

## Fiji National Development Plan and the UN Sustainable Development Goals

### *SDG1: No Poverty*

TARGETS	INDICATORS
<p><b>1.1</b></p> <p>By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day</p>	<p><b>1.1.1</b></p> <p>Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)</p>
<p><b>1.2</b></p> <p>By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</p>	<p><b>1.2.1</b></p> <p>Proportion of population living below the national poverty line, by sex and age</p>
	<p><b>1.2.2</b></p> <p>Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</p>
<p><b>1.3</b></p> <p>Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable</p>	<p><b>1.3.1</b></p> <p>Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable</p>
<p><b>1.4</b></p> <p>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</p>	<p><b>1.4.1</b></p> <p>Proportion of population living in households with access to basic services</p>
	<p><b>1.4.2</b></p> <p>Proportion of total adult population with secure tenure rights to land, with legally recognized documentation and who perceive their rights to land as secure, by sex and by type of tenure</p>
<p><b>1.5</b></p> <p>By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters</p>	<p><b>1.5.1</b></p> <p>Number of deaths, missing persons and persons affected by disaster per 100,000 people</p>
	<p><b>1.5.2</b></p>

	Direct disaster economic loss in relation to global gross domestic product (GDP) <sup>a</sup>
	<b>1.5.3</b> Number of countries with national and local disaster risk reduction strategies
<b>1.A</b> Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions	<b>1.A.1</b> Proportion of resources allocated by the government directly to poverty reduction programmes
	<b>1.A.2</b> Proportion of total government spending on essential services (education, health and social protection)
<b>1.B</b> Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions	<b>1.B.1</b> Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups

## **Section 1.1 – ‘Inclusive Socio-economic Development’**

### ***Fourfold Increase in GDP per Person***

Fiji has graduated to the group of upper middle-income countries. Their current per capita income stands at around \$10,000. Based on current economic performance, economic outlook and projected population growth, Fiji is likely to achieve a fourfold increase in per capita income by 2036. This is consistent with a sustained annual real GDP growth averaging 4 to 5 percent, investment levels of 25 percent of GDP and an inflation target of 2 to 3 percent. A fourfold increase in per capita income over the next 20 years will raise Fiji up the international development ladder and lead to tangible improvements in the lives of all Fijians. Effectively implementing the transformational strategic thrusts will be critical to realising these gains. The Fijian Government is fully committed to delivering this overall objective and to achieving inclusive growth and development.

### ***Reducing Unemployment Rate to Below 4 Percent***

With sustained economic expansion and the implementation of new job creation policies, the unemployment rate will be reduced to below 4 percent. 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. With the establishment of the Micro, Small and Medium Enterprise (MSME) Council and Central Coordinating Agency, greater support and incentives will be provided to small and medium enterprises. New growth sectors with

high labour- absorption capacity will be nurtured and expanded. Seasonal employment opportunities overseas will also be effectively utilised.

### ***Eradicating Poverty***

With the rapid economic and social development over the last decade, poverty is now on a declining trend. A new measure of poverty that incorporates relevant and measurable social determinants will be developed to help guide improvements to service delivery. Extreme poverty and hardship will be eradicated, and well-being improved for all. This will be addressed through a multi-sectoral approach, sustainable growth and better access to social services. Targeted social protection will continue to be provided for the vulnerable through new initiatives to empower Fijians so that they may graduate out of poverty.

<b>INCLUSIVE SOCIO-ECONOMIC DEVELOPMENT</b>	<b>2015</b>	<b>2021</b>	<b>2026</b>	<b>2031</b>	<b>2036</b>
Incidence of poverty National (%) SDG1.2	28.4	25	20	14	10
Incidence of Poverty Rural (%) SDG1.2	36.3	35	32	18	10
Incidence of Poverty Urban (%) SDG1.2	20.8	15	13	10	5
Gini Coefficient (0-1)	0.32				0.16

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### **What is the Gini Coefficient?**

The Gini coefficient is a commonly-used measure of income inequality that condenses the entire income distribution for a country into a single number between 0 and 1: the higher the number, the greater the degree of income inequality.

If all the income went to a single person (maximum inequality) and everyone else got nothing, the Gini coefficient would be equal to 1. If income was shared equally, and everyone got exactly the same, the Gini would equal 0. The lower the Gini value, the more equal a society.

### ***The GINI of other countries***

Slovenia – 0.24 (2017); *LOWEST*

UK – 0.34 (2016)

USA – 0.41 (2016)

Australia – 0.34 (2014)

China – 0.38 (2016)

Mexico – 0.45 (2018)

South Africa – 0.63 (2014); *HIGHEST*

SOURCE:

[https://data.worldbank.org/indicator/SI.POV.GINI?locations=GB-CU&most\\_recent\\_value\\_desc=true](https://data.worldbank.org/indicator/SI.POV.GINI?locations=GB-CU&most_recent_value_desc=true)

READING: <https://www.scientificamerican.com/article/ask-gini/> - This article explores some of the limitations of the Gini Coefficient.

## What is GDP?

GDP means Gross domestic product, this is the sum of the value of goods and services produced in a country's economy. It is a way of measuring the size and health of a country's economy over a period of time and can be used to compare the size of different economies. GDP can be measured in 3 ways:

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1. *Output measure* – this is the total value of the goods and services produced by all sectors of the economy.
  2. *Expenditure measure* – the value of the goods and services bought by households and by government. This is the value of what everyone in the country has spent.
  3. *Income measure* – this is the total of everyone's income
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READING: <https://www.bankofengland.co.uk/knowledgebank/what-is-gdp>

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## FNDP SECTION SUMMARY

### MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT – 3.2.6

“Promoting entrepreneurial culture through sustainable micro, small and medium enterprises”

- Micro, small and medium enterprises (MSMEs)
- The growth in these areas is essential for job creation, income generation, rural development, poverty alleviation and empowerment of youth and women.
- MSME council established to provide policy direction and leadership to support the development of MSMEs
- A Central Coordinating Agency will be created to oversee the development of MSMEs
- Micro and Small Business Grant scheme (MSBG) continues to provide financial assistance, along with the SME credit guarantee, and subsidies through the Fiji Development Bank.
- The Young Entrepreneurship Scheme (YES) will be launched providing access to grants for those struggling to receive backing from financial institutions.
- A ‘Roadside Stalls Project’ will be piloted, providing vendors outside of cities/towns with standardised stalls to sell produce.
- A Secured Transaction Framework is being drafted to broaden the scope of loan collaterals and ease the access of MSMEs to the formal financial sector
- A legal and regulatory framework will be developed to guide operations of microfinance service providers
- A database will be established to record and track data on MSMEs to assist in policymaking.

### FURTHER INFORMATION

#### ***MSME council***

The national MSME Development Council, chaired by the Prime Minister, provides strategic policy direction and leadership for the development of MSMEs in Fiji. Whilst the Central Coordinating Agency (CCA) will be the primary body that implements this framework, working towards the goal of promoting entrepreneurial culture through sustainable MSMEs.

#### ***MSME Central Coordinating Agency***

The principal purpose of the MSME CCA is to develop, implement, monitor and evaluate MSME development in collaboration with stakeholders. The primary focus of the CCA will be on coordinating financing, facilitating business training, mentoring, advisory and incubation and data-collection support

Some of the schemes and initiatives under coordination by the CCA:

- The micro and small business grant initiative (MSBG)
- Young Entrepreneurship Scheme (YES)
- National Innovation Framework
- Roadside Stalls Project
- National Innovation Framework
- Activities undertaken by the national centre for small and micro enterprise development (NCSMED)
- Livelihood Grant – Ministry of Women & Social Welfare
- Youth Grant – Ministry of Youth & Sports
- Young Entrepreneurship Grant – Ministry of Youth & Sports
- Empowerment Project – Ministry of Youth & Sports
- Import Substitution Programme – Ministry of Agriculture
- Export Promotion Programme – Ministry of Agriculture
- Food Security Programme – Ministry of Agriculture

As part of the FNDP, more funding is being channelled towards business incubation, skills training and other support services.



*Figure 1: The Roadside Stalls Project*

**MSBG**

The Micro Small Business Grant (MSBG) Scheme was launched by the Hon. Prime Minister on 7 July 2015. The Scheme is an initiative designed to provide grants for start-up and assistance to new and existing micro and small businesses, of up to \$1,000.

The grant is targeted at individuals who have particular skill sets, such as, handicrafts, fruit and vegetable sellers, farming and handicrafts, to name a few. Beneficiaries of this scheme will be able to use the funds to overcome barriers in starting up new businesses or to boost their existing businesses. It is also a platform for businesses to secure funding from mainstream financial institutions, like the Fiji Development Bank (FDB) and other Commercial Banks.

The grants in form of cheques are authorized on the name of the suppliers from where the recipients are planning to source their items such as tools, building and fencing materials, farm equipment's, purchase of goods or any other supplies. The MSBG Facility is part of the Fijian Government's overall commitment to reducing poverty through capital injection into micro and small businesses and business and entrepreneurial skills development.

### **EXPANDING THE RURAL ECONOMY – 3.2.10**

“Promoting equal opportunities, access to basic services and building resilient communities”

- Recent years have witnessed substantial government investment in the development of rural infrastructure, provision of education and health services, rural electrification, access to water, income-generating opportunities, better communications and transportation
- This will continue with further investments in a more integrated manner.
- Improving production and enterprise of farmers and their produce is a focus
- Alongside equal access to opportunities within agricultural production (e.g. gender differences, access to and repayment of credit, beneficiaries of land purchase, land titling, public amenities, extension services and technology)
- Communities at risk of the impacts from climate change have been highlighted for support and, at times, relocation.

### **SOCIAL INCLUSION AND EMPOWERMENT - 3.1.7**

The government aims to create a “socially inclusive Fiji and empowered Fijians”

- Extreme poverty and hunger thankfully do not exist in Fiji because of fisheries, agriculture and the sharing culture.
- Income poverty is declining.
- Basic living standards have been secured for all Fijians through the provision of free water, electricity, education, medicine, bus-fare subsidy, housing assistance, food vouchers and pension scheme.
- Over the next 5 years the government will ensure that every Fijian is provided with basic living amenities.
- There will be an increased focus on supporting MSMEs.
- Government initiatives will focus on empowering Fijians to become self-reliant and ensuring all prosperity is shared.

### **SUSTAINABLE CITIES AND TOWNS – 3.2.9**

## *“Creating vibrant and environmentally sustainable urban centres”*

- Fiji is experiencing rapid urbanisation, with slightly over half the population now living in urban areas. This is projected to increase to around 56 percent by 2021.
  - In the next 5 years, the government will focus on better urban development strategies.
  - Areas identified for new-town development include Navua, Korovou, Nabouwalu, Keiyasi, Vunidawa, and Seaqaqa.
  - All new urban development projects will need to comply with guidelines to ensure resilience to climatic hazards and natural disasters.
  - A special Smart City Programme shall be developed for the Towns and Cities to ensure that the towns are cities that adapt to global modern urban management practices - all for the purpose of promoting a clean and green environment.
  - Sister-city agreements shall be formed with overseas counterparts. Sister-city arrangements are seen as a way to drive economic and green growth.
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### **SDG 1 in figures**

28.1% - proportion of population living below National Poverty Line (2013)

1.4% - Proportion of population of population below \$1.90 Purchasing Power Parity (PPP) a day (2013)

0.2% - Proportion of population of population below \$1.90 Purchasing Power Parity (PPP) a day, MALE (2019)

0.3% - Proportion of population of population below \$1.90 Purchasing Power Parity (PPP) a day, FEMALE (2019)

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### **SDG 2019 REVIEW**

#### ***Overview***

- Uplifting the lives of the country's poorest citizens is at the heart of Fiji's national development agenda.
- There has been a steady decline in national poverty rate from 35% in 2002-2003 to 28.1% in 2013-2014.
- More jobs have been created due to economic growth.

#### ***Inclusive Development and Employment Creation***

- National unemployment rate has been reduced from 8.6 percent in 2007 to 4.5 percent in 2017, the lowest level in 20 years.
- Income disparity has also declined in Fiji (one of few countries in the world where this is the case), indicating that the country's ongoing economic prosperity is being equitably spread throughout all corners of Fijian society



- The threshold for those exempt from paying any personal income tax has been increased by more than fourfold, from around \$8,000 in 2006 to \$30,000 today.
- The VAT rate has also been reduced from 15 percent to 9.0 percent
- For the first time in history, Fiji also introduced a national minimum wage rate, which has been increased to \$2.68/hour from \$2.32/hour for all unskilled Fijian workers

### ***Social Protection***

- Social Assistance programmes: The Poverty Benefit Scheme (providing grant assistance to the poorest 10 percent of households), the Social Pension Scheme (providing grant assistance to senior citizens of ages 65 and above), the Care and Protection Allowance (providing grant for welfare of children living in vulnerable social circumstances), the Food Voucher Programme (providing grants to rural pregnant mothers), the Bus Fare Programme (providing subsidised bus fares for senior citizens and free bus service for Fijians living with disability), and Disability Allowance
- National Budget allocations for these social assistance programmes has drastically increased, rising from \$32.4 million in 2014-2015 to \$96.4 million in 2018- 2019.

### ***Access to Basic Services***

- With the introduction of free universal education at the primary and secondary levels, in addition to new initiatives like free transportation to school and free textbooks, access to quality education in Fiji has undergone a revolution in recent years.
- All tertiary students also have access to government-funded scholarships and loans schemes that allow them to pursue further education
- In all, Fiji invests around 6.0 percent of its GDP into education – more than many highly-developed countries around the world.
- Investments in access to basic services like roads, water and electricity has empowered thousands of Fijians to engage in new income generating opportunities to support themselves and their families.
- Low-income households are also eligible for free water and subsidised electricity.