

2019 Financial Inclusion Report





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Chairman's Foreword

The Reserve Bank of Fiji (RBF) is committed to building an economy where every Fijian, regardless of their background, gender or income, can access the financial services and products they need to manage their day-to-day lives. Financial inclusion is an integral part of our mission to play an influential role in the development of the economy. Our program empowers Fijians economically to meet their financial needs and achieve their lifelong financial goals. In doing so, this allows them to contribute to building Fiji's economy.

Partnering with licensed financial institutions (LFIs), donor agencies, civil society organisations and various Government agencies is vital to this work and the RBF strives to provide strategic leadership and promote best practices in the concerted drive for financial inclusion.

In this report we highlight the progress made over the last year and pay special tribute to a number of financial inclusion champions that have worked tirelessly to advance the financial inclusion agenda within their own institutions.

Financial inclusion is widely acknowledged, by researchers and policymakers, as a key enabler to achieving many of the 2030 Sustainable Development Goals (SDG). As part of its efforts to achieve these goals, the RBF has focused its efforts toward providing an enabling regulatory environment that allows for affordable and accessible financial services that meet the needs of the underserved segments of our society that include micro, small and medium entrepreneurs and farmers. In this respect, and in understanding the integral role that entrepreneurship plays in economic empowerment and development, the RBF embarked on a plan to nurture entrepreneurial participation and develop the MSMEs Sector.

The RBF embarked on its journey to improve access to finance for the MSME sector through its secured transactions reform program. After a number of years of work, on 31 May 2019, Fiji launched its first online, 24/7 electronic register, the Personal Property Securities Registry (PPSR) which allows lenders to file notices of security interest on moveable assets, excluding land and building, pledged as collateral for loans. The RBF will continue to work with the private sector and development partners to build capacity, raise awareness and design products and services for the MSME sector.

Over the year, the RBF also issued a Minimum Requirement for the Provision of Disaggregated Data to foster evidence-based policy development and decision making.

We are happy to note some positive results across various targets set in the National Financial Inclusion Strategic Plan (NFISP) 2016-20. Insurance, credit, and mobile money usage have surpassed targets set in the NFISP. Access to formal financial services increased to 76.8 percent, a mere 8.2 percent short of achieving our overall target of 85 percent or 130,000 adults by the end of 2020. There are some challenges in data collection and collation for other indicators and efforts to gain traction on these will be prioritised in the coming year.





I am also encouraged to note the positive reactions and comments we have received from viewers of our iTaukei *Noda i Lavo* TV programme. The series is now in its fourth season but new information and topics continue to be added generating much discussions and interest amongst the viewers. Financial education and awareness, beginning at primary school level to adult learning levels in communities, villages, churches and workplaces, complement the work we do in this area. In the next year the RBF will take the lead in ensuring that awareness programmes and financial education is accessible by every Fijian regardless of where they live through the use of non-traditional channels of disseminating information and learning.

On behalf of the RBF Board and Management, I acknowledge the contributions of all partners and stakeholders involved in this journey toward the attainment of the 2020 targets.



Ariff Ali | Governor and Chairman, National Financial Inclusion Taskforce.

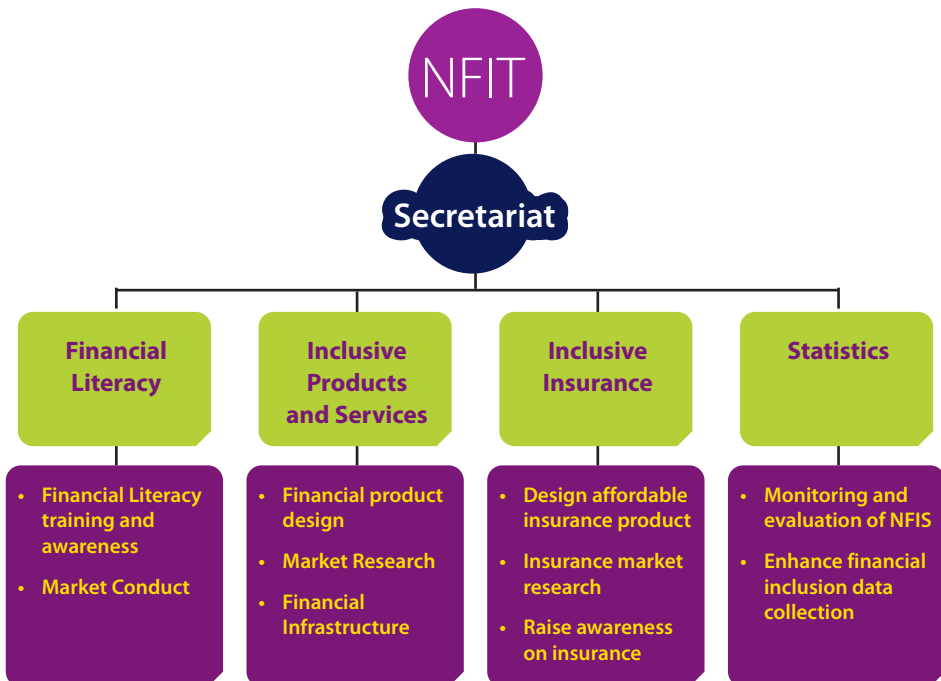




National Financial Inclusion Taskforce

The National Financial Inclusion Taskforce (NFIT), established in 2009, is currently chaired by the Governor of the RBF. NFIT comprises the Permanent Secretaries from Office of the Prime Minister, Sugar Industry and Foreign Affairs; the iTaukei Affairs (iTLTB); Disaster Management, Rural and Maritime Development and Lands and Mineral Resources (Acting). Other members include heads of statutory organisations of the iTLTB and Fiji Bureau of Statistics, senior officials from the Market Development Facility and Pacific Financial Inclusion Programme (PFIP), Board Director and Deputy Governor of the Reserve Bank and the respective chairpersons of the NFIT Working Groups (WGs). There are four WGs under NFIT namely, the Financial Literacy (FLWG), Inclusive Products and Services (IP&SWG), Inclusive Insurance (IIWG) and the Statistics (SWG).

In 2010, the first NFISP was launched as a result of collaboration between the RBF and PFIP. The second NFISP was launched in 2016. The WGs are responsible for driving the implementation of the NFISP and coordinating the programs and initiatives that would enable the achievement of the overall objective of increasing access to formal financial services for the adult population from 64 to 85 percent (130,000 adults), of which 50 percent are women. Activities of the WGs are reported to the NFIT on a quarterly basis. Secretariat support to NFIT and the WGs is provided by the RBF.





Empowerment of Women, Youth and those living with Disabilities

Empowering women economically drives social progress and mobility and has a direct impact on economic growth. Today, women in Fiji are increasingly contributing to economic, political and social transformation, however, although significant progress has been achieved, there still remains a persistent gender gap with regards to access to basic accounts in our financial system.

As at 31 December 2018, 67.0 percent of Fiji's female adult population were formally served compared to 80.8 percent of the male adult population. The latest disaggregated data for Fiji registered that 74 percent of adults in Fiji have a formal bank account of which 44.9 percent are women and 55.1 percent are men.

The following programs were undertaken in the period to try to address this gap and to empower women.

SPBD Fiji Bloom Business Accelerator Program

On 19 November 2019, the South Pacific Business Development (SPBD) Microfinance (Fiji) launched a new initiative designed to nurture women owned business from the ground up. The Fiji Bloom Business Accelerator Program designed a transition pathway for women led micro-enterprises in preparation to access capital and capacity building services that are generally not accessible to small business owners due to their cost, relevance and reach.



Fiji Bloom has three core programmes tailored to the needs of women led businesses; business development services, MSME preparation and the Accelerator program which assisted entrepreneurs to formalise and grow their business and enhance their skills through six months of business training, coaching and networking.

Ten women led microenterprises were inducted to the program where they were to start a new six months business accelerator program.

Persons with Disabilities (PWDs)

The RBF delivered a presentation on financial inclusion during the 6th Pacific Regional Conference on Disability in Nadi. The conference discussed the current gaps to be addressed and the critical actions to be undertaken to effect critical change and make a difference in the lives of persons living with disabilities in the Pacific.

The theme of the conference was 'From Recognition to Realisation of Rights: Furthering Effective Partnership for an Inclusive Pacific 2030 for Persons with Disabilities' and was attended by the various disability groups throughout the Pacific.





In the presentation, the RBF shared bank account ownership for PWDs from the 2017 Population and Housing statistics and highlighting the gender gap between men and women with regards to bank account ownership. The statistics showed a gender gap of six percent higher for males across all age groups. The presentation also underlined current initiatives undertaken by the RBF through the NFIT and opportunities for PWDs to be financially included and be part of the NFIT.

The following commitments were made at the conference:

- Build and support a more inclusive disability movement;
- Extend the collaborative efforts to generate relevant and needed evidence, mainstream disability in development, gender equality and women empowerment, disaster risk reduction and climate change policies, programmes and services;
- Step up coordinated and focused investment towards ensuring comprehensive accessibility, access to assistive devices, support services and community based inclusive development which are essential preconditions for inclusion. This includes the development of a Pacific accessibility blueprint, catalysing regional cooperation on assistive devices and supporting the work of newly established community based inclusive development regional committee among others;
- Deepen partnership towards and mobilise the maximum available financial, human, technical and institutional resources towards inclusion of PWDs across regional and national initiatives; and
- Develop an innovative regional and multi-stakeholder mechanism in the frame of the Pacific Framework for the Rights of PWDs that would allow pooling of resources, further coordination of technical assistance and regional economy of scale to provide more responsive support to pacific countries in their diversity.



Rewa Women's Disability President, Ms Litia Naitanui with RBF representative.





Overall 2019 Microfinance Entrepreneur – Lako Yani Vou Co-operative

Lako Yani Vou is a co-operative formed by a group of business minded i-Taukei women from 17 villages in the tikina of Bau in the Tailevu province. Started in 2015 when the new Nausori Market was opened, the Co-operative rosters members on a daily basis to sell their produce from the Co-operative's market stall. Around 90 percent of the funds earned from their operations are shared among the members and 10 percent is invested back into the business to cover administrative costs.

Lako Yani Vou was the recipient of two awards at the 2019 National Microfinance Awards – the Partnership of the Year and the Overall Micro Enterprise of the Year.

With the total prize money of \$9,000 the Co-operative assisted women in Viwa village to set-up a Lako Yani Vou Co-operative Canteen – Viwa branch. The branch was loaned \$1,400 to finance the start-up stock. The loan was repaid within the first 3 months of operations. As its operations grew, the branch took out another loan of \$1,521 from the Co-operative in December 2019 to finance a deep freezer for the sale of frozen goods.



Lako Yani Vou's main initiative was the utilisation of \$6,500 of the prize money to pay the initial land premium and annual rent to the iTaukei Land Trust Board for an acquisition of a 3-acre piece of land at Viwa in Tailevu. They plan to develop the land for agricultural purposes to ensure the supply of fresh

produce on a consistent basis as well as provide the Co-operative with a sustainable source of income.

As of December 2019, a survey of the acquired land was in its final stages. The Committee has also consulted with the Ministry of Waterways and the Ministry of Agriculture for the assistance of proper drainage, soil testing, provision of seeds/shoots and land clearing.





Financial Inclusion Champion – Empowering Communities through Financial Literacy



Eseta Nadakuitavuki is currently the Senior Manager Microfinance and Women's Market at Westpac Bank Fiji. She is a seasoned banker having spent the past 25 years at Westpac holding senior posts and leading the banks' work in microfinance and women's market. Eseta holds a Bachelor's Degree in Management and Public Administration and Industrial Relations from the University of the South Pacific. She is currently the Chair of the NFIT Financial Literacy WG.

Motivation and passion:

Eseta is passionate about being part of the solution to a person's financial needs and empowering them to be financially independent.



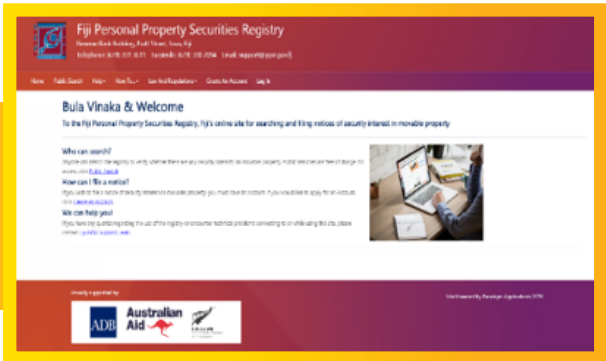
Financial Infrastructure

The world is being dramatically transformed by technology and in many ways has paved the way for the inclusion of many segments of our population. Innovative modes of financial services delivery, use of new technologies and the inclusion of vulnerable groups not previously included highlights the need to redesign the implementation, regulatory and landscape of our financial system. Regulators and financial service providers are challenged to identify the value they add to service delivery and product design. Fiji has a financial infrastructure conducive to microfinance, a real-time payment system, a credit reporting agency, a broad network of automatic teller machines (ATMs) and point of sales devices (POS) and in the reporting period, a personal properties and securities registry. Other infrastructure initiatives using digital platforms and enhanced technologies have also been tested and released to the market.

Personal Property and Securities Registry (PPSR)

The PPSR was launched on 31 May 2019. Development work on this initiative commenced in 2015 resulting in the Personal Property Securities Act 2017 (PPSA). Fiji now joins eight other Pacific Island countries, and many other countries all over the world in the reform of its secured transactions framework.

Led by the RBF, the reform was made possible with technical assistance from the Asian Development Bank Private Sector Development Initiative (ADB PSDI). Close collaboration with the Secured Transactions Reform Taskforce which comprised key industry stakeholders – financial institutions, the legal fraternity and relevant Government Ministries – ensured a smooth transition to the PPSR for Fiji by the effective date.



The online Registry is a crucial component of the secured transactions reform, as it allows lenders to file their interests in moveable assets pledged by borrowers. The Registry enhances the transparency

and efficiency with which lenders can now secure their interests and verify assets that have been previously pledged to other borrowers Consumers who also chose to buy moveable property privately can also search the Registry to ensure that the asset they wish to buy has not been pledged already.

As of 31 December 2019, there was 53,645 filings made on the Registry.





Regional Regulatory Sandbox – Consultative Forum

The RBF, in conjunction with the Pacific Islands Regional Initiative (PIRI) and the Alliance for Financial Inclusion (AFI), hosted a consultative forum in Suva on 24-25 October for key stakeholders towards the development of a Regional Regulatory Sandbox (Regional Sandbox).

Fiji was the first PIRI member to be visited by AFI as part of its seven-country regional regulatory sandbox roadshow aimed to discuss and understand specific requirements for operationalising the seven-country initiative.

The AFI mission team and the RBF used the opportunity to leverage insights into the strides that Fiji has made in the digital financial services platform and towards the development of a national regulatory sandbox – one of two proposed national regulatory sandboxes in the Pacific.

The Regional Sandbox is earmarked to be the first multijurisdictional regulatory sandbox in the world and is designed to enable and facilitate controlled testing and deployment of innovative, financial solutions within participating countries of PIRI – AFI’s initiative for its Pacific Island member countries including Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Vanuatu and Fiji.

The Regional Sandbox had its origins in the Fintech for Financial Inclusion Regional work stream launched by PIRI Leaders at the 4th PIRI High-level Forum meeting in Samoa in June 2018 after which its first deliverable was a training held in Dili, Timor-Leste in December 2018.

AFI heavily leveraged the experiences of the RBF and the Bank of Papua New Guinea, the two known PIRI countries developing national regulatory sandboxes, which, in contrast with the Regional Regulatory Sandbox, is designed primarily to facilitate entities intend to conduct experiments and deploy FinTech solutions within their respective jurisdictions only.



Stakeholders at the Regional Regulatory Sandbox Roadshow





FinTech Regulatory Sandbox

In December 2019, the Reserve Bank issued a new policy aimed at fostering the responsible development of innovative solutions in Fiji’s financial sector.

The *Financial Sector Development Policy No. 2 FinTech Regulatory Sandbox* provides an innovative and safe space that facilitates controlled live tests of new financial products and services prior to commercial deployment.



The issuance of the Guideline is a culmination of development work that the RBF embarked on in May 2017 to support financial innovation and respond to a growing interest for the introduction of new financial solutions aimed at addressing various gaps in the provision of services in our financial system

The Guideline sets out the terms of the Sandbox and is targeted for firms that have developed innovative solutions and technologies to improve the delivery of financial services.

These include financial service providers (FSPs) licensed and supervised by the RBF, FinTech firms and in exceptional circumstances individuals and other firms not primarily in the business of providing financial services but have technology-based solutions.

Credit Information Reporting Agency

The Credit Information Reporting Agency Pte Limited [CIRA] is a Fiji owned registered company set up solely for the purpose of providing credit information reporting services for businesses and consumers in Fiji. Licensed by the RBF in April 2018 as a Credit Reporting Agency, CIRA replaced the Data Credit Bureau and, post approval, has worked to put in place the necessary platform to meet legislative and regulatory requirements. The Fair Reporting of Credit Act 2016 mandates that prior to membership with CIRA, lenders and businesses must register first with the RBF. Membership allows lenders to commence credit reporting with CIRA and registration with RBF is

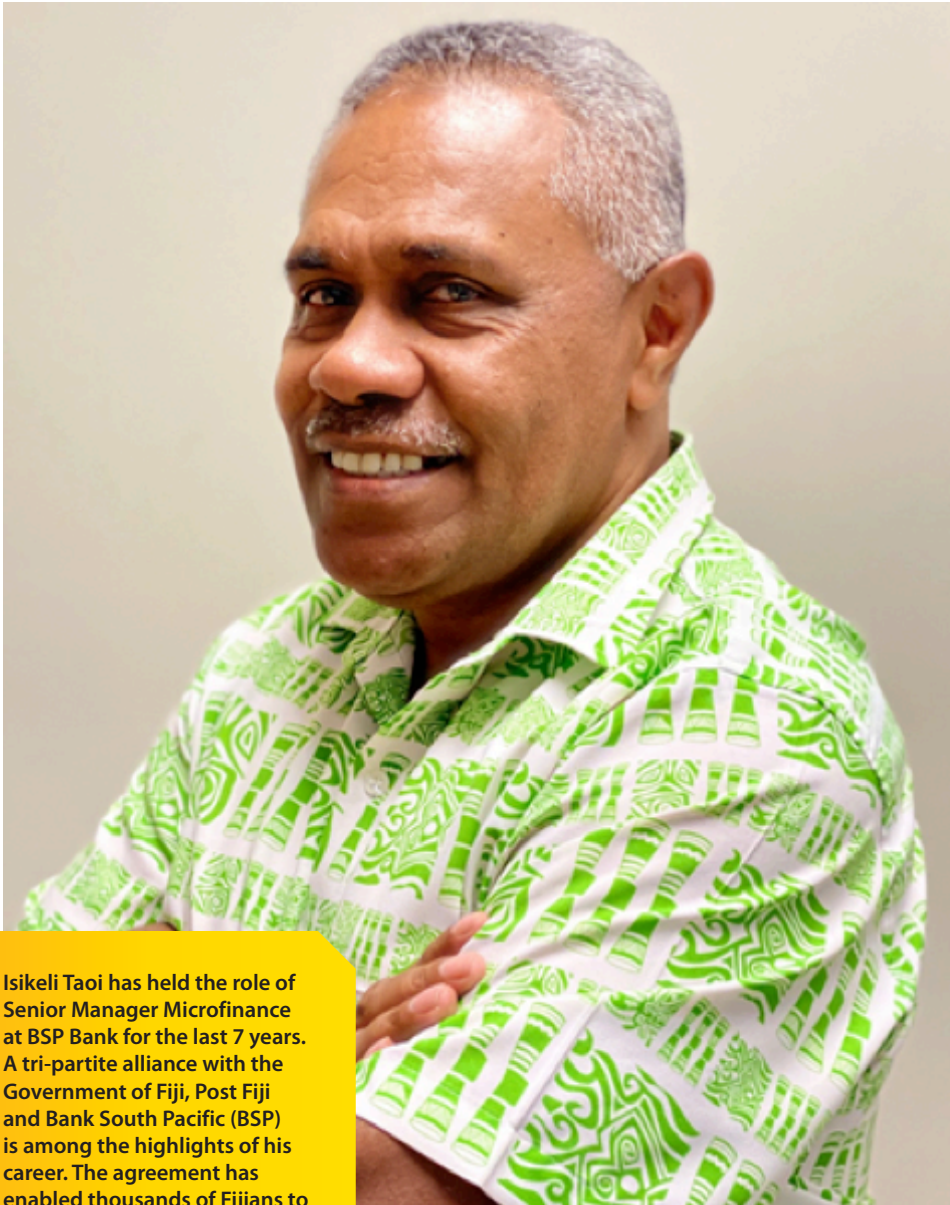


a requirement under the Fair Reporting of Credit Act. As at 31 December, 2019 CIRA had 6 members.





Financial Inclusion Champion – Agent Banking



Isikeli Taoi has held the role of Senior Manager Microfinance at BSP Bank for the last 7 years. A tri-partite alliance with the Government of Fiji, Post Fiji and Bank South Pacific (BSP) is among the highlights of his career. The agreement has enabled thousands of Fijians to open bank accounts, check their balance, withdraw and build their savings through deposits at their local post office. Isikeli has been involved in the NFIT Financial Literacy WG for a number of years.

Motivation and passion:

Isikeli is passionate about reaching Fiji's unbanked communities and bringing them the best possible financial services.



Digital Financial Services

In Fiji, interest has grown in using digital platforms to provide financial services to the unbanked and underbanked. Much of this interest is due to the dramatic rise in the number of mobile phone subscribers in emerging economies like Fiji, which now exceed the number of bank accounts in most countries. Increased numbers of subscribers, combined with the ease of doing business for many.

Mobile Money Initiatives – e Transport Kiosk

Vodafone Fiji Limited (Vodafone) commissioned nine self-service e-transport kiosks at major bus stands in Nausori, Suva, Sigatoka, Nadi, Lautoka, Ba and Labasa during the year.



The kiosks are accessible at all times for e-transport card top-up making it convenient for the general public who can instantly top up their eTransport cards in any Fijian denomination from \$1 to \$100. It also allows card holders to check their balances with a simple tap of the e-transport card.

Recipients of the Ministry of Education bus fare subsidy and, Ministry of Women, Children and Poverty Alleviation benefits will be able to redeem their card top-up and travel allowance through the kiosks.



QR Payment

Vodafone enhanced its M-PAiSA services with the launch of a new smartphone application ('App') to provide an enhanced user-interface for existing customers. The App comes with a new "Scan to Pay" QR Code payment feature that allows consumers to use their mobile phones to scan and pay for their shopping bills and make other purchases such as movie tickets and coffee from selected outlets. The new service is anticipated to improve the uptake of M-PAiSA in the coming year.

Uptake as at 31st December 2019 (2 months since launch):

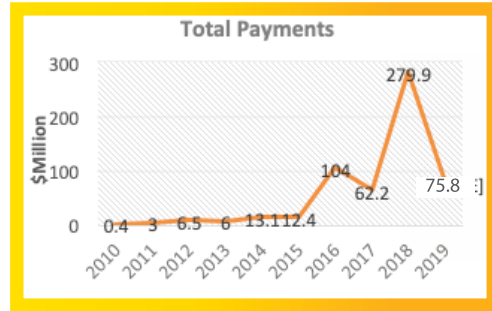
No of Vendors: 25
No of Outlets: 251

No of Transactions: 7,904
Value of Transactions: \$610,235

e-Money

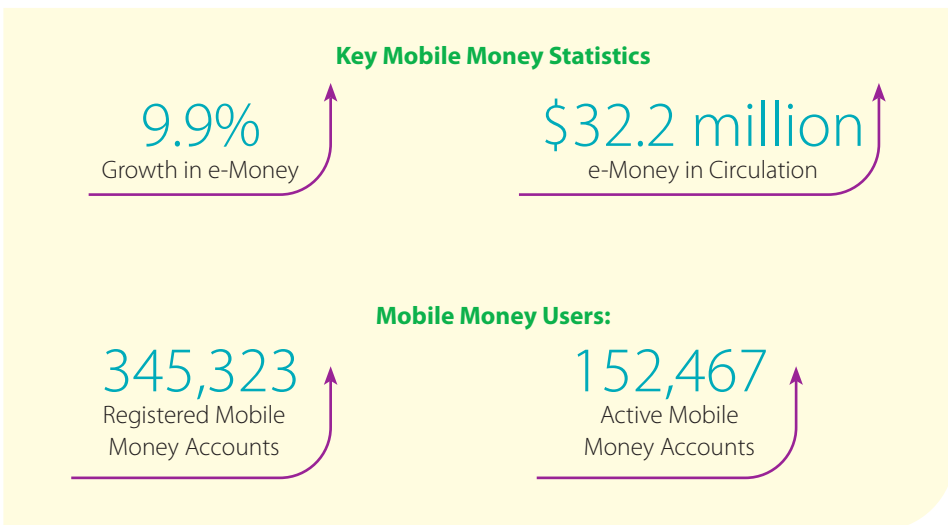
Total e-Money in circulation as at 31 December, 2019 stood at \$32.2 million, recording a 9.9 percent growth.

The number of registered mobile money accounts also increased during the year by 11 percent, registering 345,323 accounts of which 152,467 actively used their mobile money account. This accounted for 44 percent of those that have registered for a mobile money account. However, relative to the adult population, only 24.2 percent have an active mobile money account.



Total value of payments stood at \$75.8 million as at 31 December, 2019, a decline of 72.9 percent. This was due to completion of government assistance programmes disbursed through the mobile money platform following Tropical Cyclone Jose and Keni in 2018.

Bulk payments including G2P (38%) payments accounted for the major share of total payments in 2019. This includes payments processed for Tertiary Education Loans Scheme (TELS), South Pacific Business Development, Fiji Care, Dominion Finance and the Fiji Teachers Union Cooperative Thrift and Credit. Bill payments followed closely at 35 percent, largely driven by payments for Energy Fiji Limited prepaid electricity tokens. P2P payments (local transfers) accounted for 21 percent of total payments and airtime top-up accounted for the remaining 6 percent.



Apart from all the existing services currently available through M-PAiSA such as purchasing call and data credits, sending and receiving money and making utility payments, the App comes with a new "Scan to Pay" QR Code payment feature. The solution requires no investment in any hardware or addition systems by merchants but it will require users to have a smartphone with a camera to use QR Code pay.



Digital Finance Uptake

ATMs remain the most frequent used electronic channel over the period 2016 to 2019 with volume and value of transactions dominating at 78 percent (averaged volume at 21.95 million transactions) and 61 percent (averaged value at \$2.93 million) respectively. While the volume of EFTPOS transactions on average is higher when compared to internet banking (averaging 15% and 6% respectively), the value of these transactions showed signs of levelling off at an average of 20 percent. The less dominant channel of credit card recorded a much lower volume and value averaging 2 and 3 percent respectively.

In terms of usage of these channels, volume of transactions for EFTPOS and internet banking showed higher growth at 16 percent and 13 percent respective growth during the period 2017 to 2018. This is followed closely by ATMs at 10 percent and much lower growth for credit card at 3 percent for the same period.

Figure 1: Volume of Electronic Transactions from 2016-2018 by Channel

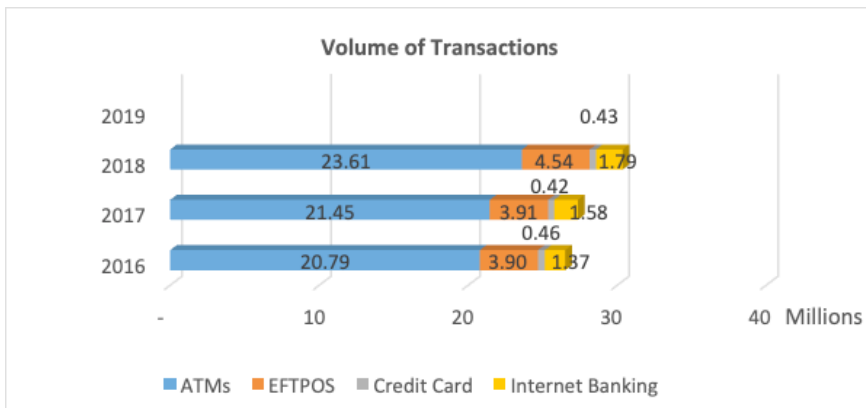
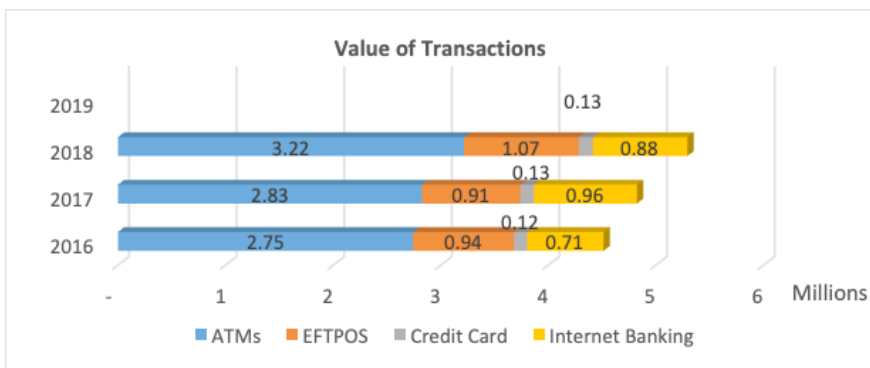


Figure 2: Value of Electronic Transactions from 2016-2018 by Channel





Financial Inclusion Champion – Transforming Financial Inclusion through Mobile Money



Shailendra (“Shalen”) Prasad is currently the Head of E-Commerce and Corporate Affairs at Vodafone Fiji. Shalen has worked for the Bank of New Zealand which is now ANZ Banking Group, Fiji Development Bank, DATEC Fiji and has also lectured and tutored at both FNU and USP in business studies and economics. He is a very active member of the NFIT Inclusive Products and Services WG.

Motivation and passion:

Shalen is passionate about economic empowerment through Financial Inclusion and the cashless revolution through mobile technology.



Inclusive Services and Products

Pacific Insurance and Climate Adaption Programme

To address the significant financing and protection gap that exists at the macro, meso and micro levels, the UNCDF and PFIP, in partnership with UNU-EHS hosted the Munich Climate Insurance Initiative (MCII). The initiative designed the Pacific Insurance and Climate Adaption Programme (PICAP) to address Pacific Small Island Developing States (PSIDS) vulnerability and lack of access to climate and disaster risk financing (CDRF). PICAP is intended to equip governments and communities with tailored CDRF strategies and solutions that will help them address the growing impacts of climate change.

PICAP will build resilience via four work streams:

- 1) Risk Appraisal and Research: Increasing risk awareness and understanding;
- 2) Policy and Regulation: Preparing the enabling environment for the introduction of CDRF tools, including parametric (index based) insurance, and the creation of CDRF strategies;
- 3) Product Development: Developing and deploying market-based insurance and blended financing instruments for the micro and meso levels; and
- 4) Consumer Empowerment: Educating individuals and consumers on the benefits of using insurance and other risk financing tools as part of a disaster risk management strategy.

The overall objective of PICAP is to improve the financial preparedness of Pacific governments and communities to deal effectively with disasters. Being financially prepared would result in faster post disaster recovery, rebuilding of livelihoods and improved levels of resilience.

During the initial exploration for the PICAP initiative, PFIP and MCII completed two scoping and feasibility assessments in six Pacific countries in 2019 – the first mission was conducted in Fiji in partnership with the RBF in February followed by Vanuatu and Tonga and the second mission in October covered Papua New Guinea, Samoa and Solomon Islands. PFIP complemented these missions with individual consultations with the different stakeholders. This culminated in stakeholder workshops to present the PICAP objectives, logic, implementation plans, and workstreams. PFIP and MCII are working on developing the PICAP Programme Document (ProDoc) based on primary and secondary research data, inputs obtained via meetings and interviews with key stakeholders including relevant government departments, private sector stakeholders, Central Banks, insurance regulators, FSPs, mobile network operators, civil society organisations, non-governmental organisations (NGOs), other UN agencies, Council of Regional Organisations of the Pacific agencies, farmer cooperatives, donors, development partners and focus groups of selected customer segments. The aim is to have the PICAP ProDoc ready by first Quarter of 2020. The completed document will be shared with key donors and developments partners for project funding and implementation support.





Financial Inclusion Champion – Women Empowerment



Elrico Munoz (“Rico”) has more than 25 years of diverse experience in the microfinance space and has been managing SPBD Fiji for 8 years. Rico also served as the General Manager of SPBD Samoa and also helped to launch and establish the start-up operations for SPBD Tonga as a short-term consultant to the General Manager. Rico holds an MM in Business Management and a BA in Psychology from the University of the Philippines.

Motivation and passion:

Rico is passionate about how SPBD is making a positive impact in their members’ lives and helping the members become successful business owners and excellent managers of their finances.



Financial Literacy and Consumer Protection

With the rapid pace of financial innovation, the growing complexity of financial products and the increasing amount and size of financial risks and responsibilities on consumers, it can become complicated for the average consumer to successfully navigate the financial marketplace. In Fiji, consumers who fall into vulnerable groups are challenged even more so to receive information and products suitable for them which makes our efforts to protect consumer and raise financial literacy even more important. Whilst the RBF leads some of the awareness programmes, the involvement of stakeholders and individual programs being facilitated by financial institutions and agencies ensures that a wide cross section of Fijians have access to financial education and information.

Noda i Lavo – iTaukei financial literacy TV Program

The *Noda i Lavo* TV programme was launched in 2017 as a financial literacy programme. It is hosted by the RBF’s Tevita Gade and is aimed at changing mindset and behaviour through one to one interviews with various representatives of financial institutions.

The programme was developed by the RBF in collaboration with the Fiji Broadcasting Corporation and financial stakeholders. Season 3 was produced and aired in 2019 with 13 episodes that featured investments in capital markets, insurance, agricultural programmes and assistance available to the public, farmers app, mobile money and the move towards a cashless economy and the role of RBF in complaints management.

Since the inception, *Noda i Lavo* has successfully disseminated information during prime TV time increasing the interest of itaukei viewers in the financial products and services being discussed. The programmes has led to the increased requests for awareness also.



Episode 1 & 2: Capital markets Investments	Episode 8&9: Ministry of Agriculture Products & Assistance
Episode 3 & 4: Bundled Insurance	Episode 10: Farmers App
Episode 5: Testimony by	Episode 11: Viti Bonds
Episode 6: BIMA Insurance	Episode 12: FijiClear
Episode 7: Testimony by BIMA insurance beneficiary	Episode 13: Complaints at RBF



Complaints Management

Complaints that are unresolved by LFI's can be escalated by complainants to the RBF.

Complaints management is an important component of our consumer protection mandate.

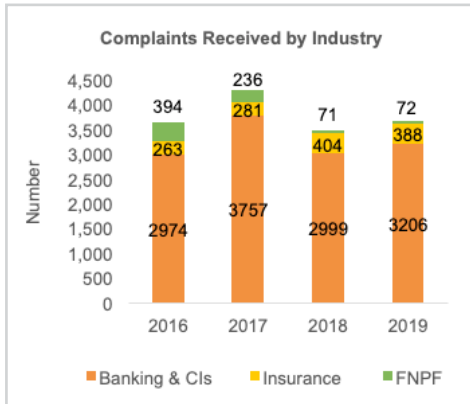
Through the complaints management policy framework established in 2013, LFIs must ensure that customer complaints are promptly investigated and resolved in a satisfactory manner. Any complainant not satisfied with the resolution provided by the LFIs can escalate their complaint to the RBF.

During the year, a total of 3,666 new complaints were registered by all the LFIs, an increase of 5.5 percent compared to the previous year.

This was attributed to an increase in complaints received by Commercial Banks (CBs) and Credit Institutions (CIs) by 6.9 percent (207 new complaints). Although complaints relating to electronic banking saw a decline in 2019 by around 2 percent compared to the preceding year, it still recorded the most number of complaints at 25.1 percent followed by customer service at 15.8 percent and systems at 15.3 percent.

Complaints registered with the insurance sector experienced a decline of 4.0 percent (16 new complaints). Complaints relating to motor vehicle recorded the highest for the insurance industry accounting for 50.3 percent for 2019 compared to 45.0 percent in 2018. Medical insurance complaints followed closely at 10.6 percent in 2019 comparable to 2018.

Out of the total complaints registered with the LFIs, only 2.3 percent (84 complaints) were escalated to the RBF where 55 percent (46) are from the CBs, 38 percent (32) from the insurance sector, six percent (5) from CIs and one percent (1) from foreign exchange dealer.





ANZ Financial Literacy Program Helps Fijians Improve Financial Wellbeing



An independent report by the Melbourne RMIT University on the impact of ANZ's Money Minded program to improve personal and household money management found significant improvement in financial knowledge, skills and capabilities. The report said that 96 percent of the respondents had improved their ability to meet daily financial commitments and meet unexpected expenses, whilst 94 percent reported a savings habit after completing the Money Minded training.

Since 2010, around 12,000 people have taken part in the Money Minded training, which has been implemented with the support of corporate and community partners such as Ola Fou, Live and Learn, Digicel, Fiji National University, Fiji National Provident Fund, HART, Paradise Beverages, Republic of Fiji Military Forces and Fiji Police Force.

*The single biggest difference
between financial success and
financial failure is how well you
manage your money. It's simple:
to master money, you must
manage money.*

T. Harv Eker





Financial Inclusion Champion – A Passion to help Others



Sitiveni ("Siti") Rokovesa Marovia is currently the Head of Centralised Lending and Financial Inclusion at the ANZ Bank. He is a seasoned banker having worked his way up at ANZ and holding a number of senior positions for the past 20 years. He worked for a short period at Air Pacific before he started as a part time teller at ANZ. Siti has been an active member of NFIT since its inception and is currently Chair of the Inclusive Products and Services WG.

Motivation and passion:

Siti is passionate about helping communities improve their living standards and seeing them move out of poverty through lessons learnt from their financial literacy programmes.



Private/ Public Sector Collaboration and Partnership

Public-private partnerships that are directed and well organized can spur positive change that impact Fijians and government alike. For financial inclusion, we need the public sector to help with regulations and the creation of a good business climate while on the other hand, the private sector can bring distribution, innovation, efficiencies, and the capacity to execute.



Hon. Minister for Women, Children and Poverty Alleviation, Mereseini Vuniwaqa

National Poverty Forum

Realising the need for a multi-sectoral approach to poverty reduction, the Ministry of Women, Children & Poverty Alleviation, through the Poverty Monitoring Unit, conducted a two day National Poverty Forum in June with the theme “Leaving No One Behind”.

The objective of the forum was to: strengthen partnership between government, development partners, private sector and faith-based organisations; promote gender mainstreaming and importance of disaggregated data; create awareness on poverty reduction strategies and create the necessary platform of poverty dialogue and consultation amongst stakeholders.

The RBF delivered a presentation on improving livelihoods through inclusive financial services, highlighting success stories of entrepreneurs, challenges and opportunities to driving financial inclusion in Fiji.

At the end of the forum, a National Taskforce Committee for Poverty Alleviation was proposed to allow for a more comprehensive and inclusive collaboration amongst stakeholders and communities to ensure that development in both rural and urban areas are targeted to improve livelihood opportunities for all Fijians.





Advocacy – 6th National Microfinance Awards (NMA)

This 2019 NMA was organised by the Reserve Bank of Fiji, NFIT and its sponsoring partners:

- **Gold sponsors: ANZ Bank, HFC Bank, Westpac Bank and PFIP**
- **Silver sponsors: Bank of South Pacific and Lide Insurance Company of India**
- **Bronze sponsors: BRED Bank, Bank of Baroda.**

The NMA was first held in 2013 and has been an annual event made possible through the continuous efforts and partnerships with financial institutions and stakeholders in the MSMEs sector. The Awards is one of the many initiatives of the NFIT that provides a platform to raise awareness and promote financial inclusion in Fiji. It is linked to the National Financial Inclusion Strategic Plan 2016-2020, empowering women and grassroots communities to improve their livelihoods through entrepreneurship.

The Awards recognises exceptional achievers in the Individual, Partnership and Young Micro-entrepreneur categories as well as outstanding Microfinance Service Providers (MSPs). This year, three new categories were introduced; Best Innovative Microenterprise, Best Microfinance Farmer and Rising Star Start-Up.

The 2019 Award Winners were as follows:



Best Microfinance Entrepreneur (Individual Category) Award – Mere Suwea

Mere started her handicraft business at the Suva Flea Market in 2015, before she moved to the Women’s Centre at the Suva Municipal Market in 2018. She possesses a wealth of experience in weaving mats in addition to skills in other related activities like making salusalu, vau skirting, magimagi, masi and

recycling of used materials. She manages her business really well and keeps her books and records in order. She has a good record keeping system and demonstrates a healthy financial position including investments with the Fijian Holdings Unit Trust.



Best Microfinance Entrepreneur (Partnership/Co-operative Category) Award – Lako Yani Vou Co-operative Ltd

The co-operative was formed by a group of business minded i-Taukei women from 17 different villages within the tikina of Bau in the Tailevu province. The business started in 2015 when the



new Nausori Market was opened. Members are rostered and rotated on a daily basis to sell their produce from their stall. Around 90 percent of the funds earned from their operation are shared among the members and 10 percent are invested back into the co-operative for administration costs. These women are empowered from their efforts and are able to support and provide for their families.

Young Entrepreneur Award – Elenoa Rika

She started her sarong printing business from a very small space at Raiwaqa Housing in 2015 and at the end of 2017 she relocated to a bigger space. She then extended the scope of her business to custom made fabric designs. She now received orders from both local and overseas, and during peak times she employs youths from the neighbourhood.



Farmer of the Year Award – Joji Ramasima

A mechanic by profession, Joji resigned in 2003 to run the family dairy farm business. To better equip himself for the new venture, he went to NZ for a one and a half years for hands-on training on dairy farming. Upon his return, he made several changes and implemented new strategies that saw the elevation of their farm from where it was to a more stable situation. He took full ownership of the farm in 2014 and is a registered farmer under Fiji Cooperative Dairy Company Limited to whom he supplies around 110 litres of milk daily. Following the Bovine Tuberculosis outbreak in 2018 which affected his supplies, he decided to diversify and engaged in short term farming for dalo and ginger. The dairy waste products are re-engineered back into the crop farm as fertilisers improving yield and cost savings.



Innovative Micro Entrepreneur Award – Marica Murphy

She started her small business by selling sweets and roti parcels in the Levuka Town vicinity 20 years ago. From humble beginnings, she is now the owner of the famous Murphy's restaurant located in Levuka Town. Her business has enabled her to financially





support her eight children's education. She took eight loans in total from Fiji Council of Social Services on different occasions and being a responsible debtor, most loans were paid off well before the fixed period.

Rising Star Award – Ms Akanisi Sugu



After 32 years of being an employee for several cafes she decided to take a bold step in 2015 and set-up her own café business in the heart of Suva City. Her experience in the field and baking expertise lead to her customers returning for more which contributed to the sustainability of her business. Income generated from the business has allowed her to provide for her family, extended their dwelling and put her children through tertiary school.

The 2019 FinEd Innovation Award Recipients were: Primary School Category –

A school from each of the four Ministry of Education divisions were recognised for their efforts in employing innovative ideas in implementing FinEd.

Northern Division:

Muanidevo Sanatan Primary School – Dreketi

The students of Muanidevo Sanatan Primary School made piggy banks and were encouraged to open bank accounts to save. They were also involved in preparing budgets and running the school canteen to experience planning, cash handling and record keeping.





Eastern Division:
Bureta District School – Levuka

The school convinced the members of their community to plant and sell dalo and cassava for the school to generate income to financially support school activities. Students have their own gardens to support their lessons on saving, spending wisely and sharing.

Western Division:
Maigania Muslim Primary School - Nadi

The school students made their own piggy bank from recycled materials with targets to fundraise. Funds were used to buy hamper packs that were donated to Nadi Children’s Hospital Ward, St Mina’s Orphanage and Treasure Home Orphanage to reinforce themes of saving, spending wisely and sharing.





Central Division:

Fiji School for the Blind - Suva

The school formed 6 clubs (Farmers Club, Bloom Club, 3R s Club, Chefs Club, Fashion Club and Music Club) to engage and support the students' interest and talent, as well as equip them with the necessary skills to earn a sustainable income. The funds collected were to be distributed to the members at the end of the year for their Christmas spending.

Primary school teacher Category

A primary school teacher from each of the education divisions were also recognised for their contribution towards FinED.

Eastern Division

Sheemal Prasad is a year 6 teacher at Levuka Public School, initiated activities for students to save daily and bank weekly. The activity allowed students to conduct banking, monitor their savings and spend wisely.

Central Division

Kitone Ligavatu is the Head Teacher and also year one and two teacher for a small rural school (Uluinakorovatu Primary School) in Beqa. He has won the school and teacher awards in the previous years. He organised his class to fundraise, save and purchase sandalwood seeds. Students planted and nurtured their seedlings and transplant it at their home backyard. Each plant when ready for harvest in 10 years should be able to generate income to assist students in their tertiary education.

Western Division

Deepak Datt is a teacher for year 7 at Penang Sangam Primary School in Rakiraki organised his class to create vegetable gardens where the produce are sold to students and teachers. This assisted them with saving, spending wisely and sharing.

Eastern Division

Sovaia Vasiti Saravaki is a teacher at Norah Frazer School for Special Education in Levuka. The students were encouraged to plant tomatoes, cabbage, lettuce and beans and then sell to the community as well to the teachers in school. It was challenging as many students find it difficult to hold the spade and fork to dig, however with a lot of patience from the teacher in charge, they manage to work independently with little supervision from the teacher.



Financial Inclusion Champion – Financial Management is Key Ingredient to Sustainable Entrepreneurship



Lagi Fisher is the President and National Coordinator of the Financial Management Counsellors Association of Fiji. Lagi has worked for the International Trade Centre, Fiji Development Bank, Fiji National Provident Fund and Tower Insurance. He has extensive experience in development banking, SME/ Agribusiness Financing and business advisory.

Motivation and passion:

Lagi is passionate about supporting microenterprises having watched his parents running their own businesses to support his education. He dreams of a Fiji where all citizens will have equal access to financial services in an enabling business-friendly environment.





Data Measurement

Disaggregated Data Policy

In recognition of the increasingly important role of data for financial sector development and financial inclusion evidence-based policy interventions, the RBF introduced an industry-wide Financial Sector Development Policy Statement on the Minimum Requirements for the Provision of Disaggregated Data (Policy) in June 2019 to capture granular data from all regulated and supervised FSPs.

The disaggregated data on financial services that was identified for collection was information on gender, age and location (by province) for bank/credit institution accounts (depositors and borrowers), payment instruments and services, mobile money wallets, insurance (life & general) policies, capital markets investments, remittances, and superannuation.

The first set of Policy reporting was for outstanding data as at 31 December 2018 and was due to the RBF on 30 September 2019. The exception to this was commercial banks who were only required to report data on new accounts opened in 2018 by the same deadline. Commercial banks were allowed an additional three months to report on outstanding account information at 2018 end by 31 December 2019. The reporting period thereafter will be as at 31 December of each year and due to the RBF by 31 March of the following year (within 3 months after the end of the calendar year).

At the end of the first reporting deadline and by 31 December 2019, RBF was able to achieve 94.3 percent response rate whereby 33 out of 35 FSPs reported their first set of disaggregated data. Data reported under the Policy is expected to assist in the monitoring and evaluation of financial inclusion initiatives and identifying the underserved segments of the population as well as unserved regions. reported under the Policy is expected to assist in the monitoring and evaluation of financial inclusion initiatives and identifying the underserved segments of the population as well as unserved regions.

Progress of Key Financial Inclusion Indicators

The financial inclusion indicators track the annual progress of Fiji's financial inclusion initiatives against the targets set in the NFISP 2016-2020.

In 2019, Fiji's financial inclusion indicators recorded mixed performances.

- While positive performance was noted in the headline indicator on the formally-served adult population, little to no progress was noted in delivery channel indicators.
- Financial product indicators showed mixed performance with positive outcomes noted for active mobile money usage, credit and insurance; all of which surpassed their respective 2020 NFISP targets.





- FNPF membership accounts, pension, savings and remittance sent through mobile money are still progressing slowly. Little progress has been made on the four quality indicators.
- An increase in cash-in and cash-out access points indicator is underpinned by an increase in MNO agents (39 agents) and microfinance centres (21), coupled with the inclusion of new access points including insurance companies, licensed credit institutions and Fiji Development Bank (FDB) branches (56 new points).
- All urban and the majority of rural administrative units (89.5%) have access to at least one financial access point.
- As at 31 December 2019, 76.8 percent of the adult population were formally served, gradually increasing by an average of 3 percent over the past four years.
- Moderate progress was noted across demographic and geographic indicators with the highest year-on-year percentage increase recorded for youth (17.3%) followed by women (10.2%) while the Eastern division recorded the lowest at 3.2 percent.
- Positive outturn in active mobile money accounts for 2019. While the uptake of mobile money remained low in the early years of the current NFISP, the launch of the M-PAiSA app and QR payments across many of the retail outlets (25 vendors in 251 outlets as at 31 December, 2019) in October 2019 coupled with bill payments and G2P saw a sudden 24.2 percent spike in the percentage of adults that have an active mobile money account in 2019 (152,467).
- Formal credit products are reported by all commercial banks and credit institutions and are discounted by 20 percent. The declining trend in the usage of formal credit products in 2018 and 2019 can be attributed to the upward movements in weighted average lending rate.
- Approximately 21.8 percent of the adult population have a savings account. While the number of savings accounts declined by 14.5 percent, the total value increased by 5.3 percent, averaging above \$26,000 per account. The decline could be attributed to competing products such as capital market investments and insurance policies.
- The number of persons covered under an insurance policy (persons covered under life and general policies) was used as a proxy for adults with an insurance policy. The 2019 data reported is provisional due to partial data received for 2019 (only data for life policies is available while general insurance policies are expected to be received by 31 March hence 2018 general insurance policies were used as a proxy for 2019).
- Remittances sent through mobile money increased by 37.5 percent in 2019 compared to a slower rate of increase in total remittance by 4.2 percent over the same period. The steady growth in remittance sent through the mobile money platform is attributed to Vodafone's partnership with RIA to open new remittance platforms in Australia and New Zealand.





- The percentage of FNPF membership accounts increased by 1.7 percent in 2019 registering approximately 12,000 new accounts. Around 71.5 percent of the adult population have a FNPF membership account.
- Pension take-up is relatively lower at 9.5 percent. An area of concern with this indicator is the percentage of members nearing retirement with low member balances. FNPF reported 66 percent (127,791) of members above the age of 45 to have less than \$10,000 balance in their accounts in 2019.
- Five quality indicators were adopted in the NFIS, including affordability, convenience and financial education. Very little progress has been made on the quality indicators except for entrepreneurial training.

Financial Inclusion Dimension	Core Performance Indicators	Baseline Data1	Mid-Term Target 2018	2018	2019	Target 2020
Access to formal Financial Products and Services	Number of cash-in cash-out financial access points per 10,000 adults	21	25	23	24	30
	Percentage of rural administrative units with at least one access point	88.0	89.0	89.5	89.5	90
	Percentage of account(s) at a formal financial institution	64.0	75.0	74.7	76.8	85
	Percentage of account(s) at a formal financial institution - Women	52.0	60.0	67.0	n.a	72
	Percentage of account(s) at a formal financial institution – Youth (aged 15–30)	51.0	65.0	74.3	n.a	80
	Percentage of account(s) at a formal financial institution – Eastern Division	44.0	55.0	35.9	n.a	70
	Percentage of account at a formal financial institution – Northern Division	55.0	65.0	59.8	n.a	80
	Percentage of account(s) at a formal financial institution – Western Division	62.0	75.0	72.8	n.a	85
	Percentage of account(s) at a formal financial institution – Central Division	73.0	80.0	71.3	n.a	90





Financial Inclusion Dimension	Core Performance Indicators	Baseline Data1	Mid-Term Target 2018	2018	2019	Target 2020
Usage of Products and Services	Percentage of adults that have an active mobile money account (used in the last 90 days)	2.2	8.0	3.3	24.2	15
	Percentage of adults using digital payments other than mobile money	8.1	12.0	n.a	n.a	15
	Percentage of adults using formal savings products	38.0	40.0	25.5	21.8	45
	Percentage of adults using formal credit products	6.9	10.0	15.5	15.3	15
	Percentage of adults with an insurance product	12.0	15.0	42.1	41.0	25
	Percentage of remittance sent through mobile money	0.5	5.0	2.4	3.2	10
	Percentage of adults with a FPNP membership account	65.0	70.0	68.6	70.3	75
	Percentage of adults using pension products	27.0	30.0	9.4	9.5	35
Quality	Cost of entry level to the banking system	\$16.67	n.a	\$31.67	\$31.67	\$10.00
	Average no. of documents required to open bank acc.	2.5	n.a	2.8	2.8	1
	Percentage of adults within 5km of an access point	54.0	n.a	n.a	n.a	n.a
	Entrepreneurial training integrated into tertiary education		WIP	WIP	Completed: FNU and USP	

Baseline Data is from the Demand Side Survey and Supply Side data for 2015.





2019 Key Financial Inclusion Milestones

Jan	<ul style="list-style-type: none">- Workshop on Financial Sector Disaggregated Data- Workshop on FinTech Regulatory Sandbox Guidelines
Feb	<ul style="list-style-type: none">- Presentation of Financial Inclusion For Those Living With Disability at the Pacific Disability Forum- Noda i Lavo Season 3 aired on FBC TV- NFIT Meeting- Agriculture Insurance National Working Committee Meeting- Pacific Regional Climate Risk Adaptation and Insurance Scoping Mission- Fiji National Provident Fund extended its membership to Six Year Olds under the Minor Voluntary Scheme
March	<ul style="list-style-type: none">- Agriculture Insurance: Products and Services Technical Working Group Meeting- PPSA ADB-PSDI Mission
April	<ul style="list-style-type: none">- Agriculture Insurance National Working Committee Meeting
May	<ul style="list-style-type: none">- Launch of the PPSR
June	<ul style="list-style-type: none">- Issued Financial Sector Development Policy Statement No.1 - Minimum Requirements For The Provision Of Disaggregated Data- NFIT Meeting- Launch of the Regional Insurance Awareness Campaign- Presentation of Financial Inclusion to National Poverty Forum- PPSA Stakeholder Workshop
July	<ul style="list-style-type: none">- 6th National microfinance Awards
Aug	<ul style="list-style-type: none">- 3rd FinEd Innovation Awards- Vodafone partnered with Courts Fiji and offered customers new payment method through MPAlSA
Sept	<ul style="list-style-type: none">- NFIT Meeting
Oct	<ul style="list-style-type: none">- Vodafone Fiji Limited added QR Code payment into the MPAlSA platform
Nov	<ul style="list-style-type: none">- Roadshow on World's First Regional Regulatory Sandbox in Fiji- NFIT Meeting
Dec	<ul style="list-style-type: none">- Issued Financial Sector Development Policy No. 2 FinTech Regulatory Sandbox Guideline





National Financial Inclusion Taskforce Members

Ariff Ali - Governor, Reserve Bank of Fiji and Chairperson, National Financial Inclusion Taskforce

Yogesh Karan - Permanent Secretary for Office of the Prime Minister, Sugar Industry and Acting Permanent Secretary for Foreign Affairs

Meleti Bainimarama - Permanent Secretary for iTaukei Affairs

David Kolitagane - Permanent Secretary for Disaster Management, Rural and Maritime Development and Acting Permanent Secretary for Lands and Mineral Resources

Tevita Kuruvakadua - RBF Board Director and Chief Executive Officer, iTaukei Land Trust Board

Rakesh Ram - Chief Executive Officer, HFC Bank and Chairman of Association of Banks in Fiji

Kemueli Naiqama - Government Statistician, Fiji Bureau of Statistics

Bram Peters - Programme Manager, Pacific Financial Inclusion Programme

Kevin McCarthy - Business Consultant/Bank Director

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Eseta Nadakuitavuki - Senior Manager Microfinance and Women's Market, Westpac Banking Corporation and Chairperson of the Financial Literacy Working Group

Peter McPherson - Managing Director, FijiCare Insurance Limited and Chairperson of the Inclusive Insurance Working Group

Sitiveni Marovia - Head of Centralised Lending and Financial Inclusion ANZ Banking Group and Chairperson of the Inclusive Products and Services Working Group

Mitieli Cama - Chief Statistician, Household Survey Unit, Fiji Bureau of Statistics and Chairperson of the Statistics Working Group

Esala Masitabua - Deputy Governor, Reserve Bank of Fiji

Poasa Werekoro - Acting Chief Manager, Financial System Development Group, Reserve Bank of Fiji





Abbreviations

ADB PSDI	Asian Development Bank Private Sector Development Initiative
AFI	Alliance for Financial Inclusion
ANZ	Australia and New Zealand Banking Group
ATMs	Automated Teller Machines
BSP	Bank South Pacific
CBs	Commercial Banks
CDRF	Climate and Disaster Risk Financing
CIRA	Credit Information Reporting Agency
CIs	Credit Institutions
CROP	Council of Regional Organisations of the Pacific
EFTPOS	Electronic Funds Transfer at Point of Sale
FDB	Fiji Development Bank
FinED	Financial Education
FNPF	Fiji National Provident Fund
FSPs	Financial Service Providers
LFIs	Licensed Financial Institutions
MCII	Munich Climate Insurance Initiative
MEHA	Ministry of Education, Heritage and Arts
MNO	Mobile Network Operators
MSME(s)	Micro Small and Medium Enterprise(s)
MSPs	Microfinance Service Providers
NFISP	National Financial Inclusion Strategic Plan
NFIT	National Financial Inclusion Taskforce
NGOs	Non Government Organisations
NMA	National Microfinance Awards
PICAP	Pacific Insurance and Climate Adaptation Programme
PFIP	Pacific Financial Inclusion Programme
PIRI	Pacific Islands Regional Initiative
PPSA	Personal Property Securities Act
PPSR	Personal Property Securities Registry
PSIDs	Pacific Small Islands Developing States
PWDs	Persons With Disabilities
RBF	Reserve Bank of Fiji
SDGs	Sustainable Development Goals
SPBD	South Pacific Business Development
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
VFL	Vodafone Fiji Limited
WGs	Working Groups





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