Fijians. In recent years, manufacturing has become an important employer. In addition to the export-oriented plantation-style sugar cane farming, agriculture remains the main source of livelihood for nearly half of rural Fijians, contributing approximately 9 percent of GDP before COVID-19 - often with subsistence farming as a (part-time) activity.³ With an important diaspora of labor migrants and 7.8 percent of GDP in remittance receipts in 2020 (which had grown from 5.1 percent in 2019), Fiji is below the average of Pacific islands but still at a level where it constitutes an important part of many families' purchasing power.⁴ These international economic linkages created transmission mechanisms of socio-economic disruption from the pandemic even as the incidence of confirmed cases remained well below the average in Oceania, which was below levels observed in North America or Europe in 2020 and 2021. Precautionary public health policies also led to substantial drops in public activity at workplaces, transportation, and shops by around half in the first months of the pandemic and again in May and June 2021 - presenting severe challenges to employment and business activity in the country.



With a GNI per capita of USD12,670⁵ in purchasing power terms just before the pandemic, Fiji ranks as an upper-middle income with a human development ranking at par with its stage of economic development.

Its ease-of-doing-business ranking is below average (#102 of 190 in 2020) and was held back, particularly by low rankings on starting a business and the credit infrastructure (#163 and #165, respectively).⁶

After a general election and transition to a democratically elected government in 2014, international partners and donors re-engaged with Fiji, which helped accelerate development.

1 World Bank. Fiji. Available at: <https://data.worldbank.org/country/fiji>.

2 iTaukei Land Trust Board. Land Ownership in Fiji. Available at: [https://www.tltb.com.fj/getattachment/Media/Brochures/Land-Ownership-in-Fiji-Booklet-\(1\).pdf.aspx?lang=en-US](https://www.tltb.com.fj/getattachment/Media/Brochures/Land-Ownership-in-Fiji-Booklet-(1).pdf.aspx?lang=en-US).

3 World Bank. 2021. World Bank Group's new Country Partnership Framework for Fiji (2021 - 2024). Available at: <https://www.worldbank.org/en/country/pacificislands/brief/world-bank-groups-new-country-partnership-framework-for-fiji-2021-2024>.

4 World Bank. Personal remittances received (% of GDP). Available at: https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?most_recent_value_desc=true.

5 World Bank. GNI per capita, PPP (current international \$) - Fiji. Available at: <https://data.worldbank.org/indicator/NY.GNP.PCAP.PP.CD?locations=FJ>.

6 World Bank. 2020. Doing Business 2020 - Economy Profile Fiji. Available at: <https://www.doingbusiness.org/content/dam/doingBusiness/country/f/fiji/FJI.pdf>.

CONTEXT

After nearly a decade of real growth, the pandemic and natural disasters presented Fiji with one of the world's worst socio-economic disruptions in 2020 and 2021. These shocks revealed the high dependency on the tourism sector. However, they also provided an opportunity to build resilience and encourage economic diversification for stronger, more sustainable, resilient, and equitable growth.

Until the pandemic, Fiji had undergone nearly a decade of uninterrupted real GDP growth at low to moderate inflation levels. Per capita, purchasing power had expanded by more than 69 percent in nominal terms in the ten years until the end of 2019, with unemployment decreasing to 4.5 percent.⁷



Women's participation in the labor force peaked in 2011 at 46 percent of working-age women, dropping back to 41 percent in 2019.⁸

At that time, men's labor force participation stood at 79 percent.⁹ Slightly gaining ground on men in the preceding five years, women made up 33.6 percent of the total labor force by 2021.¹⁰ The high net migration of more than 10,000 persons annually over the decade before the pandemic added to a large diaspora, especially in Australia and New Zealand.¹¹ These close economic and personal ties proved challenging when both countries opted for restrictive public health measures, including long-standing border closures.

International travel restrictions and disruption of passenger air transport caused by COVID-19 brought the

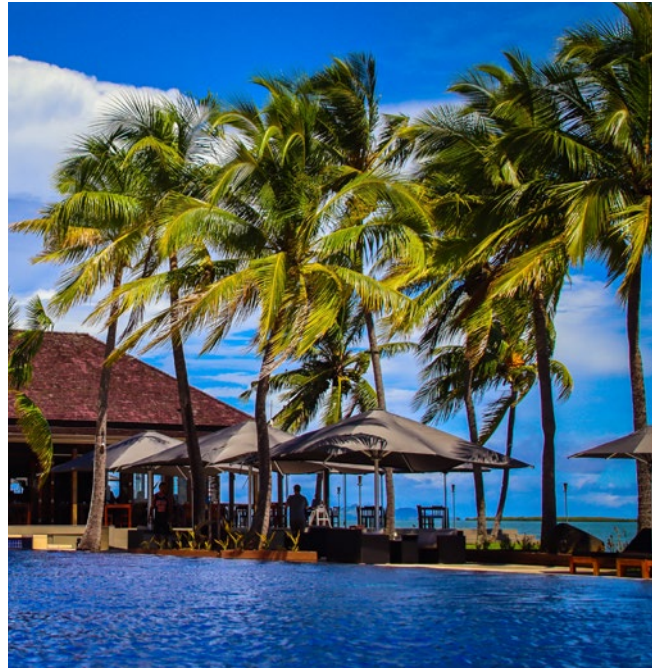


Image by Nem Malosi/Unsplash

tourism sector to a virtual standstill. Initially, declining remittances negatively affected consumption, finance, and investment. In the 2020-2021 fiscal year, from 1 August to 31 July in Fiji, visitor arrivals declined sharply by 98 percent, a further drop from the previous fiscal year (-40.5 percent). Visitor arrivals from all source markets had dampened. New VAT collections were 29.5 percent lower, and the number of vacant positions advertised plummeted by 70 percent in the 2020-2021 fiscal year.¹²

Two major cyclones also hit Fiji in 2020, further exacerbating the unprecedented impacts of COVID-19. Tropical Cyclone Harold impacted 20 percent of the population in April. Then, in December, Tropical Cyclone Yasa struck - the worst cyclone to hit Fiji since 2016's Tropical Cyclone Winston devastated the country. These parallel climate and public-health emergencies resulted in Fiji's GDP contracting by 17 percent in 2020.¹³

These shocks compounded Fiji's development challenges, such as its vulnerability to natural disasters and the related structural challenge of adjusting to climate change, low labor force participation (60.3 percent in 2019, well below the average for regional and development peers),¹⁴ poverty, urban inequality,

7 IMF. 2022. World Economic Outlook. Available at: <https://www.imf.org/en/Publications/WEO/weo-database/2022/October/weo-report?c=819,PPPPC,&sy=2009&ey=2019&ssm=0&scsm=1&ssc=0&ssd=1&ssc=0&sic=0&ort=country&ds=.&br=1>.

8 World Bank. Labour force participation rate, female (% of female population ages 15-64) (modelled ILO estimate) - Fiji. Available at: <https://data.worldbank.org/indicator/SL.TLF.ACTI.FE.ZS?locations=FJ>.

9 World Bank. Labour force participation rate, male (% of male population ages 15-64) (modelled ILO estimate) - Fiji. Available at: <https://data.worldbank.org/indicator/SL.TLF.ACTI.MA.ZS?locations=FJ>.

10 World Bank. Labour force, female (% of total labour force) - Fiji. Available at: <https://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS?end=2021&locations=FJ&start=2010>.

11 World Bank. Net Migration - Fiji. Available at: <https://data.worldbank.org/indicator/SM.POP.NETM?locations=FJ>.

12 RBF. August 2020-July 2021 Report. Parliamentary Paper No. 23 of 2021. Available at: <https://www.rbf.gov.fj/rbf-annual-report-august-2020-july-2021>.

13 As reported by Fiji's Macroeconomic Committee in RBF. 2023. Economic and Financial Statistics (5.1 Gross Domestic Product, Suva). Available at: <https://www.rbf.gov.fj/wp-content/uploads/2023/02/5.1-Gross-Domestic-Product.xlsx>.

14 World Bank. Labor force participation rate, total (% of total population ages 15-64) (modeled ILO estimate) - Fiji. Available at: <https://data.worldbank.org/indicator/SL.TLF.ACTI.ZS?locations=FJ>.

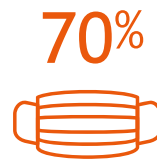
health issues, particularly non-communicable diseases (at 17.7 percent of adults above 20 years of age, Fiji is among the top 20 countries for prevalence of diabetes, like many of its Pacific island peers),¹⁵ and violence against women (#12, globally).¹⁶

THE COVID-19 PANDEMIC

In the early stages of the pandemic, Fiji imposed travel bans on highly affected countries. As the pandemic worsened, Fiji closed all borders and ports to non-residents. The island nation was affected by bans and border closures in the key countries of origin and transit for visitors and outward migration. Ports were closed on 16 March 2020. The main international airport in Nadi was closed on 26 March 2020. Returning citizens were required to self-isolate at a government-funded facility for 14 days, supervised by health officials and the military.

Domestically, the government responded by imposing a national curfew, restricting large gatherings, and closing schools and non-essential services. The government-imposed lockdowns in the two largest cities of Lautoka and Suva and developed a contact tracing app named careFIJI. The government also established a Center for Disease Control for COVID-19 testing and built fever clinics nationwide for temperature checks. These measures helped eliminate local transmissions of the virus for more than a year. However, they also brought some disruption to social and economic activity.

From July 2020 to April 2021, Fiji only recorded cases from managed quarantine facilities at the border as repatriation flights brought stranded citizens back home. This allowed the country to relax its COVID-19 restrictions to boost its economic recovery. However, on 19 April 2021, Fiji confirmed its first community case. In response, the township of Nadi and the city of Lautoka went into lockdown. Previous health restrictions were re-imposed nationwide with the national curfew restored.



As local transmission cases soared, exacerbated by the Delta variant, the government sealed off the main island of Viti Levu, establishing Suva, Lautoka, Nadi, Nausori, Rakiraki, and Lami as containment areas which meant that over 70 percent of the population was now in lockdown.

The government also activated the Fiji Emergency Medical Assistance Team field hospital services in Suva and Lautoka. The virus penetrated prominent hospitals in Fiji, including the Fiji Center for Disease Control, Lautoka Hospital, and the headquarters of the Ministry of Health. This prompted senior health officials to go into self-isolation. The government ruled out any possibility of a nationwide lockdown, adding that their directive would be on targeted lockdowns instead.

The government rolled out unemployment benefits and provided food rations to targeted communities under lockdown and under self-isolation requirements. In August 2021, the Ministry of Health suspended its contact tracing efforts. As a result, the daily number of confirmed cases dropped. The country's fast vaccination rate was also another factor that contributed to the decrease in cases. Launched in April 2021, the vaccination campaign saw two-thirds of the population fully vaccinated by the end of 2021.¹⁷

This prompted the government to ease restrictions nationwide and announce re-opening the country's domestic and international borders in December 2021 to fully vaccinated individuals. The government also announced school resumption as the country began vaccinating its youth aged 12 to 17.



The country's economy contracted by 17 percent in 2020 due to the pandemic's impact on tourism, retail, manufacturing, trade, and the massive tropical storms.¹⁸

15 World Bank. Diabetes prevalence (% of population ages 20 to 79) - Fiji. Available at: https://data.worldbank.org/indicator/SH.STA.DIAB.ZS?locations=FJ&most_recent_value_desc=true.

16 World Bank. Proportion of women subjected to physical and/or sexual violence in the last 12 months (% of ever-partnered women ages 15-49) - Fiji. Available at: https://data.worldbank.org/indicator/SG.VAW.1549.ZS?locations=FJ&most_recent_value_desc=true.

17 Our World in Data. Coronavirus Pandemic (COVID-19). Available at: <https://ourworldindata.org/coronavirus#explore-the-global-situation>.

18 RBF. 2023. Economic and Financial Statistics. 5.1 Gross Domestic Product.

Disruption to workers was massive: half of the Fijian workers lost their jobs, many others were on reduced hours, and demand for semi-skilled jobs weakened more than for high-skilled ones. Prospective temporary and seasonal workers could not take up their jobs in Australia and New Zealand, burdening Fiji's domestic job market. In contrast, labor migrants caught in

countries with locked borders experienced anxiety over family separation and financial burdens. Though data is scarce, restrictions on business activity and selling in markets and the declining tourist industries are considered to have dealt a severe blow to informal workers and businesses, many of whom were women.¹⁹

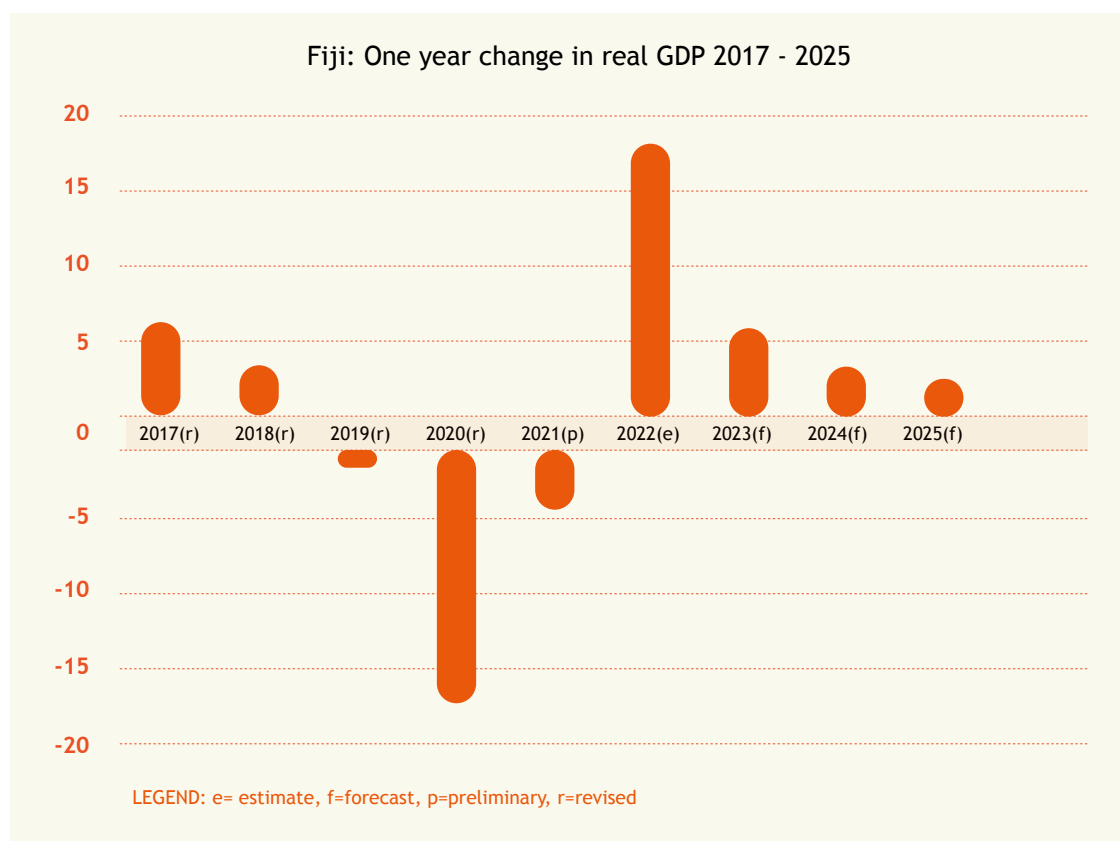
While footfall at stores and workplaces had recovered and surpassed pre-pandemic levels in September and November 2021, respectively, transportation remained depressed until the summer of 2022 (see Annex). Visitor arrivals had only returned to pre-pandemic levels by then, but international travel by residents remained more than one-third lower.²⁰

TABLE 1. GDP PER CAPITA, PURCHASING POWER PARITY (INTERNATIONAL DOLLARS)

2019	2020	2021	2022
12,675	10,647	10,523	12,685

Source: IMF. October 2022. World Economic Outlook Database. Available at: <https://www.imf.org/en/Publications/WEO/weo-database/2022/October/weo-report?c=819,&s=PPPGDP,&sy=2017&ey=2027&ssm=0&scsm=1&ssc=0&ssd=1&ssc=0&sic=0&sort=country&ds=.&br=1>

FIGURE 1. FIJI: YEAR-ON-YEAR CHANGE IN REAL GDP 2017-2025



Source: RBF. GDP Growth Forecast. October 2022. Available at: https://www.rbf.gov.fj/wp-content/uploads/2022/10/GDP-Growth-Forecast_PDF.pdf

19 Allen & Clarke. 2021. Synthesis of COVID-19 impacts on the Pacific, Final report. Available at: https://spccfpstore1.blob.core.windows.net/digitalibrary-docs/files/77/778233de8c963f0fd52e892b776e857c.pdf?sv=2015-12-11&sr=b&sig=UJFmMACA32of4GYPVMjioVkfHIP4jPdLaS7LUCIthZl%3D&se=2023-05-24T01%3A56%3A06Z&sp=r&rscc=public%2C%20max-age%3D864000%2C%20max-stale%3D86400&rsct=application%2Fpdf&rscd=inline%3B%20filename%3D%22AC_Phase_2_report___synthesis_of_COVID_19_impacts_on_the_Pacific_Phase_2___30April.pdf%22

20 Fiji Bureau of Statistics. Provisional Visitor Arrivals. Available at: <https://www.statsfiji.gov.fj/latest-releases/tourism-and-migration/visitor-arrivals>.

In its latest revision, Fiji's Macroeconomic Committee upgraded its recovery assessment. Boosted by better-than-expected tourist arrivals, 2022 real GDP growth should be 15.6 percent. This would bring the country's purchasing power GDP per capita to pre-crisis levels (Figure 1 and Table 1). This swifter recovery illustrates the continued importance of international tourism trends and the price and policy shocks it is exposed to. As a nation severely affected by climate change, Fiji remains vulnerable to natural disasters.

With regards to gender patterns of the impact of the pandemic, the Reserve Bank of Fiji (RBF) highlighted that the near total disruption of international tourism tended to particularly fall on men employed directly by this sector, who at the times of the lockdown also had no straightforward alternatives in other sectors, locally or as labor migrants abroad. Women, on the other hand, with much higher exposure to the informal economy and often a history of self-employment (including home-based), were seen as more resilient while also vulnerable. Indeed, the pandemic highlighted to Fiji's policymakers the vulnerability of the country's growth model and motivated a search for a broader base of economic activities with women as a key driver.²¹

WOMEN'S FINANCIAL INCLUSION

CONTEXT AND CHALLENGES:

In its Gender Gap profile, Fiji ranks 107th out of 146 countries covered by the World Economic Forum. Whereas its scores on health and education are at or above the global average, Fiji scores well below the average in political empowerment, economic participation, and opportunity.²²

Although life expectancy in Fiji is substantially shorter for men and women than in peer countries (67 years vs. 75), compared with peer countries at a similar level of economic development,²³ Fiji presents a broadly similar picture on social development, women's legal rights, and education. Higher rates of gender-based violence in other Pacific island states may also hint at a context that can limit women's effective economic, social, and financial inclusion.²⁴

Although asset ownership has full gender equality, women have relatively limited knowledge of these rights and frequently accept not being recorded as co-owners. In decision-making on and sharing in the proceeds of indigenous communal land (80 percent of all land), women tended to be often excluded.²⁵ With a Decree on Equal Rent Distribution that came into effect in 2011, Fiji's government has worked to move beyond the previous hierarchical structure of the iTaukei landowners in allocating lease income.²⁶

Big challenges become evident in women's economic inclusion, as the human capital that women's higher educational achievement represents does not come to benefit the formal economy.



At 41 percent, women's labor force participation rate is half that of Fiji's men - a very large gender gap and only surpassed by that of Sri Lanka among the peer group.²⁷

Fiji's National Provident Fund presents a picture of a much more balanced female presence in the formal sector: women account for 44 percent of its approximately 700,000 members, who should encompass all formal sector employees by law.²⁸ Fiji's Employment Act provides for fully paid maternal leave of 98 days and establishes paternity leave for not less than five days.²⁹ This provides important but limited help with the burden of balancing early childcare and employment.³⁰

According to the Fiji Bureau of Statistics, 63.2 percent of paid employees (salary and wage earners) in 2018 were men, while only 36.8 percent were women. Female employment rates were higher than men's in only two out of ten categories—professionals or clerks.³¹

21 Fiji Bureau of Statistics. Provisional Visitor Arrivals. Available at: <https://www.statsfiji.gov.fj/latest-releases/tourism-and-migration/visitor-arrivals>.

22 WEF. 2022. Global Gender Gap Report 2022. Available at: <https://www.weforum.org/reports/global-gender-gap-report-2022/in-full/economy-profiles-5b89d90ea5>.

23 As measured by the GNI per capita. Selected countries include Sri Lanka, Peru, Armenia, Paraguay, and Suriname.

24 Allen & Clarke, 2021.

25 OECD. 2014. Social Institutions and Gender Index, Fiji. Available at: <https://www.genderindex.org/country/fiji-2014-results>.

26 iTaukei Land Trust Board. Equal Rent Distribution. Available at: <https://www.tltb.com.fj/Landowners/Equal-Rent-Distribution>.

27 World Bank database, with ILO data (adults 15-64), as cited previously.

28 FNPF. Annual Report 2021. Available at: <https://myfnpf.com.fj/wp-content/uploads/2019/09/2021-FNPF-Annual-Report.pdf> (p. 7).

29 Office of the Attorney General, Republic of Fiji. The Laws of Fiji - Employment Act of 2007, Part 100. Available at: <https://www.laws.gov.fj/Acts/DisplayAct/2910#>.

30 World Bank. 2022. Women, Business and the Law, Fiji. Available at: <https://wbl.worldbank.org/content/dam/documents/wbl/2022/snapshots/Fiji.pdf>.

31 Fiji Bureau of Statistics. 2018. Annual Paid Employment Statistics. Note: no newer statistics could be found on their website. Available at www.statsfiji.gov.fj/index.php/statistics/social-statistics/employment-statistics44.

In the most recent World Bank Enterprise Survey dating to 2009, the sample of 164 businesses indicated that nearly half of the businesses (49.1 percent) have any female participation in ownership, notably rising to two-thirds (66.2 percent) among businesses with 100 employees or more. This is contrary to the average in East Asia and the Pacific, where the ratios are similar among small businesses but then decline to only 40 percent for large ones.³²

Though formal entrepreneurship is made less attractive by the relative difficulty of starting a business (rank 163 of 190), women play a very important role in the country's informal sector, where their economic activity is concentrated. The International Labour Organisation (ILO) estimates that two-thirds of Fijians were working in informal jobs before the pandemic disruptions to formal businesses. In rural areas, 40 percent of women work on farms operating in the informal economy. Precautionary public health measures strongly affected traditional market stalls that see many women as vendors.³³

The Pacific Business Monitor surveyed women-led businesses across the Pacific island states on their experiences with and reactions to the pandemic, with Fiji accounting for the largest single source of respondents in most instances.³⁴ Even in November 2021, 64 percent of women's businesses reported a very negative impact of the pandemic on their business, compared to only 39 percent for men (with similar rates reporting a "slightly negative" impact). Accordingly, businesswomen also perceived the impact on the local economy more often as bringing significant decline than men (54 to 44 percent). The personal financial situation had seen some or very negative change in the lives of 77 percent of surveyed women, compared to 60 percent of surveyed men. This and more extensive cuts to their business operations left fewer women confident in the survival of their businesses (67 vs. 86 percent for men). Among business challenges during this time, limited access to finance shows the biggest gender gap and financial support scores highest on their wish list for supporting their business.³⁵

GENDER INCLUSIVE FINANCE POLICIES

The RBF has been an early adopter of the financial inclusion agenda. RBF rolled out two National Financial Inclusion Strategies (NFIS) over the past decade (2010-2014 and 2016-2020). These serve as a roadmap for building a stable and inclusive financial system that provides all Fijian adults, irrespective of their social and economic background, basic financial services, products, and tools for improving their livelihoods.

In 2022, RBF published its third NFIS for the years until 2030.³⁶ Several underserved target groups are at the center of this NFIS: women, rural communities, persons living with disabilities, youth and MSMEs. Following this focus, the new NFIS also shifts from access to actual usage. As the strategy recognizes, achieving improved usage requires a better understanding of women (and the vulnerable groups with which they are clustered) and their needs.

The implementation guidance provided by the National Financial Inclusion Strategy Plan 2016-2020 (NFISP) had set explicit targets related to women and youth (e.g., reaching an additional 130,000 adults, of which half will be women, with financial services).³⁷

85%



In the NFIS 2022-2030 released in May 2022, women-specific targets include increasing access to formal financial services to 85 percent by 2030 and increasing the share of women who use mobile money to 32 percent by 2024.³⁸

In the absence of data being collected for the instances of the World Bank's Global Findex survey (like for other smaller AFI members), these NFIS development projects were also linked to Fijian efforts at establishing the required insights into the market's baseline by way of demand-side surveys (DSS). The most recent (DSS 2020) captured the situation around half a year into the pandemic affecting Fiji.³⁹

32 World Bank. 2009. Enterprise Survey, Fiji. Available at: <https://www.enterprisesurveys.org/en/data/exploreeconomies/2009/fiji#gender>.

33 Allen & Clarke, 2021.

34 The share of respondents from Fiji varied between 16 and 30 percent of the total between "Wave 10" and "Wave 17" administered over the course of 2021.

35 Pacific Trace and Invest. Pacific Business Monitor, Female Focus. Available at: <http://www.pacifictradeinvest.org.cn/media/2733/pbm-2021-female-focus-report.pdf>.

36 RBF and NFIT. Fiji National Financial Inclusion Strategy 2022-2030. Available at: <https://www.afi-global.org/wp-content/uploads/2022/05/FIJI-NATIONAL-FINANCIAL-INCLUSION-STRATEGY-2022-2030.pdf>.

37 RBF and NFIT. National Financial Inclusion Strategic Plan 2016-2020. Available at: https://www.rbf.gov.fj/wp-content/uploads/2019/04/2016-2020-Fiji-Financial-Inclusion-Strategic-Plan_Aug26.pdf.

38 Ibid.

39 RBF. 2020. Financial Services Demand-Side Survey. Available at: <https://www.rbf.gov.fj/category/financial-services-demand-side-survey-fiji-2020>.

FIGURE 2. KEY FINDINGS OF THE RBF'S DSS 2020

Summary of Findings



8.9%



Formal credit taken in the past year as part of a formal financial service.

DSS 2014 results **6.9%**

59%



Remittances sent through formal financial institution channels

DSS 2014 Results **33%**

37%



Women receiving Remittances [Compared to men: 31% in 2020 and 21% in 2014]

DSS 2014 Results **29%**

15%



Fijians with some form of insurance.

[16% of male respondents reported having some form of insurance compared to 14% of female respondents.]

DSS 2014 Results **12%**

34%



Remittances received from either abroad or another part of Fiji.

DSS 2014 Results **23%**

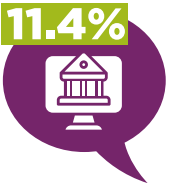
17%



Mobile money account ownership.

DSS 2014 Results **7%**

11.4%

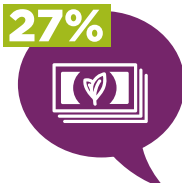


Banked adults that **have access to internet banking.**

[40% are male respondents compared to 60% female]

DSS 2014 Results **8.1%**

27%



Awareness of green finance and climate-related products.

DSS 2014 Results not available

19%



Women with mobile money accounts

[Compared to men: 15% in 2020 and 7% in 2014]

DSS 2014 results **6%**

60%



Demand for greater awareness of financial services.

DSS 2014 Results not available

2%



Respondents with a **climate-related insurance** product.

DSS 2014 Results not available

38%



Demand for financial literacy training.

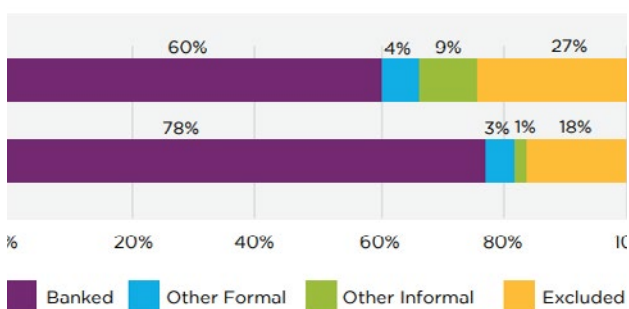
DSS 2014 Results not available

64%  85%  The overall strategic target of the NFIS 2016-2020 was to increase the number of adult Fijians with access to formal financial services from 64 percent in 2014 to 85 percent by 2020, of which 50 percent are women.

Financial inclusion in Fiji has significantly improved during this time, with a narrowing gender gap. The level of formal financial inclusion among Fijians has increased in the last six years, from 64 percent in 2014 to 81 percent in 2020, with savings and remittances being the most commonly accessed financial services. However, while more women own accounts, the financial inclusion gender gap persists.

Most adult Fijians use the formal financial services of banks, credit unions, microfinance institutions, and mobile money operators. Significant progress was noted for the banked adult population, which increased from 60 percent in 2014 to 78 percent in 2020.

FIGURE 3. THE BANKED ADULT POPULATION IN FIJI



Source: RBF. Financial Services Demand Side Survey Fiji 2020 (DSS 2020), Available at: <https://www.rbf.gov.fj/category/financial-services-demand-side-survey-fiji-2020>

Still, more male respondents (82 percent) have access to bank accounts compared to female respondents (75 percent), despite a significant reduction in the gender gap in financial access from 16 percentage points in 2014 to 7 percentage points in 2020. The excluded population is almost equally distributed among urban (49 percent) and rural (51 percent) respondents. Among the 18 percent that are excluded, 55 percent are women.

Access to bank accounts is higher in urban areas, but there has been significant progress in improving access to bank accounts in rural areas, from 46 percent in 2014 to 74 percent in 2020. Some of this increase may be due to the bank account requirement by the government for

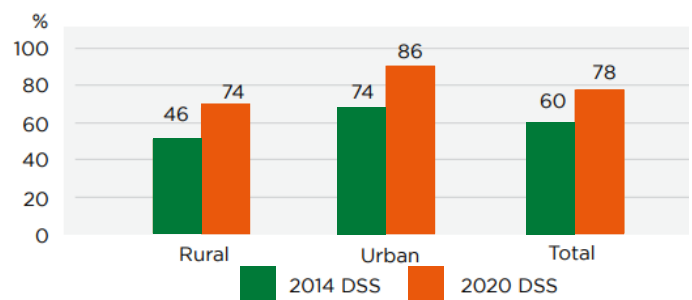
welfare benefit recipients, increased financial literacy and rural-based services by financial service providers (FSPs), and improved access points in rural areas.

Considerable progress has been made in mobile money, though not to the extent seen in some other African and Asian markets. Mobile money penetration significantly improved, with 17 percent of respondents using M-PAiSA or MyCash in 2020 compared to 7 percent in 2014.



Women (19 percent) recorded higher uptake for mobile money compared to their male counterparts (15 percent), possibly reflecting the convenience of a remote self-service offer in light of women's time and mobility constraints.⁴⁰

FIGURE 4. URBAN VS. RURAL BANKED ADULT POPULATION IN FIJI



Source: RBF. Financial Services Demand Side Survey Fiji 2020 (DSS 2020), Available at: <https://www.rbf.gov.fj/category/financial-services-demand-side-survey-fiji-2020>

SEX-DISAGGREGATED DATA

Recognizing the important role of quality and credible data in supporting evidence-based policymaking and monitoring financial inclusion progress, the RBF introduced its supply-side disaggregated data collection policy in June 2019. The policy, entitled "Minimum Requirements for the Provision of Disaggregated Data," mandates the collection and submission of disaggregated data by sex, age, and location by FSPs to the RBF and the establishment of an in-house Disaggregated Data Policy Framework to document the procedures for data collection. Disaggregated data is submitted to the RBF on an annual basis.⁴¹

40 Ibid.

41 AFI member interviews with RBF, December 2021 and February 2022.

FIJI'S FINANCIAL SECTOR

Fiji has a developed banking system regulated and supervised by the RBF. RBF performs its regulatory functions over licensed institutions through the mandate provided in the Reserve Bank of Fiji Act 1985, the Banking Act 1995, the Insurance Act 1998, the Fiji National Provident Fund Act 2011, the Companies Act 2015, the Fair Reporting of Credit Act 2016, and the Exchange Control Act 1950. The Central Bank has, over the years, spearheaded financial sector reforms that have allowed the market to develop, grow, and innovate in a deregulated environment. A ten-year financial sector development plan for Fiji covering 2016-2025 highlights financial deepening and creating an effective sector that stimulates growth by being “sound, resilient, dynamic, and inclusive.”⁴² It overlaps with the successive iterations of the NFISs. First launched in 2010, the current third strategy covers 2022 to 2030.



There are, at present, six commercial banks licensed by RBF, next to five foreign-owned. HFC Bank is the only 100 percent locally owned bank.

Eight deposit-taking MFI and 33 credit unions and cooperatives constitute formal providers of low-value credit. There are four credit institutions, one superannuation fund, the Fiji National Provident Fund (FNPF), seven general insurers, two life insurance companies, ten foreign exchange dealers, one securities exchange, two managed investment schemes, 64 capital market intermediaries and participants, one credit reporting agency, and five registered credit information providers and credit report recipients.⁴³

COMMERCIAL BANKS

The six Fijian commercial banks operate through a network of 62 branches, 130 agencies, 5,817 EFTPOS terminals, and 339 ATMs. Commercial banks hold 46.7 percent assets of the financial system in Fiji. The FNPF and the insurance industry accounted for 35 percent and 8.4 percent, respectively. The gross assets of the regulated financial entities grew by 30 percent, from USD16,783 million in 2016 to USD21,950 million in 2020. Even with the adverse effects of the COVID-19 pandemic, these recorded a growth of 6 percent for the year 2019-2020. However, non-performing loans



Image by Neil Stanners/iStock

rose from 2.8 percent in 2019 to 4.1 percent as of 30 June 2020.⁴⁴

As of March 31, 2022, commercial banks' gross assets represented 48.6 percent of the total financial system's FJD25.9 billion (USD11.4 billion), excluding the RBF. Total deposits in the banking sector stood at FJD9.7 billion. Gross loans and advances and leases stood at an aggregated FJD7.4 billion. This was an increase of 3 percent on an annual basis.

In terms of loan portfolio composition, lending continues to be concentrated in the individual private sector at 28.9 percent, followed by the wholesale, retail, hotels and restaurants (20.3 percent), real estate (18.7 percent), and building and construction (9.8 percent) sectors. Overall, the soundness of the banking system is reflected in the capital adequacy position (20.2 percent), which was considerably above the minimum requirement of 12 percent.⁴⁵

Access to deposit accounts is high, while credit access lags, particularly for women. In 2021, 84 percent of adults owned a commercial bank demand deposit account. Commercial banks offer a wide range of services, including demand, savings, term deposit accounts, credit, and digital banking. While deposit accounts remained essentially stagnant between 2017 and 2021, loan accounts at commercial banks decreased

42 RBF. Fiji Financial Sector Development Plan 2016-2025. Available at: <https://www.rbf.gov.fj/wp-content/uploads/2020/03/Fiji-Financial-Sector-Development-Plan-2016-2025.pdf>.

43 IMF. 2021. Financial Access Survey. AFI member interviews with RBF, December 2021.

44 RBF. 2021. Fiji Financial Sector Disaggregated Data. Available at: <https://www.rbf.gov.fj/core-functions/financial-system-development/supply-side-financial-services-data-3>.

45 RBF and UNCDF. Review of Fiji's National Financial Inclusion Strategic Plan 2016-2020 (draft), not available online, provided by RBF.

by more than 25 percent. Meanwhile, household deposits were reported to have grown by 33 percent in this period.⁴⁶ Gender Gaps for deposit and loan accounts remain substantial.

TABLE 2: PROPORTION OF FIJIAN ADULTS WITH ACCESS TO DIFFERENT TYPES OF FINANCIAL PRODUCTS AND SERVICES

	2021		
	Total	Proportion of male	Proportion of female
1. Proportion of Adults with Deposit Accounts	84	89.7	78.1
2. Proportion of Adults with Savings Accounts	1.7	1.8	1.6
3. Proportion of Adults with Credit Account at formal financial institutions ⁴⁷	9.5	12.3	6.6
4. Proportion of Banked Adults registered for Internet Banking	39.5	41.1	38
5. Proportion of Banked Adults registered for Mobile Banking	45.4	46.4	44.4
6. Debit Cardholders as % of Demand Accounts	69.5	65.5	65.9
7. Credit Cardholders as % of Credit Accounts	27.4	27.1	28
8. Active Mobile Money Users as a proportion of total registered users	65.7	63.7	67.8
9. Proportion of registered users who received remittance into their wallets	4.4	4	4.8
10. Inward Remittance Recipients - the proportion of total transfers		45.4	54.6

Digital banking uptake is quite low, with fewer banked adults registered for electronic banking services. There is only a slight gender gap regarding digital access in Fiji.

There is high debit card usage across the Fijian population, and only a fraction of banked adults own credit cards. There is only a slight gender gap for debit and credit card ownership.

In 2013, RBF enabled agency banking with an Agent Banking Guideline that set minimum standards on agent selection and management, risk management, consumer protection, and standard operating procedures and manuals.⁴⁸

MOBILE MONEY OPERATORS

Supported by the United Nations Capital Development Fund's (UNCDF) Pacific Financial Inclusion Programme (PFIP), Fiji was the first regional country to launch two mobile money offers (Vodafone M-PaiSA and Digicel Mobile Money) in 2010. Twenty-five percent of the population signed up in that same year. However, four years later, most of these had become inactive, with just 7 percent of adults holding a mobile wallet as per RBF's DSS 2014. These and other efforts in mobile money and agency banking that scaled back against original expectations are assessed by UNCDF to highlight the challenge for the economic viability of digital finance in cash-based small island nations with substantial rural population shares. As these still require physical interfaces for the acquisition and service of clients, the critical mass for profitability may not be reached - Fiji may just be large enough to make it.⁴⁹

The recent history of mobile money in Fiji suggests that momentum building before the pandemic has benefitted from the COVID-19 policy response. It seems the women may have seen a particular boost.

⁴⁶ IMF. 2021. Financial Access Survey. Available at: <https://data.imf.org/?sk=E5DCAB7E-A5CA-4892-A6EA-598B5463A34C&slid=1460055200236>.

⁴⁷ Commercial banks, credit institutions and non-bank financial institutions.

⁴⁸ RBF. Agent Banking Guidelines. Available at: <https://www.rbf.gov.fj/wp-content/uploads/2020/02/Banking-Supervision-Policy-Statement-No-18-Agent-Banking-Guidelines-1.pdf>.

⁴⁹ UNCDF. 2021. The Viability of Mass Market Digital Finance in the Pacific. Available at: <https://www.uncdf.org/article/6527/viability-of-mass-market-digital-finance-in-the-pacific>. UNCDF. 2021. The Unprecedented Nature of Scaling Finance in the Pacific. Available at: <https://www.uncdf.org/article/6528/the-unprecedented-nature-of-scaling-finance-in-the-pacific>.

Supply-side data suggests that active mobile money accounts grew almost tenfold between 2017 and the end of 2020. Transactions on these accounts tripled during that period to nearly 22 per active mobile wallet per year.⁵⁰ However, by the 2020 DSS, less than half of Fijian adults with registered accounts actively used mobile money, while only a fraction received remittances during the year. 54.9 percent of the Fijian adult population owned a mobile money account, of which close to half actively used the service. This figure included a major gender gap: 61.4 percent of the adult male population was registered compared to only 48.2 percent of adult females. The gender gap among active mobile money users narrowed to 25.4 percent for men and 22.9 percent for women.⁵¹



But the announcement that government support for the informal sector would be disbursed via mobile money saw registered wallets grow by nearly 145 percent, including a strong expansion of activity rates to nearly two-thirds (65.7 percent).

These incentives for using mobile money also ended up reversing the gender gap. The female activity rate in 2021 stood at 67.8 percent compared to only 63.7 percent for all accounts registered by men.⁵²

As a reflection of improved inclusivity, especially the youngest (15-24 years) and oldest (55 and older) segments of women saw the fastest growth of registered and active mobile money users.⁵³

RBF has supported this development and facilitated digital financial services (DFS) outside of mobile money with policy reforms in recent years: interoperability, tiered know-your-customer, and policies focused on the remittance sector have supported Fiji's growth in DFS. Fijians can register for electronic wallets with the two mobile telecommunications operators. Their functionality is integrated with the national payments system and open to merchants for payment acceptance online and on-site.⁵⁴

FIGURE 5. MOBILE MONEY USAGE IN FIJI

Proportion of adult population who are:

54.9% REGISTERED
Mobile money users



48.2% Proportion of female adult population

61.4% Proportion of male adult population

Proportion of adult population with:

24.2% ACTIVE
Mobile money users



22.9% Proportion of female adult population

25.4% Proportion of male adult population

Proportion of registered mobile money users who received

4.7% REMMITANCES



5.6% Proportion of female adult population

4.1% Proportion of male adult population

50 IMF. 2022. Financial Access Survey. Note: the last data on mobile money for Fiji is from 2020. Available at: <https://data.imf.org/?sk=E5DCAB7E-A5CA-4892-A6EA-598B5463A34C&id=1460055200236>.

51 RBF. 2020. Financial Services Demand-Side Survey. Available at: <https://www.rbf.gov.fj/category/financial-services-demand-side-survey-fiji-2020>.

52 RBF. Supply-side financial services data. Note: this data is for 2021. Available at: <https://www.rbf.gov.fj/core-functions/financial-system-development/supply-side-financial-services-data-3>.

53 Ibid.

54 AFI member interview with RBF, July 2022.

Source: RBF. Financial Services Demand Side Survey Fiji 2020 (DSS 2020), Available at: <https://www.rbf.gov.fj/category/financial-services-demand-side-survey-fiji-2020>

REMITTANCES

Fiji is the biggest remittance receiver in the Pacific Islands by volume. However, as a share of GDP, this inflow is lower than in other Pacific Island countries, accounting for just 5.2 percent of GDP in 2019 compared to 37.2 percent in Tonga, 20.2 percent in Vanuatu and 17 percent in Samoa. Personal remittances have been Fiji's largest foreign exchange earnings during the pandemic in 2020 and 2021, given the impact of COVID-19 on the tourism sector. Outpacing the fall in GDP, remittances soared to 9.2 percent of Fiji's economy in 2021.⁵⁵

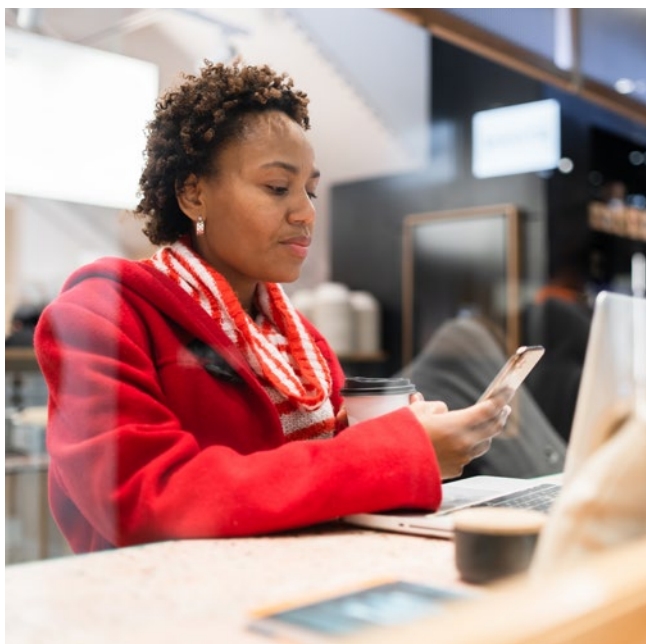


Image by Nazar Ab/iStock

More female young adults received international inward remittance transfers through money transfer operators. More female recipients (54.6%) than males (45.6%) were among the 0.7 million international inward transfers recorded in 2021. The same is true in digital channels: 4.8 percent of registered female mobile money users (and 7.5 percent of active users) received remittances compared to 4 percent of their male counterparts (7 percent of active users). In a reflection of the fast mobilization of new groups of pandemic response cash-transfer beneficiaries to mobile money, 2021 saw the share of remittance recipients fall after rising during the first year of the pandemic.⁵⁶

55 World Bank. Personal remittances received (% of GDP) - Fiji. Available at: https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?locations=FJ&most_recent_value_desc=true.

56 RBF. Supply-side financial services data - Spreadsheet.

FIJI'S DIGITAL ECOSYSTEM

With 1.31 million cellular mobile connections at the start of 2022, Fiji has a mobile penetration rate of 144 percent of its population. This is backed by a comparatively solid foundation of infrastructure and access, putting Fiji at rank 21 out of 72 developing countries for the drivers behind affordable internet.⁵⁷ However, mobile broadband affordability is well below that of development peers and other Pacific islands (1GB of mobile data costs the equivalent of 3 percent of GNI per capita).⁵⁸

Nonetheless, Fijians are active users of the internet and social media. At the beginning of 2022, it was predicted that nearly three out of four Fijians of all ages would be online. Facebook claims to reach nearly 82 percent of the population above the age of 13 via its social media platform and 70 percent via its messenger; more than a quarter of these youth and adults are Instagram users. On Facebook, women account for 48.5 percent of Fijian users and 50.4 percent of those on Instagram.⁵⁹

RBF has supported the development of digital finance beyond mobile money with a regulatory sandbox launched in 2019 to support FinTechs and has run boot camps that receive support from existing formal sector players like HFC Bank and Fiji Development Bank (FDB), as well as Vodafone as an owner of the country's largest mobile money platform M-PAiSA.⁶⁰ FinTech Pacific, a digital payments platform for informal businesses, is set up with funding from Mastercard and others. It assists women-led MSMEs and market stall holders in migrating to mobile digital payments to run their businesses.⁶¹

However, purely digital FinTechs also face the challenge of digitizing Fijians' financial behavior. To do this, they must either focus on the population and transactional segments of the overall economy where this has already occurred or is latent or invest in physical outreach. Government interventions that seek wide reach via digital payments, such as those undertaken in many countries to mitigate the disruptions of the COVID-19 pandemic, may offer help with that challenge.

57 A4AI. 2021. Affordability Report. Available at: <https://a4ai.org/7report/2021-affordability-report>.

58 A4AI. 2021. Mobile Broadband Pricing. Available at: https://adi.a4ai.org/extra/baskets/A4AI/2021/mobile_broadband_pricing_gni.php.

59 Datareportal. Digital 2022: Fiji. Available at: <https://datareportal.com/reports/digital-2022-fiji>.

60 Singh, Monika. 2022. Central Bank makes strides to attract FinTechs. The Fiji Times. Available at: <https://www.fijitimes.com/central-bank-makes-strides-to-attract-fintechs>.

61 Business Partnerships Platform. 2021. Media release: Backing Fijian women in Covid-19 economic recovery. Available at: <https://thebpp.com.au/blog/media-release-backing-fijian-women-in-covid-19-economic-recovery>.

MANAGING THE CRISIS RESPONSE

POLICY ⁶²	EMERGENCY POLICIES IMPLEMENTED BY THE GOVERNMENT OF FIJI	EMERGENCY POLICIES IMPLEMENTED BY THE RBF
EMERGENCY RELIEF EFFORTS	<ul style="list-style-type: none"> > FJD1 billion (USD430 million) COVID-19 stimulus package announced together with the FNPF. > The Asian Development Bank topped up its previously pledged funding of USD100 million by up to USD100 million more. World Bank offered USD5.5 million from its COVID-19 facility. > Tertiary education loan repayments suspended until 31 December 2020. > Additional FJD40 million to enhance the health system's response capacity. > Additional FJD20 million to education and social welfare. > Additional FJD1 million allocation towards the Ministry of Agriculture to bolster Fiji's food security. > FJD50 million to the FSC to fund cane delivery payments. > The government-funded 21 days of COVID-19 leave for Fijian employees earning less than FJD30,000 who have tested positive for the virus. > Fijians in the informal sector who tested positive for the virus paid a one-off sum of FJD1,000. > The Water Authority of Fiji suspended all disconnections until 31 December 2020. > Energy Fiji Ltd. matched the government's 50 percent subsidy to its subsidized customers. 	<ul style="list-style-type: none"> > Disaster Rehabilitation and Containment Facility (May and August 2020): available through 'approved lenders' including commercial banks, FDB, and licensed credit institutions. Approved lenders can access funds from the RBF at an interest rate of 0.25 percent per annum and on-lend the same to eligible businesses at a maximum interest rate of 3.99 percent per annum for a maximum term of up to five years. Borrowers need to meet creditworthiness criteria set by their financial institution and can obtain up to FJD500,000 per business⁶³

⁶² Policies as reported to AFI for the COVID-19 policy response trackers (general and gender-focused).

⁶³ RBF. 2021. Press Release. RBF reduces interest rate on Special Facilities. Available at: <https://www.rbf.gov.fj/wp-content/uploads/2021/08/Press-Release-No-09-Reserve-Bank-of-Fiji-Reduces-Interest-Rate-on-Special-Facilities.pdf>.

POLICY	EMERGENCY POLICIES IMPLEMENTED BY THE GOVERNMENT OF FIJI	EMERGENCY POLICIES IMPLEMENTED BY THE RBF
<p>WAIVERS AND INCREASES IN LIMITS FOR TRANSACTIONS</p>	<p>N/A</p>	<ul style="list-style-type: none"> > Banks and hire purchase companies⁶⁴ offered six-month deferral of loan repayments for Fijians who lost their jobs or had their hours reduced. This was also available to businesses.
<p>MSMES</p>	<ul style="list-style-type: none"> > The informal sector in the lockdown areas is entitled to a one-off government relief payment of FJD150 if holding a street trader or hawker license. > Banks and hire-purchase companies offered six-month deferral of loan repayments for Fijians who lost their jobs or had their hours reduced (also available to businesses). > Fiji Investment Corporation Limited revived for equity injection into SMEs. > Conversion of government loans to equity in Fiji Sugar Corporation, PAFCO, Fiji Rice Limited, Food Processors Limited, and Viti Corp Company Limited 	<ul style="list-style-type: none"> > The MSME scheme was set up in 2012. In 2020, it expanded to include micro enterprises. Now, it has a total allocation of FJD9 million and is administered by RBF. > Under the MSME scheme, the government will guarantee 60 percent of the principal outstanding on defaulted MSME loans up to a limit of FJD60,000 per business. > To encourage women's participation in business and support the development of rural areas and traditional sectors, the government will guarantee 75 percent of the principal outstanding on defaulted loans up to a limit of FJD75,000 per business on all MSME loans to women entrepreneurs as well as to those involved in the agriculture, forestry, and fisheries sectors. > Effective 1 June 2020, the MSME scheme will cover all new MSME loan facilities approved by commercial banks, licensed credit institutions, and the FDB. > A "micro enterprise" in the context of Fiji is any business with a turnover or total assets of less than FJD50,000 (USD21,300 at the exchange rate in March 2020), "small enterprise" is one with a turnover or assets between FJD50,000 and FJD300,000, and a "medium enterprise" is one with a turnover or total assets between FJD300,000 and FJD1.25 million.

64 Hire-purchase companies are not regulated by the RBF so this data cannot be verified.

PLANNING, COORDINATION AND PREPAREDNESS FOR CRISIS RESPONSE

Fiji was able to draw on many years of institutional practice of stakeholder collaboration on inclusive finance and the recent memory of joint crisis response efforts to natural disasters to bring about relief for those with limited capacity to withstand the pandemic's disruptions. In fact, climate change risks have given Fiji a sense of large-scale crises from outside the sphere of macroeconomics that, nonetheless, call for responses that include inclusive finance.

A MULTI-STAKEHOLDER APPROACH

RBF has long-standing experience working with various stakeholders to achieve its policy objectives and institutionalizing such collaboration to be more effective. Its 2016-2025 Financial Sector Development Plan and the now three instances of the NFIS have been underpinned by a task force for oversight (for which RBF serves as secretariat) and working groups alongside technical committees to assist the task force with implementation and monitoring. Such collaboration was already forged in the consultative processes that led up to these key sector development documents.⁶⁵

Before and during the pandemic, the National Financial Inclusion Taskforce (NFIT) played a key role by bringing together the different ministries and the private sector on one platform. Some ministries and government agencies are permanent members, while others are co-opted occasionally depending on priorities and evolving needs. This convening power of the RBF and the NFIT has proven important in achieving joint initiatives during the pandemic and previous natural disasters.

With the iTaukei Affairs Board, which considers policies for their impact on Fiji's indigenous people and promotes their development and well-being, the NFIT also features an organization with strong links to rural areas and underserved groups. Its presence on the NFIT has helped bring this particular perspective to policy design and drive financial literacy initiatives at the grassroots level.⁶⁶

65 AFI member interview with RBF, December 2021.

66 AFI member interview with RBF, December 2021. RBF and UNCDF. Review of Fiji's National Financial Inclusion Strategic Plan 2016-2020 (unpublished).



Image by Chameleonseye/iStock

Such more effective stakeholder mobilization does not have to require big resource deployment: the team at the Financial Inclusion and Market Conduct Unit with the RBF's Financial System Development Group, which provides secretariat support to the NFIT, is comparatively small.

RESERVE BANK OF FIJI AND NATIONAL FINANCIAL INCLUSION TASKFORCE

Regarding the RBF's organizational response to the COVID-19 crisis, the NFIT and working groups have been responsible for critical policy decisions. The working groups sit under the NFIT, chaired by the RBF Governor, who has convening power. The heads of FSPs aim to be in this group, where policies are actively discussed. There are about 20 RBF staff members involved in these groups, where there has been a clear willingness to contribute meaningfully to alleviate the economic crisis with input from FSPs. Working groups cover 1) inclusive finance, 2) DFS, 3) MSME finance, and 4) consumer protection and financial capability.⁶⁷

RBF introduced various monetary and macrofinancial measures. These included a reduction in the overnight policy rate from 0.5 to 0.25 percent, expansion of the SME Credit Guarantee Scheme to assist small entities, an increase in the Import Substitution and Export Finance Facility by FJD 100 million to provide credit to exporters, large scale commercial agricultural farmers, public transportation and renewable energy businesses

67 RBF. NFIS 2022-2030.

at concessional rates, and an increase in the Natural Disaster and Rehabilitation Facility to FJD 200 million⁶⁸ (renamed Disaster Rehabilitation and Containment Facility) to provide concessional loans to commercial banks to lend to businesses affected by COVID-19.⁶⁹

GOVERNMENT OF FIJI

The government of Fiji announced two major fiscal stimulus packages in response to the pandemic.

The first package, amounting to FJD1 billion (USD430 million at the time or 8.7 percent of GDP), provided supplemental expenditures on public health, lump sum payments through the FNPF, tax and tariff reductions, and loan repayment holidays.



The second package announced in the 2020-2021 fiscal year budget included, among other things, FJD 100 million for unemployment assistance.

In addition, the government's Agricultural Response Package was introduced to ensure food security and boost the production of short-term crops by distributing seeds and materials. The government also announced a concessional loan initiative for MSMEs impacted by COVID-19.⁷⁰ MSMEs contribute nearly 18 percent to GDP and provide employment opportunities to more than 60 percent of the workforce. There are over 24,000 formally registered MSMEs in Fiji; however, many continue to operate in an informal set-up. The informal sector in Fiji accounts for more than half of the employed workforce.

The Ministry of Commerce, Trade, Tourism and Transport (MCTTT) has a designated unit to implement the MSME programs-related initiatives under the "MSME Fiji" label. At the same time, its Economic Unit monitors MSME Act.

On data collection, the NFIT works with Fiji's Bureau of Statistics to leverage the household census for key financial service questions.

The Department of Social Welfare is the main stakeholder in the project to digitize the government-to-people (G2P).

INTERNATIONAL PARTNERS

Between 2008 and 2020, UNCDF has been the leading donor and project initiator for financial inclusion with the PFIP in Fiji and across the Pacific. This included support for regulatory sandboxes, fostering FinTechs, supporting financial literacy campaigns, and providing technical expertise in Fiji's three rounds of defining and implementing NFIS. PFIP also partnered with several banks on agency banking, digitization, and strategies to reach unserved and underserved mass market clients. Finally, PFIP supported mobile money providers, like those in Fiji, including with the assessment of their commercial viability.

The World Bank's Board of Executive Directors approved in March 2021 a USD145 million (FJD299 million) operation to support Fiji's ongoing efforts to recover from the impacts of COVID-19 and multiple tropical cyclones. Faced with a severe economic contraction that left one-third of the country's workforce without full-time employment, the World Bank's Fiji Recovery and Resilience First Development Policy Operation with a Catastrophe-Deferred Drawdown Option aims to boost Fiji's recovery while building economic, social, and climate resilience.⁷¹

The operation is closely aligned with Fiji's National Development Plan and the recently approved World Bank Group Country Partnership Framework for Fiji (2021-2024). The operation prioritizes improvements to Fiji's debt and public financial management and promotes opportunities for women, particularly in addressing gender barriers in male-dominated sectors. In addition, the operation facilitates private sector-led economic recovery with support from the International Finance Corporation. It supports establishing a social assistance policy that will improve the efficiency and targeting of social assistance programs for many of Fiji's poorest and most vulnerable groups.

68 Fijivillage. 2021. RBF expands coverage of the Disaster Rehabilitation and Containment Facility to micro, small and medium sized enterprises and large businesses, Total amount available under this facility is \$200 million. Available at: <https://www.fijivillage.com/news/RBF-expands-coverage-of-the-Disaster-Rehabilitation-and-Containment-Facility-to-micro-small-and-medium-sized-enterprises-and-large-businesses-8fr5x4>.

69 RBF. Annual Report August 2019 to July 2020. Available at: <https://www.rbf.gov.fj/25940-2>.

70 RBF and UNCDF: Review of Fiji's National Financial Inclusion Strategic Plan 2016-2020 (unpublished).

71 The World Bank. 2021. World Bank Boosts Support for Fiji's Sustainable Recovery. Available at: <https://www.worldbank.org/en/news/press-release/2021/03/26/-world-bank-boosts-support-for-fiji-s-sustainable-recovery>.

POLICY RESPONSES IN FOCUS – MAKING GENDER FOCUS WORK IN PRACTICE

Before branching out into household relief and support for small businesses as areas of crisis response that were seen as having maximum potential for impact, the initial government response was fully focused on financial sector stability.⁷²



Image by Vijesh Datt/Unsplash

At first, there was not much gender focus on the agenda, even though women are a policy priority in the national development objectives. The NFIS in place during the pandemic explicitly mentioned women jointly with two other vulnerable groups (youth and those living with disabilities). But as the impact of the disruptions from the pandemic became evident, women (and in the forums headed by RBF: women's financial inclusion) increasingly emerged as an issue requiring explicit attention on its terms.

Fiji benefited from the institutional groundwork laid in the years preceding the crisis. By the time of the second NFIS in 2016, women had been put on the agenda, with an explicit reference in the first pillar. This helped the country narrow gender gaps and exceeded the targets that the NFIS had set for 2020. Women predominantly attended intensive

financial literacy and awareness sessions delivered over those years. The more gender-balanced uptake of mobile money and the digitization of G2P programs were credited with contributing to this closing of the gender gap. Even without dedicated initiatives targeting women, the ones undertaken by RBF and the Fiji government in the years before the pandemic were skewed toward females.⁷³

With the first incoming sex-disaggregated supply-side data and validation by demand-side research, RBF confirmed such progress and identified a distinctive impact of the fast-evolving crisis on women. This paved the way for discussing and designing dedicated policy interventions.

RBF indicated that its financial inclusion journey evolved over this period in matters concerning women. As the country saw itself not as having deep-rooted socio-cultural restrictions on women, the original approach was more broad-based, generalized, and presented as a cross-cutting issue. Now, RBF sees women as a segment that requires more attention and a more dedicated focus. As Fiji's objectives for financial inclusion graduated from high inclusion rates to socio-economic impact and RBF's focus of policy shifted from access to usage, women have assumed a more central position in the third NFIS launched in 2022.⁷⁴

To rally stakeholders in support of a gender lens in crisis response, RBF and others benefited from the fact that NFIS was embedded in broader national and sectoral development plans that highlighted the importance of the country's women in achieving their respective goals.⁷⁵ Relevant policy guidance includes the National Women's Action Plan identifying priority areas for women's empowerment since 1999, the 2014 National Gender Policy, and the Roadmap for Democracy and Sustainable Socio-Economic Development.⁷⁶

Moreover, in working groups actively involving private sector FSPs, RBF's mission to put women on the agenda resonated well with some key actors. For instance, Australia's Westpac banking group, which also operates in Fiji, has long-standing experience with a dedicated focus on the women's market. For example, case studies have repeatedly profiled its "Ruby" offer.⁷⁷

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ RBF. Review of Fiji's NFIS 2016-2020. AFI member interview with RBF, December 2021 and February 2022.

⁷⁶ Asian Development bank. 2015. Fiji Country Gender Assessment 2015. Available at: <https://www.adb.org/sites/default/files/institutional-document/210826/fiji-cga-2015.pdf>.

⁷⁷ For instance, by the Financial Alliance for Women: <https://financialallianceforwomen.org/tag/westpac>.



Image by Nem Malosi/Unsplash

As these considerations came into the spotlight and data on the disproportionate impact on women emerged, the Fiji government adjusted the MSME Credit Guarantee Scheme in November 2020 to directly support women-owned businesses. As administrator of this government initiative, RBF amended the program with a focus on two of its policy priorities: women and micro businesses. These have important intersectionality, as most women's entrepreneurial activity in Fiji is in the segment of micro enterprises.

To encourage women's critical role in driving economic recovery and to support the development of the agriculture, fisheries, and forestry sectors, the government of Fiji guaranteed to pay 75 percent of the principal outstanding on defaulted loans up to a limit of FJD75,000 (USD32,000) per business on all MSME loans to women entrepreneurs, as well as loans to the agriculture, forestry, and fisheries sectors provided under the scheme. This is a gender-lens initiative to cover 60 percent of the risk for male-led businesses.⁷⁸

This focus fits with an emerging policy priority at the intersection of women and small businesses. Realizing that the country would benefit from less dependency on

tourism, women, as self-employed and small business owners, become potential agents of change.⁷⁹

However, program performance indicates that it could have benefited from a gender lens to inform its design. Women-led micro businesses in Fiji seek loans from MFIs, rather than banks through which the guarantee scheme is deployed. These institutions have not yet moved to less stringent requirements for accessing loans under this scheme other than producing collateral. The required business plan, documentation, etc. increase the need for training businesswomen to meet such requirements. Without such gender-lens program characteristics, program funds were used to only 2.5 percent of their full potential by the end of 2021.⁸⁰

RBF noted the potential for improvement regarding gender aspects for crisis response and the implementation of the second NFIS, which was ongoing during the pandemic.

As to prioritization, the NFIS had a gender aspect in its top-level objective of formally serving the population. The women were part of Strategic Goal 1, together with youth and those living with disabilities. In effect, gender considerations came to be seen more as a

78 AFI member interview with RBF, December 2021. Available at: <https://www.afi-global.org/covid-19>.

79 Ibid.

80 Ibid.

cross-cutting issue. This is why working groups did not address it as requiring dedicated responses. Even though the topic was explicit and covered (e.g. in review of the progress of initiatives by each working group), it did not have the priority that a clear set of activities for promoting the cause of women's financial inclusion would have lent it.

Regarding gender balance within the NFIT, meetings may have led to a more effective gender inclusive finance (GIF) crisis response. While not shutting down the issue, stakeholders did feel that having more than one female member on the NFIT would have helped to raise the profile of the topic and contributed an important perspective to discussing policy options in a fast-evolving setting where data was scarce.⁸¹

GENDER DATA FOR BETTER POLICIES

For financial inclusion stakeholders in many countries, the Global Findex survey is a principal source of information about the demand side. Like many smaller AFI members, Fiji does not have that choice, as the survey is not deployed there.

For RBF and its fellow financial inclusion stakeholders organized in the NFIT, mobilizing data was particularly important. AFI and UNCDF supported the first DSS in 2014 with an interest in evidence-based policymaking. The effort served to evaluate progress achieved due to the first NFIS as its planning period was ending and informing the drafting of the second NFIS.

The second DSS was conducted in 2020. It captured the impact of the COVID-19 pandemic and served to evaluate the progress of the second NFIS ending in 2020. In line with the recent interest in priority segments, the DSS, with a nationally representative sample of 1,001 respondents, particularly highlighted the experiences of women, young people, self-employed entrepreneurs, and persons with disabilities.

In addition to this regular collection of the baseline via demand-side research, disaggregated data from the supply side had also become a priority before the pandemic. When the NFISP 2016-2020⁸² was drawn up to guide the implementation of the second NFIS, RBF started to work on collecting disaggregated data from the financial sector.

In June 2019, RBF introduced a policy statement on Minimum Requirements for the Provision of

Disaggregated Data, which required all entities supervised by RBF to collect and report disaggregated data concerning gender, age, and location. Providers were also encouraged to collect and report indicators: income, persons living with disabilities, and educational attainment. The disaggregated data guidelines provide the opportunity to draw out insights about financial inclusion in terms of geographical and regional distribution for segments like women and youth, products like savings, mobile money, investments, and insurance, and to understand client needs better. After rounds of quality control on this disaggregated data from 2019 and 2018, the central bank can now look at the data of past years as disaggregated. The higher frequency of its collection makes it the prime source for evaluating policy impact and progress against stated objectives in the short- to medium term.⁸³

In RBF, this effort was coordinated between the team working on financial inclusion and the unit responsible for prudential supervision to limit the workload of reporting disaggregated data to RBF.

RBF also worked with the country's statistics bureau to incorporate a set of financial indicators into regular surveys run by the bureau. This produces more frequent data than the DSS at no or low additional cost. This approach is also intended by other AFI members, such as La Comisión Nacional de Bancos y Seguros de Honduras in Honduras.⁸⁴

Applying AFI's Core Set of Financial Inclusion Indicators⁸⁵ in the supply-side collection and the NFIS provided a dashboard-like view of the state of the financial sector once the pandemic hit.

However, collecting the multiple criteria for disaggregating client groups enables RBF to gain a much more nuanced picture of how crisis and recovery play out across segments that present particular vulnerabilities or are a policy priority. It also enables an intersectional analysis to advance beyond a monolithic perspective on women to inform the design and/or adjustment of interventions for GIF and crisis response.

Looking beyond the established data, RBF also applies innovations like the "Women's Agency Index" to better understand women in Fiji and how policy interventions can respond to and help improve their overall well-being. It examines the nature and extent of women's

81 Ibid.

82 RBF. National Financial Inclusion Strategic Plan 2016-2020. Available at: https://www.rbf.gov.fj/wp-content/uploads/2019/04/2016-2020-Fiji-Financial-Inclusion-Strategic-Plan_-Aug26.pdf.

83 AFI member interview with RBF, December 2021 and February 2022.

84 AFI member interview with RBF, December 2021, and with La Comisión Nacional de Bancos y Seguros de Honduras, June 2022.

85 AFI. 2019. AFI Policy Model: AFI Core Set of Financial Inclusion Indicators. Available at: https://www.afi-global.org/sites/default/files/publications/2019-12/AFI_PM_Core%20Set_FINAL_digital.pdf.

inclusion in productive matters of the household: financial inclusion, asset quality, education, and economic decisions.⁸⁶

RBF can also still put the data it collects to more actively use and shape market behavior: its annual report on financial inclusion (published in 2016) did not yet present the sex-disaggregated findings to market players or frame the picture that emerges from the disaggregated perspectives of demand- and supply-side data in terms of unaddressed market opportunities.⁸⁷

INCLUSIVE GREEN FINANCE AND WOMEN

Together with small island nations worldwide, Fiji is particularly exposed to the effects of human-induced climate change. RBF has endorsed this aspect as important for its financial inclusion agenda and collaborated with AFI on inclusive green finance (IGF) since 2018, including during the COVID-19 pandemic. RBF particularly highlights the interplay of IGF with GIF⁸⁸ due to higher vulnerability during and after natural disasters and as change-makers.⁸⁹ As if on cue, the two major cyclones to hit Fiji during the first year of the pandemic highlighted that for countries such as Fiji, one crisis does not replace the need for policy attention to the other.

NFISP already made green finance a focus and provided RBF and the country with an opportunity to plan for crisis response, which could be built upon during the disruptions of the pandemic. In the “Help for Homes Initiative” following the 2016 Tropical Cyclone Winston, the government of Fiji leveraged mobile money for the digital distribution of G2P transfers. Throughout three phases during one year, 32,800 households received relief payments via M-PAiSA. Such relief was repeated in the aftermath of cyclones in the years leading up to the pandemic.⁹⁰

However, registration for eligible benefits was centralized at a few administrative locations. In that sense, it did not fully exploit the remote and



Image by Chameleonseye/iStock

instantaneous sign-up possibilities that digital finance could enable, which would matter in contagious disease.

To the extent that a natural disaster destroys physical infrastructure and distribution networks for household supplies, relief efforts will also have to focus on physical outreach rather than payments and (digital) financial inclusion. But relief agencies insist that women also play a critical role.⁹¹

The links between IGF and GIF are increasingly understood. But RBF felt that the evidence base for policy design on financial inclusion needed strengthening in both aspects. The 2020 DSS provided an opportunity to do so: RBF embedded a dedicated section on green finance and resilience to climate change as an upgrade over the 2014 DSS.⁹² The insights gained from this research informed the third NFIS, which features building resilience to climate change and other shocks as part of the “inclusive finance pillar” of the NFIS. The lack of relevant coping mechanisms and a demand for more awareness of which financial services could provide such resilience was particularly expressed by women and in rural areas. This led RBF to highlight the development of appropriate financial products and related financial education as strategic actions in the new NFIS 2022-2030.⁹³

86 RBF. 2020. Financial Services Demand-Side Survey. Available at: <https://www.rbf.gov.fj/category/financial-services-demand-side-survey-fiji-2020>

87 RBF and NFIT. 2020 Financial Inclusion Report. Available at: <https://www.rbf.gov.fj/wp-content/uploads/2021/03/FINANCIAL-INCLUSION-REPORT-2020.pdf>.

88 See the related AFI Special Report from 25 May 2022. Towards an Inclusive Green Future: An Analysis of the Intersection Between Inclusive Green Finance and Gender Inclusive Finance. Available at: <https://www.afi-global.org/publications/towards-an-inclusive-green-future-an-analysis-of-the-intersection-between-inclusive-green-finance-and-gender-inclusive-finance>.

89 For instance, hosting a “virtual Joint Learning Programme” on IGF implementation. Available at: <https://www.povertyactionlab.org/blog/3-3-21/five-question-womens-agency-index-created-using-machine-learning-and-qualitative>.

90 AFI produced a case study about RBF’s experience with financial inclusion and climate change: AFI. 2018. RBF’s experience with financial inclusion and climate change. Available at: https://www.afi-global.org/sites/default/files/publications/2018-11/AFI%20FICC_Fiji_case%20study_AW2_19.11.18_digital_compressed.pdf.

91 As indicated by Care Int’l in their relief to the 2016 cyclone in Fiji: CARE. 2016. Cyclone Winston: Women the backbone of Fiji’s disaster recovery. Available at: <https://www.care.org/news-and-stories/press-releases/cyclone-winston-women-the-backbone-of-fijis-disaster-recovery>.

92 AFI. 2021. Fiji’s data-driven financial inclusion solutions. Available at: <https://www.afi-global.org/newsroom/blogs/fijis-data-driven-financial-inclusion-solutions>.

93 AFI. 2022. Fiji National Financial Inclusion Strategy 2022-2030. Available at: <https://www.afi-global.org/publications/fiji-national-financial-inclusion-strategy-2022-2030>.

THE ROLE OF DIGITAL FINANCIAL SERVICES

As the Pacific Island nation with the longest track record of DFS, it is unsurprising that it played a substantial role in crisis response. Rather than any improvisation of policies, Fiji was able to build on the experiences of previous crisis responses to cyclones and their subsequent flooding and continue working on the digitization of G2P transfers that had been an important component of the NFIS 2016-2020 (Strategic Goal #3) and the Financial Sector Development Plan.



Image by Chameleonseye/iStock

In 2011, the PFIP worked with Fiji's government and Westpac, another major bank in Fiji, to digitize the social security system in 2011.⁹⁴ Over 56,000 people have used this system to get social security payments by direct deposit into a bank account. In the last decade, the system has been expanded to encompass disabilities, health, civil servants' salary,⁹⁵ and even COVID-19 disaster payments. The current G2P payments system utilizes direct deposit of the social security payment by the Department of Social Welfare into the beneficiary's Westpac account monthly on a pre-determined date. One beneficiary per household receives funds on behalf of the household every

month.⁹⁶ In March 2022, the Department of Social Welfare expanded its network of partners to include another large bank (BSP) and the principal mobile money network (Vodafone M-PAiSA).

With its special system of communal land ownership, Fiji's financial inclusion stakeholders have another opportunity for payment digitization with a particular rural footprint. Able to bypass traditional intermediaries such as chiefs, individuals, including children whose mothers often hold the money in trusts, obtain this income from land lease payments directly into their mobile or bank accounts.⁹⁷

DFS grew significantly during the pandemic because the government decided to move payment platforms from vouchers to bank accounts. The government and other agencies continued to leverage mobile money for cash assistance during the second COVID-19 wave through the disbursement of more than FJD40 million between April and July 2021. These disbursements reaffirm confidence in mobile money platforms as a tool for relief assistance during crises.

Mobile transfers also substantially increased due to the government's temporary zero-fee policy on such transfers. The remittance increase also fueled this DFS growth since much of the money arrived via the cheaper mobile wallet option. This option also saved mobile wallet users' travel time to agency locations and may have lowered infections through lower levels of person-to-person contact. Mobile money continued to scale personal remittances to support the economy during the crisis.



As of 31 July 2021, the total number of inward remittance transactions increased substantially by 283.5 percent to half a million, valued at FJD135 million, an increase of 216.4 percent from the last reporting period (31 July 2020).

Mobile money services the mobile network operators provided, namely M-PAiSA by Vodafone Fiji and MyCash by Digicel Fiji, continued to grow significantly. The industry also noted a few significant developments driven by consumer demand for affordable and safer means of making payments considering the COVID-19 pandemic and direct transfers by the government and

94 UNCDF. 2020. Fiji's Electronic Welfare Transfer System. Available at: <https://www.uncdf.org/article/5788/fjhis-electronic-welfare-transfer-system>.

95 AFI member interview with RBF, June 2022.

96 UNCDF. 2022. G2P: Fiji's Electronic Welfare Transfer System. Available at: <https://www.uncdf.org/article/5812/g2p-fjhis-electronic-welfare-transfer-system>.

97 AFI member interview with RBF, December 2021.



Image by Priscilla du Preez/Unsplash

donor agencies. The total value of electronic money in circulation grew substantially by 76.4 percent to FJD54.4 million at the end of July 2021, underpinned by the growth in customer deposits, remittances, and bulk transfers.



Similarly, registered mobile money accounts increased by 107 percent to 749,587, while active mobile money users grew by 286 percent to 542,733.

In addition, a considerable growth of 105.5 percent was recorded for active mobile money agents, to 563 compared to 274 at the end of the last review period.⁹⁸

In addition to the convenience of DFS in the face of women's time and mobility constraints, the solid uptake of Fiji's mobile money offers by women is possibly explained by the patterns of international remittances (mostly arriving to women staying behind in Fiji) and the use of bill payments in running household finances. Additionally, the increasingly digitized and cashless way in which Fiji's government was channeling financial assistance to citizens meant that DFS in the country had a profile that skewed towards female users.⁹⁹ This is a notably different pattern from the one driven by peer-to-peer transfers (and airtime recharge) that has dominated the experience of DFS growth in East Africa.

Prioritizing such "bulk mobilization" of cash through large sources of income (remittances, G2P) is also a

98 RBF. August 2020-July 2021 Report.

99 AFI member interview with RBF, December 2021.

more viable option for Fiji. In contrast, the physical infrastructure for mobilizing cash from citizens after they receive their income has too limited a reach. The review of the last NFIS put the density of mobile money agents at 6.5 per 10,000 adults in 2019. Kenya has a roughly 14 times denser network of cash-in/cash-out agents.¹⁰⁰

The choice of Fiji's authorities to institute a temporary zero-fee policy during the pandemic that applied not only to domestic but also international transfers is expected to have considerably contributed to the improved uptake of DFS in the country.

The experience also indicates the importance of countries with substantial international remittance inflows facilitating their integration into the domestic DFS system to drive financial inclusion. In addition to securing the purchasing power of families with members overseas during crises, this is likely to represent an important incentive for the uptake and repeat usage of DFS, especially, while in addition to the shutting of remittance agent locations, the fee advantage of digitally received remittances in the zero-fee environment when saving money is important turns it into a very simple choice.¹⁰¹

To make such a choice practical, the NFIT working group on financial literacy was working with the National Employment Center, which prepares migrant workers for their deployment to Australia and New Zealand and incorporated financial education content (including remittances) into their curriculum on the RBF initiative.¹⁰²

The leaders of AFI's Pacific Islands Regional Initiative noted at their 6th Annual Leaders' Roundtable meeting, co-hosted virtually by the current chair, the Bank of Papua New Guinea and AFI, that DFSs and FinTech solutions offer the greatest opportunities for an accelerated and sustainable COVID-19 recovery within the region.

"Digitalization is important to us, and we are keen to move forward in this area,"

said Governor Ariff Ali from the RBF.

100 Kenya: around 300,000 mobile money agents for an adult population of some 32.6 million.

101 Working with international money remitters RIA Money, WorldRemit and Thunes, Vodafone and UNCDF also offered zero-fee international remittance in the first months of the pandemic: Vodafone. 2020. Zero Fee on Local and International Monetary Transfer. Available at: <https://www.vodafone.com.fj/about/about-us/media-releases/media-release-2020/zero-fee-on-local-and-international-money-transfer>.

102 AFI member interview with RBF, December 2021.

In 2020, RBF expanded its mobile money services by using QR Pay to distribute cash assistance to people heavily impacted by the COVID-19 pandemic. Unlike many of its peers, Fiji recorded exceedingly high mobile remittance rates. The value of inbound remittances received via mobile money grew tenfold from 2019 to 2021, reaching USD187.2 million, surpassing the volume handled by commercial banks.¹⁰³ Nevertheless, according to Governor Ali, infrastructure limitations and considerations pose a challenge, especially in implementing financial inclusion solutions for the most vulnerable groups.¹⁰⁴

Adoption of DFS other than mobile money has been slow and only slightly increased from 8.1 percent in DSS 2014 to 11.4 percent in 2020. As a result, the NFISP target of reaching 15 percent of the adult population was not achieved. Future efforts need to focus on digital literacy and building trust in DFS among Fijians.¹⁰⁵

Product design to fit better with the realities of small businesses and the informal to partially formal business practices of many women in this field is another way forward. A consortium of local FinTech Pacific and international donors have designed a solution to fit Fiji's female market stall merchants and small businesses technologically and has funding to deploy training (of initially 400 informal businesswomen) to drive uptake and usage.¹⁰⁶

This and other DFS initiatives centered on small merchants and digital payment acceptance in a mass-market context are likely important pieces in Fiji's DFS inclusion puzzle.¹⁰⁷ As suggested by the experience in other markets, the money received via DFS thanks to remittances, or G2P, needs to be usable at ease and at no cost to the client in their daily lives for low-income women and men to migrate their financial lives from the cash economy into the formal, cashless economy. Fiji's authorities, which have intensively aligned with UNCDF and the Better Than Cash Alliance, understand this. A few years ago, a “no-

fee policy” made electronic merchant payments as inexpensive as paying in cash for clients.¹⁰⁸

To support the DFS momentum of the pandemic further, RBF is enhancing the country's payments system for improved interoperability. This should increase DFS' utility to consumers in everyday use cases as acceptance points multiply and permit using any FSP solution. The 2021 National Payments System Act allows for bilateral and multilateral interoperability and, thus, advances toward that goal.¹⁰⁹ It would also create a more conducive environment for FinTech services to be designed and launched.



Finally, DFS also play a role in RBF's stated objective to broaden the financial tools available to Fiji's women and men to enhance their resilience to shocks. In January 2022, the RBF approved the admission of a parametric insurance product developed by the UNCDF's Pacific Insurance and Climate Adaptation Programme and underwritten by its partners, FijiCare Insurance Limited and Sun Insurance Limited, to the testing stage of the FinTech Regulatory Sandbox. Once made available, the microinsurance product will offer a maximum cover of roughly USD450 for natural disasters like cyclones and aim to enhance the financial resilience of vulnerable communities.¹¹⁰ RBF may face challenges in seeking dedicated women's products in a market seen as possibly too small for such by FSPs.¹¹¹ But as long as the design of upcoming non-dedicated products considers the needs and constraints of Fiji's women, a much more inclusive financial system and improved crisis resilience are likely outcomes.

103 RBF. 2023. Economic and Financial Statistics. 8.6 Personal Remittances. Available at: <https://www.rbf.gov.fj/statistics/economic-and-financial-statistics/#1595821841266-57730128-1b5c>

104 AFI. 2021. Digital finance way forward for Pacific region. Available at: <https://www.afi-global.org/newsroom/news/digital-finance-way-forward-for-pacific-region>.

105 RBF. Financial Services Demand Side Survey Fiji 2020.

106 Mastercard. 2021. Mastercard and partners to drive financial inclusion in Fiji with new mobile payment acceptance solution for women entrepreneurs. Available at: <https://www.mastercard.com/news/ap/en/newsroom/press-releases/en/2021/august/mastercard-and-partners-to-drive-financial-inclusion-in-fiji-with-new-mobile-payment-acceptance-solution-for-women-entrepreneurs>.

107 RBF. Launch of Subsidy Scheme to Boost E-Commerce. Available at: <https://www.rbf.gov.fj/rbf-media-note-launch-of-subsidy-scheme-to-boost-e-commerce>.

108 AFI member interview with RBF, December 2021.

109 Office of the Attorney General. The Laws of Fiji. Available at: <https://laws.gov.fj/Acts/DisplayAct/3233>.

110 UNCDF. 2022. Parametric Insurance Product becomes first solution admitted for testing in FinTech Regulatory Sandbox. Available at: <https://www.uncdf.org/article/7397/parametric-insurance-product-becomes-first-solution-admitted-for-testing-in-fintech-regulatory-sandbox>.

111 AFI member interview with RBF, December 2021.

CONCLUSIONS

As an AFI member with small organizational structures, RBF reports being an eager participant in regional collaboration and global peer learning opportunities facilitated by AFI. The RBF team credits these learnings and the topical support for peer review of key strategy documents as an essential ingredient of its success.

Indeed, Fiji has, in many ways, punched above its weight.

By taking on the challenge of mobilizing data for evidence-based policymaking on the demand and supply-side and doing so for a closer look at women and various aspects of vulnerability and marginalization. Just in time for the arrival of the pandemic, these enabled RBF to have a clearer understanding of the impact of the crisis and determine an effective response while facilitating the review of the just expired NFIS and the drafting of its update.

With well-established structures of coordination and collaboration covering public sector and private sector stakeholders alike, RBF was able to see through the implementation of long-term policies and the launch of crisis response.

Recognizing that to make continued progress, a generalized and cross-cutting approach to women needed to evolve into a gender-intentional one. This is more effective in mobilizing public resources and, in turn, the private sector if it is clearly embedded in national development priorities that also reflect the centrality of women to their achievement. When many other issues are competing for resources and the attention of policymakers, as in times of crisis, this matters even more.

By widening and leveling the playing field for new entrants, particularly in the space of DFS, and continuing to do so for the newer generation of FinTechs. Considering the challenges of building commercially viable operations in a small island nation, promoting large-scale opportunities for DFS inclusion appears particularly important. International remittances, G2P, and the Fiji-specific “wage digitization” of communal land-lease income represent such opportunities.

There clearly is work left to do. RBF has rightly identified it in deepening financial services and seeking to boost usage while promoting access to formal and digital finance to those on Fiji’s islands not yet using them. As this happens, the sharpened focus on marginalized and vulnerable groups (often with an intersection with women) is likely to become more prominent.

With all of these tools, RBF could not only play an important role in tackling one of the world’s harshest macro-economic fallouts from pandemic disruptions but also promote the cause of (women’s) financial inclusion doing so.

ACRONYMS

DFS	Digital Financial Services
DSS	Demand-side Survey
FDB	Fiji Development Bank
FNPF	Fiji National Provident Fund
FSP	Financial Service Provider
G2P	Government-to-people
GIF	Gender Inclusive Finance
IGF	Inclusive Green Finance
ILO	International Labour Organisation
MFI	Microfinance Institution
MSME	Micro, Small, and Medium Enterprise
NFIS	National Financial Inclusion Strategies
NFISP	National Financial Inclusion Strategy Plan
NFIT	National Financial Inclusion Taskforce
PFIP	Pacific Financial Inclusion Programme
RBF	Reserve Bank of Fiji
UNCDF	United Nations Capital Development Fund

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APPENDIX

COUNTRY SNAPSHOT: FIJI

Population & Social Development

Population, total	902,899	GDP growth (annual percent)	-4.1% (2021)
Life expectancy	68 years	Poverty gap at \$2.15 a day (2017 PPP) (percent)	1.3%
HDI rank	93 of 189	Social institutions and gender index	37.35% (lower = better)
Languages	English, Fijian, and Hindi	Urban population (percent of total population)	58%

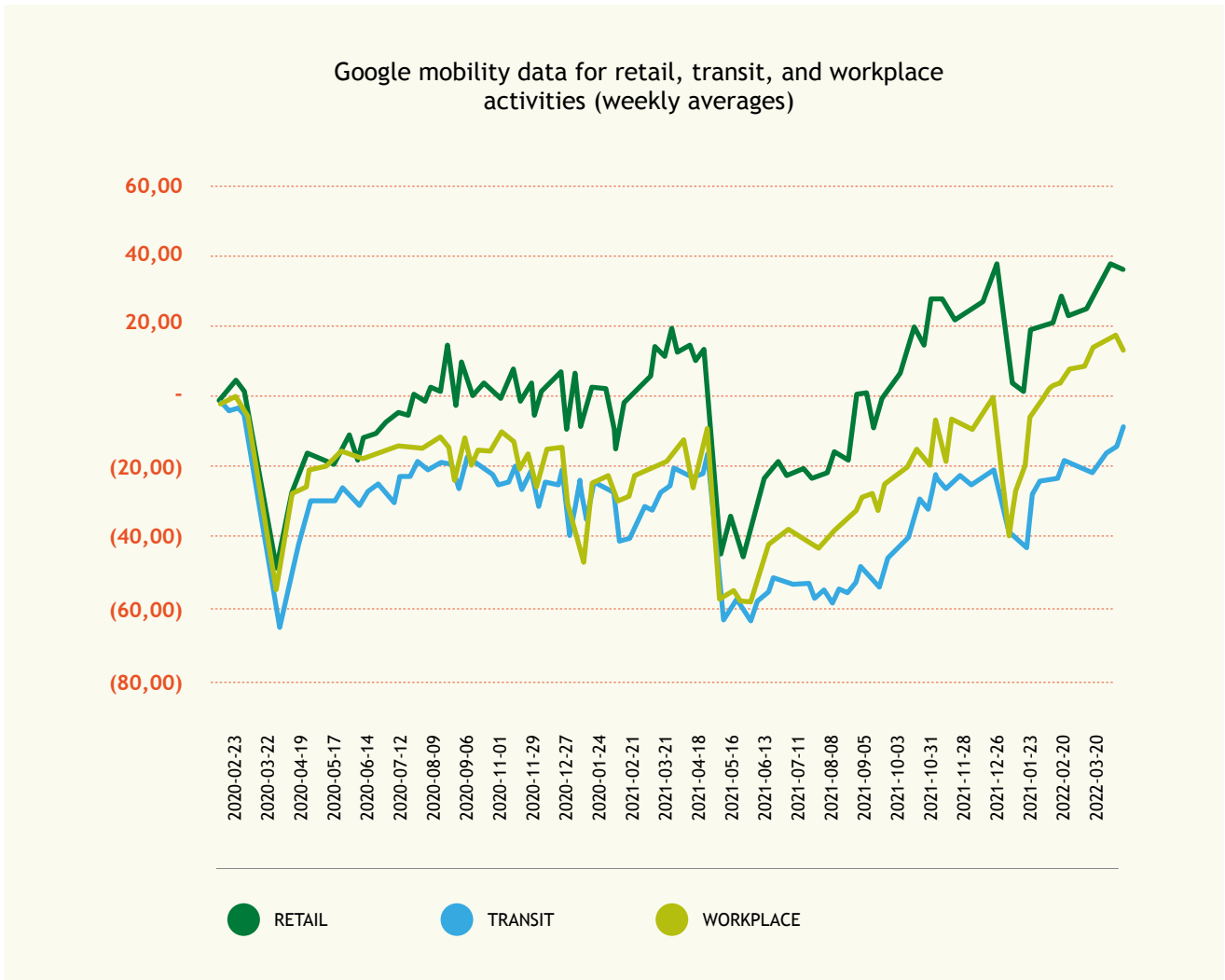
Economy

GNI per capita (PPP)	\$11,450	Tax revenue (percent of GDP)	23%
Status	Upper middle	Government expenditure (percent of GDP)	33%
GINI index (World Bank estimate)	30.7 (2019)	Manufacturing, value added (percent of GDP)	10%
percent SME Female owned	19% ¹¹²	Ease of Doing Business Rank	102 of 190

112 UNESCAP. 2019. United Nations launches project to boost women's entrepreneurship in Fiji. Press Release. Available at: <https://www.unescap.org/news/united-nations-launches-project-boost-women-s-entrepreneurship-fiji>.

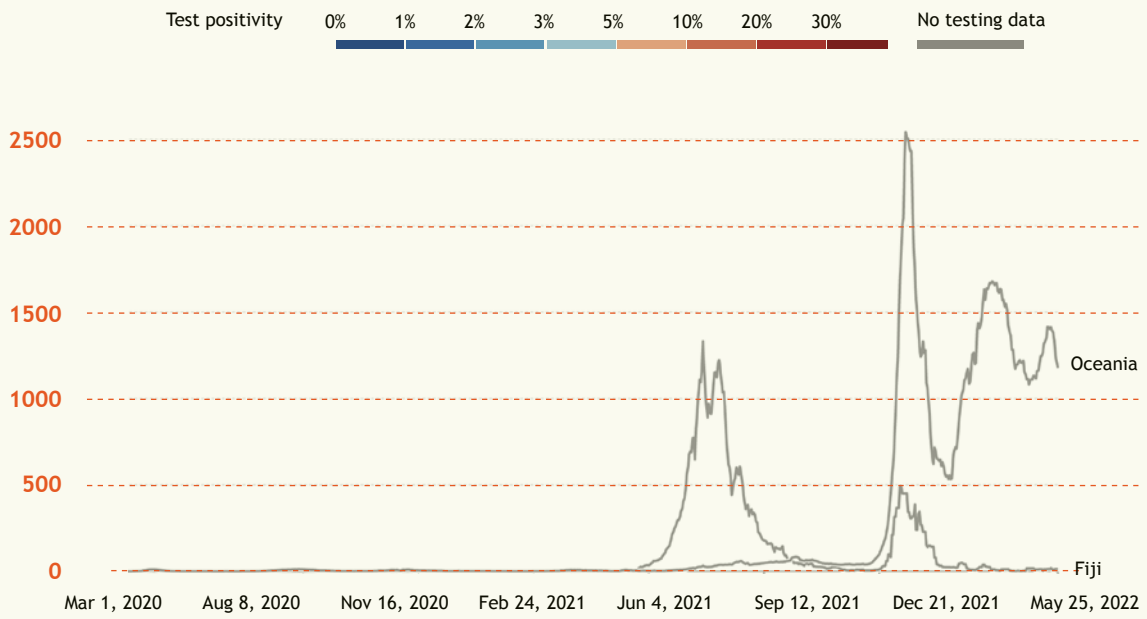
COVID-19 IMPACT

Google mobility data shows activity changes in several public settings (shops, restaurants, workplaces, parks, etc.) compared to a baseline (the median value) for the corresponding day of the week during the five weeks between 3 January and 6 February 2020.¹¹³



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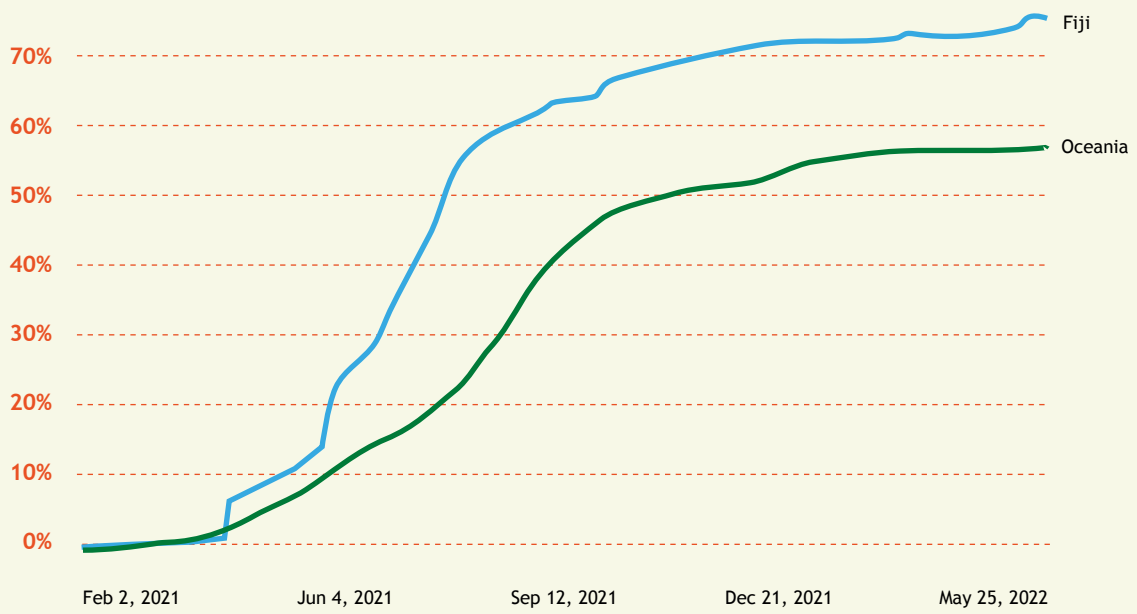
DAILY NEW CONFIRMED COVID-19 CASES PER MILLION PEOPLE



Source: John Hopkins University CSSE COVID-19 Data, Official data collated by Our World in Data

SHARE OF PEOPLE WHO RECEIVED AT LEAST ONE DOSE OF COVID-19 VACCINE

Total number of people who received at least one vaccine dose, divided by the population of the country



Source: Official data collated by Our World in Data

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