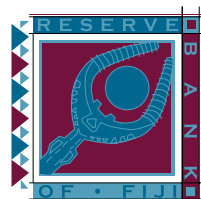


Financial Inclusion Report 2018



NFIT
National Financial
Inclusion Taskforce

**Reserve Bank
of Fiji**



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Governor and Chairman's Foreword

I am pleased to present the 2018 Financial Inclusion Report which highlights the achievements of the multistakeholder partnership and collaboration that have been established under the National Financial Inclusion Taskforce to improve livelihoods of all Fijians through financial inclusion.

The Reserve Bank of Fiji (RBF) acknowledges the strong commitment demonstrated by government and implementing partners in innovating new products and distribution channels that have greater reach. The remarkable progress made in the insurance front for instance has increased the level of insurance uptake by almost 20 percent within the year.

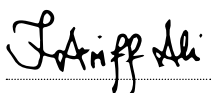
Digital financial services usage has gained traction and the increase of electronic transactions is a positive indication of the change in financial behaviours of customers. At the Reserve Bank, we have taken a proactive role in the digital space and are in the process of finalising a regulatory sandbox to encourage FinTech innovations to test their FinTech solutions within a controlled environment.

Financial education and awareness are important to empower people to make informed financial decisions and support sustainable financial inclusion. We have witnessed the growing popularity and the impact of the Noda i Lavo programme at the grassroots level and will continue raising financial awareness through this very important medium. Moreover, the growing sophistication and associated risks in how we transact nowadays emphasises the critical role that financial literacy plays. Educating young children to develop positive financial habits and better prepare them for their future is equally important.

We have all seen the havoc brought about by the impact of climate change particularly on low income and vulnerable households in our communities. The frequency of such events are expected to increase. Looking ahead, we need to work closely with the financial sector and development partners to strengthen the resilience of our vulnerable sectors and ensure affordable and appropriate risk mitigation tools are in place to service communities at large.

Data measurement plays a key role in any policy development, therefore in the coming year it is important to intensify our efforts with financial inclusion data collection and to measure the impact of the progress made and realign efforts where necessary.

I take this opportunity to express my gratitude to all our partners from civil society, government, donor and development partners and the private sector for the support throughout the year in making important contributions to improve the livelihoods of Fijians.



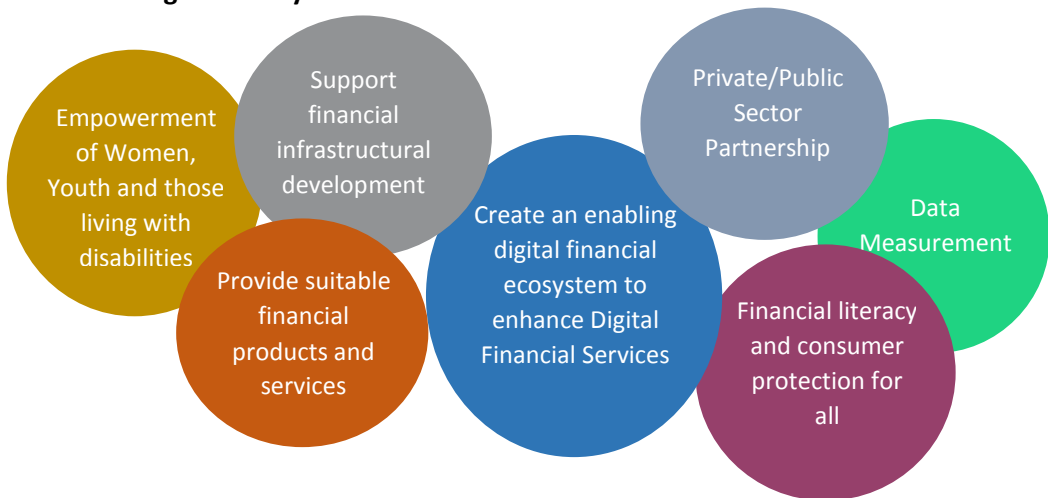
Ariff Ali | Governor and Chairman, National Financial Inclusion Taskforce

National Financial Inclusion Taskforce

The National Financial Inclusion Taskforce (NFIT) was established in 2010 comprising senior representatives from the public and private sectors and development partners. The Taskforce focuses on achieving financial inclusion through a nationally coordinated effort. The Reserve Bank provides secretariat support to NFIT and its four Working Groups (WGs) namely: Financial Literacy; Inclusive Products and Services; Inclusive Insurance and Statistics.

The work of the NFIT is guided by the National Financial Inclusion Strategic Plan 2016-2020 (NFIS). The NFIS sets out a clear agenda for financial inclusion in Fiji. The four WGs are responsible for driving the implementation of the NFIS and reports directly to the Taskforce. The NFIT is mandated under its Terms of Reference to meet once a quarter. During 2018, the NFIT met four times while the WGs and subcommittees met 25 times.

The National Financial Inclusion Strategic Plan 2016-2020 focuses on the following seven key areas:



The overall objective is to increase access to formal financial services for the adult population from 64 to 85 percent (130,000 adults) of which 50 percent are women.



Empowering our Most Vulnerable

National Women's Expo

The annual National Women's Expo (NWE) organised by the Ministry for Women, Children and Poverty Alleviation is an example of a women's economic empowerment programme that opens up pathways to markets and promotes financial inclusion in Fiji.

Since 2014, the Expo has grown to become the biggest platform for marketing traditional and contemporary craft items exclusively made by Fijian women. A total of 340 artisans were selected from all four divisions to be part of the 4th NWE. The women artisans are selected from the divisional/provincial craft shows held around the country as a build up to the main event. Total sales during the event amounted to around \$440,000, a nine percent increase compared to the preceding year.

The 2018 NWE was attended by the Indonesian Minister for Women Empowerment and Child Protection, Madam Yohana Yembise and Tonga's Head of the Women's Affairs Division, Ministry of Internal Affairs, Ms Polotu Fakafanua-Paunga, who expressed their interest to bring women artisans from their respective countries to participate at this annual event.

Financial institutions were present during the three day event conducting financial literacy awareness sessions and providing financial services. A number of women opened investment accounts totaling \$3,600.00 with investments ranging from \$100.00-\$300.00 while HFC Bank opened 12 new deposit accounts.



Minister for Women, Children and Poverty Alleviation Hon. Mereseini Vuniwaqa and the late Speaker of Parliament Hon. Dr Jiko Luveni. Photo Credit: Ashna Kumar, Fiji Sun.

Fijian Young Entrepreneurship Scheme (YES)

In January 2018, the Honourable Prime Minister Rear Admiral (Retired) Josaia Voreqe Bainimarama launched the YES programme with the aim of empowering and developing young business entrepreneurs with innovative business ideas. Young people often have innovative and bankable ideas but lack the necessary security and funding to bring those ideas to fruition. Hence, the programme is an initiative under the Ministry of Industry, Trade and Tourism to empower young people in implementing new business ideas. The YES

programme includes funding support, business training and mentorship to assist them in operating sustainable businesses.

The YES programme's core criteria are as follows:

Eligibility	Grant (depends on nature of business)
<ul style="list-style-type: none"> • Open to all Fijians aged 18-40. • Must be a Fijian citizen. • Must have an innovative/unique business idea. 	<ul style="list-style-type: none"> • Full grant funding (maximum grant is \$30,000). • Partial grant funding. • Equity for loans.

Four Projects Awarded under YES in 2018

1. Adelene Tutu - GetLean Fiji

Launched Fiji's first Fitness Mobile App "GetLean Fiji" which delivers meal plans and 35 minute workouts for subscribers.

2. Atunaisa Rainima - Landscaping and Biogas

Lawn mowing and landscaping business that recycles waste from his landscaping business and food refuse for biogas production.

3. Krishneel Chand - Traffic Essential Fiji

Specialises in traffic data collection and analysis and provides traffic related survey services that will enable road and transportation authorities to better plan road construction, upgrades and undertake maintenance work.

4. Siwan Narayan - Tiny House Movement Scheme

Specialises in the construction of tiny houses which are sustainable, affordable and comfortable.

A total of 350 applications were assessed during the year and four projects were awarded grants totalling \$46,508.00.



(L-R) Ms Joann Young – YES selection panellist, Mr Siwan Narayan and Mr Atunaisa Rainima – YES Recipients, Hon. Mr Faiyaz Koya, Ms Adelene Tutu – Yes Recipient and Mr Shaheen Ali – YES selection panellist. Photo Credit: Young Entrepreneurship Scheme Fiji, facebook page.

Persons with Disabilities (PWDs)

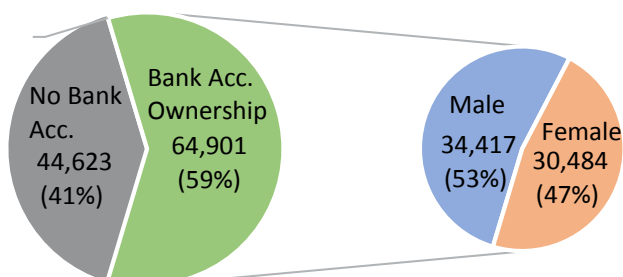


**Total persons aged 3+
living with disability**
113,595 (13.7%)

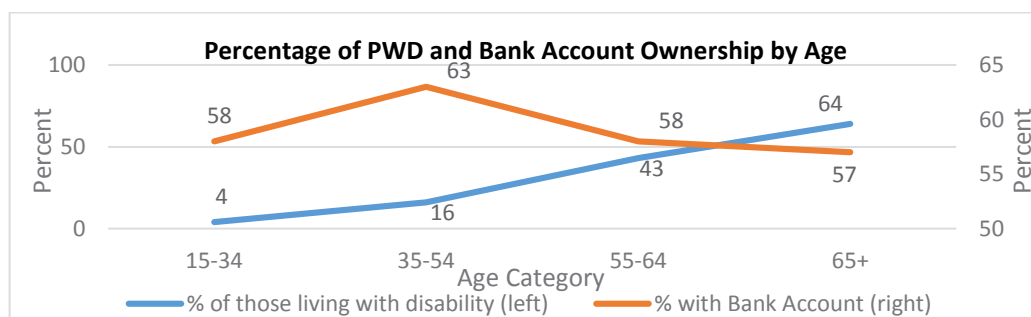
**109,524
(17.5%)**

**Total Adults (15+ Years)
living with disability**
53% Female
47% Male

Bank Account Ownership for adult PWDs

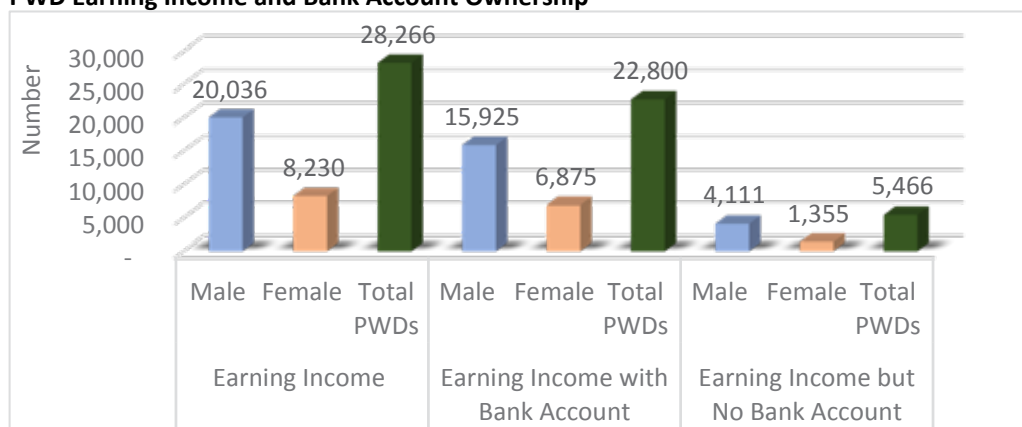


Bank account ownership is higher amongst the working population (those aged 35-54) at 63 percent and lower for those above the age of 65 at 57 percent.



Source: Fiji Bureau of Statistics

PWD Earning Income and Bank Account Ownership



Source: Fiji Bureau of Statistics

- Around 26 percent (28,266) of PWDs are earning income. Of those earning income, 81 percent (22,800) have a bank account of which 70 percent (15,925) are male and 30 percent (6,875) female.
- Around 19 percent (5,466) are earning income but do not have a bank account of which 75 percent (4,111) are male and 25 percent (1,355) female.

Financial Infrastructure

Personal Property and Securities Act (PPSA)

Access to finance for Micro, Small and Medium Enterprises (MSMEs) is a focus area under Strategic Goal 4¹ of the NFIS Plan 2016-2020. However, access to credit for these enterprises is usually hampered, amongst other factors, by the lack of adequate collateral to pledge to lenders. The secured transactions reform is an attempt to address this challenge and unlock the potential of the MSME sector.

The reform is structured in three phases: (i) reforming the legal framework through the implementation of a new legislation; (ii) establishing an online electronic securities Registry and (iii) working with lenders to review credit policies, assessment criteria and introduce new and/or improved products and services for MSMEs.

Following the enactment of the PPSA 2017, the Asian Development Bank's Private Sector Development Initiative (ADB PSDI) proceeded to solicit a vendor to develop and implement the software to serve as the online securities Registry. This procurement process concluded in September 2018 when ADB PSDI selected Paradigm Applications LLC (Paradigm). Paradigm has worked in Papua New Guinea, Samoa, Tonga, Vanuatu, Solomon Islands,



(L-R) His Excellency Mr John Feakes, Australian High Commissioner to Fiji; Mr Ariff Ali, Governor of the RBF, His Excellency Mr Jonathan Curr, New Zealand's High Commissioner to Fiji and Mr Masayuki Tachiiri, Regional Director, Pacific Subregional Office, ADB during the soft launch of the PPSR in October.

¹ NFIS Plan 2016-2020 Strategic Goal 4: To provide financial services and products that is relevant, affordable and accessible.

Federated States of Micronesia, Palau, Myanmar, Mongolia, Afghanistan, Palestine, United Arab Emirates, Jordan and Vietnam.

In October 2018, the RBF, the High Commissioners of Australia and New Zealand and the Asian Development Bank (ADB) South Pacific Subregional Office Regional Director acknowledged and supported the work on the PPSR during the soft launch.

Several meetings were held between ADB PSDI, Paradigm team and RBF to refine the data capture requirements and customise the Registry application accordingly. Financial institution lenders were consulted on the features of the Registry, its work processes and the key expectations of migrating current security interests before and during the transition phase stipulated in the PPSA.

Work on the secured transactions reform will continue in 2019 with capacity building sessions and plans to begin uploading the pre-registration spreadsheets with tentative go-live scheduled in the first half of 2019.

MSME Study

The Market Development Facility (MDF) partnered with RBF in conducting a survey to better understand and assess the MSME landscape in Fiji. An international financial inclusion consulting firm, MicroSave Consultants primarily based in India that specialises in inclusive finance, MSME finance, digital financial services and private sector development was engaged to provide technical assistance for the study.

The study had two main objectives:

- (i) **Demand side research** to primarily understand the aspects that will strengthen MSMEs such as the need for financial services, sources of finance, financial management practices and characteristics of their cash flows. Additionally, non-financial factors like the influence of gender, ethnicity and socio-economic factors on the growth of MSMEs, the impact of policies on existing and prospective MSMEs, challenges faced in accessing finance, market linkages and human resource issues were also part of the demand side research.
- (ii) **Supply side research** to understand the perspectives of banks, policymakers and regulators, support institutions and practitioners on the requirement of the support structure, the impact of policies, growth strategy for the MSME sector and export policy. The study evaluated the availability of training and capacity building systems and processes for MSMEs, non-financial support system and Government's long term vision and strategy for the MSME sector.

Findings of the Study

Demand side

Five different profiles (personas) were developed after extensively analysing all the information gathered from the interviews.

Aspirers:
homemakers turned
entrepreneurs

Voyagers:
outward looking
entrepreneurs; higher risk-
taking ability and mostly
have a single champion
product

**Progressive
Businesswomen:**
women with high
entrepreneurial ability

Master Builders:
professionals turned
entrepreneurs

Young Entrepreneurs:
young individuals trying to
set up enterprises straight
after leaving high school
or undergraduate studies

These five personas have different characteristics, aspirations, influences and barriers and will require a unique set of support services to enable sustained growth.

A number of behavioural factors were also part of the demand side findings that seem to be driven by inherent biases or practices that were close to cultural norms, however, are not necessarily best business practices. These were:

- (i) **Not profit driven** – Choices were driven by ease and convenience of method as opposed to the associated costs. Emotional decisions owing to community obligations was common;
- (ii) **Instinctive spenders** – A high propensity to spend;
- (iii) **Avoids hassles** – Excellent people relationships however poor people managers;
- (iv) **Resistant to change** – A tendency to not change behaviour unless presented with a sufficiently large incentive; and
- (v) **Low propensity to save** – A lack of money management skills.

Supply side

The findings highlighted a “missing middle” which is the gap between MSME demand for credit and the current outstanding loans offered through formal finance channels. From the interviews conducted, it was established that certain Microfinance Institutions covered most women groups, offering loans of up to \$20,000 while banks would usually fund corporates and large enterprises with exposures of generally over \$100,000. This leaves a significant funding gap for those that want to borrow between \$20,000-\$100,000.

This is also consistent with the report of the International Finance Corporation (IFC) SME Forum stating that formal finance gap for MSMEs in Fiji as of 2017 is approximately \$2.2 billion or 81.0 percent of the total perceived demand for credit.

The report made three key recommendations to boost the MSME sector in Fiji and RBF and key stakeholders will continue work in these areas in 2019.

The first recommendation is to establish a national MSME regulatory and policy architecture. This involves the design of a comprehensive MSME policy and reclassifying and standardising the definition of MSME to ensure consistent implementation across all relevant agencies. It also suggests that an enabling environment should be created for key non-financial services including capacity development, business advisory and develop market linkages.

The second recommendation is to review the policy environment to enhance the ease of setting up businesses. Some of the ways to assist in achieving this is streamlining current set-up requirements and leveraging on technology for online registrations, improving inter-departmental coordination between municipal councils that facilitate business licenses and providing incentives through discussions and collaboration for existing institutions to lend to MSMEs. This will require the strengthening of national Information Technology infrastructure for automated information sharing, reviewing effectiveness on directed lending to priority sectors and possibly allowing Microfinance Institutions and Non-Bank Financial Institutions to be Agent Network Managers for banks.

The last recommendation is to consider exploring the possibility of setting up a differentiated MSME development bank. These broad areas are expected to be discussed with the relevant stakeholders and reprioritised to enable a more concerted effort in pooling existing resources, assistances and initiatives directed to the MSME sector. This is to improve the effectiveness in implementing these recommendations in a more focussed approach.

Regulatory Sandbox

Development work continued on the “Guidelines for a Regulatory Sandbox for Fiji” – a framework that enables controlled, live testing of novel, technologically-driven solutions to financial products and services or FinTech. The first phase of industry-wide consultation began on 3 April 2018 and concluded on 30 May 2018. This involved various licensed and supervised financial service providers including banks, credit institutions, insurance companies and capital market entities. Development partners such as the Pacific Financial Inclusion Programme (PFIP) and the IFC also provided their feedback to the draft Guidelines.

With the assistance of the PFIP, officials from the Bank of Sierra Leone visited the RBF in early August to observe and exchange knowledge with RBF in its development of a Regulatory Sandbox. In addition, RBF was involved in a peer review exercise of Central Bank of Mozambique and Central Bank of Egypt’s regulatory sandboxes at the Global Policy Forum of the Alliance for Financial Inclusion (AFI) in Sochi, Russia in September 2018. The lessons learned have contributed to better understanding key operational aspects in Fiji’s development of its own Guidelines. RBF plans to conduct a second and final phase of consultation during the first quarter of 2019 and it is anticipated that the finalisation and launch of the Guidelines will follow.

ANZ Bank and BRED Bank Collaboration

In line with Government's announcement on the mandatory waiver of fees for Electronic Funds Transfer at Point of Sale (EFTPOS), ANZ and BRED Bank signed a bilateral interchange agreement in January 2018. The new partnership enhances existing and new customers connection to affordable and appropriate financial services.



Mr Saud Minam, ANZ Fiji Country Head and Mr Frederic Reynaud, BRED Bank Fiji Chief Executive Officer. Photo credit: Selita Bolanavanua, Fiji Sun.

The collaboration expands the access points particularly for BRED Bank Fiji customers. With the new partnership, BRED Bank customers can access services through 94 of ANZ's automated teller machines (ATM) and 1,400 EFTPOS machines. Prior to the partnership, BRED Bank Fiji customers' transactions were limited to 20 ATMs across the country and around 114 EFTPOS machines.

Digital Financial Services

The growth of digital financial services (DFS) in the recent years has provided many Fijians with convenient access to formal financial services.

Government Initiatives

DFS has been well supported by various government initiatives such as eTransport, Care for Fiji initiative (HOMES-CARE, FARMS-CARE, SUGARCANE-CARE, LEASEHOLDERS-CARE, WELFARE-CARE AND eTRANSPORT-CARE), payment of lease income to landowners, social welfare payments to individual bank accounts, distribution of Tertiary Education Loans Scheme to mobile wallets, etc. Government's announcement in August 2018, on the waiver of EFTPOS fee that would come into effect from 1 January 2019 is to promote cashless and paperless banking in Fiji. The waiver applies to local debit cards for customers' fees.

Digital Financial Services: the broad range of financial services accessed and delivered through digital channels, including payments, credit, savings, remittances and insurance. The DFS concept includes mobile financial services (MFS).

AFI, Guideline Note No. 19

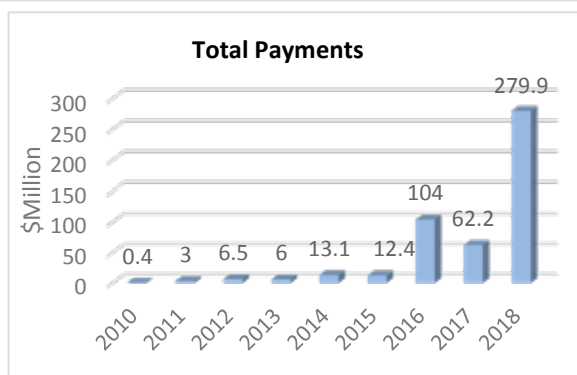
Key Mobile Money Statistics



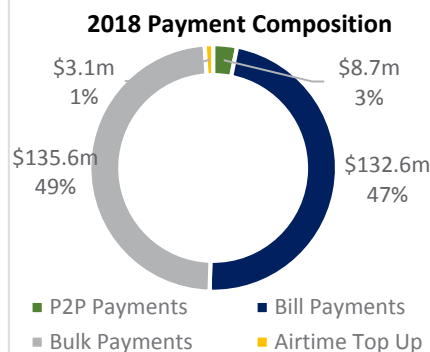
\$279.9 million
TOTAL PAYMENTS for 2018

\$29.3 million
e-MONEY IN CIRCULATION as at 31
December 2018

20,733 - Active Mobile Wallets



Source: Reserve Bank of Fiji



Source: Vodafone/Digicel

Despite the slow uptake in the early years, mobile money has evolved into one of Government's leading payment platforms for reaching the marginalised and vulnerable groups in Fiji.

Government's use of the mobile money platform to facilitate Government to Person (G2P) payments for a number of assistance programmes following natural disasters² from 2016 to 2018 and the implementation of a nationwide mandatory electronic payments service for buses – eTransport in 2017 boosted the uptake in total payments by 350 percent in 2018.

In 2018, G2P payments accounted for 49 percent of total payments (only 0.5 percent in 2017) and closely followed by bill pay at 47 percent (86% in 2017) e.g. utility bills (electricity, water), town and city rates, Land Transport Authority fines, etc. airtime top-up and P2P transfers account for the remaining four percent.

eTransport



840 Active agents



65 Bus companies

1,837 Buses with eTransport machines



1.4 million Cards issued

\$124.8 million Total card top-ups

² Tropical Cyclone Winston in 2016; and Tropical Cyclone Jose and Keni in 2018.

eTransport came into effect for bus services nationwide on 1 October 2017, as a mandatory cashless system that uses electronic cards for payments. The total number of bus companies and buses providing the service remained at 65 and 1,837, respectively. By the end of 2018, close to 1.4 million cards had been issued to users. The total value of card top-ups during the year amounted to \$124.8 million with an average top-up of \$8.00.

Digital Finance: 2018 Usage



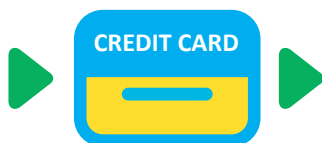
23.6 million transactions
10%↑ compared to 2017

\$3.2 billion
14%↑ compared to 2017



4.5 million transactions
16%↑ compared to 2017

\$1.1 billion
17%↑ compared to 2017



430 thousand transactions
3%↑ compared to 2017

\$130.7 million
4%↑ compared to 2017



1.8 million transactions
13%↑ compared to 2017

\$876.9 million
8%↓ compared to 2017

Positive trend across all four platforms indicates a shift in preference from holding cash to electronic payments amongst Fijians

Mobile Money Initiatives 2018

RBF Allows for Direct Salary Deductions to Mobile Wallets

To drive usage of mobile money services, the Reserve Bank, introduced a 3-month pilot initiative where staff can opt to credit a portion of their salary directly to their mobile wallets. Those that signed up for the pilot programme reported satisfactory feedback with the majority requesting to increase their deductions going forward. This is an ongoing initiative.

eTransport Card top up via M-PAiSA

In June, Vodafone M-PAiSA users can top-up either their own eTransport cards or another person's card at anywhere and anytime. The service can be accessed by dialling *181# on Vodafone mobile phones and selecting option 1 for eTransport card top-up. A text message confirms the amount of top-up and the eTransport card number being topped up.

Fiji's National Airline Integrates M-PAISA services

In October, Fiji Airways partnered with Vodafone Fiji offering a new and convenient payment option for customers to purchase tickets and other services through M-PAiSA via their mobile phones. The M-PAiSA platform is available to customers 24/7 offering convenient and cost effective services.

PacFarmer App

In October, a mobile app for Fijian farmers was launched following close collaboration between PFIP, University of the South Pacific, Vodafone Fiji and various farmer cooperatives and representative bodies. The new app allows farmers in Fiji to access information on government support schemes, commodity prices and the weather, connect with potential buyers, make digital payments, provide credit opportunities and access other financial services such as cash flow and budget assessment. The app was piloted with the Sugar Cane Growers Fund (SCGF), Fiji Cooperative Dairy Company Limited, Copra Millers Fiji Limited and Fiji Rice Limited and was made available to all Fijians in 2019.

New Remittance Platform

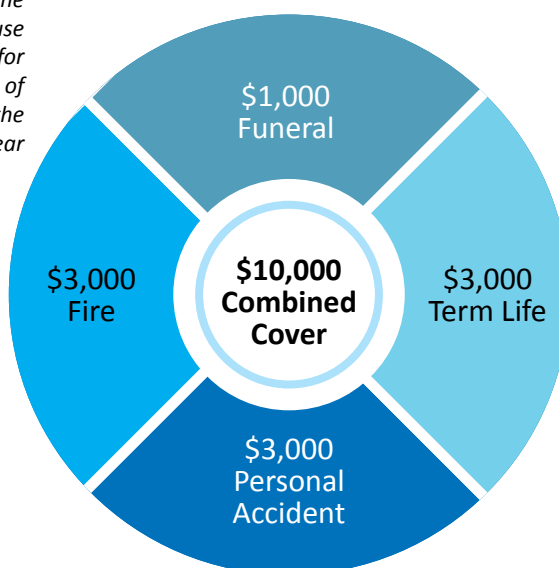
In December, Vodafone Fiji launched a new remittance platform partnership with Ria Money Transfer allowing Fijians to receive remittances from Australia and New Zealand directly into their mobile phones. Ria has more than 700 outlets located in major suburbs and shopping malls across Australia and New Zealand. The RBF approved the service in compliance with the Financial Transactions Reporting Act 2004.

Inclusive Products and Services

Bundled Insurance Product

The bundled insurance product was conceptualised and developed by the NFIT's Inclusive Insurance Working Group (IIWG) and sold by FijiCare Insurance Limited (FIL). The product design has a combined cover of \$10,000 for funeral, term life, personal accident and fire. The bundled insurance product is primarily targeted at low income households that is most likely to have no form of security during adverse events.

Cover for Fire – A full payout is made in the event of total loss of house and 50 percent (\$1,500) for partial loss. A maximum of \$3,000 is payable for the insurance period (one year renewable).

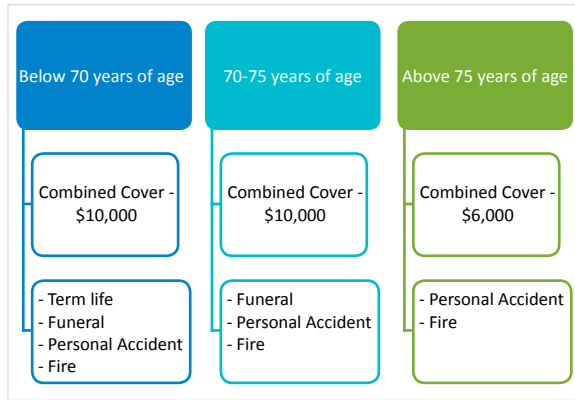


Cover for Funeral and Term is up to the age of 65. In the event of death of the insured, \$1,000 is paid for funeral expenses and \$3,000 is paid to the beneficiary.

Cover for Personal Accident is up to the age of 65 and provides protection for any injury that may result in partial or total disability of the insured because of an accident as per the policy document.

The bundled insurance product was initially launched to 11,606 sugar cane farmers in 2017 and later taken up by dairy farmers, copra farmers and rice farmers in early 2018 with a premium of \$52 per annum (\$1/week) per insured person. By the end of 2018, the total take up for the bundled insurance product was 119,639.

In August, the Government signed up 72,376 social welfare recipients and 35,041 civil servants to the bundled insurance product. The second product variant introduced by FIL specifically for civil servants and social welfare recipients includes premium of \$70 per annum (\$1.35/week) for three different combined covers depending on age. Those below 70 years of age have a combined cover of \$10,000 for term life, funeral, personal accident and fire. Alternatively, those between 70-75 years of age have a combined cover of \$7,000 excluding the term life component while those above 75 years of age are only covered for personal accidents and fire with Government subsidising the funeral component.

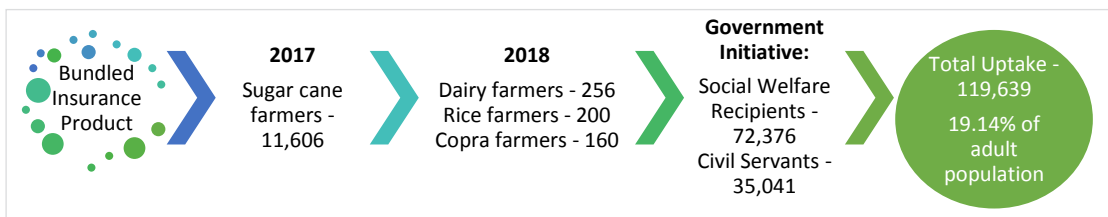


Insurance uptake by individuals and households prior to the introduction of the bundled product was mainly confined to middle to high income earners, registering around 12 percent of the adult population according to the 2015 Fiji Financial Services Demand Side Survey (DSS). The recent uptake of the bundled insurance product has resulted in a significant increase in insurance uptake to 42 percent as at 31 December 2018, with many having insurance cover for the first time.



(L-R) Non-Executive Chairman of FijiCare Insurance Limited, Mr Avi Raju, Attorney-General and Minister for Economy, Civil Service and Communications, Hon. Aiyaz Sayed-Khaiyum and RBF Governor, Mr Ariff Ali at the launch of the micro bundled insurance product for social welfare recipients and civil servants. Photo Credit: PFIP.

Insurance uptake resulting from the bundled insurance product as at 31 December 2018:



Panapasa Ralulu: Insurance Cover helps Rebuild his Home

Panapasa Ralulu stands tall next to the home he was able to rebuild from his insurance payout. Photo and Story Credit: Erica Lee, PFIP.

When his family home and belongings were destroyed by a fire in 2018, Mr Ralulu, a sugar cane farmer was devastated but grateful to God that his family's lives were spared.

Little did he know that his house was covered by the bundled microinsurance scheme. At the time when he was asked to submit his forms for his claim for payout, he had no idea what insurance meant let alone what is being covered. He had forgotten that he had earlier filled the forms and was feeling lost and helpless, until he received a call from SCGF, informing him that he was eligible for a \$3,000 payout under the FijiCare bundled micro insurance scheme.

"That insurance payout really made a difference to me, especially at such a stressful and worrying time," said Panapasa. He now fully appreciates having an insurance cover as he was able to rebuild his home.

Under the scheme, the SCGF pays \$1 a week towards each of its members' bundled microinsurance premiums. The Fund has pledged to cover the cost for its members for a period of three years in the hope that farmers will gain a better understanding of insurance and the value that it gives. Going forward, farmers who wish to continue with the scheme, will have their premiums deducted from their seasonal cane income.

Singh Brothers: Insurance Cover helps Family in time of need



Brothers – Dharmendra Singh and Jasvir Singh; Narasimhan Krishnan, PFIP; Peter McPherson, Managing Director, staff of FijiCare Insurance Limited. Photo and Story Credit: Erica Lee, PFIP.

About an hour and thirty-minute drive from Suva, Fiji, sits a 45-acre cattle farmstead that has been owned by three generations of cattle farmers from the Singh family. Lusua, an iTaukei woman from Rewa, inherited the farm from her late husband, Ranjit, which she ran with her sons Dharmendra and Jasvir

On the farm, the Singh family raised 69 cattle, including 35 milking cows. This provide the family with their main source of income. The small holder farm produces about 416 litres of milk per week which is sold to FCDCL.

In early 2018, Lusua, passed away and with a large extended family to support and a farm to operate, the Singh siblings did not have much money put aside to cover the cost of their mother's funeral.

Two days after her passing, brothers Dharmendra and Jasvir visited the FCDCL office in Nausori to seek a microfinance loan to assist their family with the funeral expenses. It was here that they discovered that, while they were not eligible for a funeral loan, their mother was covered under a recently launched insurance scheme for dairy farmers. Just two months prior to her death, Lusua had signed forms to be part of the microinsurance scheme launched by FCDCL in March 2018.

Under the Death Benefit, Lusua's family received \$1,000 immediately upon notification to FijiCare Insurance Limited of her passing. This money helped cover some of the funeral costs. The remaining \$3,000 was released when a death certificate was produced.

The Singh family appreciated the timely financial support that was received within 24 hours of the claim lodgement. Their family is the first of around 300 registered FCDCL dairy farmers to benefit from the bundled insurance scheme.

Agriculture Insurance

Climate vulnerability poses a significant threat to farmers' livelihoods and national income in Fiji. An Agriculture Insurance National Working Committee (AINWC) comprising relevant stakeholders (including government, the Fiji insurance industry and other private sector and international development agencies) was established in quarter 4, 2018 to explore opportunities for the introduction of agriculture insurance in Fiji.

The AINWC held its first meeting on 14 December 2018 and elected the Governor of RBF, Mr Ariff Ali as the Chairman and the Permanent Secretary for Ministry of Agriculture (MoA), Mr David Kolitagane as the Co-Chair of the Committee.

The objective of the Committee is to ensure that Fiji's agriculture sub-sectors (non-sugar crops, sugar cane, livestock, fisheries and forests) have access to sustainable and affordable agriculture insurance that is effective in mitigating the effects of climate and disaster related adversities and supported by all key stakeholders of the agriculture sector by December 2019.

61% (118,801) of households are involved in the agriculture industry

80% of those living in rural areas are employed in the agricultural sector

48% of farmers earning income primarily from farming own a bank account

Financial Literacy and Consumer Protection

Noda i Lavo – iTaukei Financial Literacy TV Show

The Noda i Lavo programme was first launched and aired on FBC TV in 2017. The overwhelming positive feedback received from the public on the show led to funding and the production of a second season.



The second season continued to feature partnering stakeholders sharing their knowledge and experiences on financial management, financial inclusion initiatives and creating awareness on their products and services. Topics covered included savings, planning for retirement, investments in capital markets, Viti bonds, will and testament services, insurance and taxes.

The iTaukei financial literacy show provided a good platform for the Bank to build on its financial inclusion initiatives. FBC TV reach is around 90 percent of Fiji's population thus reaching approximately 750,000 viewers.

The "Noda i Lavo" Programme aired through FBC TV is aimed at educating and raising awareness to our farming communities and key stakeholders that are connected to the Agriculture Sector. It is an opportune time to amplify the Ministry of Agriculture's many packages in its various programmes that can lift and accelerate farming as well as raising interest amongst our younger population that Agriculture is pivotal to Fiji's development as a nation. Farming must be considered as a business and not a part time or a leisure activity. Apart from our mandate for the provision of food and nutritious security, the reduction of our import bill on agricultural products is key because monies spent on imports could be easily shared amongst our farmers and traders. In spite of the many challenges it faces, Agriculture needs commitment and importantly sheer hard work by those involved in it. The Ministry is indeed thankful as "Noda i Lavo" programme has clarified many doubts and lifted the Ministry's image to newer heights.

Jone Sovalawa, Ministry of Agriculture

Student Diary

To complement the financial education (FinEd) programme in schools, RBF publishes the Student Diary every year. 2018 marks the eighth edition of the diary with the theme *"The Climate is Changing, We must Change too"*.

Climate change was a key agenda item in 2018 when Fiji took over the COP23 Presidency and RBF committed towards greening Fiji's financial sector.



Mr Esala Masitabua, Deputy Governor, RBF at the launch of the 2018 Student Diary.

The main topics covered in the Diary include (i) facts about Mother Earth; (ii) adverse effects of climate change; (iii) role of sustainable development goals; (iv) climate change mitigation and adaptation practices; (v) introduction to sustainable finance, green bonds and (vi) importance of renewable energy. The Diary also discussed the Green Growth Framework.

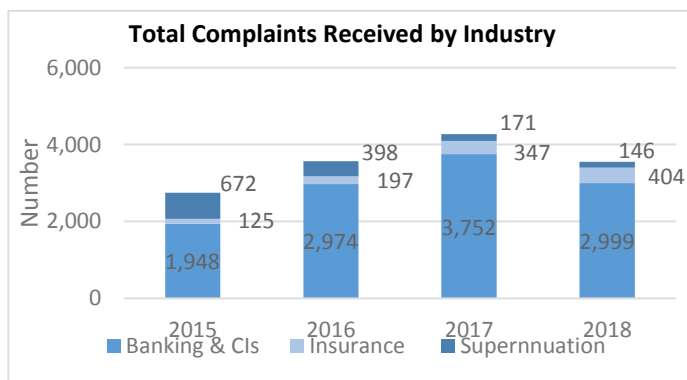
The Diary provides students with basic financial management tips while creating awareness on ways that students can contribute towards combating climate change and encouraging sustainable development.

The Diary was launched by RBF Deputy Governor, Mr Esala Masitabua and the Deputy Secretary for Primary and Secondary School, Ministry of Education, Mr Timoci Bure at the Marist Brothers High School in January and subsequently distributed to 36 high schools in the rural and maritime areas.

Consumer Protection

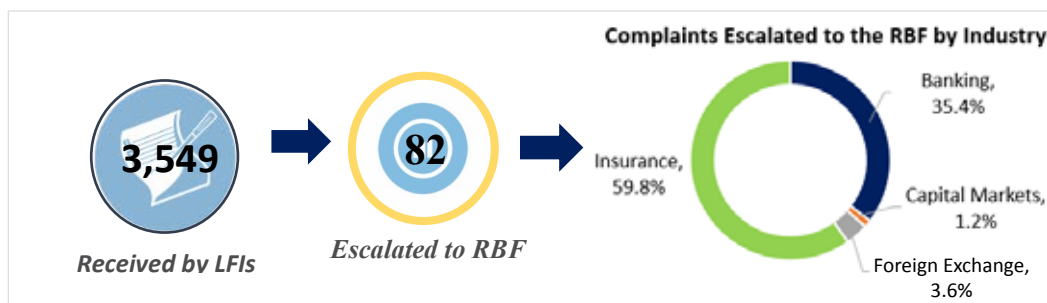
Consumer related issues and complaints are an important source of information about the financial sector regarding the quality of services, products and conduct of licensed financial institutions. A complaints management policy framework was established by RBF in 2013 to effectively address consumer issues relating to the financial sector. All complaints are first registered with the financial institution involved and only escalated to RBF if they are not satisfied with the outcome provided by respective institution.

The majority of complaints received by RBF involved cases where consumers had not read and understood the contract terms/conditions of the financial product or service that they had signed and legally committed themselves to.



Source: Reserve Bank of Fiji

- Total number of complaints registered with LFIs declined by 16.9 percent in 2018 compared to 2017, largely attributed to lower banks and credit institutions complaints.
- Only 2.3 percent (82 complaints) were escalated to RBF in 2018 compared to 110 in 2017.



Complaints relating to customer service recorded the highest for insurance industries at 44.6 percent and related complaints also increased in 2018 compared to only 30.5 percent in 2017. Electronic banking was recorded highest for the Banking and Credit Institutions at 27.4 percent, although this has improved when compared to 41.6 percent in 2017. Medical insurance followed closely at 17.8 percent for the insurance industry, though, this has more than doubled when compared to only 8.1 percent in 2017. Customer service followed closely for the banking industry at 21.5 percent, similar to 2017 at 21.4 percent.

Stakeholder Partnership and Collaboration

Stakeholder Engagement

A Stakeholder Engagement Workshop with the theme “*Empowering Women and Youth in the Agricultural Sector through Financial Inclusion*” was held in Suva in July 2018. It was jointly organised by RBF, MoA, Ministry of Women, Children & Poverty Alleviation, Ministry of Youth and Sports and PFIP.

The purpose of the workshop was: (1) to strengthen financial inclusion and promote sustainable agricultural income amongst women and youth; and (2) to promote collaboration and improve communication between NFIT, key Government ministries and financial service providers in achieving common targets for women and youth in agriculture.

Workshop participants included representatives from six government ministries, financial service providers, development partners, non-government organisations and RBF.

In his opening address, the Permanent Secretary for Agriculture, Mr David Kolitagane highlighted that gender equality and youth development still have some way to go in Fiji. He added that empowering and linking them up with access to finance presents an important opportunity for furthering Fiji’s economy.

The workshop included presentations on key statistics pertaining to women and youth in agriculture and access to financial services. In addition, there were group discussions that encouraged the knowledge sharing of obstacles that women and youth face in the agricultural sector with some proposed pragmatic solutions.



Permanent Secretary for Agriculture, Mr David Kolitagane (sitting fifth from left) and participants at the stakeholder engagement workshop.

At the conclusion of the workshop, six strategies were recommended for all participants to take on and implement where necessary in their respective lines of work. The six key strategies are:

1. Integrated approach for key stakeholders to improve information and data sharing;
2. Expand women and youth programmes by focusing on suitable commodities, form clusters, enhance linkages with financial services, build capacity and financial literacy;
3. Train the trainers and community leaders on the importance of empowering women and youth in agriculture;
4. Make agriculture education in schools more career-oriented;
5. Review existing financial products to make them more suitable to the agricultural sector; and
6. Create a farmer's digital app on market information, demand and prices that can be linked to financial services.

During the year, financial sector participants reported facilitating access to youth groups in rural areas and a farmer's mobile app was developed and launched to address information gap identified at the Workshop.

AFI Conference on Financial Inclusion and Climate Change (FICC)

In November, AFI and RBF co-hosted an international conference on *"Smart Policies for Green Financial Inclusion: Securing development gains and building resilience"* at Sheraton Fiji Resort, Denarau Island, Nadi. The conference aligned with Fiji's COP23 Presidency (2017-2018) and RBF's commitment to the Maya Declaration on Green Finance – specifically, to *work with partners to develop and promote sustainable business models to support communities' response to climate change*; and follows the AFI network's adoption of the Sharm El Sheikh Accord on Financial Inclusion, Climate Change and Green Finance at its 2017 Global Policy Forum in Egypt.

AFI officially launched FICC as a work stream through this conference and proposed ways on how to integrate the same into the AFI network. The conference also provided the opportunity to take stock of policy examples developed by member countries.

During the conference, RBF Governor, Mr Ariff Ali highlighted lessons learned from the natural disasters noting that low income households were the most vulnerable and greatly affected. He emphasised that public funds are limited and not sufficient to rebuild livelihoods and the financial sector has a critical role in allocating resources towards a green economy and ensuring that affordable and appropriate risk mitigation tools were in place.



Ariff Ali, RBF Governor.

The AFI FICC conference was attended by around 100 participants from AFI member institutions and experts from government authorities, academia and international organisations. Participants delved into how financial aspects of access and use of insurance, savings and credit can assist the most vulnerable when hit by climate related events with Fiji and Bangladesh sharing experiences and practices. At the end of the workshop, it was recommended for the FICC work stream to be integrated into the wider work of AFI.



Participants at the AFI Smart Policies for Green Financial Inclusion Conference.

Collaboration for a Regional Sandbox

The Pacific Islands Regional Initiative (PIRI) consisting of members of central banks from Fiji, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga and Vanuatu launched the *FinTech for Financial Inclusion Regional Work Stream* at its 4th high-level PIRI meeting in Samoa in June 2018. Its first deliverable was a training held in Dili, Timor-Leste in December 2018 where leaders of the Pacific provided in-principle approval for setting up a Pacific regional regulatory sandbox.

The initiative emerged from the view that PIRI members share commonalities relating to culture, geography, small markets as well as challenges to financial inclusion and therefore a Regional Regulatory Sandbox would address these challenges and take advantage of potential economies of scale.

The RBF joined the PIRI Technical Subgroup on Regional Regulatory Sandbox that was established at the Samoa PIRI meeting to take the work forward and present a first draft of the sandbox to leaders at the next PIRI meeting in June 2019.

Advocacy

Retirement Exposition

The Retirement Expo is an initiative of the NFIT's Financial Literacy Working Group (FLWG) that is led by FNPF, PFIP and RBF. The aim of the expos were to create awareness on the importance of savings and investment, promote retirement planning and provide a one-stop shop for the general public to access related products and services. The drive to create nationwide awareness was primarily driven by the alarming statistics released by FNPF in 2017, highlighting

73 percent of its members have less than \$10,000 balance in their accounts of which around 16 percent are above the age of 45 and would retire in 10 years' time.

The tagline for the Expo was "Are You Ready – Plan & Prepare Now". The Expo was first held in Suva and similar events were organised in Western and Northern divisions. There were more than 20 exhibitors including commercial banks, finance companies, insurance companies, government ministries and FNP and Public Trustees. There were more than 3,000 visitors for Suva with almost \$2 million worth of investment recorded during the week of the Expo and the week thereafter. The turnout for Western and Northern divisions were lower with an average of 300 visitors daily and more than \$40,000 worth of investment during the two events.

FinEd Innovation Awards



Recipients of the FinEd Innovation Award.

Both RBF and NFIT, as advocates for financial inclusion, acknowledge that introducing financial education at an early age encourages and supports a more financially literate adult population in the future. For this reason, FinEd was integrated into the primary and secondary school curriculum in 2013.

As part of ongoing efforts to promote financial literacy and to recognise and reward teachers and schools that employ creative approaches and initiatives in teaching FinEd, RBF and NFIT introduced the annual FinEd Innovation Awards in 2017.

In 2018, the annual event hosted two main categories of FinEd Innovation Awards for primary schools in each of the four divisions:

1. FinEd Champion School Award for Innovation; and
2. FinEd Champion Teacher Award for Innovation.

An independent assessment by a panel of judges from RBF and PFIP assessed the applications based on all the submissions received.

The Champion School Awards were presented to Samabula Gospel Primary School and Indira Gandhi Memorial Primary School while the Champion Teacher Award was presented to Ms Komal Asha Ram Saqabobo, from Indira Gandhi Memorial Primary School, Suva and Mr Kitone Ligavatu, from Uluinakorovatu Primary School, Beqa. The Awards were presented during the Head Teachers' Association Annual Conference on 14 September 2018 at Swami Vivekananda College in Nadi.

2018 FinEd Innovation Awards - Recipients

1. FinEd CHAMPION SCHOOL AWARD FOR INNOVATION

Samabula Gospel Primary School, Suva

The school used the FinEd themes of saving, spending wisely and sharing for a major project; the construction of the school hall. This project not only involved students, but parents and ex-scholars. Students were allocated tasks around fundraising and overall money management. In addition students also voluntarily donated a part of their spending money to the Fiji School for the Blind appeal on a weekly basis. The students managed to raise a total of \$100,000 within a span of three years (2016-2018) for the main project. The completion of the project was scheduled for mid-2018 and the hall will also be hired out for public functions to generate income for the school.

Indira Gandhi Memorial Primary School, Suva

The school guided by Year 8 teacher Komal Ram Saqabobo constructed improvised piggy banks or “money bottles” where all 333 students could save money. These money bottles were kept in the school office. Following the school’s daily devotion, the teachers and class prefects would collect the money boxes from the office and deliver them to the respective students to deposit funds. Awareness was created through the school intercom and further discussed by teachers during class. FinEd is also talked about during the Community and Parents Support meetings to ensure that parents play a supportive role at home when it comes to money management. This was done considering that children are thought to be great imitators, thus money attitudes, habits and decision making styles at home can be easily passed along to their children.

2. FinEd CHAMPION TEACHER AWARD FOR INNOVATION

Komal Asha Ram Saqabobo – Indira Gandhi Memorial Primary School, Suva

Practical exercises on FinEd are linked to the core subjects where year 8 students in particular are taught money management skills. The teacher noted many students bringing pocket money to school that was spent entirely at the canteen. Her first activity with the students was to turn empty plastic bottles into piggy banks. Students were then taught to save towards a goal/project. Other classes followed through with the “money bottles” idea. A “bring and buy” was also organised by the students to earn more money as well as teach them to handle money and give the correct change. During the Community and Parents Support meetings, parents were also advised to open bank accounts for their children.

Kitione Ligavatu – Uluinakorovatu Primary School, Beqa

Mr Ligavatu teaches his year 7 and 8 students that great things in life often begin from small things. He feels that it is prudent for parents to be informed of FinEd so that they can provide the necessary support for their children when it comes to money management. As such he not only teaches his students about FinEd but also creates awareness for parents on the island. This enabled students to open new accounts with Fijian Holdings Unit Trust. Students also plant vegetables during gardening classes and sold their produce to the nearest resort. Sale proceeds were invested in FHUT Units.

National Microfinance Awards

The National Microfinance Award (NMA) is one of the many initiatives of the NFIT that provides a platform to raise awareness and promote financial inclusion in Fiji. The NMA is linked to the National Financial Inclusion Strategic Plan 2016-2020, empowering women and grass-roots communities to improve their livelihoods through entrepreneurship.

The NMA was initiated in 2013 to recognise micro-entrepreneurs that have made outstanding achievements in their businesses and to promote the microfinance sector.

The strong support and commitment from sponsors led to three annual events and an even bigger one each year. In 2015, a Youth category (Best Young Microfinance Entrepreneur) was included to honour and recognise the inspiring efforts of young entrepreneurs in the country. There were also the inclusion of merit awards to those that have made notable progress and displayed level of sustainability in their businesses.

The 4th National Microfinance Awards (NMA) was held in May at the RBF to recognise the outstanding achievements by micro entrepreneurs in the country.

There were four main Award categories:

1. Best Microfinance Entrepreneur (Individual);
2. Best Microfinance Entrepreneur (Partnership);
3. Best Young Microfinance Entrepreneur; and
4. Best Microfinance Service Provider – Bank and Microfinance Institution (MFI).

Additionally, there were four recognition Awards including:

1. Outstanding Business Concept;
2. Inspirational Female Micro Business;
3. Inspirational Young Entrepreneur; and
4. Rising Star.

A total of 33 applications were assessed by three independent panel from RBF, the University of the South Pacific and the Ministry of Women, Children and Poverty Alleviation.

4th National Microfinance Awards - Recipients

MAIN AWARD CATEGORIES

1. Best Microfinance Entrepreneur (Individual) – Ms Meri Reki from Taiperia Village, Nadi.



Meri Reki operates a handicraft business called Umbrella Creations at the Wydhm Resort in Denarau, Nadi. Her business specialises in Fijian handicrafts made from natural resources. A contributing factor to her success is investing a portion of her earnings to her business.

1st Runner-up was Ms Litea Marautaki. She runs a canteen business from the Garden island of Fiji – Taveuni.

2nd Runner-up was Ms Litiana Yalewatalei. She runs a laundry business from the Hidden Paradise of Fiji – Savusavu.

3rd Runner-up was Ms Rosalia Sui. She runs a handicraft business from the Hidden Paradise of Fiji – Savusavu.

2. Best Microfinance Entrepreneur (Partnership) – Mr Ramendra Lal and Ms Sabhya Singh from Bulileka, Labasa.



They operate an events decorations business using their creative ideas to make homemade decorations. From humble beginnings they are now hosting bigger events and functions. They eventually purchased a vehicle to assist them in their operations and use social media to advertise and market their business.

3. Best Young Microfinance Entrepreneur – Ms Tadulala Tuinamoala, Matuku, Lau.



An energetic young woman who first ventured into business by engaging the youth in her village. She co-owns Faleigh Minimart in Matuku, Lau. Apart from groceries, she also sells second hand clothing and handicrafts. She is very passionate about her business and is a social advocate in her community, finding any opportunity to improve livelihoods of rural families.

1st Runner-up was Ms Anasitasia Tuidravutu, who runs a canteen business in Noco Rewa.

4. a) Best Microfinance Service Provider: Bank – Bank South Pacific.



BSP showed commitment in its investment of banking services in the most remote and unbanked regions and equipping these areas with modern banking technology and services. BSP have the largest ATM and EFTPOS network in rural and maritime areas.

b) Best Microfinance Service Provider: MFI – Northern Development Programme.



The NDP has assisted many households in the North through business development and technical training. Many of the micro entrepreneurs that went through NDP have graduated to small and medium enterprises – an indication of a successful model.

RECOGNITION AWARD CATEGORIES

1. Outstanding Business Concept – Mr Jagdish Chand, Rakiraki.



Mr Chand is a retired ambulance driver who is always looking for opportunities. He now operates his own business known as Vaileka Funeral Directors in Rakiraki. His business is a first for the Rakiraki community and is progressing well. He has now expanded his business to provide ambulance services and has also set up a tyre centre.

2. Inspirational Female Entrepreneur – Ms Vitilia Vuniwaqa, Nadi.



She was a flight attendant with Fiji Airways until she suffered a stroke in 2010. Despite the ordeal and slow road to recovery, she bounced back and now manages a five acre farm of cash crops and bee hives. In spite of all odds she has managed to establish a successful organic business.

3. Rising Star – Mr Satrohan Lal, Labasa.



A retired civil servant who started his own poultry farm business to generate regular income and support himself during retirement. He also sells poultry manure to nearby communities while the eggs are sold and supplied to local shops, markets and business houses.



Chief Guest, Permanent Secretary for Ministry of Industry, Trade and Tourism, Mr Shaheen Ali, RBF Governor, Mr Ariff Ali and the 2018 National Microfinance Awards Recipients.

Data Measurement

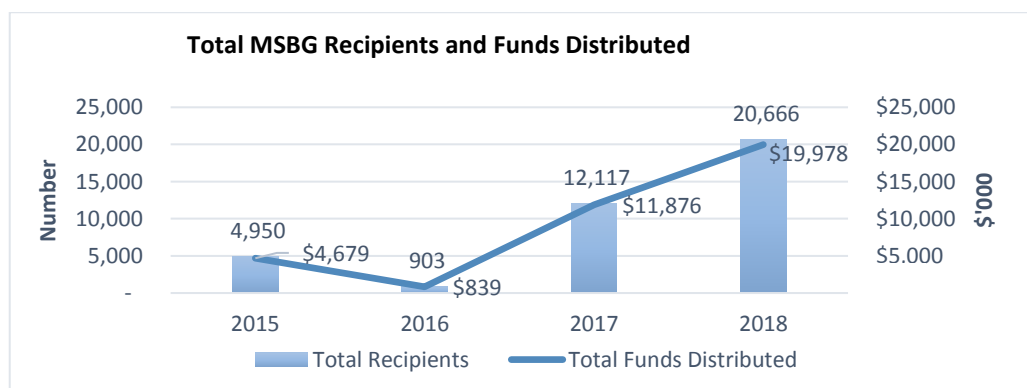
Micro Small Business Grant Uptake since Launch

The Fijian Government has distributed a total of \$37.3 million in Micro Small Business Grant (MSBG) to 38,636 recipients since its launch in July 2015.

The Scheme is an initiative designed to provide grants for start-up businesses and assist new and existing micro and small businesses with grants of \$1,000. The grant is targeted at businesses involved in certain industries including handicraft making and fruit and vegetable farming. It is also a platform for businesses to secure funding from mainstream financial institutions, like the Fiji Development Bank (FDB) and other commercial banks.

The MSBG facility is part of the Fijian Government's overall commitment to reduce poverty through capital injection into micro and small businesses and business and entrepreneurial skills development.

Total MSBG recipients in 2018 increased by 70.5 percent while funds distributed increased by 68.2 percent when compared to the preceding year.



Source: Ministry of Industry, Trade and Tourism

Of the total recipients in 2018, 58 percent were male and 42 percent female. The distribution of the MSBG by gender across all divisions are tabulated below.

Division	% of Male Recipients	% of Female Recipients
Central	13	16
Western	10	14
Northern	27	19
Eastern	0.5	0.5

Disaggregated Data Policy

The RBF recognises the important role of collecting and reporting of disaggregated data, not only for evidence based financial inclusion policy interventions but also to extend financial products and services to the unserved.

As such a policy framework to capture disaggregated data known as the ***Minimum Requirements for Provision of Disaggregated Data*** was drafted and circulated for industry consultations. The industry wide minimum requirement for disaggregated data policy was issued to capture granular data on age, gender and location.

The overall objective of the policy framework is to standardise the collection of such data by financial service providers, strengthen its availability, monitor and evaluate RBF's development policies, develop evidence based policies for financial inclusion and promote public education and awareness on the overall financial inclusion objectives.

The disaggregated data policy is expected to come into effect in mid-2019.

Progress of Key Financial Inclusion Indicators for 2018

Fiji's financial inclusion indicators are adopted from AFI's Core Set of indicators, Quality Indicators, Digital Financial Services indicators and PIRI's Core Plus indicators – all of which were designed for AFI members to benchmark and compare their progress across the global network.

The financial inclusion indicators track the progress of Fiji's financial inclusion initiatives and targets set within the National Financial Inclusion Strategic (NFIS) Plan 2016-2020.

In 2018, Fiji's financial inclusion indicators recorded mixed performances. While positive progress is evident in some areas (insurance, credit and access to financial services), others have made little progress and are lagging behind the mid-term NFIS targets. In addition, due to the unavailability of supply side data, 2018 updates were only recorded for nine (56%) out of the 16 indicators.

1. The main contributor to the overall decline in number of cash-in cash-out access points is due to mobile money agents.
2. No change was recorded from the previous year for administrative units with at least one financial access point. The remaining nine administrative units with no access point include Namosi: Wainikoroiluva, Macuata: Cikobia, Lau: Fulaga and Rotuma: Itumuta, Juju, Pepjei, Noatau, Oinafa, Malhaha. These areas have weak to no mobile coverage and setting up network coverage is currently unfeasible.
3. Active mobile money³ users increased by nine percent (1,736) during the year. These can be attributed to a few initiatives that were introduced during the year such as, the RBF staff's direct salary deduction to mobile wallets, VFL partnership with Fiji Airways allowing customers to purchase tickets using their mobile wallets, eTransport card top up via M-PAiSA and a new remittance platform for Australia and New Zealand markets.

³ Annual figures are calculated by averaging the results for the four quarters.

4. The total number of savings accounts is used as a proxy for number of adults using formal savings products. The data is captured from commercial banks Savings and Time Deposit accounts. Approximately 25 percent of the adult population have a savings account.
5. Formal credit products are reported by all commercial banks and credit institutions and are discounted by 20 percent. The slow outturn (decline by 0.49 percentage points) in the usage of formal credit products can be attributed to the movements in weighted average lending rate which increased slightly compared to the preceding year (refer to Table 5).
6. Insurance for 2018 reported a total of 761,401 persons covered by an insurance policy either life (104,436) or general (582,070). The data reported for general insurance policies include multiple counting of the bundled insurance product reported separately for the four different classes of insurance (fire, personal accident, term life and funeral) and have been accounted for in the calculation of the insurance indicator.
7. Remittances sent through mobile money increased by \$4.4 million in 2018 and is a reflection of the new remittance platforms in Australia and New Zealand. In September 2018, the RBF gave approval for VFL to launch RIA service in Australia and New Zealand. The positive trend from these two markets is expected to continue in 2019.
8. FPNF membership accounts increased by 1.93 percent in 2018 registering approximately 12,000 new accounts.
9. Data to measure *adults using digital payments*, account ownership for women, youth, and divisional level are not available and could not be reported, however the required information is expected to be captured through the Bank's upcoming Disaggregated Data Policy.

Financial Inclusion Dimension	Core Performance Indicators	Baseline Data ⁴	2018	Mid-Term Target 2018	Target 2020
Access to formal Financial Products and Services	Number of cash-in cash-out financial access points per 10,000 adults	21	22.6	25	30
	Percentage of rural administrative units with at least one access point	88	89.5	89	90
	Percentage of account(s) at a formal financial institution	64	74.9	75	85
	Percentage of account(s) at a formal financial institution - Women	52	n.a	60	72

⁴ Baseline Data is from the Demand Side Survey and Supply Side data for 2015.

	Percentage of account(s) at a formal financial institution – Youth (aged 15–30)	51	n.a	65	80
	Percentage of account(s) at a formal financial institution – Eastern Division	44	n.a	55	70
	Percentage of account at a formal financial institution – Northern Division	55	n.a	65	80
	Percentage of account(s) at a formal financial institution – Western Division	62	n.a	75	85
	Percentage of account(s) at a formal financial institution – Central Division	73	n.a	80	90
Usage of Products and Services	Percentage of adults that have an active mobile money account (used in the last 90 days)	2.16	3.3	8	15
	Percentage of adults using digital payments other than mobile money	8.1	n.a	12	15
	Percentage of adults using formal savings products	38	25.1	40	45
	Percentage of adults using formal credit products	6.9	15.5	10	15
	Percentage of adults with an insurance product	12	42.0	15	25
	Percentage of remittance sent through mobile money	0.51	2.4	5	10
	Percentage of adults with a FNPF membership account	65	68.8	70	75

Key:

n.a not available

* data reported from the 2017 Housing and Population Census.

2018 Key Financial Inclusion Milestones

January	<ul style="list-style-type: none"> - The RBF signed a Memorandum of Understanding with the Ministry of Agriculture for data sharing and collaboration. - Launched 2018 Student Diary at Marist Brothers High School. - Released 2017 Housing and Population data pertaining to Financial Inclusion. - BRED Bank Fiji and ANZ signed interchange agreement.
February	<ul style="list-style-type: none"> - RBF signed Memorandum of Understanding with Market Development Facility for the development of the MSME Sector. - Noda i Lavo Season 2 TV programme commenced and was broadcasted for 13 weeks.
March	<ul style="list-style-type: none"> - NFIT Meeting. - Fiji Cooperative Dairy Company Limited subscribed its members to the Fiji Care Bundled Insurance Product.
April	<ul style="list-style-type: none"> - Retirement Exposition in Suva.
May	<ul style="list-style-type: none"> - 4th National Microfinance Awards. - Fiji Rice Limited and Copra Millers of Fiji Ltd subscribed to the Bundled Insurance Product.
June	<ul style="list-style-type: none"> - NFIT Meeting. - National Women's Exposition.
July	<ul style="list-style-type: none"> - Stakeholder Engagement Workshop: Empowering Women and Youth in the Agricultural Sector through Financial Inclusion. - Inaugural Capital Markets Week.
August	<ul style="list-style-type: none"> - Fiji Government subscribed Civil Servants and Social Welfare Recipients to the Bundled Insurance Product.
September	<ul style="list-style-type: none"> - NFIT Meeting. - Retirement Exposition in Lautoka and Labasa. - 2nd FinEd Innovation Awards. - ADB PSDI Tender Award for PPSA Registry.
October	<ul style="list-style-type: none"> - PFIP 10th Anniversary and Regional Conference on Global Trends in Digital Innovation and Financial Inclusion Implications for the Pacific at University of the South Pacific, Laucala Campus. - Launched Farmers App by PFIP. - Vodafone partnered with Fiji Airways and offered customers new payment method through M-PAiSA.
November	<ul style="list-style-type: none"> - Co-hosted with AFI, Smart Policies for Green Financial Inclusion Conference in Nadi.
December	<ul style="list-style-type: none"> - NFIT Meeting. - 1st Agricultural Insurance National Working Committee Meeting.

National Financial Inclusion Taskforce Members as at 31 December 2018

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

Yogesh Karan – Permanent Secretary, Office of the Prime Minister and Sugar Industry

Meleti Bainimarama – Permanent Secretary, Ministry of Rural and Maritime Development, Disaster Management and Meteorological Services

Naipote Katonitabua – Permanent Secretary, Ministry of iTaukei Affairs

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

Manuela Gunther – Policy Adviser/Overseas Development Institute Fellow, Economic Planning and Statistics, Ministry of Agriculture

Bram Peters – Programme Manager, Pacific Financial Inclusion Programme

Miliana Ratu – Fiji Country Coordinator, Market Development Facility

Eseta Nadakuitavuki – Manager Sustainability and Head of Rural Banking, Westpac Banking Corporation and Chairperson of the Financial Literacy Working Group

Nafitalai Cakacaka – General Manager Business Risk Services, Fiji Development Bank and Chairperson of the Inclusive Products and Services Working Group

Peter McPherson – Managing Director, FijiCare Insurance Limited and Chairperson of the Inclusive Products and Services Working Group

Epeli Waqavonovono – Government Statistician, 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, Reserve Bank of Fiji

Abbreviations

ADB	Asian Development Bank
AFI	Alliance for Financial Inclusion
AINWC	Agriculture Insurance National Working Committee
ANZ	Australia and New Zealand Banking Group
ATMs	Automated Teller Machines
BSP	Bank South Pacific
CEO	Chief Executive Officer
CI	Credit Institutions
DFS	Digital Financial Services
DSS	Demand Side Survey
EFTPOS	Electronic Funds Transfer at Point of Sale
FBC	Fiji Broadcasting Corporation
FCDCL	Fiji Cooperatives Dairy Company Limited
FDB	Fiji Development Bank
FICC	Financial Inclusion and Climate Change
FinEd	Financial Education
FLWG	Financial Literacy Working Group
FNPF	Fiji National Provident Fund
G2P	Government to Person
HFC	Home Finance Company Limited
IFC	International Finance Corporation
IIWG	Inclusive Insurance Working Group
LFIs	Licensed Financial Institutions
MDF	Market Development Facility
MFS	Mobile Financial Services
MFI	Microfinance Institution
MoA	Ministry of Agriculture
MSBG	Micro Small Business Grant
MSMEs	Micro, Small and Medium Enterprises
NDP	Northern Development Programme
NFIS	National Financial Inclusion Strategic
NFIT	National Financial Inclusion Taskforce

NMA	National Microfinance Awards
NWE	National Women's Expo
P2P	Person to Person
PFIP	Pacific Financial Inclusion Programme
PIRI	Pacific Islands Regional Initiative
PPSA	Personal Properties and Securities Act
PSDI	Private Sector Development Initiative
PWD	Persons With Disability
RBF	Reserve Bank of Fiji
SCGF	Sugar Cane Growers Fund
WGs	Working Groups
YES	Young Entrepreneurship Scheme



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