

A Sustainable Banking Network (SBN)
Flagship Report
Addendum to SBN Global Progress Report

October 2019

Country Progress Report

Fiji



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Status for Policy Preparation – Fiji



SBN Member:

- ☐ [Reserve Bank of Fiji \(RBF\)](#) (member since 2017)

SBN Working Group: Green Bond Working Group

Country readiness review:

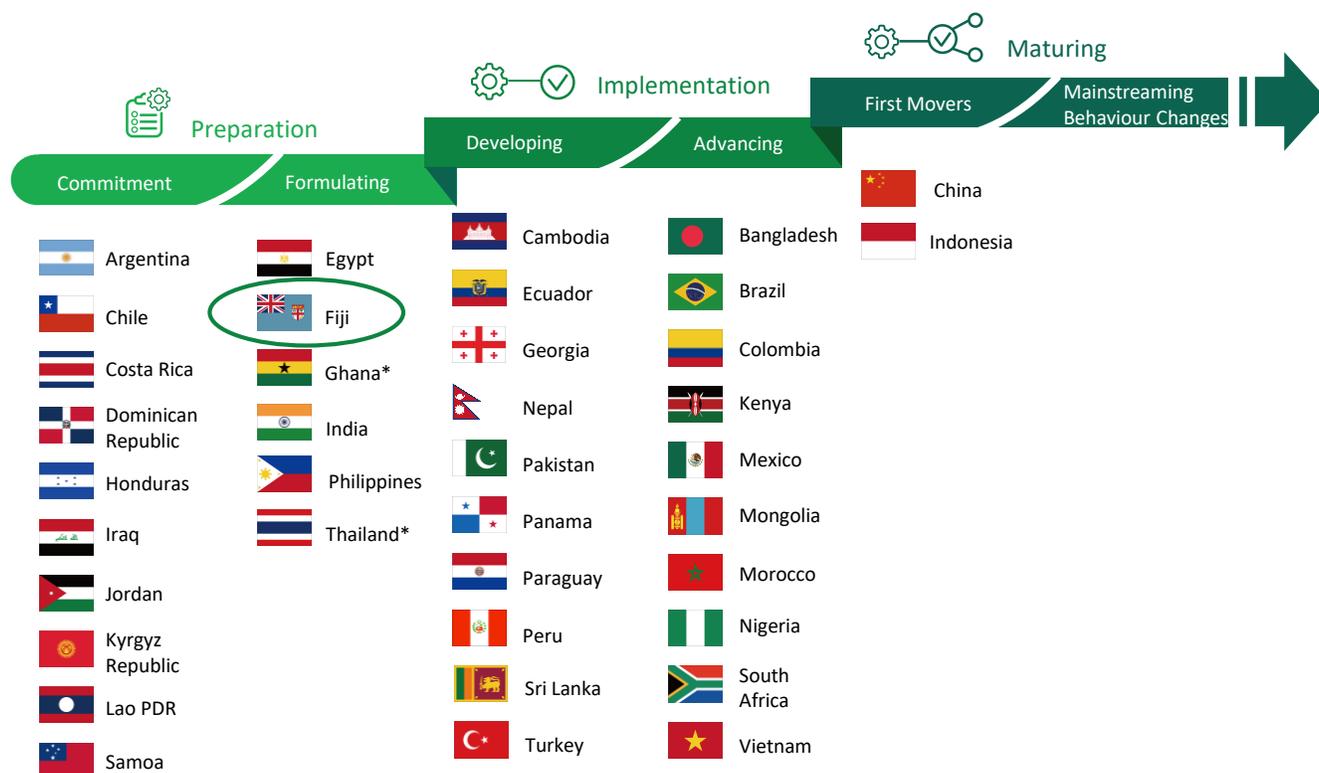
Introducing a formal, national sustainable finance framework (e.g. roadmap, policy, regulatory guidelines, or voluntary industry principles) has been shown to be a foundation for effective country strategies to promote the shift to sustainable finance. Based on SBN members’ experiences, a number of steps are commonly required in preparation for doing so. These include raising awareness within the sector, initiating dialogue among public and private sector stakeholders, and researching national priorities, requirements, and current practices with regard to sustainable finance.

Fiji is currently in the formulating phase and intends to launch a framework in the coming years. Fiji’s readiness has therefore been reviewed against 3 main dimensions:

- ☐ Is awareness raising being undertaken in the country, with leadership by either the financial sector regulator and/or the banking association? (e.g. trainings, knowledge sharing events, conferences and meetings, research, publications)
- ☐ Has a sector-wide dialogue been initiated towards the establishment of a national sustainable finance framework, involving relevant stakeholders? (e.g. government and other public bodies, private and public financial institutions, regulators, civil society organizations)
- ☐ Has a timeline for the development of a policy been defined? (i.e. a clear schedule and milestones to launch the framework?)

Figure 1: SBN Progression Matrix with Assessment Results¹

Assessment based on progress up to and as of June 2019²



Note:

1. Please refer to the SBN Global Progress Report for an explanation of the Progression Matrix.
2. Ghana and Thailand launched their policies and principles in August 2019, after the cut-off date of June 2019 for this report.

Status for Policy Preparation – Fiji



Timeline for the development of a policy / principles:

In 2017, the RBF joined SBN and started, with the support of IFC, to work on a strategy to define the elements needed for the development of a sustainable financial market. Industry consultation was conducted to identify common needs and challenges. RBF is contemplating the development of a national sustainable finance roadmap to lay out objectives, key guiding principles, and an action plan for local financial institutions.

Dialogue towards the establishment of a policy or voluntary principles:

The RBF is currently driving the development of a sustainable finance framework, with support from IFC. The Sustainable Finance Workshop of 2017, organized by the RBF and IFC, saw private sector financial institutions taking part in initial consultations on the framework. In particular, they shared their views on Fiji's major sustainable finance issues and how these should be addressed by the sustainable finance framework.

Awareness raising practices:

RBF, with the support of IFC and SBN, organized the 1st Sustainable Finance Workshop in September 2017, bringing together diverse international and local financial market actors to share their experience on sustainable finance.

Local financial system:

The banking system in Fiji is supervised by the RBF. There are six licensed commercial banks with established operations, and non-bank financial institutions also provide financial assistance. As of June 2018, the commercial banking sector was performing positively in terms of capital, assets, earnings, and liquidity. Total assets increased by 5.1%, with notable growth in loans and advances as well as investments.

Recent progress and achievements:

- ❑ Fiji has taken numerous actions to address environmental threats. It has ratified both the Kyoto protocol and the Paris Agreement. In its Nationally Determined Contribution it has committed to use 100% renewable energy by 2030 and to reduce the energy sector emissions by 30%. Another major action was the issuance of a sovereign green bond in October 2017, making Fiji the first emerging country and only the third sovereign state to issue such a bond. The proceeds raised are mainly being used to finance resilience projects. These include crop resilience, flood management in sugarcane fields, reforestation, solar panels, and the enhanced reconstruction of schools.
- ❑ Fiji has launched the ISEFF (Import Substitution and Export Finance Facility) for financing local renewable energy projects. In 2012, a provision requiring banks to allocate 2% of their total deposit liabilities as Renewable Energy loans was introduced under the Reserve Bank of Fiji Act. In the same year, the National Climate Change Policy was published. This defines the position of the Government and other stakeholders towards climate change and aims to identify sustainable financing for climate change related projects.

Access the SBN Global Progress Report and Country Reports at:
www.ifc.org/SBN2019Report

