Fijian Sustainable Bond Framework 2022

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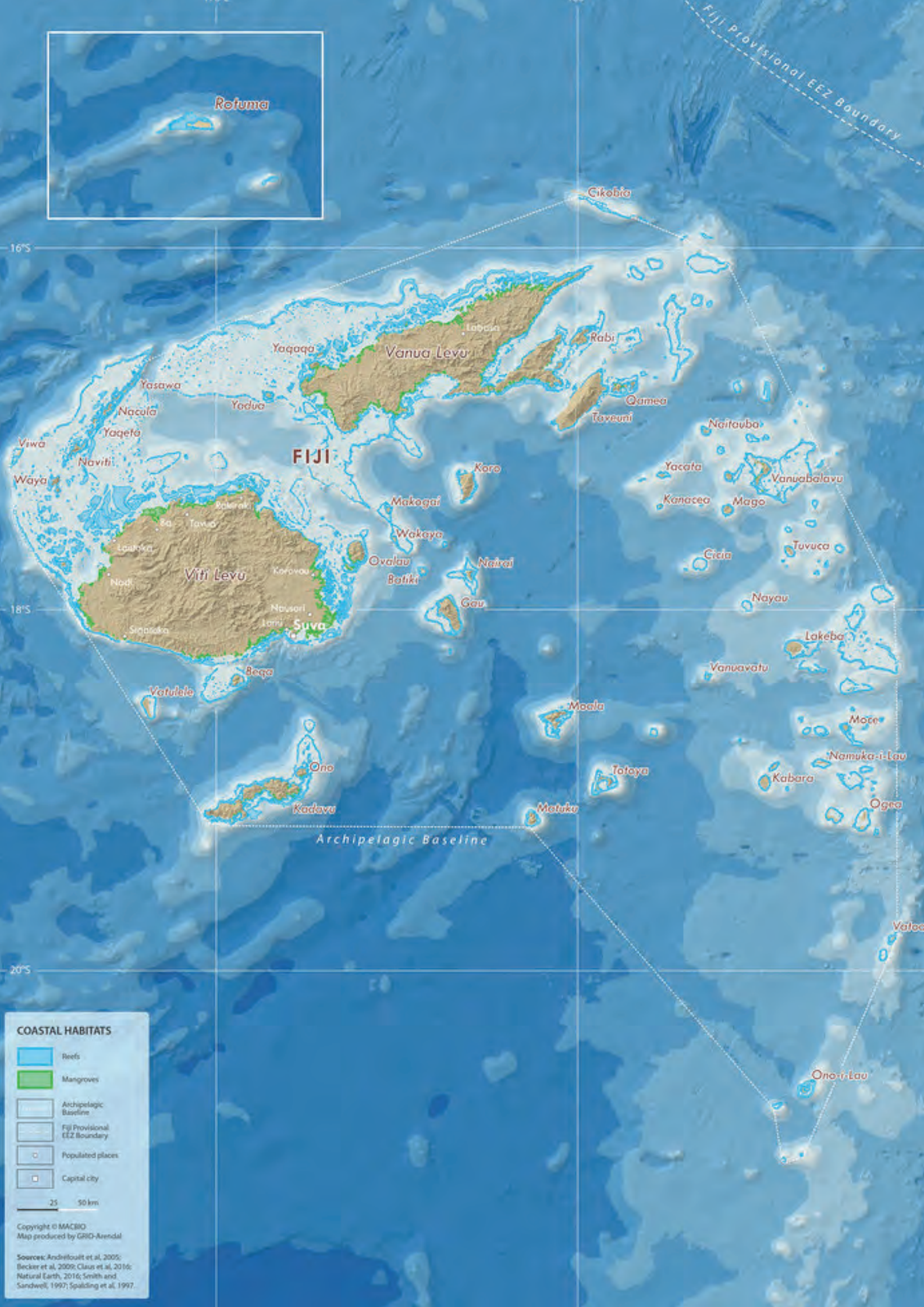
Rotuma
Fiji Provisional EEZ Boundary
Cikobia
16°S
Labasa
Vanua Levu
Rabi
Yaqaqa
Yasawa
Yadua
Qamea
Taveuni
Nacula
Naitauba
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Fiji Provisional EEZ Boundary
Populated places
Capital city
25
50 km
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Sources: Andréfouët et al, 2005; Becker et al, 2009; Claus et al, 2016; Natural Earth, 2016; Smith and Sandwell, 1997; Spalding et al, 1997.

Contents

Acronyms

ADB	Asian Development Bank
AIDS	Acquired Immunodeficiency Syndrome
ART	Alternative Recovery Technology
BREEAM	Building Research Establishment Environmental Assessment Method
CBD	Convention on Biological Diversity
CCA	Climate Change Act 2021
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
CHP	Combined Heat and Power
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COEP	Code of Environmental Practice
COVID-19	Corona Virus Disease 2019
EEZ	Exclusive Economic Zone
ETP	Endangered, Threatened or Protected
FAO	Food and Agriculture Organization
FJD	Fijian Dollar
FNPF	Fiji National Provident Fund
FSBF	Fijian Sustainable Bond Framework
FSC	Forest Stewardship Council
GBP	Green Bond Principles
gCO_2e/kWh	Grams of CO2-Equivalent per Kilowatt-Hour
$gCO_2e/p\text{-}km$	Grams of CO2-Equivalent per Passenger-Kilometre Travelled
GCRMN	Global Coral Reef Monitoring Network
GDP	Gross Domestic Product
GGF	Green Growth Framework
GHG	Greenhouse Gas
GMOs	Genetically Modified Organisms
HFO	Heavy Fuel Oil
HIES	Household Income and Expenditure Survey
HVAC	Heating, Ventilation and Air Conditioning
IA	Impact Assessments
ICLFS	Integrated Crop-Livestock-Forestry Systems
ICMA	International Capital Market Association
ICMA	International Capital Market Association
ICT	Information, Communication and Technology
ILO	International Labour Organization
IMO	International Maritime Organization
INNS	Invasive and Non-Native Species
ISO/TC	International Organization for Standardization Technical Committee
IT	Information Technology
IUCN	International Union for Conservation of Nature
IUU	Illegal Unreported and Unregulated
IWPP	Integrated Water and Power Plant
km^2	Square kilometres
kWh	kilowatt-hour
LEED	Leadership in Energy and Environmental Design
LMMAs	Locally Managed Marine Areas

LSHFO	Low-Sulphur Heavy Fuel Oil
m^2	Square metres
MARPOL	International Convention for the Prevention of Pollution from Ships
MDO	Marine Diesel Oil
MoE	Ministry of Economy
MRI	Magnetic Resonance Imaging
MSC	Marine Stewardship Council
MSMEs	Micro, Small and Medium Enterprises
MSP	Marine Spatial Planning
MWh	Megawatt Hour
NABERS	National Australian Built Environment Rating System
NAP	National Adaptation Plan
NCCP	National Climate Change Policy
NDC	Nationally Determined Contribution
NDP	National Development Plan
NEDC	National Environmental Data Centre
NOP	National Ocean Policy
NOx	Nitrogen oxides
ODA	Official Development Assistance
p.a.	per annum
PEFC	Programme for the Endorsement of Forest Certification
pH	Potential Hydrogen
PM	Particulate Matter
PM	Prime Minister
PPPs	Public-Private Partnerships
PV	Photovoltaic
R&D	Research and Development
RAMSAR	Ramsar Convention on Wetlands of International Importance Especially as Waterfowl Habitat
RBF	Reserve Bank of Fiji
RE	Renewable Energy
SBG	Sustainability Bond Guidelines
SBP	Social Bond Principles
SCADA	Supervisory Control and Data Acquisition
SDGs	Sustainable Development Goals
SFI	Sustainable Forestry Initiative
SIDS	Small-Island Developing State
SMEs	Small and Medium Enterprises
SOx	Sulphur oxides
SPO	Second Party Opinion
TCF	Textiles, Clothing and Footwear
tCO_2	Tonnes of CO2
TVET	Technical and Vocational Education and Training
UK	United Kingdom
UN	United Nations
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNEP FI	United Nations Environment Programme Finance Initiative
UNESCO	United Nations Educational, Scientific and Cultural Organization
USA	United States of America
VAT	Value-Added Tax
WAMS	Wide Area Monitoring System

1. Introduction

Fiji is a Pacific archipelago consisting of over 330 islands, of which approximately 150 are inhabited. Despite facing inherent development challenges that are synonymous with small island developing states, the country has one of the most developed economies in the Pacific, and has strategically positioned itself as a business and services hub for the broader Pacific economy. With key shipping lanes, airline connections and telecommunication cables passing through its jurisdiction, Fiji is continuously looking towards growing and diversifying its economy, enhancing social development for all Fijians and mobilising resources to sustainably manage its vibrant biodiversity.

As laid out in the 5-Year and 20-Year National Development Plan (2017-2036)[1], Fiji is at a point of strength with a rapidly expanding economy, improving infrastructure and institutions, a youthful population[2], growing digital connectivity, a stronger standing in the international arena, and continuing inherent geographical and environmental advantages.

Fiji's key economic drivers are tourism, agriculture, manufacturing, financial services, fisheries, and mining[3]. These sectors have been contributing strongly towards 10 consistent years of economic growth from 2010 to 2019. The Fijian Government has been supporting these major economic sectors through targeted incentives that are geared towards enhancing investment - both private and foreign[4] - in line with Fiji's SDG implementation strategy.

Over the past 15 years, Fiji has carried out a consistent strategy of investing in the resilient development of the transport, education, housing, agriculture and water sectors. These strategic investments have been matched by investments in its people in the form of innovative social protection schemes for the poorest and most vulnerable, and economic, legal and educational reforms to create greater opportunities and a more level playing field. Fiji intends to continue investing in a resilient future for its people, and it intends to do so via financial innovation[5].

The COVID-19 pandemic caused the worst economic recession in Fiji's history since independence. However, the Fijian Government has continued to prudently invest in national development initiatives and rapid health care measures accompanied with the careful positioning of fiscal and monetary policy to help the country recover from the economic and social repercussions of the pandemic.

While domestic commitments to achieve the Sustainable Development Goals ('SDGs') by 2030 remain strong, Fiji will need to recover the development gains lost due to COVID-19, in synergy with allocating resources to accelerate national development relative to pre-COVID-19 ambitions. Such levels of resource mobilisation will require a combination of strategic fiscal spending, innovative capital market operations, and unprecedented levels of private sector investments.

In this regard, the Fijian Government has developed this Fijian Sustainable Bond Framework ('Framework') to enable the issuance of thematic bonds related to Fiji's sustainable development ambitions. This Framework builds on the experience and Green Bond Framework of the Fiji Sovereign Green Bond issuance in 2017, with the intention of issuing other thematic bonds, starting with a Blue Bond in 2022.

◀ Credit: Government of Fiji

From investments in green shipping to sustainable fisheries, establishing marine protected areas, and coastal protection using nature-based solutions, Fiji plans to catalyse blended 'blue' finance by issuing its first-ever sovereign blue bond in mid-2022.

2. Economic Development and Ambitions

Since gaining independence in 1970, Fiji has predominantly had an agriculture-based economy that was largely driven by sugar exports until the emergence of the tourism industry in the early 2000s. Fiji has since transitioned itself to a service-based economy with approximately 70% of its Gross Domestic Product ('GDP') being mainly contributed by accommodation, transport, financial, information, communication and technology ('ICT'), real estate, construction, administrative and support services, education, health services and arts and entertainment in 2019-2020.

Over most of its economic history since independence, Fiji has continued to run a trade deficit, importing more than is exported. As a small island developing state with a limited export base, this is not uncommon. Fiji has a relatively higher import bill to cater for its growing local demand for foreign goods and services. These traded goods and services have evolved over the years in terms of composition, as domestic demand has shifted in the midst of rapid globalisation.

Fiji's major trading partners are Australia, New Zealand, the People's Republic of China, Singapore, the United States of America ('USA'), Japan, the United Kingdom ('UK') and Pacific Island countries. Altogether, these countries account for 71.5 % of Fiji's total goods imports and 73.8 % of Fiji's total goods exports.

Fiji's major exports include tourism, financial and ICT services, sugar, mineral water, gold, garments, fish, timber, fruits and vegetables, molasses, yaqona, textiles, clothing and footwear ('TCF'); coconut oil and other services and commodities. The revenues from these exports are also supplemented by remittances from a large Fijian diaspora. In 2019-2020, remittances sent through formal channels averaged FJD 666.3 million accounting for 6.2% of GDP, just slightly lower than inward foreign direct investment amounting to FJD 694.1 million.

Fiji's major imports are mainly merchandise goods consisting of consumer goods (food, beverages and tobacco, manufactured goods and miscellaneous items), intermediate goods (crude materials, mineral fuels, and oils and fats) and investment goods (chemicals and machinery, and transport equipment).

Fiji's financial sector is amongst the most developed in the Pacific and has continued to play a crucial role in the country's positive economic performance and COVID-19 recovery. Regulated by the Reserve Bank of Fiji ('RBF')[7], there are six banks, four credit institutions, 14 insurance related agencies, and multiple foreign exchange and capital market advisory entities operating in Fiji. In addition, Fiji also has a national development bank – Fiji Development Bank[8] and a large national superannuation fund – Fiji National Provident Fund[9] ('FNPF') that are also regulated by the RBF. The diverse range of financial options in a relatively small island developing state demonstrates the commercial and investment opportunities that Fiji has to offer.

Supported by nearly two decades of expansionary fiscal policies, accommodative monetary policies, and strategic investments in physical, social and human infrastructure by the Fijian Government, Fiji had nine consistent years of economic growth from 2010 to 2018[10]. The economy experienced a slight contraction in 2019 but an extra year of projected growth had been on the cards for 2020 if the COVID-19 pandemic had not happened. In particular, Fiji's economic mantra has evolved to be a mixture of inward-looking import substitution efforts and export-led growth supported by prudent macroeconomic stabilisation in the midst of shocks (cyclones, recessions and pandemics), external trade liberalisation and internal deregulation, reforms in agricultural markets, public sector restructuring and financial sector reform. These fundamental transitions in particular are aligned with **SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure, and SDG 11: Sustainable Cities and Communities.**

Mosese Tuiloruma at a coral nursery in Korolevu-i-Wai District, Fiji. Credit: ©Reef Explorer Fiji

2.1 Challenges

The Fijian economy is known for its resilience. Be it the strongest cyclone in the southern hemisphere to make landfall wiping out one-third of GDP in 2016, the COVID-19 pandemic that caused the largest economic contraction in Fiji's history, the global financial crisis that stagnated national exports, or internal political challenges – the Fijian economy has found a way to bounce back stronger and quickly recover its losses. However, there are underlying challenges that need to be addressed to catalyse long term economic stability. These challenges are:

Economic Diversification: The Fijian economy and its exports are largely driven by tourism and transport services (mainly tourism related air travel and land transportation) which jointly account for around 80% of total services exports. Bottled water and gold, only represent approximately 13.6% and 6.3%, respectively.

The need to diversify Fiji's economy became increasingly apparent during COVID-19 when tourism ground to a complete halt due to border closures and the inevitable massive macroeconomic implications that followed. In this regard, Fiji is keen to explore opportunities through alignment with **SDG 9: Industry, Innovation and Infrastructure** to enhance its ICT sector, with the Fijian Government announcing massive fiscal incentives in the 2021-2022 national budget for establishing an IT Park, attracting international communication cables, and supporting Business Process Outsourcing growth.

Blue Economy: Fiji is also prioritising the sustainable revitalisation of its primary industries. Apart from having attractive incentives for investments in Agriculture and Forestry, Fiji recognises significant opportunities in its single largest tangible economic asset – its ocean. Fiji's Exclusive Economic Zone is 70% larger than its landmass and is ranked the 26th largest sovereign ocean space in the world. Fiji is also home to 3.5% of the world's coral reefs and over 65,000 hectares of mangroves that make up some of the many features of its rich marine biodiversity. In this regard, the Fijian Government is keen to operationalise its blue economy ambitions and sustainably leverage its ocean-based resources to support its post-pandemic recovery and economic diversification in accordance with its National Ocean Policy and in line with **SDG 14: Life Below Water.** From investments in green shipping to sustainable fisheries, establishing marine protected areas, and coastal protection using nature-based solutions, Fiji plans to catalyse blended 'blue' finance by issuing its first ever sovereign blue bond in mid-2022.

Rural-Urban Divide: Approximately 44.1% of the Fijian population reside in rural areas that are resource rich but not developed enough to unlock their full economic potential. In line with its 5-Year and 20-Year National Development Plan, Fiji plans to invest in its rural economy, create new satellite towns, and offer greater public services in rural centres. In particular, the Fijian Government is focussed on its ambitions towards **SDG 7: Affordable & Clean Energy** by providing off-grid renewable energy solutions to connect the remaining 4% of rural Fijians with no access to electricity, as well as those that are using unsustainable diesel generators. These investments are expected to take an integrated programmatic approach that will simultaneously provide rural communities with access to clean drinking water in line with the country's **SDG 6: Clean Water** ambitions, and mobile telecommunications connectivity using off-grid solutions. New climate resilient roads for rural communities on the two major islands of Fiji (Viti Levu and Vanua Levu) and green shipping solutions for maritime islands are strategic investments planned to connect rural areas while lowering the time and cost of connectivity.

Innovation, Technology and Knowledge Transfer: Similar to other Pacific countries, the inherent cost of service delivery in Fiji is higher than in most parts of the world due to multiple innate development challenges such as geographic location, high cost of transport connectivity, limited economies of scale, and climate vulnerability. Such issues continue to impact strategic economic sectors and limit the growth potential of the Fijian economy. While it may not be possible to simply eliminate these challenges, the intent of thematic bond issuances under this Framework is to manage and minimise them by encouraging innovation, enhancing quick adoption of cutting-edge technology, and promoting sustainable knowledge transfer.

Such an approach is expected to ameliorate the efficiency, sustainability and cost of service delivery in the Fijian economy and improve its market competitiveness in the global economy. In particular, such an approach is critical to decouple Fiji's economic growth from its high dependence on unsustainable fossil fuel, which continues to be Fiji's second highest import behind machinery and mechanical gods. Fiji will need to encourage economy-wide innovation to usher in the latest renewable energy solutions and build a robust domestic knowledge base to provide reliable ancillary services.

Climate Change: Addressing climate vulnerabilities and transitioning towards a low carbon future is a cornerstone of Fiji's development agenda. While climate mitigation is critical to reduce Fiji's dependence on fossil fuel and improve economic costs in the long run, adapting to and building resilience against climate change is an immediate priority.

Over the past 40 years, Fiji has suffered from 28 major cyclones that have reversed years of the country's development progress in a matter of hours and amplified socio-economic challenges. Ten of those cyclones were experienced within the past decade alone – that equates to one major cyclone every year. Estimates suggest that Fiji loses approximately 5.8% of its annual GDP (FJD 556 million dollars) to cyclones and floods, causing an average of 25,700 people to fall into short-term poverty every year[11].

Approximately 27 per cent of the Fijian population live within 1 kilometre of the coastline, and more live near one of Fiji's 45 rivers. Communities and assets within these areas are amongst the most vulnerable to climate change as the impacts of rapid sea level rise are expected to become worse within the next 25 years. Rapid melting of ice glaciers and ocean thermal expansion caused by continued global warming is expected to cause shorelines in the Pacific to retreat by up to 40 metres as the sea level is expected to rise by 0.25 metres by 2050.

Other issues such as food security, vector borne diseases and long term socio-economic vulnerabilities continue to be direct and indirect economic challenges exacerbated by climate change.

Every dollar spent on economic development must add towards building Fiji's adaptation and resilience to climate change. Fiji's national climate policies and the recently enacted Climate Change Act 2021 ('CCA') – seeks to establish a comprehensive response to climate change, to contribute to the regulation and governance of the national response to climate change, to introduce a system for the measurement and reporting - as well as verification - of greenhouse gas emissions, and for related matters in line with SDG 13: Climate Action.

◄ Credit: ©Matt Curnock/Coral Reef Image Bank

The COVID-19 crisis has had a devastating impact on the Fijian economy, business activity, employment and socio-economic conditions and public finances.

3. COVID–19 Impacts and Response Measures

The COVID-19 crisis has had a devastating impact on the Fijian economy, business activity, employment, socio-economic conditions and public finances. The Fijian economy registered its largest-ever economic contraction of 15.2% in 2020, with the economy projected to register a further 4.1% contraction in 2021. This means a loss of over FJD 2 billion in GDP, leading to a major setback for development gains. Although the economy is projected to rebound in 2022, estimates suggest that it will take more than three years for the economy to return to pre-COVID-19 levels.

amounting to FJD 387 million, of which FJD 205 million was paid by the Fijian Government. Recognising that a large proportion of Fijians work in the informal sector, unemployment support was provided to over 400,000 Fijians, amount to FJD 225 million. To boost COVID-19 vaccination rates and provide further income support to vulnerable Fijians, a FJD 200 million unemployment support scheme was launched for Fijians working in both formal and informal sectors, which assisted over 340,671 Fijians who were required to get vaccinated before receiving assistance.

5,514 businesses have been supported by the COVID-19 Recovery Credit Guarantee Scheme
- Loan value **FJD 116.1 million**

Over **137,987** Fijians were provided support through Fiji's social welfare programmes
- Total fiscal spending **FJD 145 million**

95% of eligible Fijians have been fully vaccinated

Unemployment soared to unprecedented levels in the aftermath of the crisis, with over 100,000 jobs affected across the formal and informal sectors[12]. Public finances came under pressure as tax revenues fell by over 50% compared to pre-COVID-19 levels. To sustain public spending at levels similar to pre-COVID-19 expenditures, Fiji increased its fiscal deficit in the 2020-2021 National Budget, with high levels of borrowing only made possible through the support of external bilateral and multilateral development partners – indicating Fiji's strong standing and partnership in the global arena.

To support businesses and those unemployed due to COVID-19, the Fijian Government provided unemployment support with direct cash transfers to those affected in the formal and informal sector and concessional loan funding for micro, small and medium enterprises ('MSMEs'). Apart from this, loan repayment holidays were provided to both businesses and personal customers. Other forms of cash flow relief included deferment of tax payments, targeted wage support and low interest rate financing made available to businesses through the RBF.

The formal sector unemployment assistance rolled out through the FNPF assisted over 114,335 Fijians,

Fiji plans to have a private sector-led post-COVID recovery. To support businesses, the Fijian Government rolled out the COVID-19 Recovery Credit Guarantee Scheme that supported 5,514 businesses with a total loan value of FJD 116.1 million as at the end of April 2022. Further targeted support is being provided to over 137,987 Fijians through Fiji's wide-reaching social welfare programmes, with a total fiscal spending of FJD 145 million in the 2021-2022 financial year. Other initiatives such as electricity and water subsidies; wage subsidy programmes; full subsidization of licensing and rental fees for market vendors, fishers, taxis, minibuses, carriers and omnibus drivers; free primary and secondary education; and tax reductions added to the effective response measures rolled out by the Fijian Government.

As of May, 2022, 95% of eligible Fijians have been fully vaccinated. Fiji had one of the fastest rates of vaccination in the world thanks to a combination of tactful diplomacy that secured vaccine support from Australia, New Zealand and India; efficiently executing vaccine roll out plans; and incentivising vaccination through financial support.

Credit: ©Tanya Guillory/Unsplash

Decent Work and Economic Growth creation has been at the heart of sustained economic progress as expansionary fiscal policies have created decent jobs and promoted entrepreneurship, particularly amongst a growing youth population.

4. Social Development and Ambitions

4.1 Population

The Fijian population stands at 884,887 and has been growing at a rate of 0.6% per annum[13]. The relatively low growth rate is attributed to low birth rates and outward migration. However, Fiji has a large young and educated population. Half of the population are below the age of 27.5 years and 69% of the population are below the age of 40. A growing majority of the population reside in urban areas; 55.9% were urban residents in 2017, an increase from 50.7% in 2007 - the previous census year. The increase is attributed to extension of town boundaries and movement of people from rural to urban areas for greater quality of life.

4.2 Labour Market and Employment

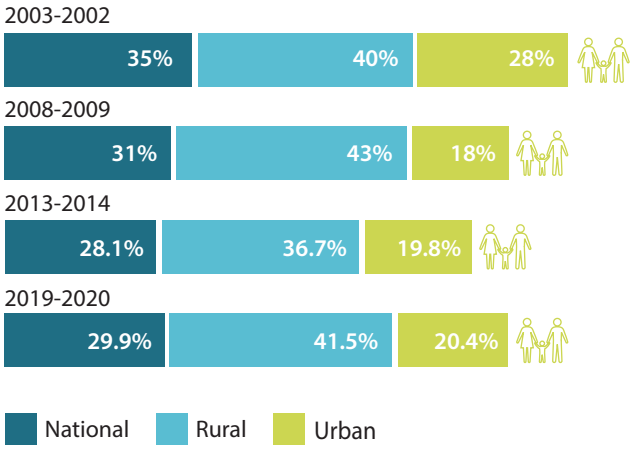
The Fijian labour force participation rate (labour force/population aged over 15 years) stood at 57.1% in 2017. A total of 176,781 Fijians were in paid employment in 2018-2019, of which 63.1% were males and 36.8% were females[14].

SDG 8: Decent Work and Economic Growth creation has been at the heart of sustained economic progress as expansionary fiscal policies[15] have created decent jobs and promoted entrepreneurship, particularly amongst a growing youth population. As a result, the national unemployment rate has reduced from 8.6% in 2007 to 4.5% in 2017, the lowest in 20 years. In combination with reduced income inequality, Fiji's economic prosperity has resulted in equitable benefits for all Fijians. The 2021-2022 employment and unemployment survey will provide the latest statistics, with an expectation of subdued unemployment rates attributed to a rapid economic rebound and renewed economy-wide investments.

4.3 National Poverty

SDG 1: No Poverty is very important for Fiji's national development ambitions, and the Fijian Government remains steadfast in its objective to reduce the national incidence of poverty to 10% by 2036, despite the multi-year socio-economic repercussions of COVID-19. A holistic approach to socio-economic development through the combined efforts of state and non-state stakeholders has seen a steady decline in national poverty from 35% in 2002-2003 to 28.1% in 2013-2014. However, poverty rates have inched back to 29.9% in 2019-2020, attributable to COVID-19 and methodological changes in data collection[17].

Figure 1: National Poverty



4.4 Health and Education

Over the past decade, Fiji has placed significant emphasis on improving affordability and accessibility of health and education services, as captured in **SDG 3: Good Health and Well-being**. A healthy and educated society will have the necessary prerequisites to actively participate in the workforce, improve its standard of living, and ultimately contribute to national development.

Levuka Town, Fiji. Credit: ©Government of Fiji

The Fijian health sector is the most developed in the Pacific, as the Fijian Government continues to allocate resources to improve health access and affordability. Peri-urban and rural health centres are being upgraded, and households below the income threshold of FJD 30,000 per year are being provided free medicine through a state-led initiative. There are various opportunities for Fiji to leverage its Pacific hub status and provide world class medical and aftercare service in the form of medical tourism, as well as long-term retirement options. This is exemplified through the Fijian Government finalising a public-private partnership deal with international medical operators to further improve health service delivery.

While the health sector is in an improvement phase, life expectancy in Fiji is approximately 67 years, maternal mortality rates are the lowest amongst small island developing states, and access to health care services is amongst the best in the Pacific.

The Fijian Government has continued to invest heavily in the education sector through trailblazing initiatives such as free education at primary and secondary levels, providing free bus fare to marginalised students, establishing the Tertiary Education Loan Scheme, and increasing merit-based national scholarships through the National Toppers Scheme.

As indications of significant progress towards **SDG 4: Quality Education**, primary and secondary school net enrolment rates stood at 100% and 84.9% in 2018, respectively. While net enrolment rates remain equal among males and females at primary level, secondary enrolment rates are higher for females[18].

Additionally, national literacy rates are amongst the highest in the world, standing at 98% in 2017. This enables Fiji's labour force to have a comparative advantage, as most individuals are able to communicate in English.

4.5 Social Welfare Support

Fiji has continued to take an inclusive approach to national development. Comprehensive social assistance programmes are helping provide social protection for the poor, disadvantaged and vulnerable groups, for those who have been affected by climate related extreme events, and other economic, social and environmental adversities.

In 2021-2022, the Fijian Government will continue providing support through social welfare to 137,987 Fijians. This includes the Social Pension Scheme, which supports 44,489 Fijians above

Top: Nakavika villager, Mereani Cagimaivuna, drinking from a tap after the commissioning. Credit: ©Government of Fiji

Middle: Relief supplies at Vatoa. Credit: ©Government of Fiji

Bottom: Credit: ©Government of Fiji

the age of 65 with a monthly payment of FJD 100, and the Poverty Benefit Scheme, which provides income support to the poor and vulnerable and consists of monthly cash transfer support ranging from FJD 35 to FJD 127 and a FJD 50 food voucher for 23,817 Fijians. Furthermore, the FJD 90 monthly Disability Allowance is benefitting 9,142 Fijians, FJD 11.3 million is allocated under the Child Protection Allowance to support vulnerable children, the Bus Fare Support for elderly and disabled persons is being provided entailing a monthly top up of $10 benefitting 47,532 Fijians. A further FJD 1 million is allocated in the 2021-2022 National Budget for the Food Voucher Programme for rural pregnant mothers.

4.6 Challenges

The COVID-19 pandemic has undone years of development progress and affected short-term sustainable development ambitions in most Pacific countries. Fiji has decided to revamp its development agenda by addressing key drivers of development stagnation. The country has used experiences of the pandemic as an opportunity to reflect on key development strategies and how these can be recalibrated to deliver a more inclusive, resilient and sustainable future. Key areas of socio-economic focus are as follows:

- **Bridge the Rural Urban Divide:** Despite national poverty being subdued, rural poverty remains higher than the national average. Economic opportunities continue to be limited in rural parts of Fiji relative to urban centres. In this regard, rural urban drift remains high as the rural unemployed move to urban centres in search of employment and better standards of living. Reshaping the rural areas as economic centres is critical. Localisation of growth can facilitate equitable economic growth throughout the country. Aligning the pressures of this internal migratory flow with **SDG 11: Sustainable Cities** will prove to be important if Fiji is to achieve its NDC targets.
- **Enhance Gender Equality and Unlock Labour Market Potential:** Female unemployment remains higher than male unemployment despite roughly equal representation in school and tertiary education. As a result, domestic policy intent in targeting **SDG 5: Gender Equality** is a high priority. Particular challenges that result in the limited participation of women in the workforce can take numerous forms, including social restrictions that prioritise domestic duties over workfare, limited opportunities for female-centric employment, and lower wages compared to men.
- **Programmatic Approach to Development:** Post-COVID-19 recovery efforts need to be rapid, large scale and sustainable if Fiji is to recover lost development gains and get back on track with its SDGs. The focus is on a cross-sectional approach, as piecemeal projects are not considered to be impactful. Highlighting the interdependent nature of the SDG outcomes, it is imperative that projects are bundled into programmes for strategic country-wide investments in basic infrastructure (**SDG 6: Clean Water, SDG 7: Affordable & Clean Energy,** and **SDG 12: Circularity**), improving quality education (**SDG 4**) and healthcare (**SDG 3**) and blended financing solutions to encourage innovative and transformative initiatives.

To achieve the SDGs, it is vital that poverty alleviation be addressed at multiple levels. Each of these socio-economic focuses have their own drivers and deliverables, but in solving them, the country will ultimately reduce poverty levels and economic stress.

Fiji has continued to take an inclusive approach to national development. Comprehensive social assistance programmes are helping provide social protection for the poor, disadvantaged and vulnerable groups, for those who have been affected by climate-related extreme events, and other economic, social and environmental adversities.

Fiji is in a unique position to halt and reverse coral reef loss through dedicated smart finance. It is working on developing its first sovereign blue bond issuance in 2022 to support the operationalisation of its National Oceans Policy, its Climate Change Policy and its 5-Year and 20-Year National Development Plans.

5. Environment Stewardship, Climate Change & Biodiversity Ambitions

The impacts of climate change on the Fijian population are widespread. These impacts include reductions in agriculture yields, reduced food security, and more frequent natural hazard events. Every year, 25,000 people are forced into poverty because of tropical cyclones and floods. These events are devastating and increasing in impact and frequency; by 2050, their impacts could reach up to 6.5% of GDP. The Government of the Republic of Fiji (2017) Climate Assessment detailed further impacts which include[19]:

- Increase in the proportion of high-intensity cyclones.
- Increase in coastal flooding due to storm surges and sea-level rise.
- Increase in flood frequency, with 1-in-20-year flooding events becoming up to 1-in-4-year events.
- Increase in the risk of landslides.
- Increased exposure to tsunamis due to sea-level rise.

Fiji will target **SDG 13: Climate Action, SDG 14: Life Below Water** and **SDG 15: Life on Land** through building the resilience of vulnerable populations to the impacts of climate change, and enabling greater access to climate adaptation finance[20].

5.1 A Biodiverse Economy

A biodiverse economy is one based on circularity, resilience and interdependence[21]. Low-carbon clean growth[22] is facilitated through the investment in nature-positive outcomes that biodiversity can provide[23,24,25]. A biodiverse economy is an attribute of a sustainable long-term economy, and is a means of driving creation of jobs, economic growth, and nature-positive outcomes[26].

Fiji had over 1,200 species listed on the International Union for Conservation of Nature ('IUCN') Red List of Threatened species in 2020, of which 41 are classified as being Critically Endangered. In addition to this, 24% of Fiji's critically endangered species are endemic to the country[27]. A report by O'Brien et al. (2021) concludes that the agriculture and fishery sectors are most vulnerable to impacts on biodiversity[28].

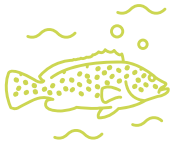
Within Fiji's native forests, multiple threats have emerged that may harm biodiversity, including loss of forest cover, invasive species, and resource use (including logging, timber harvesting and mining). The prime mangrove forests along the country's coastlines are at particular risk from human development and construction. Thematic bonds issued under this framework can help to finance improvement in terrestrial and marine biodiversity.

Fiji's biodiversity is under threat. In 2015, the variety of endangered species demonstrates the constant stress on these environments:

8 out of **12** marine mammal species

3 out of **10** marine reptile species

49 out of **1,198** marine fish species



2 out of **161** freshwater fish species

Viti Levu, Fiji. Credit: ©Ocean Image Bank

Coral reefs are a vital ecosystem within the Earth's oceans. They support over 25% of the world's marine species, even though they only cover 0.2% of the seafloor. Coral reefs contribute US$2.7 trillion of economic value globally every year, which includes US$36 billion globally from tourism[29].

Changing ocean acidity and increased sea levels within these vital ecosystems are compounded by the human influences of increased local pollution, as well as increased sediment within these ecosystems. As described by the Global Coral Reef Monitoring Network, "maintaining the integrity and resilience of coral reef ecosystems is essential for the well-being of tropical coastal communities worldwide"[27].

Between 2011 and 2018, only 1% of Official Development Assistance ('ODA') received by Fiji was invested into its oceans[30]. The purpose of this framework is in part to increase the absolute as well as relative investment into Fiji's waters.

Fiji is in a unique position to halt and reverse coral reef loss through dedicated smart finance. It is working on developing its first sovereign blue bond issuance in 2022 to support the operationalisation of its National Oceans Policy, its Climate Change Policy and its 5-Year and 20-Year National Development Plans. Moreover, Fiji is working closely with the United Nations on supporting private sector-lead investments in blue economy initiatives through programmes such as the Investing in Coral Reef and Blue Economy Programme[31] which leverages blended financing solutions from the Joint UN SDG Fund and the Global Fund for Coral Reefs. Additional, similar initiatives are being planned; innovative capital market finance from the global bond market is needed to bridge financing gaps.

5.2 Tipping Points

Five Tipping Points are specified by the UN Global Compact Sustainable Ocean Business Action Platform[32], which cover sustainable seafood, decarbonised shipping, ocean energy, ocean mapping and data, and waste management. The Tipping Points represent a set of tangible objectives to address ocean sustainability challenges. They have been used as a helpful framework to map the strategic objectives of investment themes within this framework.

◄ Top: Crook Bull Shark (Carcharhinus leucas). Credit: ©Courtesy of My Fiji Shark

◄ Bottom: Thriving coral in Fiji. Credit: ©Tom Vierus/Coral Reef Image Bank

Table 1: Tipping Points

Sustainable and Fully Traceable Seafood

Expanding the oversight and management capabilities of empowered groups can help mobilise the oversight of key fisheries to maintain these industries sustainably into the future. The expansion of the locally managed marine areas ('LMMA') initiative is a key step in this transition.

For a country such as Fiji, where food production is not only used for export, but much of the time for subsistence use also, climate change - through impacting the distribution as well as the quantities of fish stocks - is already having an influence on local populations[33].

Set Sail for Zero

Improving infrastructure and transport capabilities in a renewable, efficient fashion is vital in reducing future pollution into the oceans, as well as waste. Globally, transport and shipping account for approximately 3% of greenhouse gas emissions, and with tourism and trade being the two key sectors of the Fijian economy, this ambition is crucial in building momentum towards a tipping point that will revolutionise the national economy.

Harnessing Ocean Energy

The domestic energy sector is a prime example of the required Tipping Points. In 2018, the renewable energy share within Fiji's total final energy consumption was 27.9%[34]. The energy sector is typically subject to short-term inertia, with sporadic increases in renewable energy generation share due to Fiji's dependence on hydropower. However, the recent momentum in transitioning towards a low carbon future looks to be stimulating change through the expansion of renewable energy infrastructure with wind and tidal energy.

Mapping the Ocean

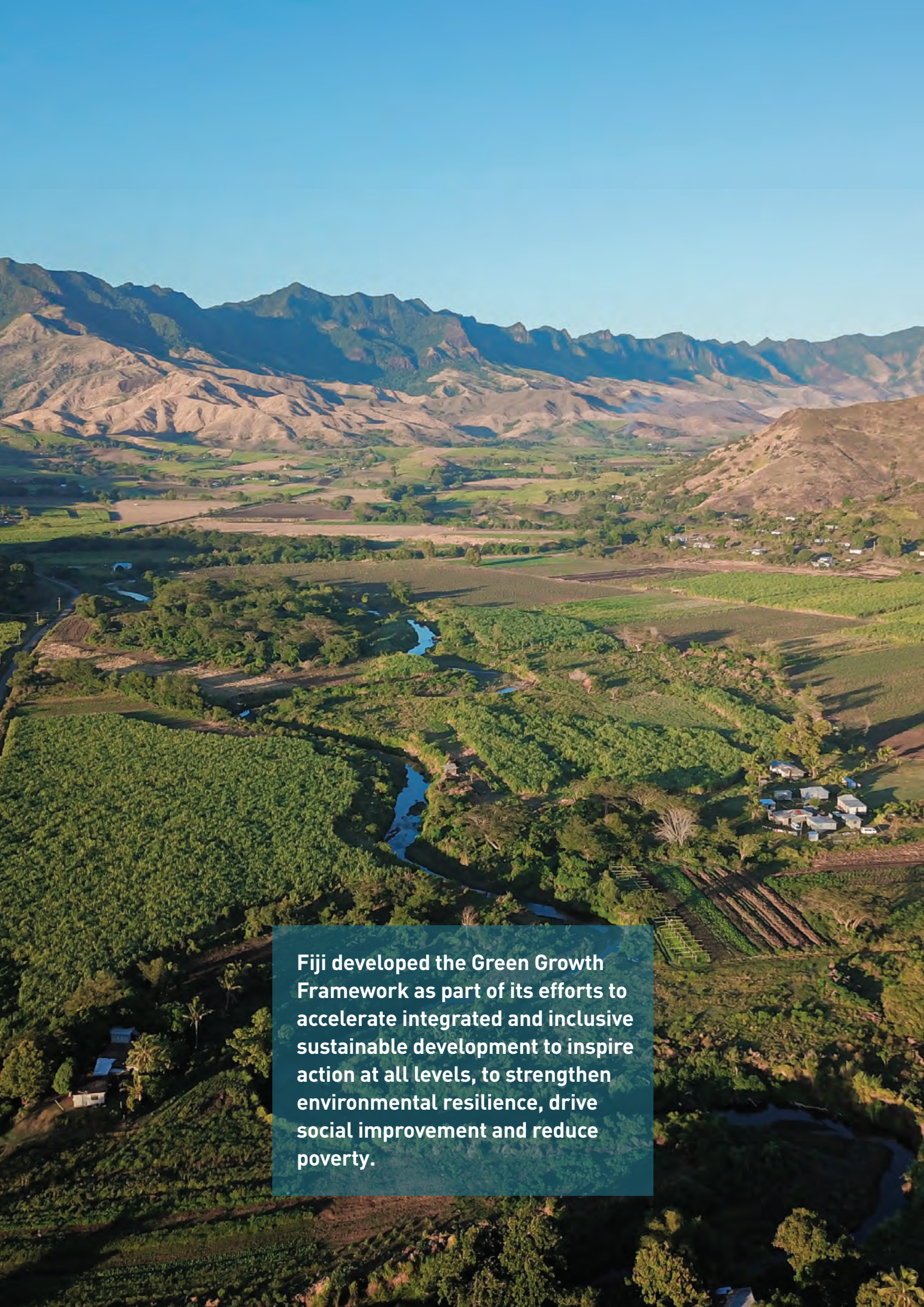
A key aspect of the methodology for achieving biodiversity and climate targets is the ability for territories to be quantifiable through the mapping of data. To date in Fiji, 43% of species are data deficient, meaning substantial resources need to be invested to successfully map out all relevant marine areas.

Climate-smart solutions would in part look to integrate marine spatial planning ('MSP') processes to bear in future planning, becoming adaptable and increasing the resilience of local marine ecosystems.

End Waste Entering the Ocean

The transition to a circular economy is crucial for Fiji's marine ecosystems. As mentioned previously, human land-use pressures cause knock-on effects in the oceans via waste. The buildup of sediment is a particular issue that is impacting Fiji's endangered marine species and coral reefs.

Between 1971 and 2010, the oceans absorbed 90% of the heat gained by the planet. Solutions will not only help biodiversity to recover, but also help sequester large amounts of carbon[35].



Fiji developed the Green Growth Framework as part of its efforts to accelerate integrated and inclusive sustainable development to inspire action at all levels, to strengthen environmental resilience, drive social improvement and reduce poverty.

6. Domestic Policy Levers

6.1 Sustainable Development Goals

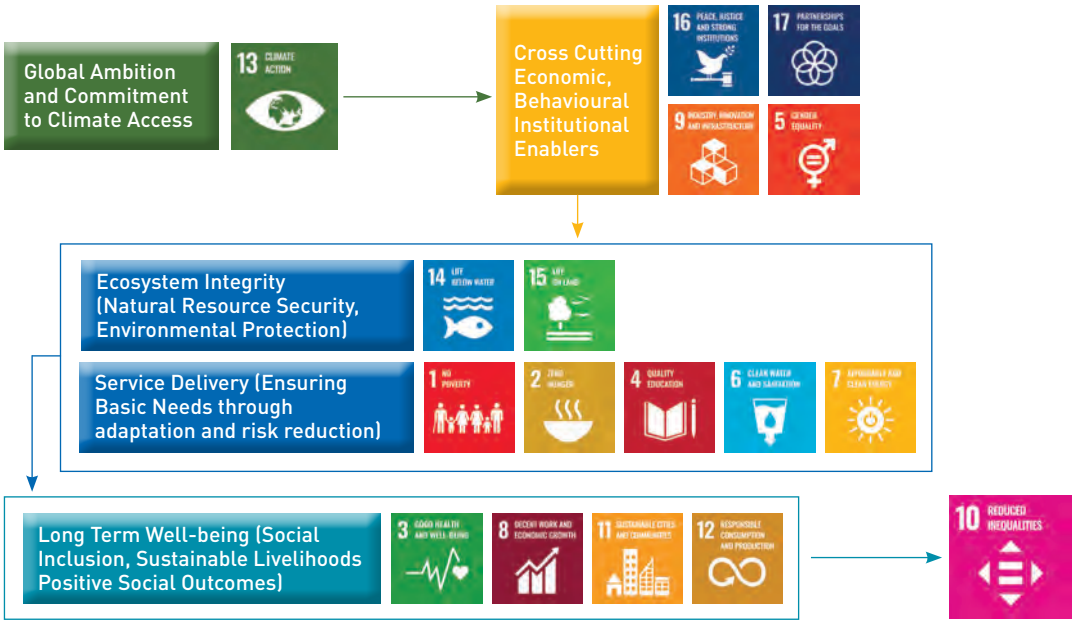
Sustainable development principles underpinning the SDGs have long been the underlying principles for Fiji's national development. In implementing the SDGs, Fiji has adopted a 'whole-of-Government' approach and has utilised national development planning as the primary instrument to drive forward SDG implementation.

In 2014, Fiji developed the Green Growth Framework ('GGF') as part of its efforts to accelerate integrated and inclusive sustainable development to inspire action at all levels, to strengthen environmental resilience, drive social improvement and reduce poverty, enhance economic growth, and build capacity to withstand and manage the anticipated adverse effects of climate change. Overall, the GGF was the first national planning document that recognised the need to balance economic growth, social development and environment conservation to ensure a sustainable future for Fiji in alignment with the SDGs.

The GGF went on to inform the development of the National Development Plan ('NDP') which was launched in 2017. The NDP is the outcome of a nationwide consultation process that involved the private sector, civil society, community groups, government and the public, reflecting the aspirations of the Fijian people for - and their government's commitment to - a transformed Fiji. Mainstreamed and integrated within the various thematic areas of the NDP are the 17 SDGs. Of this, 15 SDGs are explicitly integrated into the corresponding 29 strategic priorities of the NDP, while SDG 10, SDG 12 and SDG 13 are treated as cross-cutting issues across the NDP. Consequently, SDG implementation and its monitoring hinge on the NDP processes.

Figure 2 below outlines the sequential flow of how Fiji conceptualises its development plans will work towards desired SDG outcomes, taken from Fiji's first Voluntary National Review published in 2019. Such a holistic approach looks to incorporate aspects of all 17 SDGs as an interdependent matrix of connected and mutually supportive outcomes.

Figure 2: Fiji's National Development Plan SDG Alignment



Farmland in the Sigatoka Valley, in Western Division of Fiji. Credit: ©Government of Fiji

6.2 5-Year and 20-Year NDP

The NDP is the apex national planning document entailing Fiji's national development aspirations from 2017 to 2036. It is divided into a 5-Year Plan that provides programme level interventions from 2017 to 2021, and a broader 20-Year Plan that sets the national strategy for 'Transforming Fiji' towards an even more progressive, vibrant and inclusive society. It outlines a framework that encompasses strategic policy manoeuvres, new approaches to development, and the aspirations of all Fijians.

Both Plans are based on two key themes that are mutually reinforcing. These are as follows:

1. **Inclusive socio-economic development:** Ensuring the progressive realization of all socio-economic rights in the Fijian constitution. Inclusivity will be at the centre of a just transition, and the benefits of prosperity will be spread as widely as possible to improve the social well-being of all Fijians. No one will be left behind, regardless of geographical location, gender, ethnicity, physical and intellectual capability, and social and economic status.

2. **Transformational Strategic Thrusts:** Game-changing forward-looking policy shifts to expand our development frontier and support the vision of transforming Fiji. New and emerging growth sectors will be nurtured, internal connectivity and external links with the outside world will be improved, new technologies will be embraced, productivity will be maximised, human capital development will be accelerated, and green growth will be a key guiding principle in the implementation of this plan.

Each of these themes are broken down into strategic sectors in which the Fijian Government seeks to achieve its national development ambitions. While COVID-19 has had a massive impact on these ambitions, the Fijian Government is steadfast on achieving its 20-Year Development Plan and is in the process of updating its 5-Year Development Plan to reflect current economic and social challenges. The development gap to be bridged has widened due to the pandemic, and new and additional resource mobilisation will be needed to recover lost progress and get back on track to achieve long term development ambitions such as the SDGs.

6.3 National Climate Change Policy (2018 – 2030)

The NDP calls for resilient and climate-sensitised development and the integration of effective and inclusive national adaptation and risk management activities within the process of development planning. Guided by the NDP, the Fijian Government has developed the National Climate Change Policy (2018–2030)

◄ Top: Coastal town in Fiji at the mercy of rising sea levels. Credit: © The Pacific Community (SPC)

◄ Middle: Eli and Junior restocking nursery. Credit: ©Reef Explorer Fiji

◄ Bottom: Mangroves serve as a strong natural defense to storm surges. Credit: ©Global Green Growth Institute

('NCCP') as a central policy instrument to protect Fiji's development priorities from current, future, and intergenerational climate change risks and guide national climate ambitions. In alignment with the *talanoa* approach to dialogue, the NCCP was developed in consultation with numerous stakeholders, both within and external to government, and was informed by a series of formal multi-stakeholder consultations held over a two-year period.

The NCCP provides the overarching objectives that will define the evolution of Fiji's climate change adaptation and mitigation targets and support the delivery of the priorities set out within the NDP and SDGs. In doing so, the NCCP takes a woven approach to resilient national development, incorporating cross cutting development issues. The woven approach is illustrated in the diagram.

6.4 Climate Change Act 2021

The CCA enacted in September 2021 upholds the Fijian Government's commitment to institutionalise and enhance the accountability for climate risk management through appropriate long-term governance arrangements, planning processes, and evidence-based decision-making.

The CCA is the most comprehensive climate law enacted by a Small Island Developing State, covering issues such as long-term net-zero commitments, carbon budgets, carbon market establishment, climate-induced human mobility, nature-based solutions, legal recognition of maritime boundaries relative to sea level rise, climate finance and intergovernmental resilience building.

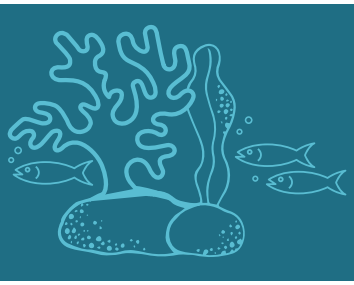
In fact, Fiji is only the seventh country in the world to pass climate legislation that includes a net-zero emissions goal. Despite contributing only 0.006% to global greenhouse gas emissions, Fiji is walking the talk and demonstrating remarkable climate action, exemplifying what it expects from the rest of the world. The CCA creates legal status and legitimacy of process for the various components of the NCCP suite that are intended to support a climate-safe transition. In doing so, the Act also supports Fiji's sustainable development ambitions set out in the NDP.

In particular, Part 14 of the Act creates an enabling legal environment to mobilise sustainable finance. This provides for incentives for the promotion of climate change initiatives and mechanisms for climate finance to help Fiji mitigate and adapt to climate change at greater scale and speed.

6.5 National Adaptation Plan

In response to international commitments and national needs, under the leadership of the Ministry of Economy, the Fijian Government has prepared the high-level strategic National Adaptation Plan (NAP) to spearhead ongoing efforts to comprehensively address climate change. The NAP influences and accelerates the national development pathway towards climate resilient development, and seeks to improve resilience against changes in climate and climate variability which will also increase under future scenarios.

The NAP process has been conceived as a robust means of devising adaptation strategies. It has been a comprehensive and critical assessment of climate change implications for key sectors, as well as adaptation barriers presented by national and sub-national development planning processes that could frustrate adaptation efforts over the long term. This dual approach is a vital component of the 'Theory of Change' which underpinned the NAP process and the achievement of the NAP vision. The NAP contains 160 adaptation measures to be prioritised over its five-year purview.



At its core, the National Oceans Policy lays out Fiji's commitment to the 100% sustainable management of its ocean space and designation of 30% marine protected areas by 2030.

Credit: ©Tom Vierus/Coral Reef Image Bank

6.6 Nationally Determined Contribution and Low Emissions Development Strategy

Fiji aims to reach net zero carbon emissions by 2050 across all sectors of its economy as articulated in its low emissions development strategy. Moreover, Fiji's Updated Nationally Determined Contribution ('NDC') target is 30% emission reduction by 2030.

In particular, Fiji's updated NDC recognises the country's ocean resources as an important carbon sink, a platform for carbon markets, and a critical component of nature-based solutions for greater climate adaptation efforts. Such commitments are expected to catalyse the following ocean-climate action:

1. Protecting, sustainably managing, and restoring coastal 'blue carbon' ecosystems and accounting for their sequestration and storage capacity in national GHG inventories;
2. Reducing GHG emissions from oceanic and coastal fisheries;
3. Reducing GHG emissions from marine transport;
4. Increasing well-sited, environmentally responsible ocean-based renewable energy;
5. Fostering ecosystem-based resilience through coastal and marine ecosystems;
6. Addressing ocean acidification;
7. Building a resilient fisheries sector.

The NDC Investment Plan estimates US$1.98 billion in investment needed to finance energy efficiency and transportation projects. This is equivalent to 38% of Fiji's real GDP in 2018, and 110% of the Fijian Government's state budget for 2020/2021.

6.7 National Ocean Policy (2020-2030)

The National Climate Change Policy objectives are delivered through a variety of sector-specific policies, strategies and plans, one of which is the National Ocean Policy (NOP).

As a 'large ocean state' and steward of the exclusive economic zone of approximately 1.3 million square kilometres, Fiji has championed the inclusion of the ocean agenda in global arenas such as the United Nations Framework Convention on Climate Change.

In 2020, Fiji developed its NOP to achieve 'a healthy ocean that sustains the livelihoods and aspirations of current and future generations for Fiji.' At its core, the NOP lays out Fiji's commitment to the 100% sustainable management of its ocean space and designation of 30% marine protected areas by 2030[36].

The NOP also recognises the need to de-risk investments by creating focussed blended finance capacity that utilises concessional finance from the public and private sectors combined with innovative private insurance products.

7. The Fijian Government as an Issuer of Bonds

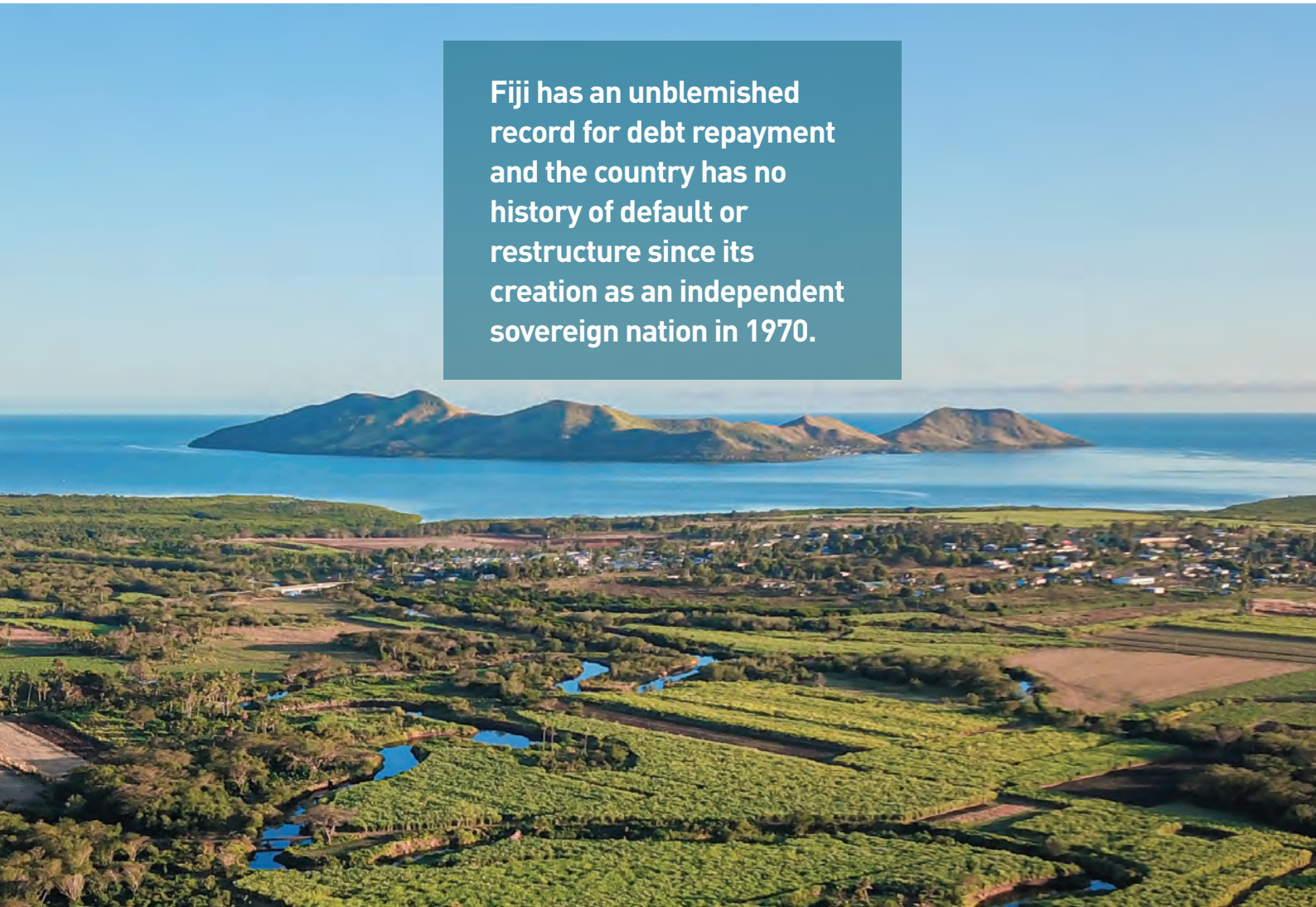
The Fijian Government intends to issue sovereign Sustainable Bonds pursuant to this Framework. The following information provides background and context to Fiji as an issuer of bonds. For each issuance, more information about the specific debt instrument can be found in the respective prospectus and/or termsheet.

Despite a recent downgrade by Moody's from Ba3 to B1 in April 2021 on Fiji's local and foreign currency issuer ratings, Fiji sovereign rating remains stable. Whilst being hit hard by the COVID-19 pandemic, Fiji's level of external debt remains low in comparison to other countries with similar economies, with approximately 70% of Government debt denominated in Fijian Dollars, placed into local portfolios in tenors of up to 20 years. This significantly limits Fiji's balance sheet exposure to foreign currency volatility.

Fiji has an unblemished record for debt repayment and the country has no history of default or restructure since its creation as an independent sovereign nation in 1970. In October 2017, the Fijian Government issued the FJD 100 million Fijian Sovereign Green Bond. In doing so, Fiji became the first emerging market in the world to issue a Green Bond. This early experience with the Green Bond has paved the way for the Government of the Republic of Fiji to issue more specialised bonds related to its sustainable development ambitions, packaged as 'Sustainable Bonds'.

Credit: ©Government of Fiji

Fiji has an unblemished record for debt repayment and the country has no history of default or restructure since its creation as an independent sovereign nation in 1970.



This Framework has been developed to demonstrate how Fiji intends to select, finance and/or re-finance Eligible Projects that will deliver focussed social and environmental benefits which are in close alignment with national SDG targets.

8. Fijian Sustainable Bond Framework

8.1 Introduction

This Framework has been developed to demonstrate how Fiji intends to select, finance and/or re-finance Eligible Projects that will deliver focussed social and environmental benefits that are in close alignment with National SDG targets. This Framework is designed to align with the Green Bond Principles[37] 2021 ('GBP'), Social Bond Principles 2021[38] ('SBP') and Sustainability Bond Guidelines 2021[39] ('SBG') published in June 2021 by the International Capital Market Association ('ICMA'). The Framework is also aligned with ICMA's guide for High-Level Mapping to the Sustainable Development Goals[40] as published in June 2020. The Framework details the four core components of the ICMA principles, which are as follows:

Use of Proceeds

Process for Project Evaluation and Selection

Management of Proceeds

Reporting

The Framework will also be externally reviewed prior to publication by a Second Party Opinion Provider ('SPO'). This Framework recognises that green, blue and social projects may also have environmental or social co-benefits. All projects financed under the Framework will have reference to relevant SDGs.

Under the Framework, Fiji may issue a range of thematic bonds. Thematic bonds are traditional fixed income instruments that allow investors to finance specific investment themes. Collectively throughout this Framework, these will be referred to as Sustainable Bonds. The current iteration of the Framework will support the following issuances (eligible expenditures as identified in Section 8.2):

- **Blue Bonds** where an amount equal to the net proceeds will be exclusively used to finance or re-finance eligible expenditures falling within the Eligible Blue categories[41] (See **Table 2**);
- **Green Bonds** where an amount equal to the net proceeds will be exclusively used to finance or re-finance eligible expenditures falling within the Eligible Green categories (See **Table 3**);
- **Social Bonds** where an amount equal to the net proceeds will be exclusively used to finance or re-finance eligible expenditures falling within the Eligible social categories; (See **Table 4**) and
- **Sustainability Bonds** where an amount equal to the net proceeds will be exclusively used to finance or re-finance eligible expenditures falling within both Eligible Green, Blue and social categories (See **Table 2, Table 3** and **Table 4**).
- **SDG Bonds** where an amount equal to the net proceeds will be exclusively used to finance or re-finance eligible SDG related expenditures falling within Eligible Green, Blue and/or social categories (See **Table 2, Table 3** and **Table 4**).

The exact classification of the thematic bond[42] will be determined by the Fijian Government based on its primary objectives for the underlying projects. This Framework may be updated from time to time to ensure continued alignment with voluntary market practices, emerging standards and taxonomies. Any updated version of this Framework will aim to either maintain or improve the current levels of transparency and reporting disclosures, including the corresponding external review.

Thriving coral in Fiji. Credit: ©Image Bank

8.2 Use of Proceeds

An amount equal to the net proceeds from Fiji's Sustainable Bonds will be exclusively used to finance or re-finance, in part or in full, eligible expenditures (as defined below) providing distinct social, environmental and economic benefits that further one or more of the United Nations Sustainable Development Goals ('UN SDGs') and does no harm to progressing other SDGs. The relevant Fijian party and external counterparts will follow the process described within the Framework along with its professional judgement, discretion and sustainability expertise when identifying the Eligible Expenditures.

Eligible Expenditures can:

1. Finance all or part of an eligible project.
2. Be directed to Government departments, state agencies, local authorities, civil society organisations, and households; and
3. Be directed to businesses through lending facilities in collaboration with a financial institution[43].
4. Relate to tangible assets such as land, power plants and other infrastructure, as well as supporting related expenditures such as research and innovation.

The following are considered Eligible Expenditures that will be linked to the proceeds of the Sustainable Bonds:

- **Investment expenditures:** capital investments, including facilities, structures, network systems, plant property, equipment or physical assets;
- **Subsidies, grants and loans:** Financial incentives in the forms of grants or lower interest rate loans to guarantee basic services;
- **Tax expenditures:** Tax forfeitures and any exceptions to normal taxation policies (e.g. rates, fiscal base) to pursue or encourage social or environmental objectives;
- **Operating expenditures:** Expenditures from government to run public services and provide public goods. These expenditures are restricted to direct costs associated with eligible projects; and
- **Intervention expenditures:** Financial transfers or contributions from government to public entities with their own legal status. For example, state-owned enterprises and Public-Private Partnerships ('PPPs').

Expenditure can be deployed by the Government of the Republic of Fiji to eligible projects that have taken place up to two years prior to the issuance of any instrument issued under this Sustainable Bond Framework. For the avoidance of doubt, expenditures already financed via a dedicated funding source will not be eligible under this Framework to avoid any double counting. The Government of the Republic of Fiji has up to two years after the issuance of a bond to fully allocate proceeds from that bond.

8.3 Eligible Project Categories

The following table provides guidance on the type of projects that can be considered eligible under the Framework. Key categories for eligible projects are highlighted below. Projects may be relevant to more than one category. The Ministry of Finance will make sure that the proceeds from a Blue Bond will be allocated to blue projects and the proceeds from a Green Bond to green projects as per **Table 2** and **Table 3** on the next pages. In case a project cannot be clearly allocated to one of the two categories, the Ministry of Economy will define the category based on project objective, intended impact, and target results.

8.3.1 Eligible Green Categories

Table 2: List of eligible green categories

Eligible Category: Renewable energy

Description: Terrestrial production from hydro[44], solar, wind, sustainable biomass[45] that also includes transmission[46], where at least 90% of the mix[47] is coming from renewable sources, appliances and products to generate renewable energy such as solar panels, turbines, invertors, and battery and hydrogen storage solutions from suppliers that have a sustainable recycling plan.

Research and development of products or technology ('R&D') for renewable energy generation, including turbines and solar panels. R&D expenditures will not exceed more than 10% of the total use of proceeds of the respective bond.

Target population: Universal access to all.

[44] All new hydro projects regardless of size are expected to have an environmental and social impact assessment conducted by a credible third-party with no significant risk, controversies, or expected negative impact identified. Eligibility for hydropower projects will be based on the following qualifiers:

- Run-of-river without artificial reservoir or low storage capacity.
- Life-cycle carbon intensity is below <100gCO_2e/kWh.
- Power density is greater than 5W/m^2.

[45] Waste bioenergy will use products from forestry and agricultural residues such as wood chips, sawdust straw, cane trash, sugarcane bagasse, corn cobs, nut shells.

[46] Besides the energy performance criteria above, it is to be noted that:

- expenditures related to the production of electricity from Solar PV will be considered eligible only when ensuring durability (Category 4 cyclone standards or above) and easy dismantling, reparability through accessibility and exchangeability of the components, refurbishment, and recycling, for example through approved sourcing or certifications.
- expenditures related to the production of electricity from wind power will be considered eligible only when ensuring recycling at end of life based on waste management plans, dismantling/decommissioning processes at time of decommissioning, for example through contractual agreements.
- for transmission infrastructure where grid is less than 90% renewable electricity, a pro-rata approach will be followed to determine green allocation to grid development or maintenance.

  Financing also includes distributed assets such as circuit breakers, disconnectors, reactors, capacitors, transformers etc. that are essential parts of any renewable energy project development and national energy infrastructure standards as per the Fiji Electricity Act 2017 and the Fiji Electricity Regulations 2019.

[47] Life cycle emissions will be reduced every 5 years in line with Fiji's 2050 net-zero carbon emissions target articulated in the Low Emissions Development Strategy (2018-2050) and the carbon budget parameters as stipulated in Fiji's Climate Change Act (2021). For activities that begin after 2050, it must be technically feasible to reach net-zero emissions in first 5 years of operation.

Main SDG Contribution:

SDG Targets:

7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.

7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.

7.3: By 2030, double the global rate of improvement in energy efficiency.

7.a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.

7.b: By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.

11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.

13.2: Integrate climate change measures into national policies, strategies and planning.

Eligible Category: Energy efficiency[48]

Description: Technologies which increase energy efficiency in buildings, power-to-gas[49], district heating which is powered by renewable electricity for generation and/or distribution, smart grids[50], appliances and products[51] which increase energy efficiency in the terrestrial sector.

Target population: Universal access to all.

[48] Energy efficiency programmes should not be designed/intended for processes/industries that are inherently carbon-intensive and/or primarily driven/powered by fossil fuels, such as production processes within heavy industries such as steel, cement, aluminium, oil-/gas-fired boilers or cogeneration/CHP units.

[49] CO_2 used for power-to-gas will not be sourced from fossil fuel operations.

[50] Smart grid interventions may include but not be limited to communications and sensor technologies, such as Wide Area Monitoring System ('WAMS') components, measurement equipment, SCADA systems: advanced/smart metres, monitoring and control automation devices, and big data and/or computing platforms.

[51] Appliances and products such as energy-efficient light bulbs for green buildings and street lights, environmentally friendly coating materials and appliances to reduce HVAC needs. Further context on this can be found in Fiji's Nationally Determined Contribution Investment Plan and Section 4 of the Low Emissions Development Strategy (2018-2050).

Main SDG Contribution:

SDG Targets:

7.3: By 2030, double the global rate of improvement in energy efficiency.

7.b: By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support.

11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities

11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.

13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

Eligible Category: Pollution prevention and control

Description: Reduction of air emissions, greenhouse gas control, soil remediation whereby the remediation activities will not relate to contamination or negative environmental externality from the Fijian Government's (bond issuer) own activities. Bond proceeds will be used to finance the construction, operation and maintenance of recycling facilities.

For the avoidance of doubt these technologies should not be used in heavy industry, cement, steel and chemicals such as plastics and heavy-duty transport such as road trucking, container and aviation.

Rehabilitation of existing dump sites will also be funded, if needed. Infrastructure built on top of the rehabilitated land and financed as part of the bond proceeds will be limited to eligible green and social projects outlined in the Framework.

Target population: Populations vulnerable to climate change.

Main SDG Contribution:

SDG Targets:

11.5: By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.
11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.
11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.

12.2: By 2030, achieve the sustainable management and efficient use of natural resources.
12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.
12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.
12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.

Eligible Category: Environmentally sustainable management of living natural resources and land use

Description: Environmentally sustainable agriculture including the promotion or implementation of sustainable agricultural techniques and agricultural production certified under a credible scheme[52].

Environmentally sustainable animal husbandry[53] excluding industrial meat production; climate-smart farm inputs such as introduction of resilient crop varieties and drip-irrigation. For the avoidance of doubt these inputs will exclude inorganic/synthetic fertilisers/pesticides/herbicides and lead to an increase in resource and energy efficiency; environmentally-sustainable forestry, including afforestation or reforestation with tree species which are well-adapted to the local conditions, and preservation or restoration of natural landscapes, Certified with FSC/PEFC/SFI or having sustainable forest management plan for smallholder farms.

Target population: General public.

[52] Focus areas for this eligible sector entail, but are not limited to, building health soil structures and preventing erosion, wise management of water, minimising air and water pollution (preventing crop burning, siltation and agricultural run-offs into waterways), carbon storing on farms and increasing resilience to climate change. Programmes and projects to be funded under this category will need to be aligned to the Rainforest Alliance Sustainable Agriculture Standard and the Friend of the Earth Standards for Sustainable Agriculture and Farming. Certifications from both organizations will be an added advantage.

[53] Animal husbandry projects will be limited to Integrated cropland-livestock-forestry systems ('ICLFS') and agroforestry systems for increased clarity and transparency.

Main SDG Contribution:

SDG Targets:

2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.

2.5: By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed.

3.3: By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.

13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.

14.7: By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.

15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

15.9: By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

Eligible Category: Terrestrial biodiversity conservation

Description: Projects intending to protect, restore, and increase biodiversity in terrestrial habitats by reducing land degradation, increasing the size of protected areas, and sustainably managing forested, agricultural, and other land. The focus in this category is especially on biodiversity aspects of financial interventions, e.g. financing technologies that support the tracking, measurement, verification and saving of critically endangered species as classified by the IUCN Red List, activities to catalogue and classify biodiversity, support farmers to introduce nature-positive agriculture techniques to prevent land degradation and maintain soil health.

Target population: General public, particularly groups vulnerable to climate change.

Main SDG Contribution:

SDG Targets:

13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
13.2: Integrate climate change measures into national policies, strategies and planning.
13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.
15.7: Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products.

Eligible Category: Clean transportation

Description: Electric transport

- Hybrid transport having a threshold at or below 75gCO_2/km based on lab test ('NEDC') procedure.
- Public transport meeting direct emissions threshold of <50 gCO_2e/p-km.
- Rail passenger transport meeting direct emissions threshold of <50 gCO_2e/p-km.
- Rail freight transport meeting direct emissions threshold of <25 gCO_2e/p-km. The share of fossil fuel freight transported will not be more than 25% by mass.

Hydrogen transport

- Hydrogen cars, public transport and commercial/trade vehicles[54].

Non-motorised transport such as bicycles.

Infrastructure for clean energy vehicles that directly supports low emissions and the reduction of harmful emissions to zero.

Examples include electric charging stations, hydrogen charging stations and storage tanks, sustainable scrapping schemes for derelict combustion engine cars that are substituted with electric or hybrid cars.

Target population: Universal access to all, particularly excluded populations.

[54] Project to be financed in this area need to be accredited to ISO/TC 197 Hydrogen Technologies Standards.

Main SDG Contribution:

SDG Targets:

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

9.2: Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

11.c: Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials.

13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

Eligible Category: Green buildings

Description: Construction, acquisition, and/or refurbishment of buildings so as to meet regional, national, or internationally recognised standards or certifications such as:

- LEED 'Gold'
- BREEAM 'Excellent'
- Green Star Australia (5 stars or above)
- Homestar (6 stars or above)
- NABERS (4.5 stars or above) and

Construction of new buildings and acquisition of buildings:

- Buildings need to belong to the top 15% in terms of energy demand of the existing local stock in terms of operational Primary Energy Demand, expressed as kWh.

Renovation of existing buildings including:

- Major renovations[55]: The renovation is compliant with the requirements set in the applicable building regulations and a target of at least 20% reduction in comparison to the energy performance of the building before the renovation(s).
- Renovations for relative improvement: individual renovations or a set of renovations delivering within a maximum of three years a reduction of Primary Energy Demand of at least 20% in comparison to the energy performance of the building before the renovation(s)[56].

Target population: General public, particularly underserved and homeless populations.

[55] Renovation of a building where: (a) the total cost of the renovation relating to the building envelope or the technical building systems is higher than 25% of the value of the building, excluding the value of the land upon which the building is situated; or (b) more than 25% of the surface of the building envelope undergoes renovation.

[56] The initial energy performance and the estimated improvement shall be based on a specialised building survey and validated by an Energy Performance Certificate to be provided by Energy Fiji Limited, an energy audit conducted by an accredited independent expert, or any other transparent and proportionate method.

Main SDG Contribution:

SDG Targets:

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

9.a: Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing states.

9.b: Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, *inter alia*, industrial diversification and value addition to commodities.

11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.

11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.

12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

12.8: By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

13.2: Integrate climate change measures into national policies, strategies and planning.

13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Eligible Category: Sustainable water and wastewater management

Description: Sustainable infrastructure for clean and/or drinking water[57], wastewater treatment excluding wastewater treatment from fossil fuel operations, sustainable urban drainage systems, river training and other forms of flooding mitigation and adaptation. Vulnerability assessment is mandatory for this financing activity.

Target population: General public, particularly underserved and homeless populations.

[57] Desalination projects in this regard should meet the following criteria: (i) Projects are powered by renewables or the average carbon intensity of the electricity used for desalination is below 100gCO_2e/kWh, (ii) integrated water and power plant (IWPP) should not include fossil fuel power; (iii) projects are expected to be located away from sensitive habitats or intact coastal ecosystems; (iv) should have reasonable assurance of appropriate waste management plan for brine disposal.

Main SDG Contribution:

SDG Targets:

3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all.

6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

6.6: By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.

6.b: Support and strengthen the participation of local communities in improving water and sanitation management.

11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

Eligible Category: Climate change adaptation

Description: Making communities and infrastructure more resilient to impacts of climate change, particularly for highly vulnerable areas (coastal and riverine) and sectors (agriculture, health and education infrastructure, rural housing and community-driven development) through:

- Research and innovation and/or the acquisition of technologies and information systems to support adaptation and early warning systems (monitoring of climate and weather systems and hydrological systems, etc.).
- Drought management.

Resilient reconstruction (incorporation of disaster risk reduction and resiliency building to enhance the ability of urban infrastructure to withstand weather-related events such as through 'Build Back Better' principles etc.), including actions outlined in Fiji's strategic national policy documents such as the Low Emissions Development Strategy, National Adaptation Plan, National Climate Finance Strategy, NDC Investment Plan, and the Climate Vulnerability Assessment.

Target population: General public, particularly groups vulnerable to climate change.

SDG Targets:

3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

9.a: Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing states.

9.b: Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, *inter alia*, industrial diversification and value addition to commodities.

Main SDG Contribution:

10.b: Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes.

11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.

12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

12.a: Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.

12.b: Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.

13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

13.2: Integrate climate change measures into national policies, strategies and planning.

13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

Eligible Category: Research and Development[58]

Description: Research, applied research, and experimental development dedicated to climate change mitigation and/or adaptation, and the transition towards a net zero economy by 2050.

For **Adaptation**, the focus will be on, but not limited to, resilient building designs and standards to support crop varieties resilient to category ≥4 cyclones, climate projections, and any other socially responsible interventions outlined in Fiji's National Adaptation Plan, Climate Vulnerability Assessment and related national documents.

For **Mitigation**, the focus will be on but not limited to, understanding the drivers of innovation and technology costs in the transition to renewable energy, quantifying co-benefits of emissions reductions along multiple sustainability dimensions, designing cost-effective monitoring approaches and innovative carbon trading programmes, and ascertaining, researching and piloting technologies for e-mobility.

Target population: General public, particularly groups vulnerable to climate change.

[58] R&D expenditures will be limited to less than 10% of the total use of proceeds.

Main SDG Contribution:

SDG Targets:

7.a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.

9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

9.a: Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing states.

9.b: Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, *inter alia*, industrial diversification and value addition to commodities.

12.a: Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.

17.6: Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism.

Eligible Category: Education and vocational training

Description: Education and vocational training to upskill workers in emerging green sectors and enable just transition of existing workforce towards green sectors. Examples of professions to be upskilled and supported for transition are solar engineers who may been general electricians, electric vehicle mechanics who may have been combustion engine specialists, urban gardener/vertical farmers who may have been municipal gardeners, etc.[59]

Training courses should also detail evidence of incentives and targets designed to recruit and retain women.

Target population: Access for all Fijians, particularly groups vulnerable to climate change with female participation.

[59] Financing of public education and training programmes are intended for not only climate awareness, but also for environmental conservation, low carbon lifestyles (how to recycle to the maximum level) and resilient green developments amongst others.

Main SDG Contribution:

SDG Targets:

4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

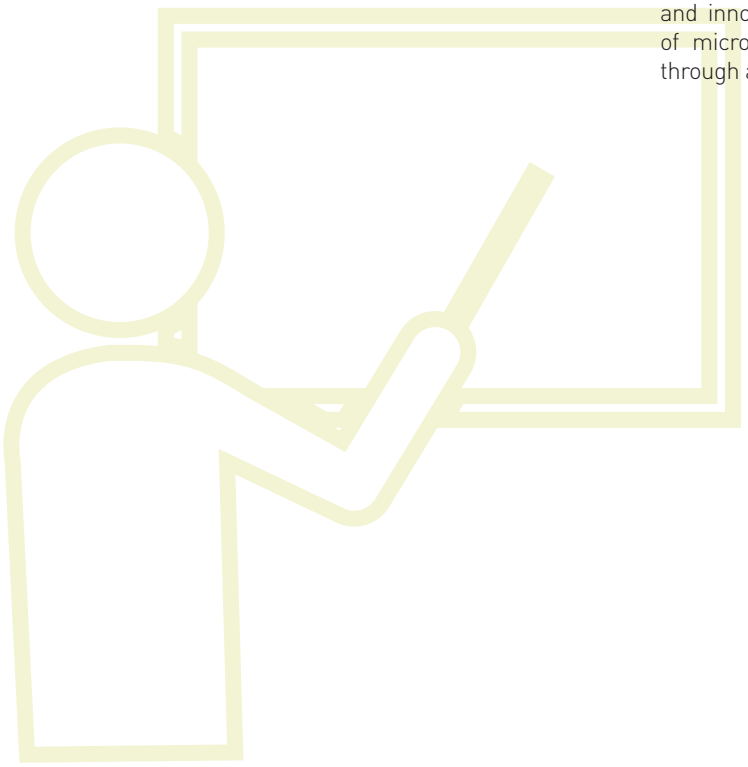
4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and nonviolence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.



8.3.2 Eligible Blue Categories

Table 3: List of eligible blue categories

Eligible Category: Renewable energy

Description: Renewable energy projects that explicitly support and enhance marine economy and ecosystems.

Wave, tidal, offshore wind and ocean thermal[60] energy, which are used to generate renewable energy.

Target population: Universal access to all.

[60] Fossil fuel backup for such energy forms will be limited to power monitoring, operating and maintenance equipment, as well as resilience or protection measures/restart capabilities.

Main SDG Contribution:

SDG Targets:

7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.

7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.

7.3: By 2030, double the global rate of improvement in energy efficiency.

7.a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.

7.b: By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.

11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.

13.2: Integrate climate change measures into national policies, strategies and planning.

14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.

Eligible Category: Energy efficiency

Description: Projects which are dedicated to increase energy efficiency in part or in full in the marine sector including, but not limited to aquaculture and fisheries, marine and coastal tourism.

Target population: Universal access to all.

Main SDG Contribution:

SDG Targets:

7.3: By 2030, double the global rate of improvement in energy efficiency.

7.b: By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support.

11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities

11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.

13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.

Eligible Category: Pollution prevention and control

Description: Waste prevention, waste reduction, waste recycling[61] and energy/emission-efficient waste to energy[62].

If waste to energy technology involves mixed residual waste, the majority of recyclables (especially plastics) will be segregated before energy conversion is done.

Projects that support pollution prevention plus control and reduction of pollutants entering the coastal and marine environments, including rivers that flow into the ocean.

Target population: Populations vulnerable to climate change.

[61] Funds will not be used for manufacturing of plastics or any other materials that have a negative environmental impact. Focus will be on mechanical recycling only and sustainable reuse of plastics. E-waste recycling is an eligible expenditure, however, companies employed should have robust waste management processes to mitigate associated risks with e-waste recycling. The presence of robust waste management policies and processes to determine eligibility for financing in this regard is an absolute must in line with Fiji's Environment Management Act (2005). Fiji is steadfast on its commitment to transition away from plastic and polystyrene-based products in line with its blue economy ambitions outlined in the National Oceans Policy.

[62] Waste-to-energy feedstock will be sourced from landfill/dumpsite mining, green waste, food waste, livestock manure, wastewater sludge, and fats, oils and grease by-products such as cooking oil. All waste used in the waste-to-energy process will need to follow a three-phase process that entails collection of feedstocks, segregation and sorting with first preference for recycling and finally conversion to energy with non-recyclable waste. ,

Main SDG Contribution:

SDG Targets:

11.5: By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.

12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.

Eligible Category: Environmentally sustainable management of living natural resources and land use[63]

Description: Sustainable fishery and aquaculture that are certified by a recognised and credible third-party standard and have achieved the minimum rating requirement of the respective third-party e.g. two stars and above from the Marine Stewardship Council ('MSC') - Fisheries Standard or Best Aquaculture Practice.

Target population: General public.

[63] Prior to undertaking such projects, environmental and social impacts assessments will be carried out to understand the feasibility of such measures and if they are required.

Main SDG Contribution:

SDG Targets:

2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.

2.5: By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed.

3.3: By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.

13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.

14.7: By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.

15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

15.9: By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

Eligible Category: Aquatic biodiversity conservation

Description: To sustainably manage, conserve and/or restore the health and resilience of coastal, marine, and river ecosystems. Qualifying projects include marine protected area establishment and management; management and restoration of coral reefs, mangroves, coastal wetlands, salt marshes, river embankments, and seagrasses.

Target population: General public, particularly groups vulnerable to climate change.

Main SDG Contribution:

SDG Targets:

13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
13.2: Integrate climate change measures into national policies, strategies and planning.
13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.
14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.
14.3: Minimise and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels.
14.4: By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.
14.5: By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information.
14.6: By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation.
14.7: By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.
14.a: Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries.
14.b: Provide access for small-scale artisanal fishers to marine resources and markets.

Eligible Category: Zero-carbon transportation

Description: Electric, hydrogen, biofuel, hybrid[64], multi-modal maritime transportation, infrastructure for clean energy vehicles, and reduction of harmful emissions to zero[65].

This will include passenger as well as cargo vehicles. In case of cargo ships, the transportation of fossil fuel freight will be limited to maximum 50% share of fossil fuel freight 'by mass' transport.

Target population: Universal access to all, particularly excluded populations.

[64] For coastal passenger transport, use of bond proceeds will be limited to hybrid and dual fuel vessels that derive at least 25% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation at sea and in ports.

[65] Retrofitting of vessels will be aimed at enabling the vessels to run on low-carbon fuels (batteries, hydrogen, ammonia).

Main SDG Contribution:

SDG Targets:

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

9.2: Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

11.c: Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials.

13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

Eligible Category: Green buildings

Description: Construction, acquisition, and/or refurbishment of buildings so as to meet regional, national, or internationally recognised standards or certifications such as:

- LEED 'Gold'
- BREEAM 'Excellent'
- Green Star Australia (5 stars or above)
- Homestar (6 stars or above)
- NABERS (4.5 stars or above) and

Energy Performance Certificate where threshold is set to the top 15% energy efficient buildings within the jurisdiction based on primary energy demand.

Relevant structures should be coastal-, marine-, and/or tourism-related green buildings promoting environmental progress.

Construction of new buildings and acquisition of buildings:

- Buildings need to belong to the top 15% in terms of energy demand of the existing local stock in terms of operational Primary Energy Demand, expressed as kWh.

Renovation of existing buildings including:

- Major renovations[66]: The renovation is compliant with the requirements set in the applicable building regulations and a target of at least 20% reduction in comparison to the energy demand of the building before the renovation(s).
- Renovations for relative improvement: individual renovations or a set of renovations delivering within a maximum of three years a reduction of Primary Energy Demand of at least 20% in comparison to the energy performance of the building before the renovation(s)[67].

Target population: General public, particularly underserved and homeless populations.

[66] Renovation of a building where: (a) the total cost of the renovation relating to the building envelope or the technical building systems is higher than 25% of the value of the building, excluding the value of the land upon which the building is situated; or (b) more than 25% of the surface of the building envelope undergoes renovation.

[67] The initial energy performance and the estimated improvement shall be based on a specialised building survey and validated by an Energy Performance Certificate to be provided by Energy Fiji Limited, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method.

Main SDG Contribution:

SDG Targets:

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

9.a: Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing states.

9.b: Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, *inter alia*, industrial diversification and value addition to commodities.

11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.

11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.

12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

12.8: By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

13.2: Integrate climate change measures into national policies, strategies and planning.

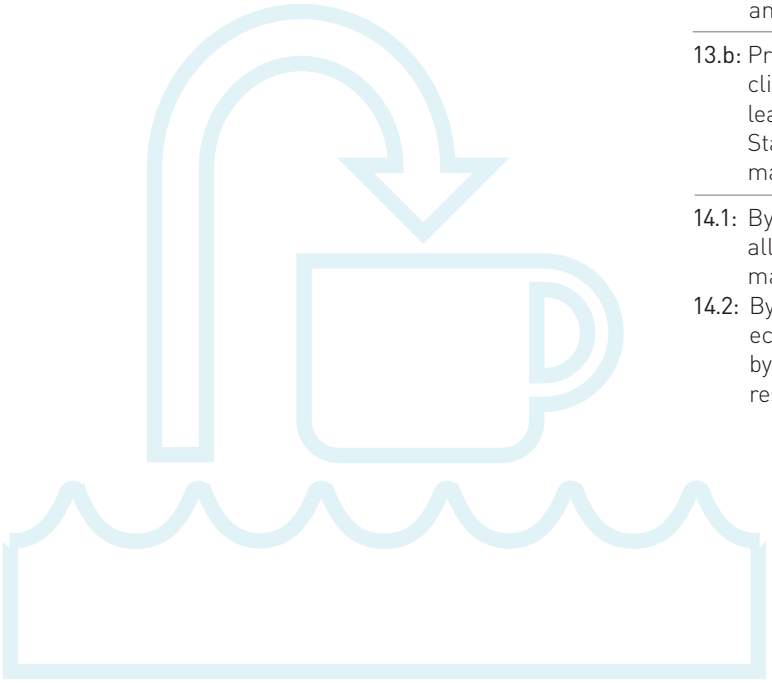
13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Eligible Category: Sustainable water and wastewater management

Description: Sustainable infrastructure for clean and/or drinking water, wastewater treatment which explicitly is beneficial for coastal and marine environments. Excluding wastewater treatment from fossil fuel operations.

Desalination projects must meet the following criteria: (i) projects are powered by renewables or the average carbon intensity of the electricity used for desalination is below 100gCO_2e/kWh, (ii) integrated water and power plant ('IWPP') should not include fossil fuel power; (iii) projects are expected to be located away from sensitive habitats or intact coastal ecosystems. (iv) should have reasonable assurance of appropriate waste management plan for brine disposal.

Target population: General public, particularly groups vulnerable to climate change.



Main SDG Contribution:

SDG Targets:

3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all.

6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

6.6: By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.

6.b: Support and strengthen the participation of local communities in improving water and sanitation management.

11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.

14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.

Eligible Category: Climate change adaptation

Description: R&D focusing on climate change mitigation and adaptation for coastal and marine environments.

Focus will be on, but not limited to, innovative nature-based solutions such as planting of vetiver grass to protect river banks, and mangroves to protect shorelines, natural geometric design principles for hard infrastructure coastal protection systems.

Making communities and infrastructure more resilient to the impacts of climate change, information support systems, such as climate observation and early warning systems in the blue economy context. This includes but is not limited to coral reef rehabilitation efforts, investments in nature-based coastal protection systems, fortifying or replacing existing maritime infrastructure such as jetties to latest category 4 cyclone standards or above, innovative nature-based solutions such as planting of vetiver grass to protect river banks and mangroves to protect shorelines, natural geometric design principles for hard infrastructure coastal protection systems.

Target population: General public, particularly groups vulnerable to climate change.

Main SDG Contribution:

SDG Targets:

3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

9.a: Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing states.

9.b: Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, *inter alia*, industrial diversification and value addition to commodities.

10.b: Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes.

11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.

▲ A sustainable island resort off the coast of western Fiji.
Credit: ©Global Green Growth Institute

12.2: By 2030, achieve the sustainable management and efficient use of natural resources.
12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.
12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.
12.a: Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.
12.b: Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.

13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
13.2: Integrate climate change measures into national policies, strategies and planning.
13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.
14.a: Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries.

Eligible Category: Research and Development

Description: Support R&D in transformative blue economy priority areas such as sustainable aquaculture and mariculture that are aligned to world class sustainability standards, renewable energy propulsion systems for marine transport, innovative coastal protection methods against climate-induced adversities, ocean energy solutions, and responsible commercialization of marine protected areas and locally managed marine area networks.

Intent is to significantly improve the abilities of independent innovation, achievement realisation and industry cultivation, endeavours to establish world-leading centres for marine scientific and technological research and development, centres for incubating and disseminating marine achievements, centres for cultivating emerging marine industries, centres for clustering blue education and talents, centres for blue tourism. The intent is to create an innovation platform that enables Fiji to scientifically develop and sustainably utilise marine resources.

Target population: General public, particularly groups vulnerable to climate change.

Main SDG Contribution:

SDG Targets:

9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

9.a: Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing states.

9.b: Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, *inter alia*, industrial diversification and value addition to commodities.

12.a: Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.

13.3: Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities.

14.3: Minimise and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels.

14.5: By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information.

14.a: Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries.

17.6: Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism.

Eligible Category: Education and vocational training

Description: Training to improve marine workforce skills to be able to work with new and/or upcoming technologies in the blue economy space including aquaculture cultivation, blue carbon accounting, pollution prevention, clean energy shipping and other emerging themes.

Intent is to support marine education, achievement realisation and academic exchanges to speed up the clustering of marine transformative research and development, high-tech talents, and establishment of industry and service organisations through blue entrepreneurship.

Training courses should also detail evidence of incentives and targets designed to recruit and retain women.

Target population: Access for all Fijians, particularly groups vulnerable to climate change with female participation.

Main SDG Contribution:

SDG Targets:

4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and nonviolence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

8.3.3 Eligible Social Categories

Table 4: List of eligible social categories

Eligible Category: Affordable basic infrastructure

Description: Clean drinking water – including access to potable water, sewers, sanitation, transport infrastructure[68] and energy[69]. For the avoidance of doubt this expenditure will exclude industrial purposes for water.

The intent of this priority area is to bridge the rural-urban divide, improve access to markets, education and health services, enhance standards of living, build community climate resilience and unlock the economic potential of Fiji's vibrant young population.

Target population: General public, particularly groups vulnerable to climate change.

[68] Transport projects will include but are not limited to: improving access to rural communities via rural roads and bridges, building jetties in maritime islands to unlock economic potential of maritime communities.

[69] Energy projects can include mini-grid solar systems that are sized to also incorporate desalination plants and power basic mobile towers, which will be financed through this category in an effort to demonstrate an integrated approach to sustainable development; solar home systems for households that live far away from each other in rural areas and cannot get access to a mini-grid system. Projects under this category will be dedicated to improving access to electricity in areas with no access or substantially inadequate access to energy.

Main SDG Contribution:

SDG Targets:

1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all.

6.b: Support and strengthen the participation of local communities in improving water and sanitation management.

7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.

7.b: By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support.

11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.

Eligible Category: Access to essential services – education and vocational training[70]

Description: Access to essential educational, vocational training and services for all by:

Extending educational/vocational training capacities. Eligible expenditures include but are not limited to the construction or extension of early childhood, primary and secondary education schools.

- Improving the quality of existing educational/vocational training infrastructure and equipment. Eligible expenditures include but are not limited to the refurbishment of primary and secondary education schools.
- Curriculum development for primary and secondary education and foundational learning to enable progress in post-secondary education.
- Social support mechanisms such as student bus fare schemes, access to school books, and access to special needs education.
- Eligible schools to be supported include public schools and private schools that are registered with the Ministry of Education.

Target population: Universal access for all - particularly undereducated groups - without a dedicated fee.

[70] Access to education should be inclusive to ensure all Fijians will be empowered with education and skill sets so that they may be easily absorbed into the workforce. A key focus will be on skills development and turning job seekers into job creators.

Main SDG Contribution:

SDG Targets:

1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.
4.2: By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education
4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.
4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.
4.6: By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy.
4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
4.a: Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

Eligible Category: Access to essential services – healthcare

Description: Access to essential healthcare infrastructure and services for all by:

- Extending healthcare capacities. Eligible expenditures include but are not limited to the construction or extension of public health facilities and centres.
- Improving the quality of existing healthcare facilities. Eligible expenditures include but are not limited to refurbishment of public health facilities and centres.
- Enhancing operational efficiency of the health sector by reducing patient waiting times, improving access to specialised hospital services/procedures, increasing the number of beds, improving ambulance services, and raising the doctor-to-patient ratio to 1 doctor per 1,000 people.
- Social support mechanisms such as free medicine schemes, free healthcare for elderly, and subsidisation of specialised medical procedures for children.
- Investments in medical tourism and retirement villages.
- Investment in importing crucial medical equipment that will particularly be made accessible to vulnerable Fijians, e.g. heart surgery equipment, dialysis machines, MRI machines, etc.
- Investments in public-private partnerships to construct and/or operate health facilities with a focus on improving the quality of the national health system.

Target population: Universal access for all.

Main SDG Contribution:

SDG Targets:

3.1: By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births.

3.2: By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births.

3.3: By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, waterborne diseases and other communicable diseases.

3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

3.7: By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.

3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

3.c: Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing states.

3.d: Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.

5.6: Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences.

Eligible Category: Access to essential services – financial services

Description: Individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way. Such services include but are not limited to:

- Access to rural banking services through remote banking programmes. This may include subsidies and incentives to commercial banks to extend their services to rural communities.
- Introduction of digital payment systems for public services and health facilities.
- Introduction of a national switch system to enable interoperability of financial services[71].
- Provision of parametric micro-insurance solutions for the most vulnerable Fijians and businesses. This entails development of products, premium subsidisation for initial terms, and subsidy support to local insurers to administer such risk products.

Target population: Those living below the poverty line.

[71] National switches allow payment players to create new channels and access points such as mobile apps. The more widespread and interoperable the payment systems are, the lower the fees to customers. People gain new, convenient tools when payment systems interface with public services and instant payments.

Main SDG Contribution:

SDG Targets:

1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

9.2: Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

10.6: Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions.

Eligible Category: Access to essential services – digital connectivity

Description: Individuals and businesses have access to digital connectivity through high-speed internet and telecom networks, and are equipped with digital devices, services, and literacy to take advantage of the digital economy which could include providing digital equipment to underserved people with limited income.

Target population: Universal access for all, particularly underserved populations with limited or no access to digital services.

Main SDG Contribution:

SDG Targets:

8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

9.c: Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020.

Eligible Category: **Affordable housing**

Description: Access to affordable housing for vulnerable populations by:

- Extending the social and affordable housing supply.
- Improving the quality of existing social and affordable housing facilities.
- Providing financial assistance to facilitate access to housing and ownership.

Target population: Underserved, displaced people and other vulnerable groups such as low-income individuals and families.

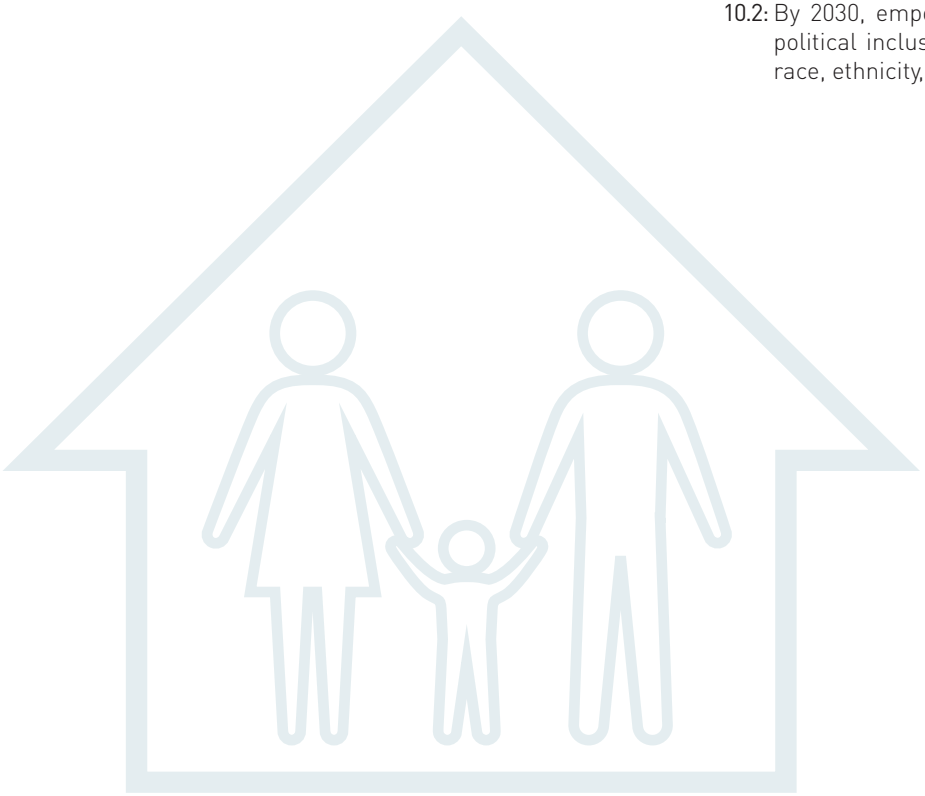
Main SDG Contribution:

SDG Targets:

1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



Eligible Category: **Employment generation**

Description: Supporting employment generation and socio-economic advancement and empowerment, including but not limited to:

- Employment generation and retention initiatives.
- Support to SMEs in the event of extreme events such as natural disasters, public health disasters and global financial crises).

Target population: Unemployed people, low-income individuals, groups that have faced historical marginalisation.

Main SDG Contribution:

SDG Targets:

1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day.

8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

10.1: By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.

10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

Eligible Category: Food security and sustainable food systems

Description: Reduction of food loss and waste, and improved productivity of small-scale farmers and producers as defined by FAO.

This could include financial support to smallholder farms (as defined by FAO) or investment in infrastructure to provide food storage and connect food supply chain to avoid waste.

This could include Investment in infrastructure and facilities such as warehouses to provide adequate storage, improve food conservation or improve connectivity in the food chain to avoid food losses.

Sustainable aquaculture that does not create disruptions to ecosystems, cause a loss of biodiversity or create substantial pollution.

Any projects will not come at the expense of natural resources or through overfishing as per the ocean tipping points.

Target population: Universal access for all, particularly the undernourished.

Main SDG Contribution:

SDG Targets:

2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.

2.2: By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.

2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.

3.9: Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate.

14.4: By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.

15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

15.9: By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

Eligible Category: Socioeconomic advancement and empowerment

Description: Equitable access to and control over assets, services, resources, and opportunities; equitable participation and integration into the market and society, including reduction of income inequality

Examples include financing livelihood development trainings for women in rural and maritime areas, support for and capitalisation of lending facilities targeted for women-led businesses, and construction of special vendor lots for women market vendors (mainly from rural and marginalised backgrounds).

Target population: Women and other gender minorities who have faced historical marginalisation due to gender and/or sexual orientation.

SDG Targets:

1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.
1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

5.4: Recognise and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate
5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
5.a: Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.
5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

Main SDG Contribution:

8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.
8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training.
8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
8.9: By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.
10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

8.3.4 SDGs Identified as Priorities within the Scope of the Key Issues

Figure 3: Identified SDGs

8.3.5 Exclusion List

For the avoidance of doubt, financing related to the following activities are excluded from the use of proceeds of Sustainable Bonds:

1. Exploration, production or transportation of fossil fuel (energy production based on solid or liquid fossil fuels, as well as storage and transport dedicated for fossil fuels). For the avoidance of doubt, at a minimum the following ships are excluded:
    a. Conventional Heavy Fuel Oil ('HFO') or bunker fuel;
    b. Low-Sulphur Heavy Fuel Oil ('LSHFO');
    c. Marine Diesel Oil ('MDO');
    d. For cargo ships, oil tankers or vessels solely or in majority ('by mass') transporting coal, oil, and petrochemicals;
    e. R&D related to ineligible ships; and
    f. Tank containers which transport fossil fuels or fossil fuels blended with alternative fuels.
2. Generation of nuclear power (and related assets).
3. Alcohol, weapons, tobacco, palm oil, cattle/beef production, conflict minerals, gambling or adult entertainment industries.

4. Any project tied to the production or trading in arms or defence and security equipment, including small arms and small-calibre arms as well as explosives, military ammunition and military contracting.

5. Any project resulting in deforestation of primary forests, modified natural forests or mangroves.

6. Any project that is likely to be prejudicial to indigenous people.

7. Any agricultural project involving the development, dissemination and production of GMOs that has not been subject to the approval of the National Biosecurity Council.

8. Any cotton-related project using pesticides that have not been authorised by the National Pesticide Management Committee.

9. Any territorial rehabilitation/development project resulting in the displacement of over 100 persons without prior consultation or financial indemnification.

10. Infrastructure projects that are highly polluting or carbon-intensive in nature, such as airports and new roads.

11. Any production or trading of products or activities that are considered to be illegal under domestic or international laws[72].

12. Projects involving deep sea mining and mineral extraction.

13. Energy efficiency programmes should not be designed/intended for processes/industries that are inherently carbon-intensive and/or primarily driven/powered by fossil fuels, such as production processes within heavy industries including steel, cement, aluminium, oil-/gas-fired boilers or cogeneration/CHP units.

14. Any use of greenhouse gas control will not be intended for fossil fuel operations, directly relying on fossil fuels, or create carbon 'lock-in' investments.

15. Funds will not be used for the manufacturing of plastics or any other materials that have a negative environmental impact. Focus will be on mechanical recycling only and sustainable reuse of plastics.

16. Infrastructure that facilitates the use of fossil fuel powered transport such as parking lots, fossil fuel filling stations.

In addition, all expenditures will be screened to ensure that they do not involve any of the following activities:

17. Deforestation or degradation of biodiversity.

18. Child labour or forced labour.

19. Breach of anti-corruption laws, and all environmental, social and governance laws, policies and procedures.

20. Fail to fulfil minimum gender considerations (as defined by issuer).

◄ Top: Solar panels in use in rural Fiji. Credit: ©Government of Fiji

◄ Bottom: Credit: ©Unsplash

Figure 4: Blue Bond Exclusion Criteria

Exclusion criteria for projects involving coastal infrastructure:

21. Evidence of planned construction of grey infrastructure in protected areas or areas of high conservation value by project developer.
22. No evidence of construction or maintenance practices used that limit or actively reduce greenhouse gas emissions.

Habitat and Wildlife Impacts

23. Absence of policy or approach for preventing leeching of chemical pollutants associated with infrastructure construction into environment.
24. Evidence of harmful impact of noise, light, vibration and/or heat pollution associated with construction, operation, maintenance or remediation of infrastructure to endangered, threatened or protected ('ETP') species or other sensitive species.

Community Displacement

25. No evidence of assessment (including social impact assessment and strategic environmental and social assessment) of impact of infrastructure development on community access to resources, land tenure agreements or displacement of homes and/or livelihoods as a result of development.
26. No evidence of stakeholder engagement in the development and consideration of impacts associated with infrastructure.
27. Evidence of degradation or destruction of areas of significant cultural importance as a result of infrastructure development.
28. No evidence of compensation or consideration of consequences of displacement, restrictions in land use or loss of access to resources or cultural heritage by local communities resulting from infrastructure development.

Workforce

29. Evidence of discriminatory hiring practices by developers.
30. Evidence of unsafe working environments during construction, operation and/or maintenance of infrastructure, including through lack of health and safety policies and records.
31. Evidence of developers not paying workforce a locally appropriate living wage.

Exclusion criteria for projects involving Waste Prevention and Management:

Product and Value Chain Design

32. Evidence that product proposition is conceived with built-in obsolescence, directly resulting in reduced product lifespan.
33. Evidence that full product life cycle proposition has not considered end-of-life options for waste arising from process stages nor options for product end-of-life.

Manufacturing Process

34. Use of toxic substances that are potentially harmful to human health and/or the environment.
35. Evidence of material sourcing policies that do not align with Paris Agreement transition plans.
36. Lack of processes for sound management of waste arising from manufacturing activities.

Packing and Filling

37. Absence of roadmap to transition away from the use of virgin fossil-fuel-derived materials.

Placement on the Market

38. Lack of evidence demonstrating due consideration of how hazardous materials and chemicals will be safely managed post-consumption.
39. Intention to place products on local markets that do not comply with local regulatory requirements in relation to materials, chemicals and additives.
40. Evidence of intention to place products onto markets where vulnerable groups in society will be negatively impacted by post-consumption waste (hazardous and non-hazardous).
41. Evidence of intention to place products onto markets that lack effective and responsible waste management infrastructure that may result in negative impacts on local communities and the environment.
42. Evidence of intention to place products onto markets where the lack of an effective regulatory regime results in frequent waste crime activities.
43. Evidence of intention to place products onto markets where less restrictive regulations permit the use of materials, chemicals and additives that are more commonly regulated against due to their harmful impacts on communities and the environment.

Waste Collection

44. Evidence of unsafe practices, inadequate compensation or hazardous working conditions in the formal waste sector.

Other Recovery Options

45. Evidence that valuable waste streams with secondary material value are sent for incineration.
46. The project promoter seeks to develop an Alternative Recovery Technology ('ART') which is unproven at commercial scale in the local market context

Waste Disposal

47. Lack of due consideration; locating disposal sites where there is a high risk of negative environmental or social impacts arising from leaked waste.
48. Evidence of unsafe, unsanitary or inequitable working conditions for employees.

Further, details from the UNEP FI-recommended exclusions list for the blue side of the exclusion criteria must be adhered to. These are categorised into seafood, offshore renewable energy, coastal tourism, shipping and ports sectors:

Seafood

- Projects with evidence that owned and operated farms or farms in supply chain are not located in a legally designated aquaculture zone or do not have the required legal permit or licence, including within legally protected areas that do not allow multiple uses, such as High Conservation Value Areas or RAMSAR or UNESCO World Heritage Sites.
- Projects with no evidence of Carrying Capacity Assessment in farming area by company or competent authority, or compliance with Carrying Capacity Assessment by company.
- Projects with evidence of use or over-use of banned or harmful chemicals, anti-microbials or pesticides by company or within company supply chain; non-compliance with international or national regulations and agreements.
- Projects involved in sourcing or farming of an invasive non-native species ('INNS') against local regulations.
- Projects where species being fished, processed or sold are on the IUCN Red List of Threatened Species.
- Projects with evidence of Illegal Unreported and Unregulated ('IUU') fishing
- Evidence of use of destructive (and often illegal) fishing practices such as blast (dynamite) fishing, pulse fishing or cyanide fishing by the company or within supply chain.
- Evidence of catching or sourcing from vessels that do not have robust and transparent by-catch measures in place for non-target species (by-catch) that are on the IUCN Red List of Threatened Species.
- Evidence that seafood is fished, farmed, processed or sold with the involvement of labour or human rights abuses.
- Evidence of racial or gender-based discrimination in farms, fisheries or in the supply chain workforce.

Ports – Planning new developments and project lifecycle

- Ports exceeding IMO and MARPOL limit values for SOx, NOx, PM, black carbon, methane.
- Evidence that port emissions are having an adverse affect on the health of local communities.
- Non-compliance with MARPOL, IMO, national regulations or best practices for solid and chemical waste/runoff from ports into the sea.
- Evidence of oil spills and non-compliance with MARPOL, IMO, national regulations or best practices for oil transfer and management.
- Loss of critical IUCN red-listed habitats and species in the development and implementation of the port.

Maritime Transportation

- Vessels are exceeding limit values for SOx, NOx, PM, black carbon, and methane according to IMO and MARPOL regulations and best available science.
- Ballast water discharge and biofouling lead to the release of invasive species into the water column.
- Improper waste disposal - including garbage, chemicals, sewage and fuel waste - has a quantifiable significant impact on marine life.
- Discharge of fuel waste that would cause significant harm to marine life.
- Wages are not sufficient to meet the basic needs of employees and their families.
- Damage to Arctic Ocean ecosystems by heavy fuel oil ('HFO') emissions, fuel transport and poor waste management.
- Evidence of MARPOL violations with respect to oil spills.

Marine Renewable Energy

- Planning for the development of a wind farm in the absence of a coherent marine spatial plan and a lack of opportunities for stake- holder engagement on the use of the marine environment, or access to and benefits from the development (including access to affordable energy and livelihood opportunities for local communities).
- Siting of wind farms in areas of high ecological value or that endanger habitats of ETP species. This is particularly urgent in the context of multiple wind farm developments and the potential for cumulative impacts.
- Siting of wind farms in protected areas for birds, bats, fish and marine mammals negatively impacted by wind farm construction, operation and decommissioning, including resultant bird strikes. This is particularly urgent in the context of multiple wind farm developments and the potential for cumulative impacts.
- Siting of wind farms in key migratory routes for ETP species where no mitigating options are possible to reduce impact on wildlife from construction, operation and decommissioning of such wind farms, including entanglement, collisions and harm from pollutants. This is particularly urgent in the context of multiple wind farm developments and the potential for cumulative impacts.
- Lack of measurable steps taken to minimise noise pollution from seismic exploration, construction and decommissioning of fixed offshore wind installations both above and below the surface of the water in markets where there is no legal limit on noise pollution. This is particularly urgent in the context of multiple wind farm developments and the potential for cumulative impacts.
- Projects where no consideration is given to the potential impact of wind farm development or operation (including maintenance) on water quality, noise or greenhouse gas emissions. This is particularly urgent in the context of multiple wind farm developments and the potential for cumulative impacts.
- Development and operation of offshore wind facilities that do not seek to mitigate potential for collisions with birds and bats.
- Construction and decommissioning of fixed wind turbines (as well as ancillary structures such as cabling, service platforms and substations) without regard to any disturbance to the seabed, notably from piling, dredging and related construction and decommissioning activities, particularly in sensitive habitat, high biodiversity or ecologically valuable areas, and in areas where such disturbance may impact on others' livelihoods, notably fishers. This is particularly urgent in the context of multiple wind farm developments and the potential for cumulative impacts.

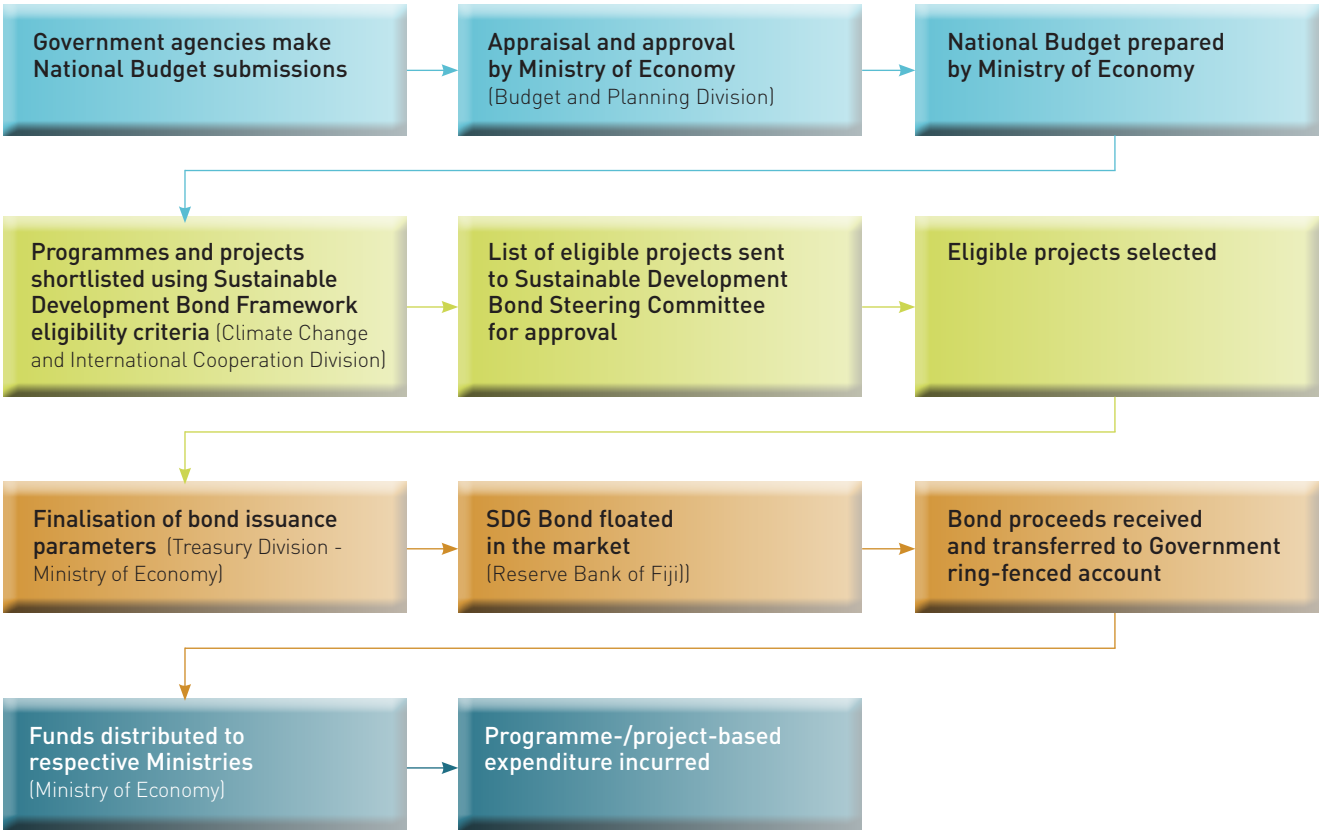
Coastal and Marine Tourism

- Destination development within protected areas, critical habitat for ETP species, or areas providing vital ecosystem services such as coastal flood defence.
- Destinations served by companies with no limit on cruise ship traffic or measures to limit the impact on habitats from number of cruise vessels operating in protected areas, critical habitats or areas providing vital ecosystem services.
- Developments planned without consultation with local communities and environmental groups.
- Cruise ship companies not employing measures to limit number of organisms in ballast water or not disclosing the conditions of their ballast water.
- Cruise ship companies operating vessels using heavy fuel oil with no strategy to transition to cleaner fuels.
- Developers not following best practices for limiting emissions during construction.
- Companies featuring destructive wildlife packages as part of their offering to visitors including active (i.e. not in-situ, undisturbed) use of wildlife for entertainment purposes.
- Cruise ships exceeding limit values for NOx and SOx emissions.

8.4 Process for Project Evaluation and Selection

The process for evaluation and selection will ensure that the proceeds from Sustainable Development Bond(s) are allocated to finance or refinance eligible expenditures (in the form of programme and projects) that meet the criteria and objectives set out in section 8.3 (above). The Ministry of Economy, supported by relevant ministries, coordinates this process and prepares an initial list of potential eligible expenditures by identifying relevant expenditures from the National Budget. This initial list is subsequently evaluated by the Sustainable Bond Steering Committee ('Committee') (see below), which verifies that the expenditures meet the requirements of this Framework. Should projects meet the requirements of this Framework, the Committee will approve their inclusion in the bond allocation.

Figure 4: Project Selection



Composition and Responsibility of the Sustainable Development Bond Steering Committee

To oversee the implementation of the Framework, the Committee has been established, under the coordination of the Ministry of Economy.

Composition of the Committee

The members of the Committee are:

1. Permanent Secretary for Economy, Ministry of Economy (Chairperson);
2. The Governor of the Reserve Bank of Fiji;
3. Nominated representative from the Office of the Solicitor General; and

4. Any other organisation or person invited by the Chairperson of the Sustainable Development Bond Steering Committee.
5. The Sustainable Development Bond Steering Committee may appoint a specialist for green projects, specialist for blue projects and/or a specialist for social projects depending on the type of the bond.

The project identification process is managed by the Director of Climate Change who is responsible for coordinating with the Head of Treasury and the Head of Fiscal Policy from the Ministry of Economy, as well as the Governor of the Reserve Bank of Fiji, and with relevant line ministries and non-government organisations in identifying potential eligible expenditures. The Ministry of Economy has ultimate responsibility for determining the list of Eligible Projects, while line ministries must promptly respond to requests for any further information to verify eligibility.

The Director of Climate Change will assess and recommend to the Committee potential eligible expenditures in line with:

- The identified eligible expenditures defined in this Framework and Fiji's climate change and environment policies;
- Assessment of the likelihood of eligible expenditures delivering the desired impact;
- The Fijian Government's budget commitments, ensuring they are not double counted;
- The projected timeline of investment and its fit with the Sustainable Bond time horizon; and
- Capacity to provide reporting in compliance with this Framework's requirements.

Responsibility of the Committee

The responsibilities of the Committee are:

- Verification that the expenditures meet the criteria and objectives set out above in Section 8.2 Use of Proceeds;
- A clear segregation between Blue, Green and Social expenditures;
- The selection of eligible expenditures to be included in the Green, Blue, Social and/or Sustainable Bond;
- The approval of the eligible expenditures to be included in the Green, Blue, Social and/or Sustainable Bond;
- The review of the allocation of the proceeds of the issued Green, Blue, Social and/or Sustainable Bond;
- The validation of Green, Blue, Social and/or Sustainable Bond reports; and
- The maintenance and updating of the Framework if necessary.

Line ministries and other project proponents must promptly respond to requests for any further information to verify eligibility. While the Committee will endorse potential Eligible Expenditures, the Ministry of Economy has ultimate responsibility for determining if the approved eligible expenditures will eventually be part of the bond issuance based, on the financial appetite and fiscal targets of the Fijian Government.

8.4.1 Project Evaluation

Project evaluation undertaken by the 'Sustainable Development Bond Steering Committee' will include assessment through using 'The Sustainable Blue Economy Finance Principles'. These 14 principles have been adapted into the assessment and measurement criteria of projects to be taken into account by the committee.

8.5 Management of Proceeds

The Ministry of Economy will be responsible for the distribution, monitoring and tracking of the Sustainable Bond proceeds into Eligible Projects, and will open a designated ring-fenced sub-account to receive proceeds from the Sustainable Bond issuances.

In order to ensure proceeds are spent in accordance with the above framework, Fiji will set up a Bond Register to be reviewed annually by the Ministry of Economy of Fiji.

Details of Eligible Use of Proceeds, including:

1. Summary of projects details;
2. Amount of proceeds allocated to each eligible project;
3. Expected environmental and/or social impacts of eligible expenditures;
4. Aggregate amount of proceeds of Sustainable Bonds allocated to eligible expenditures;
5. Remaining balance of unallocated proceeds; and
6. Other necessary information so that the aggregate of issuance proceeds allocated to the Eligible Use of Proceeds is recorded at all times.

8.6 Risk Considerations

The Eligible Expenditures are strictly regulated by relevant policies and procedures of the Fijian Government. To this extent, projects must also demonstrate full compliance with relevant national regulations if they are to be approved for allocation. In addition, any project that is approved under Eligible Expenditures of the Sustainable Bond must have fully evaluated and mitigated environmental or social risks of the project.

Environmental and Social Risks

It is expected that Eligible Expenditures will have clear positive environmental and climate benefits; however, it is acknowledged that Sustainable Bond proceeds may be allocated to projects that may also have associated negative environmental and/or social impacts. Such negative impacts may include the disruption of ecosystems due to land use change or development (such as bird strikes from wind turbines). In such Eligible Expenditures, mitigation plans will be put in place to avoid or reduce such impacts. For example, it is expected that projects will not increase fossil fuel usage and the production of harmful emissions. Investors will be provided with information on the environmental and social risks associated with the project as part of the issuer's reporting obligations, and in the case where there are negative impacts associated with a project, information on processes to mitigate these risks.

To help in assessing impacts, tools such as Environmental and Social Impact Assessments ('IA') may be utilised. To avoid adverse effects on the environment and people, all Eligible Expenditures will proceed in full compliance with the laws and regulations of Fiji including, but not limited to, the Environment Management Act 2005 and regulations made under that Act, administered by the Department of Environment within the Ministry of Environment, the Fiji Code of Environmental Practice ('COEP') and the Town Planning Act 1946.

Full and partial eligibility policy

To distinguish between the total amount required to finance an Eligible Expenditure versus that component eligible for Sustainable Development financing (the 'signed amount'), only the portion of the overall financing that is eligible under the Fijian Sustainable Bond Framework should be reported as eligible[74].

8.7 Reporting

Under this Framework, Fiji will provide investors with both an allocation report and an Impact Report. The combined report will be published annually on a designated website of the Fijian Government and the Reserve Bank of Fiji and as necessary thereafter in the event of material developments. The Impact Report will also be published annually for as long as any Sustainable Bond is outstanding.

Transparency is particularly important during the reporting process. A formal internal process to monitor the allocation of proceeds linked to lending and investments will be carried out including:

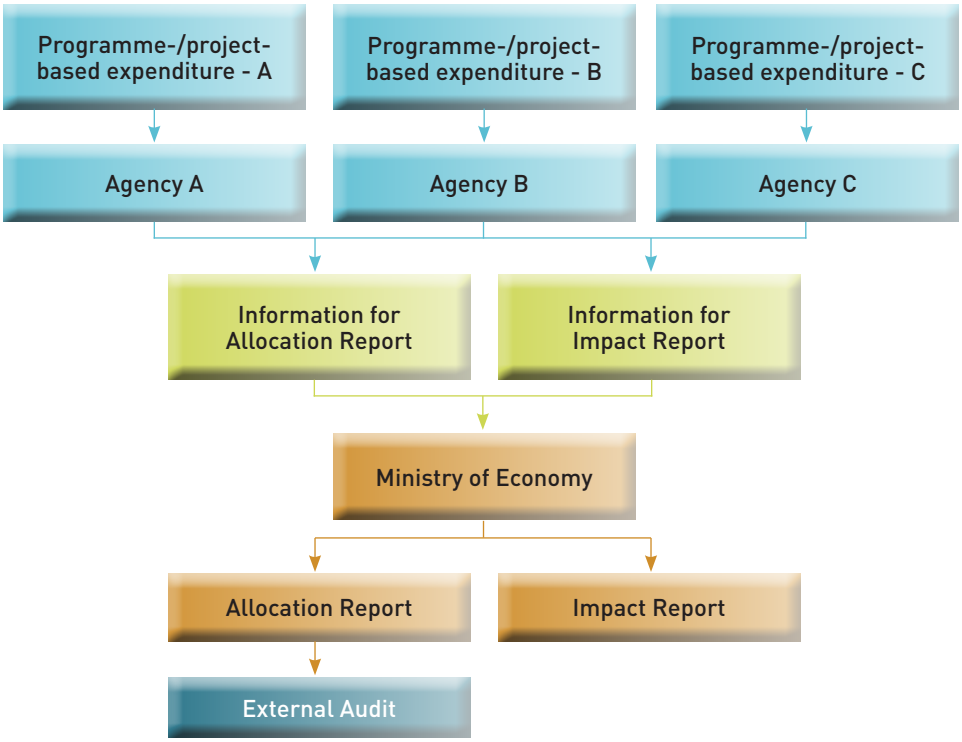
1. A list of the Eligible Expenditures to which Sustainable Bond proceeds have been allocated;
2. The total signed amount; and
3. The amount of Sustainable Bond proceeds allocated ('allocated amount') to such projects.

To enable investors to follow the implementation of the Fijian Sustainable Bond Framework, the RBF will establish a page on their website, which will include:

1. Key information about Fiji's Sustainable Bond Programme and Framework, including project selection criteria;
2. Progress status reports on the selection and implementation of the projects that are part of the Sustainable Bond portfolio (e.g., information on allocations of funds, including a list of the projects to which Sustainable Bond proceeds have been allocated; remaining balance of unallocated Sustainable Bond proceeds at the reporting period end; brief description of the projects; amounts allocated per project; activities; and impact)[75]; and
3. Monitoring of compliance with governance, environmental and social aspects, as well as any safeguard and risk assessment documentation.

In addition, the Fijian Government in coordination with the RBF will produce an annual online newsletter for investors, which will include a summary of the information under point (2) above as well as the environmental impacts of the projects delivered. The figure below illustrates the reporting process for bonds issued under this framework.

Figure 5: Reporting process



The Ministry of Economy will request submission of information related to the eligible projects and/or expenditures financed or refinanced by the Sustainable Bond issuance. This includes the amount allocated and the social and/or environmental indicators, among others.

The Ministry of Economy consolidates the informations on the eligible projects and/or expenditures that will be included in the Allocation and Impact Reports. The Ministry of Economy is charged with assigning an external audit with regard to resource allocation.

The external auditor reviews the Allocation Report and issues its own report.

The Ministry of Economy includes the external audit of the Allocation Report jointly with the Impact Report and publishes the final report for investors on a designated webpage.

8.7.1 Allocation Reporting

A formal internal process to monitor the allocation of proceeds linked to lending and investments will be carried out including:

1. A list of the projects to which Sustainable Bond proceeds have been allocated;
2. The total signed amount; and
3. The amount of Sustainable Bond proceeds allocated ('allocated amount') to such projects.

To enable investors to follow the implementation of the Sustainable Bond, the Ministry of Economy will establish a page on their website, which will include, among other things:

1. Key information about Fiji's Sustainable Bond Framework, including project selection criteria;
2. Progress status reports on the selection and implementation of the projects that are part of the Sustainable Bond portfolio (e.g. information on allocations of funds, including a list of the projects to which Sustainable Bond proceeds have been allocated; remaining balance of unallocated Sustainable Development Bond proceeds at the reporting period end; brief description of the projects; amounts allocated per project; activities; and impact); and
3. Monitoring of compliance with governance, environmental and social aspects, as well as any safeguard and risk assessment documentation.

To ensure quality control in documentation, oversight of the Committee will be provided, such as for evaluation reports of implementation status and monitoring results.

8.7.2 Impact Reporting[76] and Example Key Performance Met

In addition, impact reporting on the expected impacts of the Eligible Expenditures will be provided and will be made available on at least an annual basis, subject to the availability of the relevant data.

Table 5: Example metrics of proposed Green & Blue Categories

	Green and Blue Categories	Example of Impact Metrics
	**Renewable energy and energy efficiency**	• Renewable Energy Capacity (in MW). • Estimated ex-ante annual energy savings (in MWh). • Estimated annual GHG emissions reduced/avoided (in tonnes of CO_2-equivalent). • Number of efficient street lighting appliances and systems installed.
	**Pollution prevention and control**	• Volume of waste collected and disposed or treated (tonnes). • Surface area of protected or restored areas. • Waste that is prevented, minimised, reused or recycled before and after the project. • Annual energy generation from non-recyclable waste in energy-/emission-efficient waste to energy facilities. • Energy recovered from waste. • GHG emissions from waste management before and after the project in tCO_2. • Annual absolute (gross) amount of waste that is separated and/or collected, and treated (including composted) or disposed of. • Area with improved regular (daily, weekly or bi-weekly) waste collection service. • How many fractions of waste were separated before and after the project. • Absolute or % reduction in local pollutants.

	Green and Blue Categories	Example of Impact Metrics
 	**Environmentally sustainable management of living natural resources and land use** **Terrestrial and aquatic biodiversity conservation**	• Maintenance/safeguarding/increase of protected area in km² and in % for increase. • Absolute number of predefined target organisms and species per km² (bigger fauna) or m² (smaller fauna and flora) before and after the project. • Absolute number of protected and/or priority species that are deemed sensitive in protected/conserved area before and after the project. • Per cent of marine protected areas relative to Fiji's marine areas (%). • Changes in the CO_2, nutrient and/or pH levels for coastal vegetation, and coral reefs in per cent. • Maintenance/safeguarding/increase of natural landscape area (including forest) in km² and in per cent for increase. • Maintenance/safeguarding/increase of natural landscape area in urban areas in km² and in per cent for increase. • Increase of area under certified land management. • Absolute number of indigenous species, flora (e.g. trees, shrubs and grasses) or fauna restored through the project. • Annual GHG emissions reduced in tCO_2-e p.a. • Number of forestry personnel trained in biodiversity conservation. • Number of farmers trained in sustainable farming and biodiversity. • Number and/or capacity of nurseries created under the project in terms of seedlings or number of individual trees/shrubs per year.
	**Low-carbon transportation**	• Number of low-carbon transportation deployed by type of transport • Estimated reduction in fuel consumption. • Reduction in dependence on imported fossil fuel per km travelled for transportation (%) (Currently at 42%) (SDG 9.4). • Annual GHG emissions reduced/avoided in tCO_2. • Reduction of air pollutants. • Upgrade of Shipping Vessels Programme (Number of Vessels).
	**Green buildings**	• Estimated ex-ante annual energy savings (in MWh). • Per cent of energy use reduced/avoided vs local baseline/building code; and, if relevant, per cent of renewable energy (RE) generated on site (specifying the relevant RE form). • Per cent of water reduced/avoided vs local baseline/baseline certification level. • Energy efficiency-annual GHG emissions in tonnes of CO_2-equivalent saved. • Number of new, acquired and upgraded buildings with energy saving/efficient technology. • Number of new, acquired and upgraded buildings with regional, national or internationally recognised certifications. • Number of homes and/or enterprises with energy saving/efficient technology. • Number of homes and/or enterprises with national building certification standards.
	**Sustainable water and wastewater management**	• Annual absolute (gross) water use before and after the project in m^3. • Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project. • Annual absolute (gross) amount of raw/untreated sewage sludge that is treated and disposed of. • Annual absolute (gross) amount of sludge that is reused. • Area covered by sustainable land and water resources management practices. • Annual catchment of water that complies with quantity and quality (e.g. turbidity) requirements by utilities.
	**Climate change adaptation**	• Estimated annual CO_2 emissions avoided (in tonnes of CO_2-equivalent). • Number of area and/or people benefitting from resilience infrastructure (e.g. relocations avoided).

	Green and Blue Categories	Example of Impact Metrics
	**Eco-efficient and/or circular economy-adapted products, production technologies and processes**	• Tonnes of waste reduced. • Products changed to increase waste reduction. • Tonnes of secondary raw materials or compost produced.
	**Research and Development, education, vocational training**	• Support research, development and innovation focusing on climate change. Green and blue jobs (e.g. marine scientists, biowaste businesses).

Table 6: Example metrics of Proposed Social Categories

	Social Categories	Example of Impact Metrics
	**Affordable basic infrastructure**	• Access to clean and safe water in adequate quantities. • Access to central sewage system (% of population). • Access to electricity (% of population). • Access to central sewage system (% of population). • Percentage of population with primary reliance on wood fuels for cooking (%). • Net enrolment rate for primary, secondary education (%). • Net enrolment rate for early childhood education (%).
	**Access to Essential Services – Education and Vocational Training**	• Students and teachers reached. • Number of education infrastructures benefitting from eligible expenditures, including a breakdown by type of infrastructures (e.g. schools, universities). • Capacity/additional capacity (in number of students, teachers). • Proportion of students successfully completing TVET courses to meet current and future demand (%).
	**Access to Essential Services – Healthcare**	• Patients and healthcare workers reached. • Number of healthcare infrastructures benefitting from the eligible expenditures, including a breakdown by location. • Capacity/additional capacity (in number of beds and/or patients).
	**Access to Essential Services – Financial Services**	• Number of people with access to formal financial services. • Number of people with an active financial service account. • Number of financial service accounts and transaction volume. • Number of people with improved financial management skills and capabilities. • Number of access points. • Increase in the number of investors in the capital markets.
	**Access to Essential Services – Digital Connectivity & ICT**	• Wired and wireless network coverage (e.g. mobile broadband, internet penetration). • Active mobile broadband, internet subscriptions. • Connectivity performance, price. • Number of people using ICT-enabled services. • Number of people with access to connectivity devices. • Online security. • Share of online purchasers. • E-commerce transactions. • Online payments. • Per cent of GDP in ICT investments.

	Social Categories	Example of Impact Metrics
	Access to Essential Services – Social Inclusion	• Number of people reached disaggregated by vulnerable group. • Beneficiaries of minimum benefits. • Number of products or services serving low-income groups. • Number of social inclusion infrastructures benefitting from the eligible expenditures, including a breakdown by type of infrastructures. • Capacity/additional capacity (in number of beneficiaries).
	Affordable Housing	• Number of dwellings. • Number of individuals/families benefitting from subsidised housing. • Increase in ownership (% of total households).
	Employment generation	• Number of people benefitting from the eligible employment generation and retention initiatives, including a breakdown per type of initiative/ scheme considered. • When available, additional information may be provided regarding the employment generation and retention initiatives' beneficiaries (e.g. age, level of education). • When available, information may be provided regarding the Social and Solidarity Economy beneficiaries (e.g. number, type).
	Food security and sustainable food systems	• Food sourced domestically compared to total food available (%). • Hectares of land cultivated, which use has improved i.e. replanted, reforested, landscaped.
	Socioeconomic advancement and empowerment	• Poverty rates (rural, urban) (%). • Proportion of women participating in paid employment (%).

Credit: ©Government of Fiji

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8.8.1 Ensuring Compliance

Monitoring of Eligible Expenditures will be ongoing during project preparation and implementation to ensure there is compliance with the Framework and any environmental and social risk assessments. In addition, the Sustainable Bond issuances of Fiji will be supported by independent external reviews:

Verification will be carried out by a third-party auditor appointed by the Fijian Government to provide an annual assurance report. The purpose of this verification will be to confirm that an amount equal to the net proceeds of the Sustainable Bonds has been allocated in compliance with all material respects of the Eligible Projects criteria and 'Use of Proceeds' section set forth in the Framework, the results of which will be included within annual reporting.

Oversight will be provided by the Committee to ensure quality control in documentation provided such as for evaluation reports of implementation status and monitoring results.

8.8.2 Pre-Issuance External Review

Fiji appointed an external review provider[77] to provide a Second Party Opinion to confirm the validity of this Framework. The objective of the Second Party Opinion is to provide investors with an independent assessment. The Second Party Opinion, as well as the Framework, has been published on the website of the Reserve Bank of Fiji.

Fiji has retained Sustainalytics to provide a Second Party Opinion on the Sustainable Bond Framework, to confirm alignment with the relevant principles and guidelines. The Second Party Opinion is available.

8.8.3 Post-Issuance External Review

Starting one year after the issuance of each Sustainable Bond issued under this Framework until full allocation, Fiji will request on an annual basis an assurance report on the allocation of the Sustainable Bond proceeds to eligible projects, provided by an external auditor.

9. Endnotes

1. https://www.fiji.gov.fj/getattachment/15b0ba03-825e-47f7-bf69-094ad33004dd/5-Year-20-Year-NATIONAL-DEVELOPMENT-PLAN.aspx
2. The total population has a population is approximately 900,000 people, with more than half of the population being below the age of 27.5 years and 69% below the age of 40 years.
3. While land-based mining is an important part of Fiji's economy, the Fijian Government only allows deep sea mineral exploration as per the Mining Act 1965. In addition, Fiji has committed to a 10-year moratorium on seabed mining to allow for a decade of proper scientific research of its exclusive economic zone and territorial waters.
4. https://www.investmentfiji.org.fj/investment-opportunities/investment-incentives
5. https://www.rbf.gov.fj/wp-content/uploads/2020/03/Fiji-Sovereign-Green-Bond-Impact-Report-2018.pdf
6. https://www.rbf.gov.fj/category/fiji-sovereign-green-bond-update/
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10. https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=FJ
11. https://www.economy.gov.fj/images/CCIC/uploads/Adaptation/Fiji-Climate-Vulnerability-Assessment.pdf
12. Bainimarama, V. (2020) Hon. PM Bainimarama's statement at the Global Leaders' Day at the ILO Global Summit on COVID-19 and the World of Work.
13. https://www.statsfiji.gov.fj/statistics/social-statistics/population-and-demographic-indicators.html
14 https://www.statsfiji.gov.fj/statistics/social-statistics/employment-statistics44.html
15. These include the continuation of the 9.0 per cent VAT rate, increase in the minimum tax threshold (from FJD $16,000 to $30,000), higher wages for Government workers, low interest rates and the increment in national minimum wage rate (to FJD $2.68/hour from $2.32/hour).
16. Fiji's latest Palma ratio, based on the 2013/14 Household Income and Expenditure Survey ('HIES') is 1.62 compared to 2.28 recorded in the 2008/09 HIES indicating that the richest 10 per cent that used to make twice as much income as the poorest 40 per cent are now making less, and indeed more incomes are flowing into the poorest 40 per cent segment.
17. https://www.statsfiji.gov.fj/images/documents/2007_Census_of_Pop_Housing/Population-Censuses-and-Surveys/2019-20_Household_Income_and_Expenditure_Survey_Preliminary_Release.pdf
18. https://tbinternet.ohchr.org/Treaties/CEDAW/Shared%20Documents/FJI/INT_CEDAW_AIS_FJI_30530_E.pdf
19. Government of Fiji. (2017). Climate Vulnerability Assessment.
20. https://cop23.com.fj/fijis-vision-cop23/, http://www.fiji.gov.fj/Media-Center/Press-Releases/FIJIANATTORNEY-GENERAL-CALLS-FOR-FOCUS-ON-CLIMATE.aspx
21. UNEP 2015. Blue Economy—Sharing Success Stories to Inspire Change. UNEP Regional Seas Report and Studies No. 195. Nairobi.

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41. Blue Bonds will align with UNEP FI's Sustainable Blue Economy Finance Principles - https://www.unepfi.org/blue-finance/the-principles/

42. Proceeds are spent on specifically identified projects

43. While the overall intent will be to finance eligible projects of businesses, general purpose loan to eligible pure-play businesses may be given only when at least 90 per cent of their revenue is generated from eligible activities listed under this Framework.

44-71. Rendered as footnotes on respective Category pages.

72. United Nations Framework Convention on Climate Change.
    a. United Nations Convention to Combat Desertification.
    b. United Convention on Biological Diversity.
    c. Convention Concerning the Protection of the World Cultural and Natural Heritage.
    d. Convention on Wetlands, Waterfowl Habitat – Ramsar Convention.
    e. Kyoto Protocol to the United Nations Framework Convention on Climate Change.
    f. Paris Climate Agreement.
    g. Montreal Protocol on Substances that Deplete the Ozone Layer and its amendments.
    h. The Vienna Convention for the Protection of the Ozone Layer.
    i. Convention on the Protection of the Underwater Cultural Heritage.
    j. Convention for the Safeguarding of the Intangible Cultural Heritage.
    k. Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention, CITES).
    l. International Labour Organization Convention no. 105 on the Abolitdion of Forced Labour.
    m. International Labour Organization Convention no. 182 on the Worst Forms of Child Labour.

73. https://www.unepfi.org/news/themes/ecosystems/financing-a-sustainable-blue-economy-recommended-exclusions-list-published/

74. Sustainable Development Bonds Working Towards a Harmonized Framework for Impact Reporting. November 2015.

75. Where possible, the guidance and impact reporting templates provided in the ICMA Harmonized Framework for Impact Reporting will be used.

76. Sustainable Development Bonds Working Towards a Harmonized Framework for Impact Reporting. November 2015.

77. The Green Bond Framework was reviewed by Sustainalytics. Republic of Fiji Green Bond Second-Party Opinion by Sustainalytics https://www.sustainalytics.com/wp-content/uploads/2017/10/Republic-of-Fiji-Green-Bond-Opinion_final.pdf

Contact:

Ministry of Economy
Ro Lalabalavu House
370 Victoria Parade Suva

PO Box 2212,
Government Buildings, Suva, Fiji

Tele: (679) 330 7011
Fax: (679) 330 0834

Website: www.economy.gov.fj
www.fijiclimatechangeportal.gov.fj

Email: ccicd@economy.gov.fj