



FIJI FUTURE

# Sustainability linked bond

Investing in the future of Fiji  
Fiji Future Sustainability-linked Bond







# Fiji Future



**Daria Bogatyreva**

University of Toronto

**Policy  
Development**

Launched Regional  
Charitable Initiatives



**Eric Chung**

Western University

**Business  
Operations**

Managed National  
Programs for F500 Companies



**Hyun Seung Cho**

Western University

**Financial  
Services**

Operations at Canada's Largest  
Independent Investment Dealer



**Peisen Qin**

Western University

**Sustainability  
Consulting**

Contributed in Fortune 500  
Corporate Sustainability Reports





**Professor Gurmeet Singh**  
**HEAD OF THE GRADUATE SCHOOL OF BUSINESS**  
**AND DIRECTOR OF MBA PROGRAMME,**  
**UNIVERSITY OF THE SOUTH PACIFIC**

**Saud A. Minam**  
**FORMER CEO FIJI DEVELOPMENT BANK**  
**SR. PRIVATE SECTOR DEVELOPMENT SPECIALIST,**  
**ASIAN DEVELOPMENT BANK**

**H.E Filipo Tarakinikini**  
**FIJI'S PERMANENT REPRESENTATIVE**  
**TO THE UNITED NATIONS**

CHALLENGE

INVESTMENT  
OPPORTUNITY

SOLUTION

RISK

IMPACT

EXPANSION





# Challenge

## Lost in Transition: **Fiji's Skills Mismatch**



**81%** do not pursue tertiary education

**40%** of employers struggle to find qualified workers

**Lacking** educational infrastructure for targeted growth

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# Growth requires education



Bold vision and strategic alignment

Historic Levels of Development  
Investment

Simplification of complex and  
burdensome regulation

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# With Investment

Better jobs in growing sectors  
Build a future at home  
Economic resilience

# Without Investment

Shrinking skilled workforce  
Reliance on foreign labor  
Limited growth

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# Sustainability-Linked Bonds

**\$10 M  
USD**

**5 Year  
Term**

**25BPS**  
Performance

**5 %  
Coupon**

**Bullet  
&  
performance**

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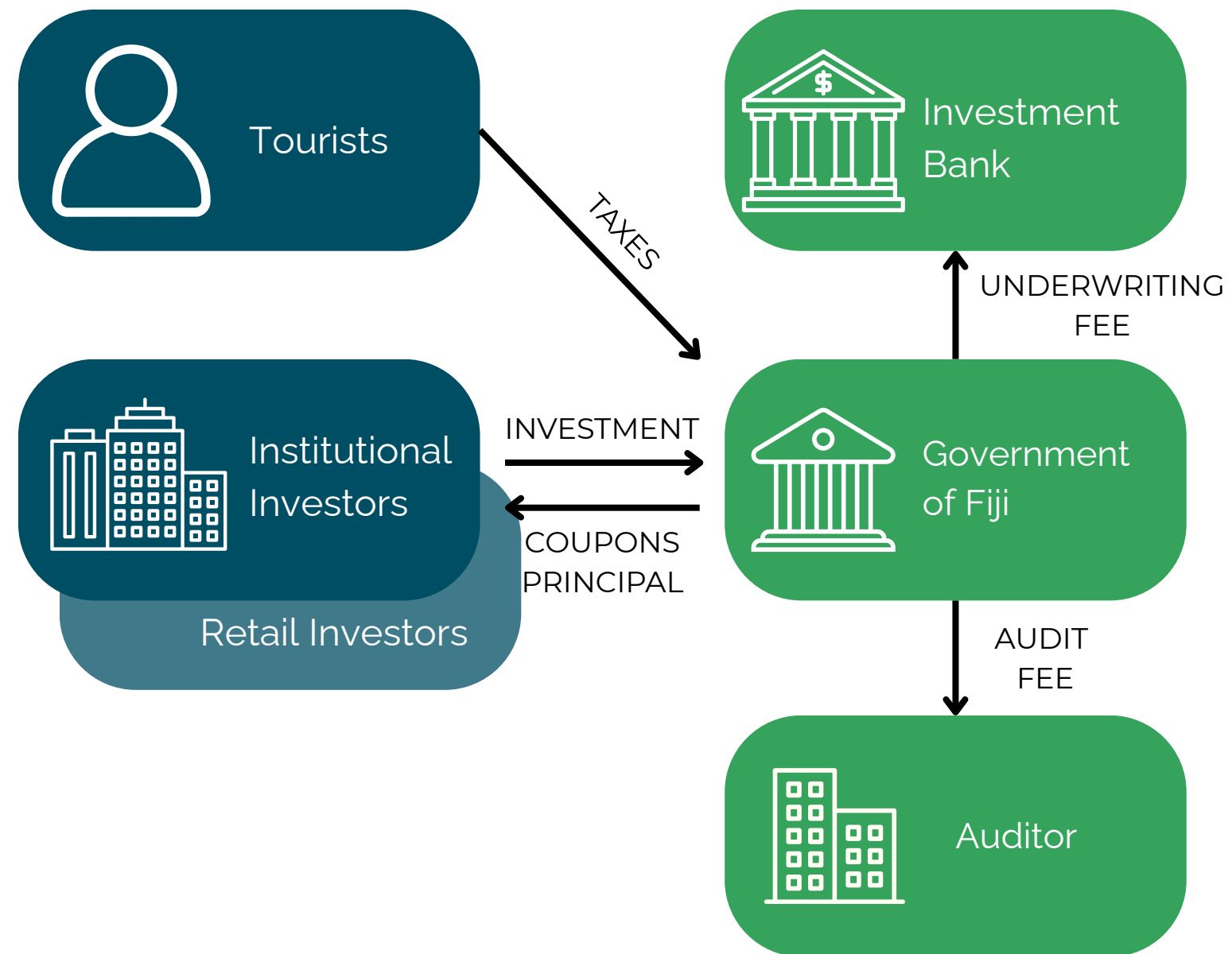
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# How it works



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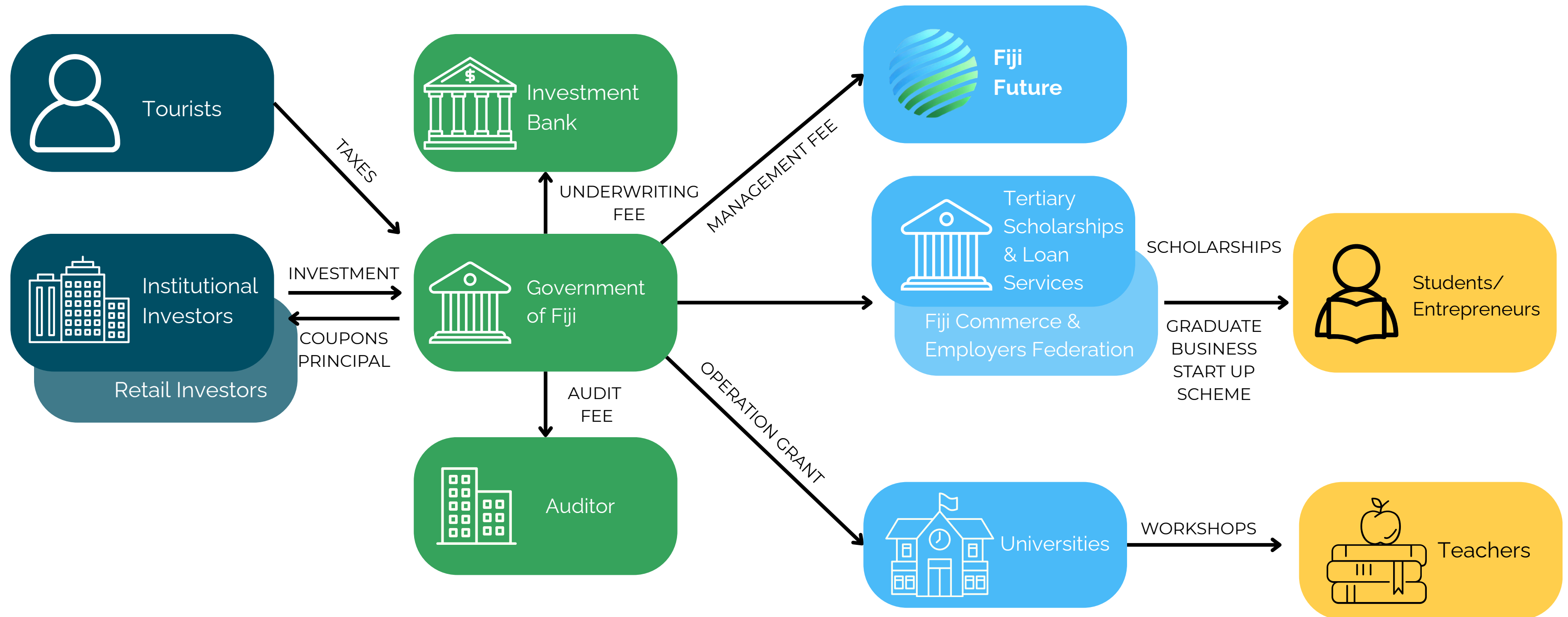
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# How it works



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RISK

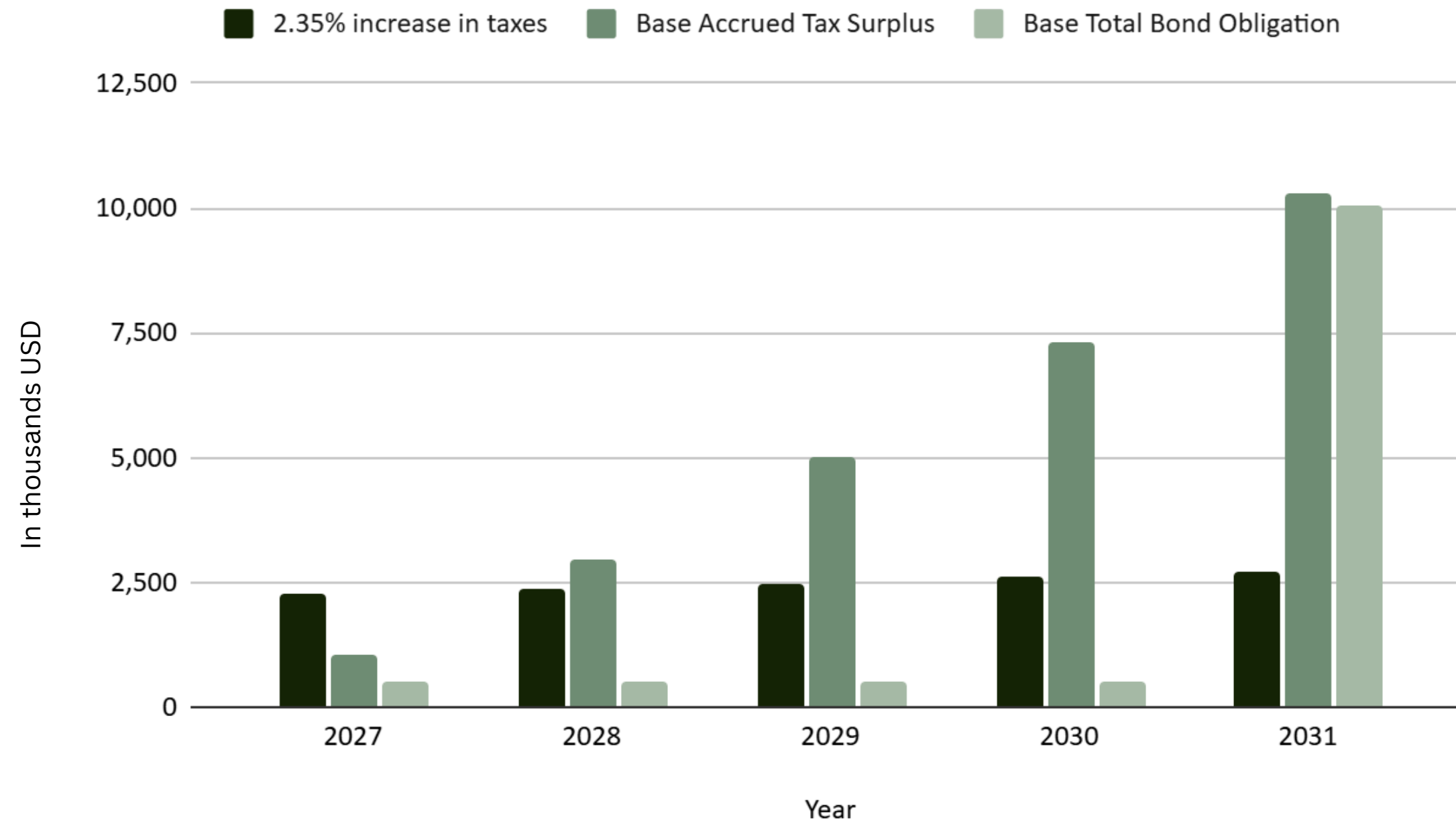
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# Financial Performance



- Average of USD 2.5M per year from the increase in Tourism Tax
- The accrued tax amount will be reinvested in the US T-bill

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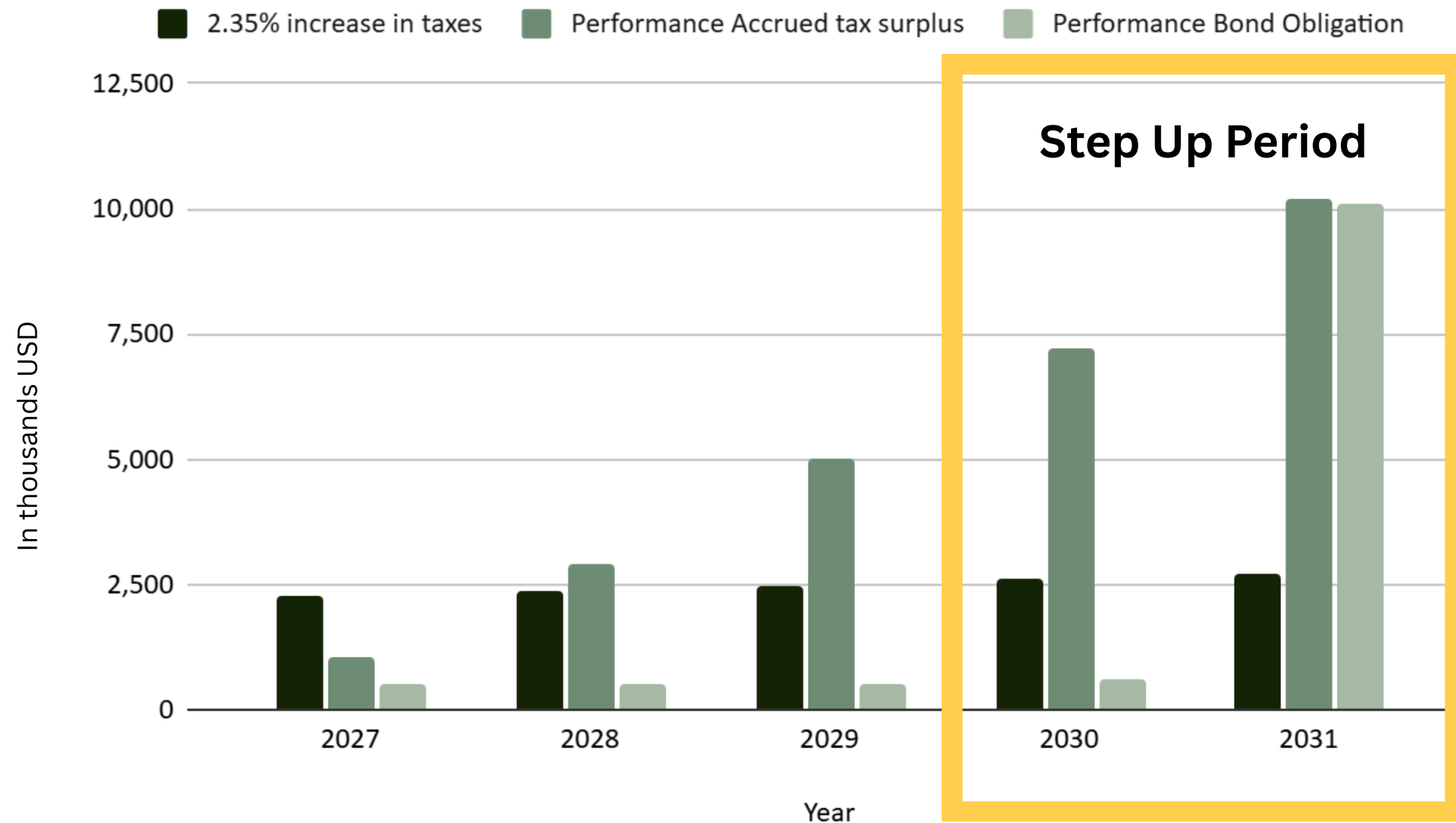
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# Financial Performance



- Performance trigger starts in year 2029 (Year 4)
- Key Performance Indicators
  - Full-time employment
  - New businesses created

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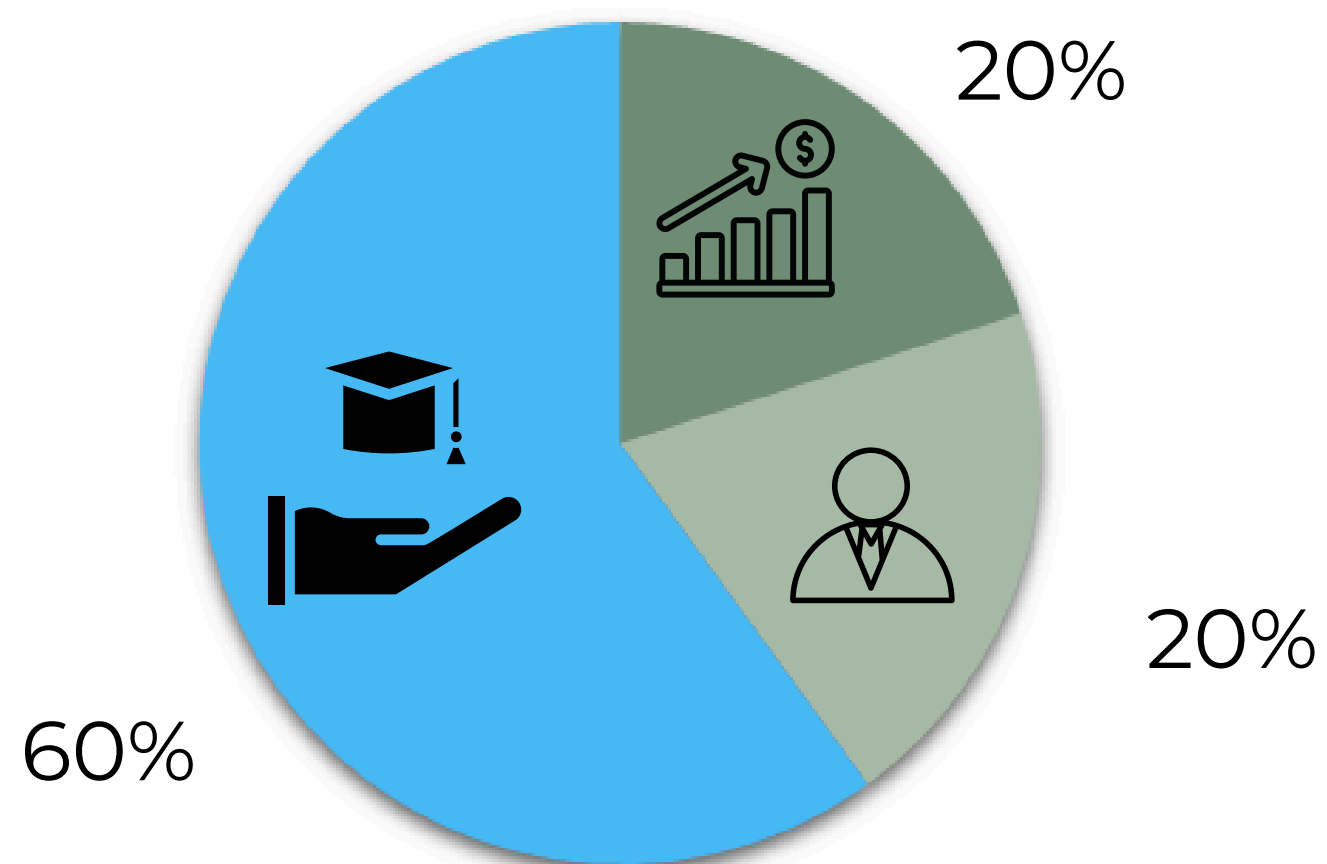
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# Bond expenditures

How do we spend the money?



■ Graduate Business Start-Up Grant Scheme ■ Hring Business Leaders ■ Scholarships

**300** Full and partial scholarships

**50** Business grants

**5** Experienced international business leaders

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# Risk Mitigation

Global

Economic

Talent Growth



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# Impact & Assessment

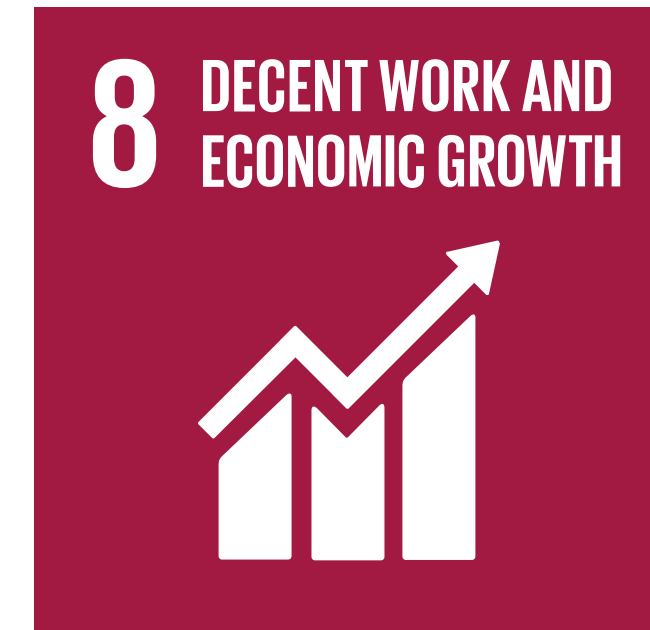
## SUSTAINABILITY PERFORMANCE TRIGGER

95%

Employed scholarship students

100

New businesses started



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# Investing in the future

- Fishing, agriculture
- Healthcare, education
- Cook Island, Samoa, Tonga



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**Bryce Anderson, CFA**  
RE Royalties



**Nadine De Gannes, PhD**  
Ivey Business School



**Martin Belanger, CFA**  
Western University



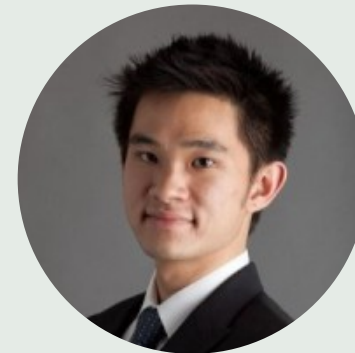
**Andrew Pennington, CFA**  
Canaccord Genuity



**Paul Mensink, PhD**  
Western University



**Paul Schmidt**  
Ivey Business School



**Gabriel Ng, MBA**  
Better Society Capital



**Professor Gurmeet Singh, PhD,**  
Deputy Vice Chancellor  
University of the South Pacific

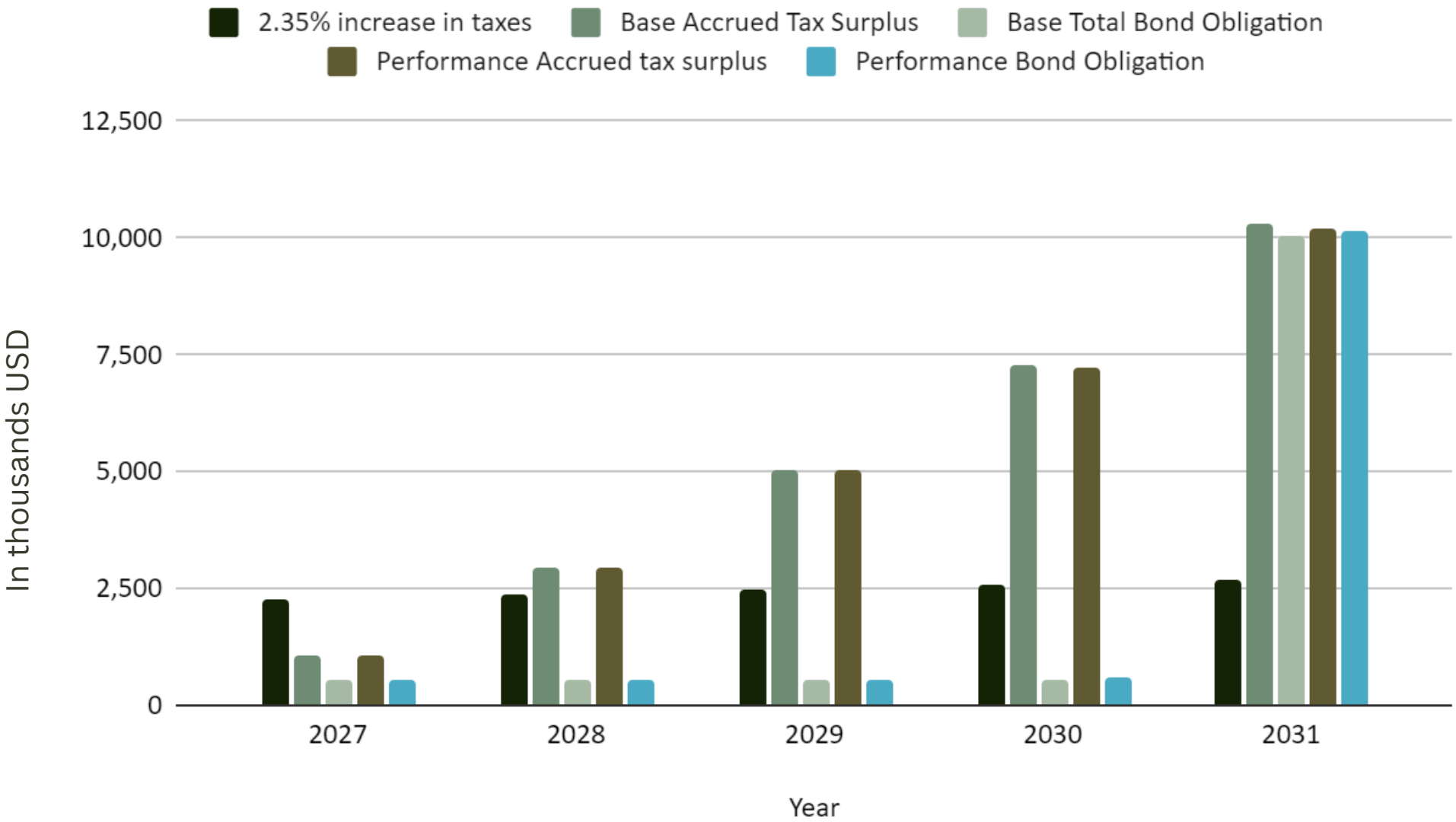


# THANK YOU



# Appendix - Financials

(thousands of dollars in USD)						
Year	Projected VAT Revenue	2.35% increase in taxes	Base Accrued Tax Surplus	Base Total Bond Obligation	Performance Bond Obligation	Performance Accrued tax surplus
2027	96,707	2,273	1,048	528	528	1,048
2028	101,059	2,375	2,940	528	528	2,928
2029	105,606	2,482	5,018	528	528	5,018
2030	110,359	2,593	7,296	528	622	7,201
2031	115,325	2,710	10,314	10,028	10,122	10,215





# Appendix - Targeted Tax Plan

Tax Type
Income Tax (Personal)
Corporate Income Tax
Value Added Tax (VAT)
Social Responsibility Tax (SRT)
Environment & Climate Adaptation Levy (ECAL)
Departure Tax
Customs & Excise Duty
Stamp Duty
Capital Gains Tax

- Fiji has a dynamic tax system
- Fiji’s Tourism revenue pre-pandemic level was at FJD \$1.5B
- Existing 15% VAT tax rate on tourism on pre-pandemic level brings in \$225M tax revenue
- Targeted VAT tax rate increase in sectors targeting tourism: hotels, tours, rental cars, and luxury spending

# Appendix - Sustainability-linked bond

## Decision Matrix

- Sustainability linked bond
- Educational insurance
- Traditional bond

Criteria	Weight (%)
Social Impact	35
Economic Benefit	20
Cultural Alignment	10
Feasibility	20
Scalability	15
Total Score	100



# Appendix - US T-Bill FX

- The US Treasury bill is considered a very safe investment due to its backing by the US government
- The bond yield in our model is based on 4.22%. As of April 20<sup>th</sup> 2025, the 90-day bond yield is at 4.33%
- The volatility in the US and its Foreign exchange risk can be negotiated through an early exit repayment clause

# Appendix - Advisors



**Bryce Anderson, CFA**  
**RE Royalties**



**Nadine De Gannes, PhD**  
**Ivey Business school**



**Martin Belanger, CFA**  
**Western University**



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**University of the South Pacific**

# Appendix - Why Fiji?

- National Development Plan
  - Government acknowledges its need to divest from tourism
- Political and business environment
- Existing international investment
  - Fiji has been an forefront of bond product (Green bond & blue bond)
- Adaptive/flexible tax structure



# **Appendix - Reporting procedure**

- We follow the green bond reporting requirement
- 7 seats in the education bond steering committee
  - 3 seats: Government of Fiji
  - 2 seats: University leaders
  - 1 seat: Fiji future
  - 1 seat: Economic Expert
- Assessment/quantified analysis of teachers' retention rates

# **Appendix - Fiji Future Team**

**Management fee of 1.5% per year (\$347,000 FJD)**

**Fiji Future LLC.**

**Owned by the team (Daria, Hyun Seung, Eric, and Peisen)**

**Fiji Team is paid salary of \$60K FJD**



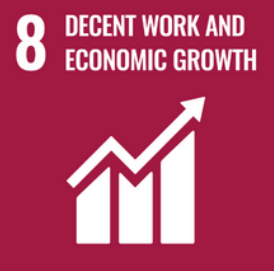



**(Average investment analyst salary in Fiji is \$45K FJD)**

**Fiji Team will hire one investment manager at \$107K FJD**



# Appendix



SDG	Intended Impact	Measurement of Success
	1.a 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	% increase of government spending allocated to education sector
	4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex	% increase in workforce from new graduates
	<b>8.3:</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation	% increase of informal employment in total employment % increase in talent retention
	<b>9.c:</b> 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	% student increase access to technology
	<b>16.6</b> Develop effective, accountable and transparent institutions at all levels	% number of institution collaborated
	<b>17.3, 17.9:</b> Mobilize additional financial resources for developing countries, enhance international support for capacity-building in sustainable development.	# increase of additional financial resources mobilized for developing countries from multiple sources