

Financial Inclusion Report 2017





About the National Financial Inclusion Taskforce

The National Financial Inclusion Taskforce (NFIT) was established in February 2010 following recommendations from the 2009 National Microfinance Workshop, co-hosted by the Reserve Bank of Fiji (RBF) and the Pacific Financial Inclusion Programme (PFIP). The NFIT is mandated to drive and monitor financial inclusion strategies in Fiji through a coordinated national effort. There are four Working Groups under the ambit of NFIT: Financial Literacy; Inclusive Products and Services; Inclusive Insurance and Statistics. The RBF provides leadership and secretariat support to the Taskforce and the Working Groups (WGs). The members are representatives from the public and private sectors, civil society groups, donor agencies, non-government organisations (NGOs) and other development partners.

OUR VISION:

Improving the livelihoods of Fijians through inclusive financial services.

OUR OBJECTIVES:

- To enable all Fijians to have access to a range of affordable and appropriate financial products and services.
- To support financial inclusion deepening through increased usage and quality of financial services and products.
- To ensure all Fijians have sufficient financial competencies to better utilise the financial services available and foster improved consumer protection.
- To grow financial inclusion amongst Fijians through a multi-stakeholder and collaborative approach.

NFIT's vision and goals complement government's policies and programs aimed at reducing poverty and support broad based economic and social development in Fiji, particularly amongst the marginalised and rural segments of the community.

The work of NFIT is guided by a Terms of Reference. Despite its voluntary membership to the Taskforce and its WGs, there has been a genuine commitment to work together which has contributed tremendously to the success of financial inclusion in Fiji.



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Governor and Chairman's Foreword



I am pleased to present the 2017 Financial Inclusion Report which covers the activities and initiatives aimed at bringing about greater financial inclusion in Fiji. These activities were largely driven and coordinated by the NFIT's four Working Groups, comprising stakeholders from the public and private sectors. This collaboration is critical for the implementation of action plans towards achieving the national targets set out in the Financial Inclusion Strategic Plan 2016-2020.

A milestone achievement during the year was the launch of Fiji's first bundled insurance product. The product, which enabled the insurance of 12,500 sugarcane growers, many of whom were obtaining insurance for the first time, was the culmination of efforts and contributions by the Inclusive Insurance Working Group.

A recurring theme for a number of financial inclusion activities throughout the year was uplifting and empowering the vulnerable. This included NFIT-supported partnerships with stakeholders to empower those living with disabilities and uplifting women through financial literacy training.

Progress on developing Fiji's financial infrastructure included hosting Fiji's first Sustainable Finance Initiatives workshop with assistance from the World Bank's International Finance Corporation and the Sustainable Banking Network which the Reserve Bank recently joined; and the RBF's announcement of its commitment towards developing a regulatory sandbox.

I am pleased to announce that work has also commenced on promoting green finance and closing the financial gender gap, which not only contribute towards achieving Fiji's commitments under the Maya Declaration but also developing the financial sector in a sustainable way.

Looking ahead, we anticipate digital platforms and innovative business models will continue to be important drivers of financial inclusion, not only to improve access and drive usage but also increase the choice of affordable, and appropriate financial products and services available to our people.

For policymakers and financial service providers, we need to be mindful of the significant new risks that this wave of innovation will bring to ensure our consumers are protected and that there is stability in the financial system. These important aspects will require the collective partnership of all key stakeholders. To date, stakeholder collaboration and partnership has been a key feature of our financial inclusion success story and is something that we hope to continue.

I would like to take this opportunity to extend my deepest appreciation to the members of the NFIT and its four WGs for their support, hard work and cooperation in 2017.

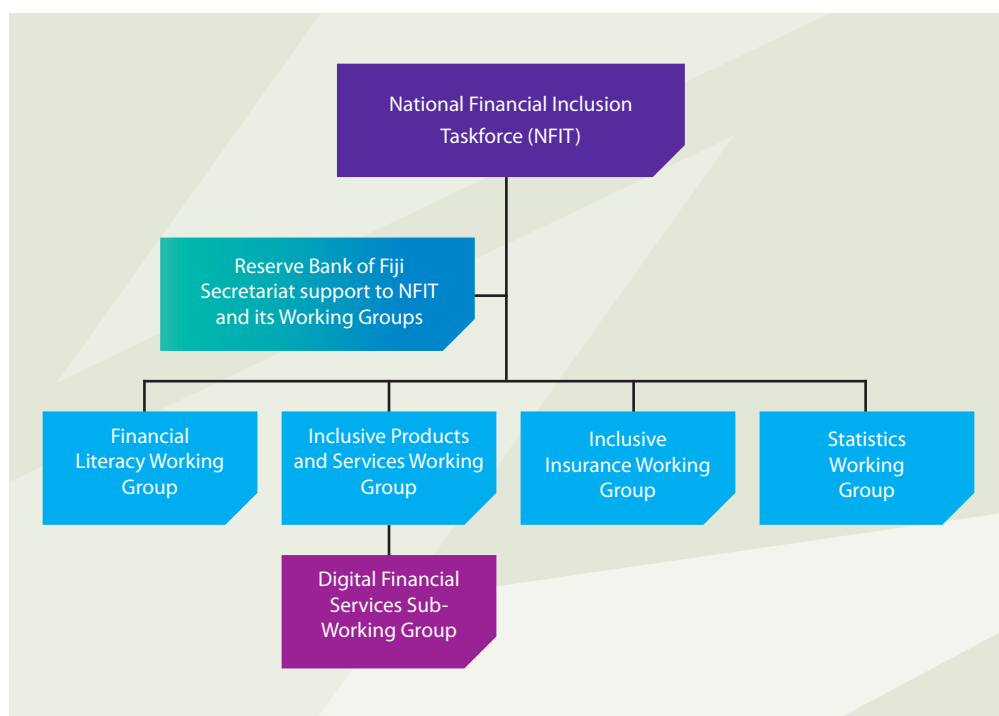
Ariff Ali | Governor and Chairman, National Financial Inclusion Taskforce



National Financial Inclusion Taskforce

The NFIT and its WGs namely, Financial Literacy, Inclusive Insurance, Inclusive Products and Services and Statistics are responsible for driving the implementation of the National Financial Inclusion Strategic Plan 2016-2020. During 2017, the Taskforce and its WGs met 17 times and made notable progress in coordinating programs and initiatives towards addressing the overall objectives of the NFIT. In addition, an information sharing session was convened in June to update and create awareness on the work done by each of the respective WGs.

National Financial Inclusion Taskforce Structure





Empowering Our Most Vulnerable

Empowering Those Living with Disabilities

Following an invitation to present at the Fiji Disabled Peoples Association (FDPA) bi-annual general meeting, the Reserve Bank has established links and begun discussions with the FDPA on work around creating pathways for greater financial inclusion for people living with disabilities. The meeting provided an opportune time for stakeholders to hear about the concerns and challenges that those living with disabilities face when trying to access formal financial services.



Financial Inclusion Unit with staff from Pacific Disability Forum.

Empowering Women through Financial Literacy

In 2016, the Pacific Horticulture and Agricultural Market Access (PHAMA) Program conducted a survey of sea urchin stock and harvesters. The ensuing PHAMA Program report which analysed the results of the survey put forward a number of recommendations, central to which was the need to empower women fishers by improving their financial management skills. In line with this recommendation, the RBF



Participants at the Waiqanake Financial Literacy Training.

collaborated with ANZ in May 2017 to provide financial literacy training to 68 women from Malomalo and Waiqanake villages in the Nadroga/Navosa and Rewa province, respectively. During the training, the women, who are all fishers of sea urchins, were able to learn and share information on banking, budgeting, financial planning and marketing in order to better their financial management skills.

Financial Seminar and Fair at the Market

The United Nations Development Program under its Markets for Change (M4C) Project, organised a series of business education seminars that were held once a month at a number of major municipal markets around the country including Nausori, Labasa, Lautoka, Ba, Savusavu and Levuka. The RBF, financial institutions and government ministries partnered with M4C at the Financial Seminar and Fair specifically targeted market vendors and aimed to connect them to the various financial service providers (FSPs). Feedback received from the municipal councils and market vendors highlighted a demand for such services to be provided on a regular basis.

International Day for Eradication of Poverty Event

As part of ongoing national efforts towards achieving Goal 1 (“End poverty in all its forms everywhere”) of the Sustainable Development Goals, the Ministry of Women, Children & Poverty Alleviation commemorated the International Day for Eradication of Poverty by organising an event in Naduri, Vanua Levu - the district with the highest incidence of poverty in the Northern Division¹. The purpose of the event was to raise awareness about the struggles of those who live below the poverty line and the role that various stakeholders can play to eradicate poverty. Partners for the event included the RBF and its key financial inclusion stakeholders namely, Bank of Baroda (BOB), Westpac Banking Corporation (WBC), HFC Bank, Fiji National Provident Fund (FNPF), Unit Trust of Fiji, Fiji Revenue and Customs Service (FRCS) and Consumer Council of Fiji. The event provided key stakeholders from various FSPs, government ministries, NGOs, faith based organisations and those from nearby villages and schools the opportunity to interact and work towards reducing poverty in the area.



Financial Stakeholders' Tent.

¹Fiji Island Bureau of Statistics “Poverty In Fiji: in the 2013-2014 Household Income and Expenditure Survey Preliminary Report.



Fiji National Women's Expo 2017



The dynamics of women's economic participation is changing and investing in women's economic empowerment creates pathways towards gender equality, poverty eradication and inclusive economic growth.

The third National Women's Expo 2017 was held on 14-16 June at the Vodafone Arena in Suva. The expo theme "Be Bold, Be the Change" was an excellent platform for women to showcase and sell their handicraft, contemporary items, pot plants, food items and varieties of textiles. The annual event that was first piloted in 2014 continues to:

- Celebrate Fijian women's talents;
- Enhance rural women development and eradicate rural poverty;
- Encourage effective action for advancing and recognising rural women's talents;
- Connect rural women and their products to domestic and international markets;
- Promote micro-entrepreneurship and provide business development opportunities to rural women; and
- Market Fiji rural women's products with the Fijian Made logo.

As a build-up to the main event in June, 1,400 women artisans participated in 13 divisional craft shows around the country. Throughout the shows, a selection panel comprising representatives from the Fiji Arts Council and the Ministry for Women, Children and Poverty Alleviation shortlisted the top 500 artisans to take part in the National Women's Expo.

Sales totaling \$402,469 were one of the highlights of the event. In addition 51 women artisans were certified and awarded Fijian Made Crafted licenses, while another 31 artisans received provisional licenses. Information sessions on health, further education, micro-entrepreneurship, sewing machine maintenance, rocket stove and solar training were conducted by various stakeholders and a rural women's fashion show were some of the exciting side events offered during the exposition.



The Honourable Attorney-General Aiyaz Sayed-Khaiyum presenting a participant with her license during the 2017 National Women's Expo at the Vodafone Arena.



The women participants at the 2017 National Women's Expo with their Licenses and Fijian Crafted certification pictured with the Honourable Attorney-General Aiyaz Sayed-Khaiyum.



The Honourable Minister for Women, Children and Poverty Alleviation Mereseini Vuniwaqa officiating at the 2017 National Women's Expo.

Grants for Income Generating Projects

The Ministry of Rural and Maritime Development, Disaster Management, and Meteorological Services runs a Self-Help Project (SHP) which offers grants to fund up to two-thirds of social or income-generating projects.

In the past, the SHP focused on funding social projects. However more recently, the Ministry shifted emphasis towards income-generating initiatives, particularly ones that benefit permanent rural dwellers, as this assists with alleviating poverty and improving livelihoods. Boosting income sustainability allows grant recipients to grow financial capital or personal savings and ultimately participate in the formal economy.

During the 2016-2017 financial year, the range of ventures that benefitted from SHP funding included village bakeries, canteens, fish shops, backpacker accommodation, horticulture nurseries, poultry sheds and outboard boats with engines.

Government Roadshows

Government roadshows are part of the wider vision to empower rural communities and to ensure that every Fijian has access to basic services. Fijians in remote rural and maritime communities may spend large sums of money

to access services offered by the government and its partners, which is, available from urban centres far from their homes. A key benefit of these roadshows is that the same services are brought to isolated communities and allows residents access at a lower cost.



Enquiries for rural housing at one of five Government Roadshows in Nanoko in the highlands of Navosa.

During the 2016-2017 financial year, five separate government roadshows were conducted in Gau, Lomaiviti; Vunisea, Kadavu; Saqani, Cakaudrove; Nanoko, Nadroga/Navosa; Galoa and Serua, respectively. The roadshows offered communities a range of multi-sectoral services by government, non-government organisations and the private sector. They provided a one-stop shop for consultation,

registration, licensing, and even banking services for potential business owners, commercial farmers and rural entrepreneurs. The FNPF and the FRCS drew large numbers at the roadshows. Financial institutions such as banks and publically owned investment companies also held sessions on financial literacy, rural banking, savings or investing in company shares.

Ministry of Agriculture Income-Generating Project

The Ministry of Agriculture has more than 26 income-generating schemes aimed at reducing poverty and improving food security, reducing unemployment and curbing the rural to urban drift. The Ministry supports all forms of farming and has tailored its programs to address the needs of its various sectors. The article provides a summary of the Ministry's key programs.

The flagship Demand Driven Approach Programme that was introduced in 2007 to boost farming initiatives is made up of four sub-schemes;

- i. Export Promotion Programme;
- ii. Rural & Outer Islands Programme;
- iii. Sigatoka Valley Development Programme; and
- iv. Dairy Industry Support Programme.



Sigatoka Valley Farm.

The Export Promotion Programme allows crop farmers that export their produce to obtain funding for equipment purchase, agriculture inputs, building farm houses, etc. Meanwhile, the Rural & Outer Islands scheme provides funding to farmers located in the maritime zones and remote rural areas. Farmers accessing the scheme have utilised funds for livestock and crop-related purchases. Similarly, the Sigatoka Valley Development Project targets farmers located in the Sigatoka Valley, commonly referred to as the Salad Bowl of Fiji, and assists with funding for

farm establishment costs, irrigation equipment, small machines and green/plastic houses. Finally, the Dairy Industry Support funding targets small holder dairy farmers in the Central/Western Division that have at least two milking cows. Funding under this program has been used for the construction of dairy sheds, dairy equipment and supplementary feeds.

In addition, both the Crop and Animal Health Divisions of the Ministry have a number of programs allowing Fijian farmers to either expand or start up their farming business. The Cottage Programme for example, targets women

in agriculture and has provided assistance for pandanus production towards mat making, floriculture, apiculture (bee-keeping) and masi, virgin coconut oil and vanilla production. The Nadarivatu program targets those families in the highlands. These areas have unique climatic conditions and a resulting peak and off-peak season for farming. The Nadarivatu program focuses on vegetable production during the off seasons mainly because of its unique climatic conditions. Farmers utilising the scheme have channelled funding towards the construction of green houses and the purchase of small machineries, planting materials and irrigation equipment.

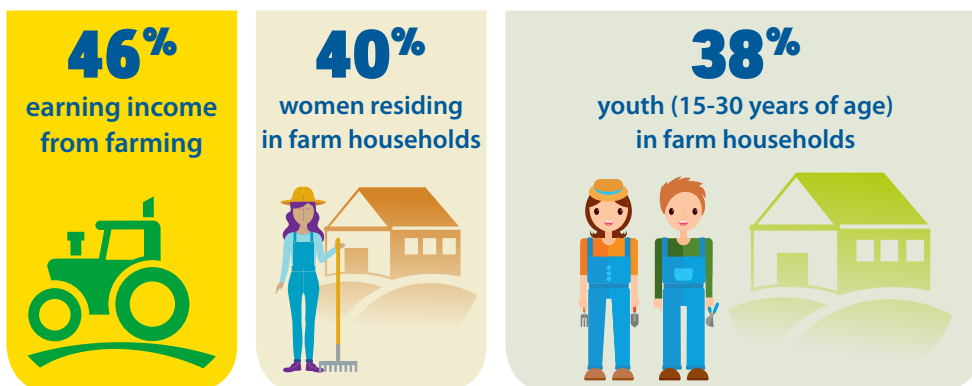
The Ministry also has crop-specific programs. Dalo and yaqona programs targets farmers that want to increase their production capacity. A separate program for ginger, a key export crop has benefited more than 600 plus farmers, especially in the Central Division. Meanwhile, the success of the Rice Revitalisation Programme was marked by the expansion of the Dreketi rice mill to keep up with the increase in crop production.

The Potato Development scheme funds the provision of planting materials while vanilla bean and cocoa farmers can receive funding from the Ministry for agro inputs and drying materials. The Ministry also provides funding for small-scale pig, sheep, goat and poultry farming.

A separate Rotuma Island Development initiative targets farmers in Rotuma while the unique Flat Land Development project assists farmers located in wet flats in the Central Division to convert marginal land to arable land.

In conclusion, funding does not preclude anyone in Fiji. The Ministry of Agriculture is adamant that poverty and food security can be better addressed through the income generating projects. In addition, it reduces unemployment and curb the rural and urban drift. The Ministry is confident that it can continue to play a significant role in driving Fiji's economy.

Bank Account Ownership: Farmers²



²Findings from the 2015 Fiji Financial Services Demand Side Survey.



The Financial Infrastructure

Sustainable Finance

Sustainable finance is a new and an important area of global focus that includes a range of policy interventions with the overarching goal of promoting sustainable development. The immediate goal for Fiji is to develop its FSPs and stakeholders' understanding of Sustainable Finance and how to nurture a Sustainable Finance environment. The encompassing discussions on greening the financial sector were deliberated at a one-day workshop for Sustainable Finance Initiatives on 1 September.

Among the participants were policy makers, FSPs, relevant government ministries, central bankers from Pacific Island countries, climate finance champions from the region and international organisations.



Participants at a Workshop session.

The objectives of the Workshop were to:

- create awareness on sustainable finance initiatives and generate discussion among the FSPs;
- discuss the financial sector's possible response to the financing needs of sustainable development; and
- lay the foundation for Fiji's roadmap towards a sustainable financial system³.



Participants at the Sustainable Finance Worksho held in September 2017 at the Holiday Inn, Suva.

³The RBF in partnership with Sustainable Banking Network are developing a Sustainable Finance Roadmap for Fiji.

Regulatory Sandbox

In May, the RBF announced its plans to introduce a Regulatory Sandbox to promote and support innovations amongst the growing market of Financial Technology providers and provide an enabling regulatory environment in Fiji.

It is expected that this will attract new players, products and services in the financial sector landscape, increase the efficiency and competitiveness in the market and create more options for the consumers.

While some regulatory requirements would be relaxed on a case-by-case basis as part of the sandbox, proposed safeguards in relation to confidentiality and fair treatment of customer information, system and data integrity including prevention of money laundering and countering the financing of terrorism will be strictly adhered to.

Elements of the Proposed Regulatory Sandbox





Digital Financial Services

The scope of digital financial services has developed considerably over the years. The financial institutions and Mobile Money Providers have been swift to tap into new territories offering a wide range of services.

The number of mobile money transactions has grown by 176 percent within the last five years implying that on average, a customer undertakes at least one transaction every week compared to one transaction per month in 2012.

On 1 October, eTransport was made compulsory for the bus industry which resulted in the issuance of around 654,000 eTransport cards. While work is already underway to link eTransport to the M-PAiSA platform, the relatively high number of users and the Near Field Communication capability provides an opportunity to expand usage of mobile money and tap into new products and services.

HFC Launches “e-lavo” Agency Banking

HFC Bank, the only locally owned commercial bank partnered with Vodafone to offer their customers basic banking transactions via the M-PAiSA agent network. The partnership provides HFC Bank with an opportunity to reach mass markets, both rural and urban, and particularly customer segments which are still not being serviced by other commercial banks.

HFC Bank has taken convenience of banking to another level with its e-lavo Agency Banking. Customers now have access to banking services beyond normal banking hours through Agent Outlets. Over 23 Vodafone and Valuefone outlets around Fiji are now providing this service.

e-lavo provides the following basic banking services:

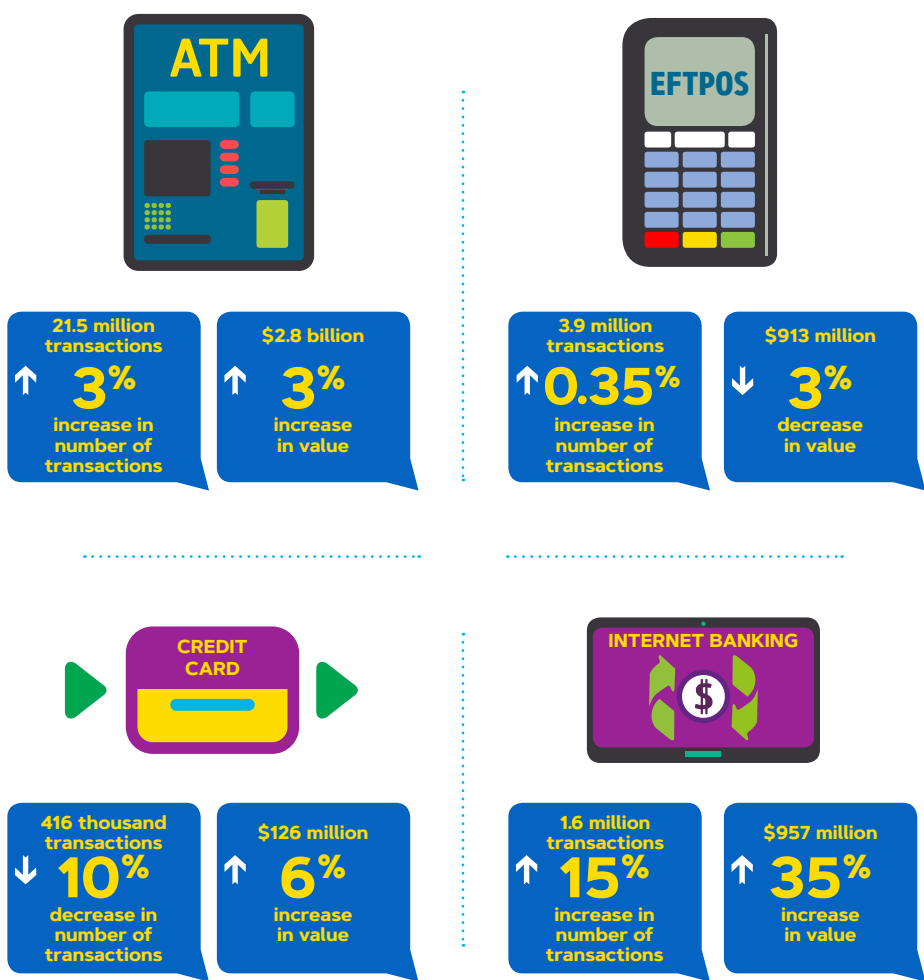
- Open a savings account
- Transactions through Point of Sale terminal:
 - Deposits
 - Withdrawals
 - Vodafone/Inkk Prepaid Topups
 - Bank transfers: HFC Bank, ANZ, Westpac, Bank South Pacific (BSP), BOB and Bred
 - In-store payments
 - Bill Payments: Includes Energy Fiji Limited, Water Authority of Fiji, Telecom Fiji Limited, Vodafone Post-pay and other business payments registered on M-PAiSA platform
 - HFC Bank to M-PAiSA Transfer
 - M-PAiSA to HFC Bank Transfer



BIMA⁴ on the other hand, though not directly linked to the mobile wallet, has innovatively used data points from mobile airtime top-up using Digicel's customer base to segment potential insurance policy holders.

Majority of claimants were from Lautoka, Nadi, Labasa and the Lau Group. Of the total policy holders, 47 percent are female while 53 percent are male. BIMA has had a significant impact on insurance penetration of around 20,263 first time insurance customers as at end of September.

Digital Finance: 2017 Usage



⁴BIMA is a leading provider of mobile delivered insurance and health services in emerging markets. BIMA launched its operations in Fiji in mid-2016 partnering with Dominion Insurance Limited for underwriting insurance policies and Digicel for delivery of insurance products.



BRED Bank opens new Branch in Valelevu, Nasinu

On Friday 3 February 2017, Prime Minister of Fiji Honourable Voreqe Bainimarama officiated the opening of BRED Bank's Valelevu branch in Nasinu. Prime Minister Bainimarama said the opening of the sixth branch of BRED Bank in Fiji was reflective of investors' confidence in the growing economy and an important step towards mainstreaming more Fijians into the financial system.

BRED Bank, which started operations in Fiji in 2012, has grown to become home to close to 120,000 Fijians, about 1,000 businesses and six major commercial centres. "Nasinu is a very exciting hub of development for Fiji, and my government will be there – every step of the way – building infrastructure, housing, improving roads, putting footpaths and more streetlights that accommodate for your future growth and lay the foundation for everything Nasinu can become," Prime Minister Bainimarama said.

Chief Executive Officer (CEO) Pacific Mr Darryl Constantin was also present at the event and said "the BRED Group is committed to providing the best service and solutions to the people of Fiji. This is the sixth branch and we certainly will not be stopping here. BRED Bank Fiji is working on bringing our innovative and dynamic banking approach to other locations and possibility in the North in the near future."



BRED Bank CEO Pacific Mr Darryl Constantin, Fiji CEO Mr Frederic Reynaud with Prime Minister of Fiji Honourable Voreqe Bainimarama unveiling the branch opening plaque.



BSP Addresses Rural Banking Digital Divide

As a bank committed to an all-inclusive financial service for both urban and rural residents, BSP has invested in state-of-the-art banking facilities to bridge the digital banking divide often hindering community development. This has inspired BSP's ongoing financial literacy efforts throughout the country spanning maritime zones, interior villages and high altitude destinations, which cocoon Fiji's unbanked population.

In 2017, the bank continued to make headway in this critical area of national development to maintain and enhance BSP's services in rural-based Post Fiji outlets. Through this partnership, 120,000 transactions were facilitated at rural locations from January to December 2017, of which 97 percent were conducted via an electronic banking solution (i.e. EFTPOS) which is a positive indicator of this market's receptiveness to digital banking or financial solutions.

Women, men and the younger members of communities were given the opportunity to learn about responsible financial management.

Instant debit card issuances and short message service and online banking registration processes have solidified BSP's reputation within Fiji's rural banking service industry and consequently, in the national financial inclusion program. With these digital banking or financial solutions, visits to communities are about much more than awareness workshops. People are trained and empowered with the tools that grant them access to the benefits of banking services at their local post offices, on their phones or via any device with internet connectivity.

BSP also plans to initiate a rural awareness program to increase the adoption of digital banking solutions through collaborations with stakeholders.



Taking banking services to the unbanked communities of Fiji demands for flexibility. Here services are delivered under a coconut tree.

Fiji and the Pacific is our home. We have knowledge, history, experience and a commitment to our countries of operation. Our rural banking commitment is shared across the entire BSP Group and its impact can be felt at grassroots level. This reinforces our position as the leading financial service provider in Fiji and the region.

Westpac In-store Merchant Launch Harvest Supermarket, Navua

On 6 June 2017, Westpac launched an In-store merchant at the Harvest Supermarket, Navua. Westpac's representation in Navua is not new and back in the 80's, Westpac used to operate as an Agency in Navua Town, serving the people and the business community.

Social, environmental and economic responsibilities form a key part of Westpac's culture and a customer-centric organisation, Westpac is the first bank in Fiji and the Pacific to provide In-store Banking, allowing people in the rural and remote areas to have access to banking without visiting a branch. This innovation demonstrates Westpac's preparedness to continuously look for ways in making banking easier and help increase our outreach to many unbanked Fijians.

Harvest Supermarket, Navua is Westpac's 59th In-store Merchant and like Westpac, the Harvest Supermarket owners and staff also share Westpac's vision to help the Fijian people build sustainable and profitable futures.

An In-store Merchant saves time and money by eliminating the need to travel to a bank branch to carry out basic banking transactions. It allows customers to bank locally, where they shop. Westpac's branchless banking model encourages people to be more financially inclusive, increases cost effectiveness and provides convenience for banking.

In-store merchant banking includes cash withdrawals, cash deposits, making direct payments to Westpac bank accounts, purchasing of goods, obtaining cash-back and making payments to a diverse list of billers.

All Westpac In-store merchants are consistently branded so they are easy to identify and are provided proper training so they can help with any transaction or questions. More importantly, like banks, all In-store merchants maintain confidentiality regarding their customers' transactions and accounts.

In-store banking focuses on growing the number of people in the banking system and giving more people the opportunity to own and operate a bank account, manage their money better by planning withdrawals and build on their savings by earning interest.



Global Harvest Holding Ltd Chairman Laisiasa Joji, Permanent Secretary for the Ministry of Rural and Maritime Development and National Disaster Management Meleti Bainimarama and Westpac Fiji General Manager Brett Hooker.

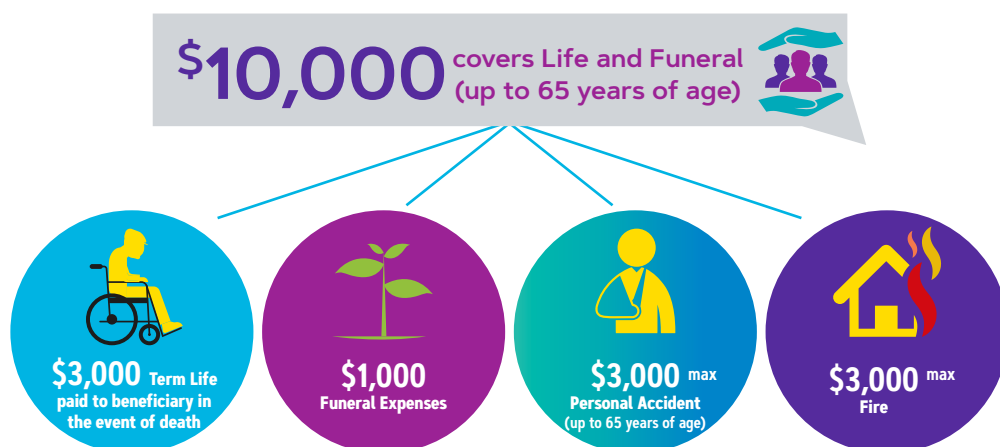
Westpac's In-store banking service is complemented by Westpac's comprehensive and free financial education courses, which teach communities to budget responsibly and save to reach their financial goals.



Inclusive Products and Services

Bundled Insurance Product

A bundled insurance product was piloted and launched in November 2017 in Lautoka. This product was designed by the Inclusive Insurance Working Group comprising insurance companies, government and the PFIP. The bundled product is unique and affordable providing multiple insurance cover totaling \$10,000 under a single policy with a premium of \$52.00 per year.



The product was piloted to 12,500 sugarcane farmers in July and officially launched in November. The premium is to be paid by the Sugarcane Growers Fund for the first three years with the intention to allow the sugarcane farmers to appreciate benefits of being protected by insurance and to encourage farmers to take up insurance on their own upon completion of this period. The bundled product was officially launched in November and is also being marketed to the garment, hardware and retail industries.

Voluntary Retirement Savings

A digital platform is being piloted to allow low income earners including those in the informal economy to voluntarily make small contributions towards savings for retirement. This is particularly important for workers in the informal sector who are often excluded from the superannuation industry and generally not financially prepared for old age. The voluntary account allows those who receive irregular income to save money into their account whenever they can.

The customer requirements for opening a voluntary account is similar to a traditional superannuation account and offers similar benefits such as interest pay-out on members' balances and not charging fees for operating the account. At 55 years of age (national retirement age), the account holder can choose to either withdraw their balance in full or opt to receive monthly payments until their funds are fully utilised.



Financial Literacy and Consumer Protection

iTaukei Financial Literacy TV Show

In April 2017, the RBF in collaboration with the Fiji Broadcasting Corporation Limited (FBC) and FSPs launched a local television program called “Noda i Lavo”. The program, which is recorded in iTaukei vernacular with English subtitles for other viewers, is part of the Bank’s ongoing efforts to raise awareness on financial education and consumer protection. A direct translation of the program name, “Noda i Lavo” is “*Our Money*” and the show features financial services practitioners sharing their experiences in a talk show format.

The first season of the show spans 13 episodes covering financial education topics including savings and spending, insurance, investment, consumer protection and remittances.

Feedback received from a wide cross section of the community has been very positive. The simple language and practical messages are effective and very useful in delivering key financial inclusion messages.



ANZ’s commitment to financial literacy in Fiji

ANZ is committed to delivering its flagship financial literacy program, MoneyMinded, to drive a savings culture across Fiji.

MoneyMinded is a comprehensive suite of financial education resources for adults, developed by ANZ and used by financial counsellors and community educators in assisting people to build their money management skills, knowledge and confidence.

ANZ provides free access to training materials and resources to accredited MoneyMinded trainers to support their delivery of the program, which include facilitator guides, participant workbooks, case studies and visual teaching aids. The program is designed to be flexible and can be delivered through group workshops and individual counselling sessions. Facilitators can select the topics that meet the specific needs of participants.

The program delivery is through a mix of community and corporate partners and employees who are trained and accredited to deliver MoneyMinded.

MoneyMinded partners include:

- Fiji National Provident Fund
- Fiji National University
- Live & Learn
- Digicel Pacific
- National Employment Centre



Participants at a MoneyMinded Seminar in Kadavu.

The benefits of MoneyMinded

In November 2017, ANZ Fiji launched the MoneyMinded in Fiji Impact Report 2017. The report highlighted results from a survey conducted by the University of the South Pacific to understand the impact of the program, revealing that most respondents have acquired: useful and relevant financial knowledge and skills for their daily management of money; more positive attitudes and behaviours towards managing money; and a future orientation that involves setting financial goals, budgeting, saving and investing.

Findings from ANZ's Impact Assessment on MoneyMinded Financial Literacy Program

ANZ conducted an Evaluation Survey on participants a few months after they had attended the MoneyMinded training to measure the financial attitudes, knowledge and capabilities before and after completing the program. The sample for this exercise was 30 participants.

- Respondents tend to be less vulnerable to shocks (After the program, 83% have enough money to cover sudden loss compared to 40% before the program).
- There is greater financial independence that is supported by healthy saving habits (36% unable to save before the program. 64% now save around \$50 every week).
- Spending behaviour has improved with 90 percent paying bills on time and an increase in avoidance for buying things on credit.



MoneyMinded in Kade, Koro.

Financial Planning

During the year, the RBF made three presentations, on request, covering the importance of financial planning to first year university students and employees that were part of a redundancy/early retirement program from two organisations.

Australia Pacific Technical College Career Development Seminar

The RBF along with WBC and South Pacific Business Development (SPBD) presented to around 300 students on bookkeeping and risk management for small business at the Australia Pacific Technical College annual Work Program Initiative seminar. The objective of the seminar is to assist students with career development before graduating as skilled workers.

Financial Complaints Management

In 2017, a total of 4,274 new complaints were registered by licensed financial institutions (LFIs). Out of this number only three percent (110) were referred to the RBF. The number of complaints received by banks, credit institutions and the insurance industries increased by 27 percent compared to 2016. This increase is attributed to growth in these sectors and increased numbers of consumers participating through use of services and products. There was a 19.9 percent overall increase in the number of complaints registered for 2017 compared to 2016. However there was a decline in the complaints registered by the FNPF for 2017 with the completion of applications by members after the devastation of Tropical Cyclone Winston in 2016 by 40 percent.

Financial Complaints Recorded

Number of Complaints	2016	2017	% Change
Banks and Credit Institutions	2,974	3,757	26.3
Insurance Companies	197	281	42.6
FNPF	394	236	-40.1
Total New Cases	3,565	4,274	19.9
Complaints to RBF	95	110	15.8

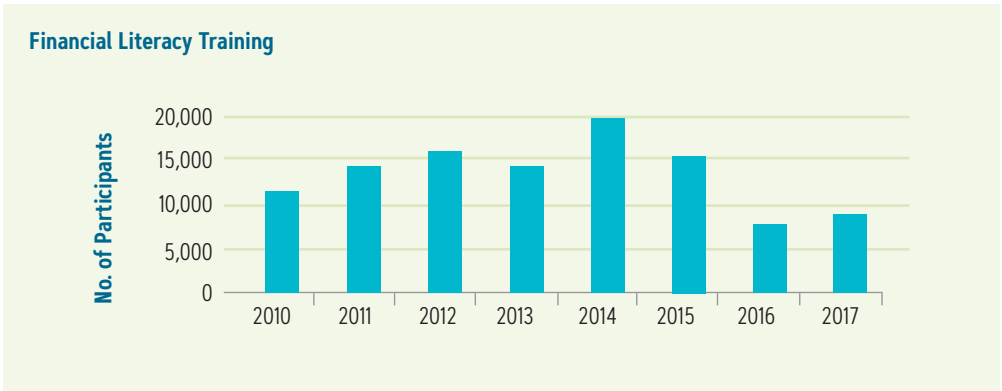
Source: Reserve Bank of Fiji

The type of complaints received by LFIs during the year related to customer services, fees and charges, lending, electronic banking, terms and conditions of insurance policy and claims, motor vehicle insurance and delay in processing of applications.

Financial Literacy Training

A total of 8,513 adults received financial literacy training in the community during the year; the majority of these participants are women. The financial literacy training were conducted by WBC, ANZ, BSP, FNPf and the Ministry of Industry, Trade and Tourism with most of the training in the rural areas.

Adult Financial Literacy Training



Source: Reserve Bank of Fiji



MoneyMinded participants in rural Fiji.



Stakeholder Partnership and Collaboration

Geospatial Training by the Pacific Community for RBF

In March, the Pacific Community conducted geographic information system (GIS) training for RBF staff from the Financial Inclusion and Information Technology Units. The training related to GIS application and data to facilitate the mapping of Fiji's financial access points. Participants were introduced to the basic concepts of GIS, spatial data infrastructure and practical exercises on projections and creating maps.

This capacity building has given RBF some flexibility and less reliance on the Fiji Bureau of Statistics for all financial related maps.



Trainers from SPC and staff of the RBF.

Central Bank of Solomon Islands Staff Attachment

In July 2017, the RBF hosted two staff from Central Bank of Solomon Islands (CBSI) on a week-long attachment with its Financial Inclusion Unit. The capacity building program, which was assisted by the PFIP allowed the CBSI staff to observe and learn about how RBF coordinated and managed its financial inclusion activities. The attachment was focused on knowledge sharing and is expected to guide implementation and data collection towards targets set in the new five year National Financial Inclusion Strategy for the Solomon Islands.

Insurance Media Awareness

Following the success of the 2016 media campaign, the Insurance Education and Awareness Campaign (featured on Fiji Television, FBC TV, Mai TV, Communications Fiji Limited's radio stations, Fiji Times, Fiji Sun and Facebook) was rerun with the sponsorship of PFIP and the insurance companies. The media campaign reinforced the key messages on the benefits of insurance and encouraged the general public to invest in an insurance policy.

Financial Education Innovation Awards

The FinED Innovation Awards is an initiative of the Financial Literacy Working Group to support and recognise primary school teachers that have innovatively taught FinED as well as primary schools that embedded FinED in classroom learning at all levels.

The FinED Innovation Awards was launched in March and a Circular was sent by the Ministry of Education (MOE) to all primary schools in Fiji to submit their applications. The Awards categories include:

- FinED Champion Teacher Award for Innovation
 - o Central Division
 - o Western Division
 - o Northern Division
 - o Eastern Division
- FinED Champion School Award for Innovation
 - o Central Division
 - o Western Division
 - o Northern Division
 - o Eastern Division

A total of 21 submissions were received for both categories where 11 submissions were for the teacher category and 10 for the school category. There were no submissions received from the Eastern Division for both categories. A reviewing panel from the Curriculum Advisory Services of MOE, PFIP and the RBF assessed and shortlisted the applications to 13 finalists (8 for the school category and 5 for the teachers' category). The final phase of assessment involved four retired school teachers (Mr Nemani Drova, Mr Parayame Cakacaka, Mr Radha Krishna and Mrs Serenia Rawalai) as independent assessors to verify submissions through a field visit and select the divisional winners for each of the categories.

The Awards was officiated by the Deputy Secretary for Education at the Fiji Head

Teachers Association Conference in September. The Awards ceremony was witnessed by more than 600 head teachers from all over Fiji during their annual general meeting.

Three schools were recognised for their efforts in implementing FinED, and in ensuring that FinED was embedded into the classroom learning at all levels. Each of the winning schools were awarded a cash prize of \$2,000, a trophy and a certificate of recognition. Additionally, three primary school teachers were also recognised for their contribution towards FinED. The teachers were also awarded a cash prize of \$1,000, a trophy and a certificate of recognition.

Winners of the Primary School Category

Northern Division - Muanidevo Sanatan Dharam Primary School: The school set up practical activities in the classrooms such as a shopping corner where students learned about buying and selling. Students are rostered to look after the school canteen providing them with practical experience in sales, managing money, shopkeeping and record keeping. The students are also encouraged to open bank accounts with a banking run organised every fortnight.

Central Division - Ratu Ravuama Vunivalu Memorial School: 53 students from the school invested \$3,037 in units with Fijian Holdings Unit Trust (FHUT). To encourage a savings habit, the school plans to drive the FHUT investment not only to the students but also to the parents and teachers.

Western Division - Maigania Muslim Primary School: Students constructed their own piggy banks and were encouraged by the school to make use of the same by saving money. Throughout the year, the students used their savings to purchase story books. The students also learned to prioritise their needs and spend wisely. As a result the school noted a drop in sales from their canteen.



Winners of the 2017 FinED Innovation Awards.

Winners of the Primary School Teacher Category

Three primary school teachers were also recognised for their contributions towards FinED.



Maritime Winner - Mr Kitione Ligavatu

Mr Ligavatu taught at Ulinakorovatu Primary School in Beqa and although from an isolated rural school, he inspired and encouraged students, parents and the community to enjoy financial education and set life-long goals. Students made their own money boxes from plastic soft drink bottles and developed vegetable gardens at school. Proceeds from the sale of garden produce were put towards savings and placed in the students' money boxes, with the aim of saving enough to invest in units with the FHUT.



Western Division Winner - Ms Zahida Ali

Ms Ali taught at Arya Kanya Pathshala in Ba where she created awareness and continuously emphasised the importance of savings through recycling, reusing and reducing, referred to as the "3Rs" among her students. They were also encouraged to develop a long-life interest and save money. Additionally, Ms Ali's students used old newspapers to create floor mats for themselves.



Central Division Winner - Ms Betty Carter Sukulu-Rasaku

The 2017 Year 6 students of Ratu Ravuama Vunivalu Memorial School in Tailevu are amongst the first primary school students to invest in FHUT. Ms Rasaku started this project with the Year 5 students in 2016 and is continuing her good work in Year 6 in 2017.

National Microfinance Awards

The National Microfinance Awards was initiated in 2013 to recognise micro-entrepreneurs that have made outstanding achievements in their businesses and to promote the microfinance sector. This included three categories:

- Best Microfinance Entrepreneur (Individual);
- Best Microfinance Entrepreneur (Partnership); and
- Best Microfinance Service Provider.

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 2017 NMAs was launched in August to promote and recognise outstanding and innovative micro-businesses in Fiji. The 2017 Awards was sponsored by the RBF, ANZ Bank, PFIP, BSP, BOB, HFC Bank and Life Insurance Corporation of India.

A total of 33 applications were received, an increase of 18 percent compared to the submissions received in the last NMA. The assessment exercise was completed in December and the Awards event is planned for 2018.



Market vendors at the Suva Market.

Asenaca Qalilawa – Planting the Seeds of Success

“To earn money and make a profit in business requires a lot of dedication, discipline and determination to succeed in business and in life” says Asenaca Qalilawa.



Asenaca Qalilawa started her business in 1998 selling flowers in her Wainibokasi neighbourhood. However, like many village women she had no suitable asset to offer as loan collateral, so access to capital was limited. In 2010, she became aware of the services offered by the SPBD, which led her to take out her first loan of \$1,000 to buy new plants and seeds for her business. She was an active and disciplined borrower of SPBD. She later diversified her business to baking, sewing, weaving, production of virgin oils and most recently yaqona planting.

As her business expanded she began to employ other members of her family to tend to her flowers. She purchased her raw materials (pandanus leaves) from the local villagers and engaged the village youth in maintaining and harvesting her yaqona plantation.

What began as a small trade has since blossomed and expanded into a thriving business that is not only generating good income for her family but has also allowed her to expand her family home. Asenaca has been able to contribute to her community in her own simple way by providing employment and additional income for other families through the purchase of raw materials.

Life has changed considerably for this hardworking village lady as she thrives for a better life. Her efforts have not gone unnoticed; she was the finalist for the SPBD Woman of the Year Award and Individual Saver of the Year Award in both 2011 and 2012.

Ms Qalilawa, said she was grateful to the RBF for its initiative in recognising micro-entrepreneurs. She used the NMA \$4,000 prize money to renovate her house in Wainibokasi which allowed her to generate rental income. Ms Qalilawa eventually sold her house and now concentrates fully on her flower business which she has expanded to include the selling of coloured “voivoi” (pandanus leaves readily prepared for weaving).

Ms Qalilawa is now able to self-sustain her business and no longer relies on credit from a third party. She mentions that she is grateful for the financial support and the discipline she has cultured through the mentorship and financial training from SPBD as it allowed her to improve her living standards and be successful in life.

Ms Asenaca Qalilawa’s story tells us that *“success is possible if we are determined to succeed”*.

Potential Meets Opportunity for Young Businessman

Ledua Rouwani is the proud owner of Rouwani Graphics, a custom and promotional merchandising business based in Raiwai. The 28 year old designs and prints a range of products including t-shirts, sulus, banners, bedspreads and pillow cases. He credits his success to date to the support of his family and friends and values the importance of financial literacy and entrepreneurship training for small start-ups such as his.



From left: former Governor of the Reserve Bank of Fiji, Barry Whiteside, Winner of the Young Entrepreneur Award – Ledua Rouwani, Honourable Minister for Industry, Trade and Tourism, Faiyaz Koya, PFIP staff Elizabeth Larson and former PFIP staff Jeff Liew.

The journey was not easy for this young businessman. When Ledua completed high school in 2008 he could not attend medical school to pursue his Pharmaceutical Studies due to financial constraints.

In 2011, he realised that this was his opportunity to nurture his childhood interest and tap into his designing potential. He took short courses at the Fiji National University to become a Graphic artist and with the dream of managing his own business and being his own boss, a 21 year old Ledua formed Rouwani Graphics with the help of a micro-loan. He operates the business from his home in Raiwai and through the years has found his niche market of catering for small orders that his larger competitors are not keen to take on. His clients mainly comprise social groups, schools, churches, associations and organisations from the private and public sectors. His public relations strategy operates solely through word of mouth testimonies from satisfied clients and on good days he can take orders for more than 500 prints. Ledua carries out all work at the various stages of production (design, layout and printing) and manages small scale orders on his own. For larger orders, he employs three or more staff (usually relatives) to assist him in meeting deadlines.

Ledua is grateful for the various types of assistance provided by the Fiji Council of Social Services. He further added that the financial literacy and entrepreneurial training in particular have helped him obtain the necessary knowledge and discipline to manage his money and successfully run his business.

In 2015, Ledua won the Young Microentrepreneur Award at the RBF's NMA and invested the prize money back into his business. He purchased a second-hand computer to enhance his designs and expand his portfolio. In addition, he keeps an electronic system of invoicing to increase efficiency. As his business grew, Ledua also invested in a laptop, a colour laser printer and other screen printing equipment that has enabled him to improve the quality and turnaround time of his projects.

As a young, tech savvy entrepreneur, Ledua recognised the benefits of using social media and other online services to increase the reach of his business and grow his revenue. Ledua created and launched a business website and also invested in social media advertising, which brings in close to 90 percent of his clientele including those located outside of Viti Levu. His records show that his business is increasing every year with the largest growth recorded in the last two years. The income from the business has enabled Ledua to pursue medical studies and he is now a third year student in a four year bachelor's degree in Pharmacy.

While there are no immediate plans to expand the business, Ledua believes that growth will happen naturally as larger projects are taken on board. He added, *"It's a challenge managing a business, school and family. I thank my family especially the uncles, aunties, cousins and my wife for standing by my side in making production runs smooth as possible. Sometimes they offer their labour for free and I appreciate that they believe in me"*.

On winning one of the National Microfinance Awards, Ledua said, *"The recognition of winning the first "young" microentrepreneur award back in 2015 was great as I was able to use the title to validate my business to other clients creating business confidence. It has also enabled me to network with other like-minded youths to share the little that I have learned during my journey and for me to also learn from them"*.

The Young Entrepreneur Award was introduced in 2015.



Striving young entrepreneur in Nadi town.



Data Measurement

An internal data working group was set up to oversee and facilitate the collation of development data, the disaggregation of financial inclusion data and other development data needs.

Progress of Core Financial Inclusion Indicators

Financial Inclusion Dimension	Core Performance Indicators	Baseline Data ⁵	2017	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	22.9	25	30
	Percentage of rural administrative units with at least one access point	88	89.5	89	90
	Percentage of new account(s) at a formal financial institution	64	71.6 ^r	75	85
	Percentage of new account(s) at a formal financial institution - Women	52	56.8	60	72
	Percentage of account(s) at a formal financial institution – Youth (aged 15-30)	51	57.0 [*]	65	80
	Percentage of account(s) at a formal financial institution – Eastern Division	44	32.7 [*]	55	70
	Percentage of account at a formal financial institution – Northern Division	55	54.9 [*]	65	80
	Percentage of account(s) at a formal financial institution - Western Division	62	66.6 [*]	75	85
	Percentage of account(s) at a formal financial institution – Central Division	73	64.6 [*]	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	3.04	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	40	45
	Percentage of adults using formal credit products	6.9	16.03 ^r	10	15
	Percentage of adults with an insurance product	12	19.75 ⁶	15	25
	Percentage of remittance sent through mobile money	0.51	1.72	5	10
	Percentage of adults with a FPNP membership account	65	66.85	70	75

Key:

n.a not applicable

r revised

* data reported from the 2017 Population Census

⁵Baseline Data is from the Demand Side Survey and Supply Side data for 2015.

⁶The 2016 data was used as a proxy.



2017 Key Financial Inclusion Milestones

Jan	<ul style="list-style-type: none"> - The Fijian Government joins UN's Better Than Cash Alliance (BTCA) committing to accelerate the transition from cash to digital payments in order to reduce poverty and drive inclusive growth. - Launch of 2017 Student Diary.
Feb	<ul style="list-style-type: none"> - The Fiji Interchange Network (Payments) Bill 2016 was passed in Parliament in February 2017. The Bill now cited as Fiji Interchange Network (Payments) Act 2017 enables the establishment of an Interchange Network. - MOE in partnership with the RBF, NFIT and Capital Markets Taskforce launched the 2017 National Poster Competition for primary school students in Fiji to raise awareness on savings and investment.
March	<ul style="list-style-type: none"> - NFIT Meeting.
April	<ul style="list-style-type: none"> - The RBF and NFIT announced the launch of the first National FinED Innovation Awards.
May	<ul style="list-style-type: none"> - Vodafone partners with TransferTo, a leading B2B Cross-Border Payments Network, to provide international digital money transfer services into Fiji from Australia. - The RBF announces its intention to issue guidelines for a Regulatory Sandbox. RBF Press Release (No. 13/2017). - Fiji becomes a member of Sustainable Banking Network.
June	<ul style="list-style-type: none"> - Financial literacy training at the National Women's Exposition from 14-16 June 2017. - Government roadshow in Saqani, Vanua Levu. - University Of The South Pacific integrates FinED in Short Courses Curriculum.
July	<ul style="list-style-type: none"> - Government roadshow in Kadavu Island. - The Personal Property Securities Bill was tabled in Parliament. - The Reserve Bank published and launched the Financial Sector Development Plan (2016–2025) at its Board meeting. - Handover of FinED Project to MOE. - Be Money Wi\$e National Poster Competition Awards in the Central Division. - Published the first Financial Inclusion Annual Report.
Aug	<ul style="list-style-type: none"> - The Tertiary Scholarship and Loans Board (TSLB) announce plans to disburse all TSLB allowance payments to students through the M-PAiSA channel. - The Personal Property Securities Bill tabled to Standing Committee for Justice, Law and Human Rights.
Sept	<ul style="list-style-type: none"> - HFC Bank launches agency banking in partnership with Vodafone Fiji, the PFIP and Epay. - Be Money Wi\$e National Poster Competition Awards in the Northern Division. - Personal Properties Securities Act passed in Parliament.
Oct	<ul style="list-style-type: none"> - Fijian Government legislated and made compulsory, electronic payment for bus fares via eTransport cards.
Nov	<ul style="list-style-type: none"> - United Nation's Better Than Cash Alliance Workshop to advocate Government Ministries in Fiji and Solomon Islands to transition from cash to digital payments to advance financial inclusion and promote responsible digital finance. - ANZ published it's MoneyMinded in Fiji Impact Report 2017.
Dec	<ul style="list-style-type: none"> - FNPF pilots new digital platform through Vodafone M-PAiSA for voluntary savings for retirement.



National Financial Inclusion Taskforce Members

Ariff Ali Governor and Chairman of the National Financial Inclusion Taskforce. He was appointed Governor on 11 September 2017 and assumed the role as Chairman of the National Financial Inclusion Taskforce

Yogesh Karan Permanent Secretary for the Office of the Prime Minister

Naipote Katonitabua Permanent Secretary for iTaukei Affairs

Meleti Bainimarama Permanent Secretary for Rural and Maritime Development and National Disaster Management

Eveli Waqavonovono Government Statistician and Chairman of the Statistics Working Group

Lolesh K Sharma Chief Executive Officer Sun Insurance and Chairman of the Inclusive Insurance Working Group

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

Nafitalai Cakacaka General Manager Business Risk Services of the Fiji Development Bank and Chairman of the Inclusive Products & Services Working Group

Dijendra Singh Businessman Vatia Beach Resort, a family-run property

Kevin McCarthy Country Manager of BSP

Krishnan Narasimhan Deputy Programme Manager, PFIP

Vereimi Levula Chief Manager for the Financial System Development Group

The Taskforce acknowledges and thanks Barry Whiteside, former Governor and Chairman of the National Financial Inclusion Taskforce and Litia Mawi, former Roving Ambassador/High Commissioner to Pacific Island Countries for their valuable contributions to financial inclusion in Fiji and the Pacific and their dedicated services to NFIT.



Abbreviations

ANZ	Australia and New Zealand Banking Group Limited
ATMs	Automated Teller Machines
BOB	Bank of Baroda
BSP	Bank South Pacific
CBSI	Central Bank of Solomon Islands
CEO	Chief Executive Officer
DFS	Digital Financial Services
EFTPOS	Electronic Funds Transfer at Point of Sale
FBC	Fiji Broadcasting Corporation
FDPA	Fiji Disabled Peoples Association
FHUT	Fijian Holdings Unit Trust
FinED	Financial Education
FNPF	Fiji National Provident Fund
FRCS	Fiji Revenue and Customs Service
FSPs	Financial Service Providers
GIS	Geographic Information System
HFC	Home Finance Company Ltd
LFIs	Licenced Financial Institutions
M4C	Markets for Change
MOE	Ministry of Education
NFIT	National Financial Inclusion Taskforce
NGOs	Non-Government Organisations
NMA	National Microfinance Awards
PFIP	Pacific Financial Inclusion Programme
PHAMA	Pacific Horticulture and Agricultural Market Access
RBF	Reserve Bank of Fiji
SHP	Self-Help Project
SPBD	South Pacific Business Development
SPC	Pacific Community
TSLB	Tertiary Scholarship and Loans Board
WBC	Westpac Banking Corporation
WGs	Working Groups



**RESERVE BANK
OF FIJI**



Postal: Private Mail Bag, Suva, Fiji
Telephone: (679) 331 3611 | Facsimile: (679) 330 2094 | Email: info@rbf.gov.fj
Website: www.rbf.gov.fj | www.nfitfiji.com