



REVIEW ARTICLE

EXPLORING MARKET STABILITY OF GREEN BONDS IN FIJI: INVESTOR PERSPECTIVES

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ABSTRACT

Background: Despite the studies on government bond in Fiji, this is the first study providing a unique exploration of Fiji's green bonds, focusing exclusively on investors' viewpoints. It contributed novel insights into the motivations and decision-making processes of green bond investors, enriching the discourse on sustainable finance, especially in developing nations like Fiji. **Objectives-**The primary aim of this study was to explore the stability of green bond markets in Fiji comparison to term deposits offered by listed financial institutions. The specific objectives included evaluating the status of Fiji's green bonds and government debts, term deposits in listed financial institutions, exploring the prospects of green bonds, and providing recommendations for market share expansion. **Methodology-** A desk-based research approach was employed, combining descriptive analysis and future value simulation analysis (Dulock, 1993) (6). Data was sourced from empirical studies, websites, and annual reports, and analyzed using software such as SPSS and Microsoft Excel, with results presented through charts and graphs. **Results** - Indicated that domestic investors exhibited reluctance towards trading green bonds. To broaden the capital market, the research underscored the importance of smaller bond denominations, facilitating bond trading through domestic financial institutions, conducting extensive marketing campaigns, and enhancing financial literacy. The study also introduced innovative insights into potential investors' perspectives. **Conclusion-** The findings could assist stakeholders in devising effective strategies to attract potential green bond investors, while *theoretically*, the research made a valuable empirical contribution to the existing literature on green bonds.

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INTRODUCTION

In November 2017, Fiji Sovereign Green Bonds were introduced. Green bonds are financial tools that assist in raising money for environmental project funding (Segal, 2022) [20]. To raise money for climate mitigation, adaptation, and other environmentally beneficial projects, green bonds are fixed-income, liquid financial products (World Bank Group, 2017). This gives investors a compelling investment opportunity and a chance to fund initiatives that are good for the environment. Investors and bond's market in Fiji have been shown to have a negative association (Prakash & Rao, 2020). Greenwashing, the dubious role of the green bond market in environmental protection, and a lack of significant financial and economic benefits of issuance are some of the difficulties associated with the issue of green bonds (Buzinske & Stankeviciene, 2023). Redgrave (2023), as part of environmental finance reporting highlighted that investors need to better evaluate the credentials of green bond issuers, rather than relying on green bond frameworks. Lucy Rodriguez (2023) executive vice president summarizes in the Environmental Finance's Fixed Income conference of investor relations at the global cement giant that investors need to step up to the plate and evaluate companies on their strategic goals, and decarbonization efforts. Wang et al, (2022) concludes in their studies that investors can expand their green technologies, attracting more customers by issuing green bonds. On the other hand, Sangiorgi & Schopohl (2021) stated that competitive pricing and strong green credentials, both pre- and post-issuance, are the most frequently named factors impacting respondents' decision to invest in a green bond, and unclear and poor reporting on how bond proceeds are allocated to green projects induces a majority of investors to not invest in a green bond or to sell a bond if already included in the portfolio. These factors result in debates for green bond markets. This paper aims to justify the significance of green bonds and reasons for expansion in market with the perspective of Fiji Sovereign Green Bonds launched in 2017. Fiji intends to issue Green

Bonds to finance new financing or the re-financing of projects with economic, environmental, and societal benefits, with a particular emphasis on the climate and natural environment (RBF, 2019) Fiji sees the issuance of Green Bonds as an important tool to finance the transition to a low carbon and climate resilient economy. Fiji has hired Sustainalytics to offer a Second Party Opinion to support the Framework's legitimacy. The sustainability, environmental friendliness, and alignment with the green bond principles of Fiji's Green Bond Framework have all been examined by Sustainalytics. The Second Party Opinion's goal is to offer investors a dependable evaluation. Both the Framework and the Second Party Opinion are available on the Reserve Bank of Fiji website. However, in developing nations like Fiji, green bond funds directly support ecologically beneficial initiatives with little market share. As a result, there are more discussions on the relationship between developing environmentally friendly enterprises and losing market share in developing nations. Most investors have established a routine for investing in reputable traditional financial institutions like banks and brokerage firms. Hence, the following objectives are targeted in this study: To assess the green bond situation in Fiji, government obligations, term deposits with listed financial institutions, the prospects of green bonds, and ultimately, proposals for increasing market participation.

Background: Previous studies

Green bond is a type of fixed-income instrument designated to raise funds for projects related to the environment and the climate. These bonds typically have the same credit rating as their issuers' other debt obligations because they are typically asset-linked and backed by the issuer's balance sheet (Segal, 2022). According to Prakash & Rao (2020) more investors are attached to deposits held by commercial banks rather than on Viti bonds in Fiji. More investors are attached to commercial banks as a means of traditional attachment with less knowledge of Viti bonds. No emphasis was given on green bonds, since it was newly launched in 2017. The most creative approach to sustainable development from a financial perspective is through green bonds. They emphasized the allure of investing, the contributions of green bonds to sustainable activities, and the effects of green bond policies on organizations. Sweden served as the case study in this investigation. They emphasized how the green bond market is growing in line with sustainable development objectives (Maltais & Nykvist, 2020). An analysis of the factors influencing the growth and impact of green bonds on issuers' core performance metrics to meet Environmental, Social, and Governance (ESG) goals was done as part of a literature review to close the research gap. Green bonds were used as a financial tool to achieve the goal. There were also difficulties with issuing green bonds highlighted. Future research must examine how green bonds overcome the COVID 19 scenario, which was not emphasized in this study. Environmental difficulties are actual. To deal with them, a comprehensive strategy is needed, concentrating on creating and promoting the tools needed to finance such projects (Bhutta *et al.*, 2022). China's green bond market is the second-largest market in the world. According to market conditions, the government actively participates in creating an environment that is conducive to regulation through laws and policies, providing the required financial infrastructure and suitable incentives for investors and green bond issuers. They also emphasized the difficulties private businesses face when disclosing inaccurate information. In this study, solutions have been put forth, including a bridge between actual stakeholders, like issuers and investors, and black-letter laws (Lin & Yong, 2021). Highlighted on the green bond premium in China. Introduced three motivational theories to explain the drivers of green bond premium. After that empirical test was conducted for verification purposes. Empirical test results finalize that negative premium pronounced for state owned enterprises and other investments groups. Thus, financial resources need to be properly allocated to the real enterprises through third party verification or government supportive measures (Sheng *et al.*, 2021). The most common financial tool used to achieve the goals of the 2015 Paris Climate Agreement is a green bond (Cortellini & Panetta, 2021) [4]. A review of the literature was done to learn more about the green bond market and other viewpoints. The study's objective was to offer investors, key market participants, and decision-makers some valuable insight into how environmental investments can reshape the financial markets and promote economic sustainability.

The evaluation of financial and environmental performance after the issuance of green bonds. Discovered that there has been a notable improvement in environmental performance, which has improved the environmental footprint of businesses. applicable to establishments with independent third-party certification. As a result, certification is a crucial governance mechanism in the market for green bonds. A change in policy is required to include certification processes (Flammer, 2019). Sixty-one green bond facilities in China were included in the study. Evaluated the variables affecting the credit for green bonds, including issuer financial data and ratings, green certification, and government subsidies. Discovered that state-owned enterprises' green bond credit spreads are more competitive than those of semi-enterprises. Analysis reveals that government grants and certification are not the main contributing factors (Zeng *et al.*, 2022). According to Aggarwal & Pathak (2021) emphasized on green bonds in promoting sustainable development to cut down carbon emissions by at least 45% by the end of year 2030. They comprehensively study on global operation of the green bond market and its ongoing development. Their results predict that there is a positive relationship between green bonds operation and sustainable development. Use of Renewable Capacity from Solar, Wind and Hydro Technologies has been used that decreases Co2 Emission and thus significantly impact the environment. Highlighted that green bond is the main source of funding for sustainable development in Southeast Asia. Explored the current development status of green bonds in Southeast Asian countries. Results highlighted the barriers, opportunities, regulation difficulties and the expectation of growth in the market. Several propositions can be tested in future to generalize the findings. This study extended the knowledge of literature that deals with the green bonds' development in the Southeast Asian countries (Nyugen *et al.*, 2023). According to Mosionek (2018) [9] emphasized that green bonds and green loans are the basic financial instruments for the sources of environmental project fundings. The paper analyzes the potential of green market finance to contribute to sustainable development. Best practice of green bond growing market and theoretical background provided to fulfill the needs of green finance. Verma & Agarwal (2020) [14] highlighted that green bond use the proceeds to finance environmentally friendly projects. Involves in Socially Responsible Investing (SRI) through investing in Energy Efficiency, Green Infrastructure, Renewable Energy

and Water Improvement. Green bond was elaborated on a comprehensive viewpoint. The current scenario of green bonds in India, prospects, and suggestion for better implementation in Indian context.

Research Gap

Most of the studies have been conducted in developed nations. Less emphasized on evaluation of environmentally friendly projects. Limited emphasis on potential investors and suggestions for greater market share. After all, there is no studies conducted on green bonds in Fiji.

MATERIALS AND METHODS

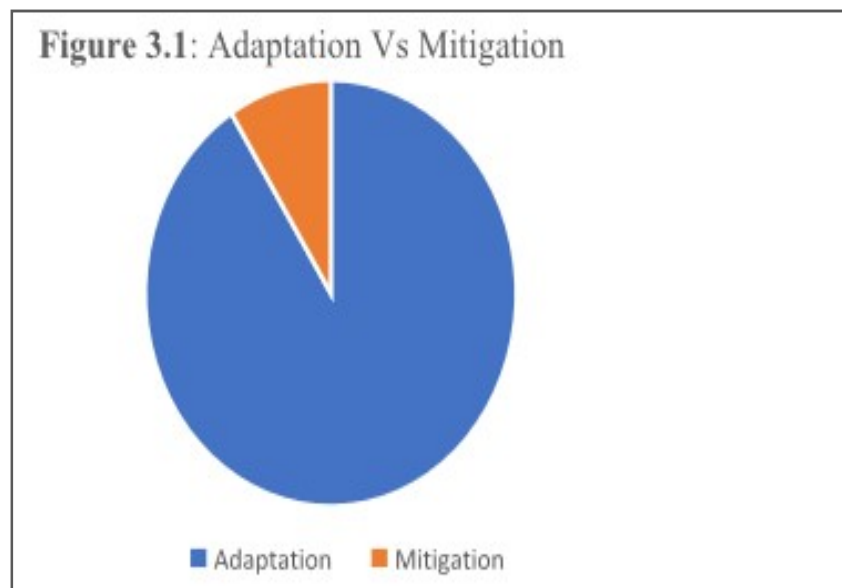
Research Design: Quantitative or qualitative methods are common in secondary research. The information gathered from peer-reviewed articles that have been published, meta-analyses, or public or private databases and datasets (George, 2023) [22]. To discover new meaning, describe what already exists, ascertain how frequently something occurs, and/or categorize information, descriptive research must provide an accurate portrayal of the characteristics of a specific person, circumstance, or group (Dulock, 1993) [6]. The secondary research approach was utilized to gather data in this study. The availability of secondary data was online data, public data, government data, academia data and published data.

Data Collection Methods: The following methods were used to collect data for this study: Online sources, government sources, published sources and academia sources. Numeric and textual data format were used to organize the data.

Data Analysis: Descriptive analysis techniques were used to analyses the data by SPSS and Microsoft excel. A SWOT analysis is a technique used to identify strengths, weaknesses, opportunities, and threats for your business or even a specific project. It's most widely used by organizations from small businesses and non-profits to large enterprises, but a SWOT analysis can be used for personal purposes as well (Johnson, 2023). SWOT analysis was conducted to evaluate the green bond in Fiji. Furthermore, Future Value Simulation analysis was engaged to derived future objections. Although, data were collected from secondary sources, but officials from Reserve Bank of Fiji and Financial Institution were contacted to verify the collected data.

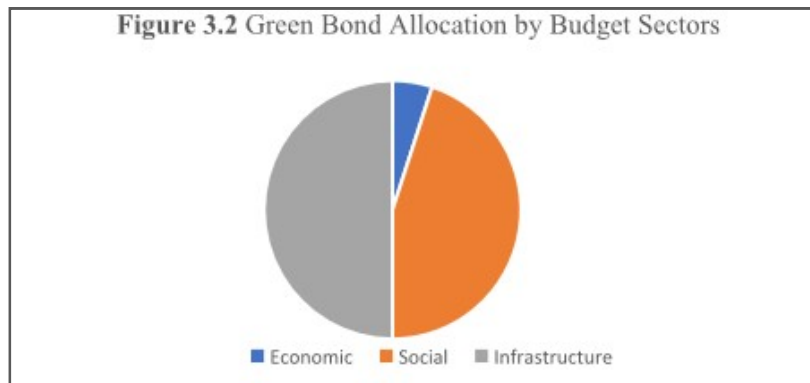
Green Bonds Analysis and Governments Debts: The minimum investment in the green bond is \$1,000 FJD. The effects of climate change are getting worse all over the world because of increased global warming from high reliance on non-renewable energy sources. Small Island Developing states like Fiji are at the forefront of this crisis despite having some of the smallest carbon footprints in the world. To protect the country from climate-related natural disasters, the Fijian government is steadfast in its support of the urgent need to address climate change on a global scale. The Fijian Government issued the FJ \$100 million Fiji Sovereign Green Bond in November 2017 to help raise extra funds to close this funding gap.

Adaptation & Mitigation



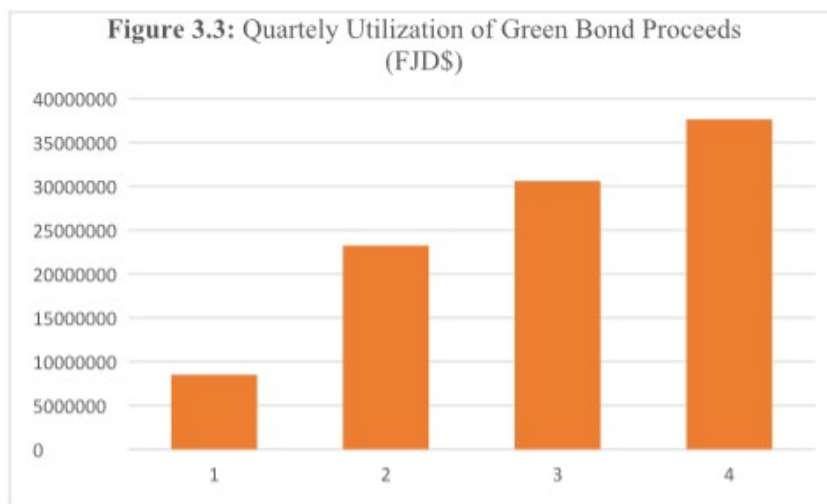
Source: Reserve Bank of Fiji, 2019

Figure 3.1 shows that most Fiji Sovereign Green Bond proceeds have been utilized for climate adaptation projects. Approximately 91% of the green bond funds are utilized for adaptation projects and 9% for mitigation projects. Fiji, one of the world's most climate-vulnerable countries, is steadfast in making proactive adaptation to climate change and enhancing natural disaster resilience a top national priority. This is accurately reflected in the National Budget, which was used to select FSGB projects.



Source: Reserve Bank of Fiji, 2019

Figure 3.2 gives a snapshot of how Fiji Sovereign Green Bond proceeds have been utilized across these budget sectors. The National Budget is divided into five major categories. Sectors include General Administration, Economic, Social, Infrastructure, and Miscellaneous. Four of the seven projects funded were in the infrastructure sector, enabling communities to have access to clean water, maintaining critical road access after natural disasters, and providing renewable energy to rural communities. The social sector used the most proceeds after the infrastructure sector, owing primarily to the massive rebuilding of schools destroyed by Tropical Cyclone Winston.

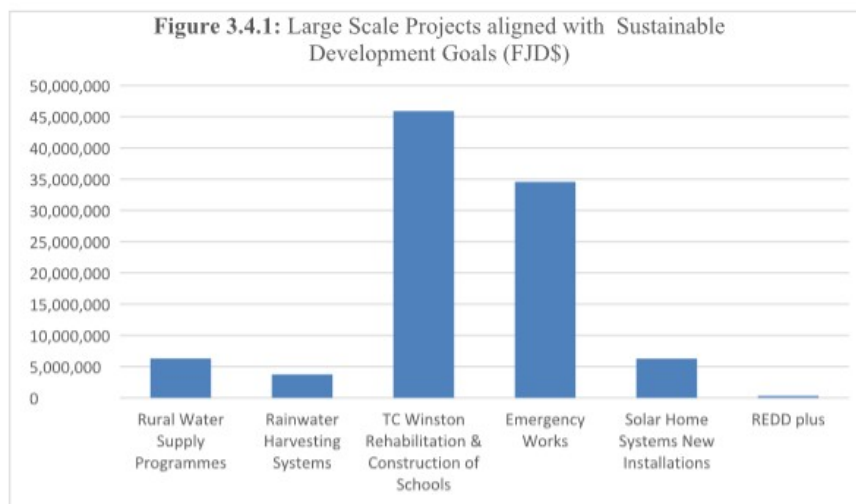


Source: Reserve Bank of Fiji, 2019

The fiscal year of the government begins on August 1 and ends on July 31. Figure 3.3 depicts the utilization of FSGB proceeds by quarter. The trend is consistent with the normal financial utilization of government agencies, which spend most of their budgets in quarters three and four.

Quarter 1=\$8,509,770, Quarter 2= \$23,245,796, Quarter 3= \$30,605,738, Quarter 4= \$37,638,696.

Benefits of Fiji Sovereign Green Bond: The following diagrams illustrates the benefits of Sovereign Green Bond in Fiji.

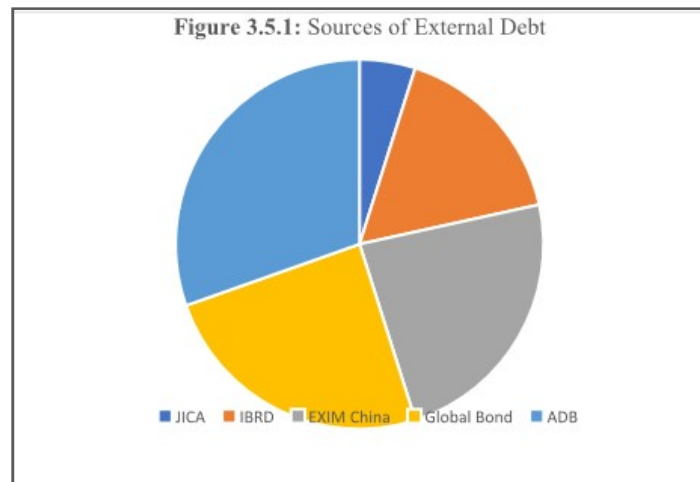


Source: Reserve Bank of Fiji Reporting, 2019.

Figure 3.4.1 highlights the relevant projects funded by fund raised from green bond in Fiji. Approximately FJD\$45m was used for rebuilding and constructing schools, which can be diversified in future for other relevant environmental projects. Reducing Emissions from Deforestation & Forest Degradation (REDD) projects accounts for \$308,542. Breakdown of the project's funds are as follows:

Rural Water Supply Programmes	\$ 6,311,789.00
Rainwater Harvesting Systems	\$ 3,757,471.00
TC Winston Rehabilitation & Construction of Schools	\$45,906,073.00
Emergency Works	\$ 34,583,500.00
Solar Home Systems New Installations	\$ 6,280,998.00
REDD plus	\$ 308,542.00

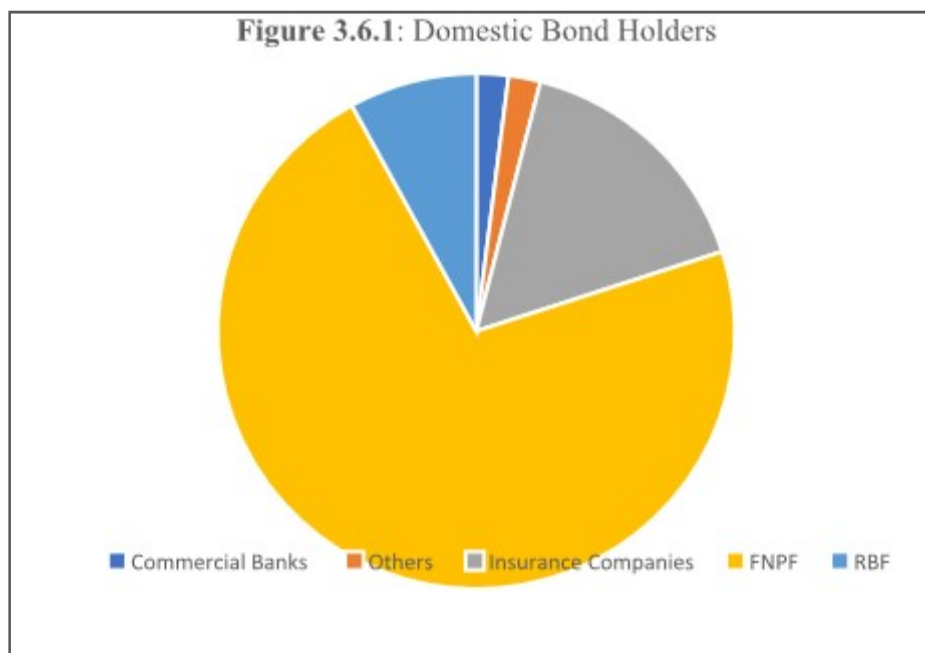
Fiji Government Debts: Revenue collections by the government resulted in a record contraction in GDP. As a result, the federal government's debt increased to approximately \$6.7 billion (62.8% of GDP) at the end of fiscal year 2019-20.



Source: Ministry of Economy, Fiji reporting, 2020.

Figure 3.5.1 highlights that government debts have increased due to high expenditures during the period of 2019-2020. The lowest economic activities were evident during these periods due to the pandemic. The major sources of external borrowing were from ADB 31%, Global bond 25%, China 24%, IBRD 17% and JICA 3%.

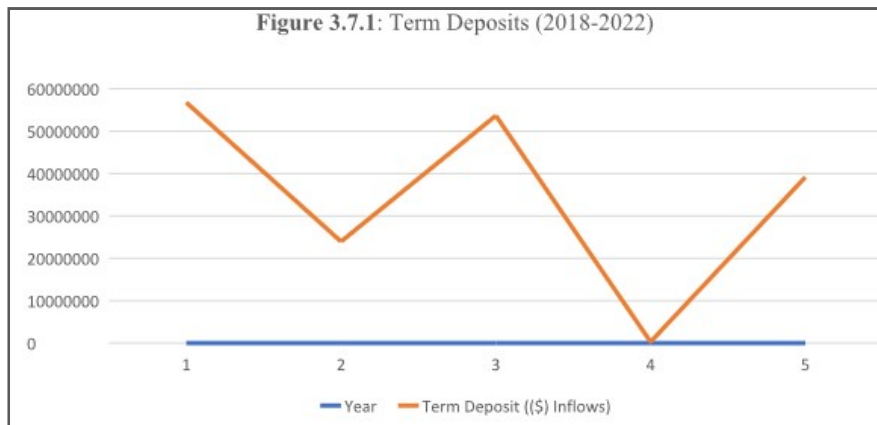
Fiji's Bonds Market



Source: Reserve Bank of Fiji, 2020

Figure 3.6.1 depicts that the major bond's investors in Fiji is Fiji National Provident Fund consist of 72%. Followed by Insurance companies 16%, Reserve Bank of Fiji 8%, Commercial Banks 2% and Others 2%.

Term Deposit at Kontiki Finance: The minimum deposit amount is FJD\$5000. Until maturity, the interest is paid monthly, quarterly, every six months, and annually. Kontiki Finance will take into consideration allowing the investor to reset the Term Deposit prior to maturity in instances of genuine hardship. If Kontiki Finance accepts the request, there will be a break fee and interest rate reduction. The Big Guarantee concept is used, where KFL is required by law to guarantee that the full amount invested will be sent to the term depositor on the pledge's maturity date.



Source: SPX annual financial reporting, 2018 – 2022.

Figure 3.7.1 depicts the trend of term deposits from year 2018 to 2022 (Year 1= 2018, Year 2= 2019, Year 3= 2020, Year 4= 2021, Year 5= 2022). The lowest inflow was noted in the year 2021 of FJD\$287,958. This might be the impact of the covid pandemic. The investments inflows for the following years are as follows: Year 2018 \$56,767,073, Year 2019 \$23,952,992, Year 2020 \$53,658,655, and Year 2022 \$39,155,792. Year 2023 annual financial reporting yet to be published.

RESULTS AND DISCUSSION

The study used descriptive analysis to evaluate the savings by investors. Fiji Sovereign Green Bond's investment is compared with the listed investment company in Fiji. Although, results indicate fluctuating trends of savings on FSGB and Financial Institution, but majority of the investors are attached to financial institutions despite high interest rates. The major investor of bonds in Fiji are only few organizations like FNPF with 75%, and only 2% others. This led to a major concern for the central authority to attract local investors by applying relevant procedures.

Descriptive Analysis

Table 4.1.1, 4.1.2 & 4.1.3 Presents comparative returns and descriptive statistics of the study respectively.

Table 4.1.1. Comparative Rate of Return % per annum, 2019 – 2023 (5 years term)

Years	Term Deposit-Kontiki Finance (%)	Fiji Sovereign Green Bonds (%)
2019	6.25	4.00
2020	4.75	4.00
2021	3.00	4.00
2022	1.75	4.00
2023	3.00	4.00
Average	3.75	4.00

Source: Reserve Bank of Fiji, 2023

- The term deposit rate disclosed by Mr. Elvin Kumar, officer of KFL.

Term	Category	Carded Rate as at 7/5/19	New Carded Rate as at 27/7/20	New Carded Rate as at 09/10/2021	New Carded Rate as at 16/12/2022	Carded Rate as at 04/08/23
3	3 months	2.50%	1.75%	0.25%	0.20%	0.20%
6	6 months	3.25%	2.25%	0.25%	0.35%	0.35%
9	9 months	3.75%	3.25%	0.25%	0.50%	0.50%
12	12 months	4.60%	3.75%	0.50%	0.75%	1.75%
18	18 months	4.70%	3.75%	0.75%	0.75%	1.75%
24	24 months	4.75%	4.25%	1.25%	1.00%	2.00%
36	36 months	5.25%	4.50%	2.00%	1.25%	2.25%
48	48 months	5.75%	4.50%	2.50%	1.50%	2.50%
60	60 months	6.25%	4.75%	3.00%	1.75%	3.00%
120	120 month	6.50%	5.00%	4.00%	2.00%	4.00%

- The Fiji Sovereign Green Bonds rate has been pegged at 4%.

Table 4.1.2. Descriptive Analysis (2019-2023)

		Report	
Years from 2019-2023		Fiji Sovereign Green Bond interest rate	Kontiki Finance term deposit interest rate
2019	Mean	4.0000	6.2500
	N	1	1
	Std. Deviation	.	.
2020	Mean	4.0000	4.7500
	N	1	1
	Std. Deviation	.	.
2021	Mean	4.0000	2.3750
	N	2	2
	Std. Deviation	.00000	.88388
2023	Mean	4.0000	3.0000
	N	1	1
	Std. Deviation	.	.
Total	Mean	4.0000	3.7500
	N	5	5
	Std. Deviation	.00000	1.75891

Table 4.1.2 depicts the descriptive analysis case by case. Overall, it highlights that the return rate on FSGB is higher than KFL with an average of 4% compared to 3.75%.

Table 4.1.3: Descriptive Statistics – FSGB & Term Deposit return per annum, 2019 – 2023

		Statistics	
		Fiji Sovereign Green Bond interest rate	Kontiki Finance term deposit interest rate
N	Valid	5	5
	Missing	0	0
Mean		4.0000	3.7500
Median		4.0000	3.0000
Std. Deviation		.00000	1.75891
Minimum		4.00	1.75
Maximum		4.00	6.25

Source: Authors Compilation.

- Financial intuition’s rate disclosed from the KFL officer Elvin Kumar (2019-2023). 60 months term = 5 years.
- Fiji Sovereign Green Bond rate is pegged at 4%.

Table 4.1.3 depicts that risk-averse new investors will inevitably access the risk component of any financial action. The average annual return on time deposits is 3.75%. The average rate of return for a time deposit is 0.25% lower than this FSGB’s return. Furthermore, time deposits for the study period fluctuated with a minimum of 1.75 and maximum of 6.25%. It is noteworthy that deposits are becoming more accessible to Fijian investors, but that deposit returns are still lower than those offered by green bonds. As a result, it is anticipated that risk-averse and inexperienced investors will respond very favorably to the Fijian government's green bonds. Additionally, Fiji Sovereign Green Bonds have no default risk, tax-free returns, are flexible and transferable, and are not subject to stamp duty (Table 4.2).

Table 4.2. Checklist of Investment Instruments

	Term Deposit-Kontiki Finance	Fiji Sovereign Green Bond
Return exempted from income tax	x	•
Default risk free	•	•
Flexibility	x	•
Transferable	x	•

The benefits of investing in Fijian sovereign green bonds outweigh those of Kontiki Finance, as shown in Table 4.2. In comparison to Kontiki Finance, the return is tax-free, default risk-free, flexible, and transferable.

SWOT Analysis for Fiji Sovereign Green Bond

Strengths	Weakness	Opportunities	Threats
<ul style="list-style-type: none"> •Fiji's green bond framework aligned with the ICMA green bond principles. •Diversified environmental projects •Risk reduction •Reduced carbon footing •Infrastructure development. 	<ul style="list-style-type: none"> •Lack of awareness •Sole agency (only RBF) •Minimum investment level 	<ul style="list-style-type: none"> •Digital systems •Set different interest rates for public and private investors. •Zero carbon emissions by 2050, as per UN Framework Convention on Climate Change. 	<ul style="list-style-type: none"> •Potential investors, attached to traditional investments.

Source: Authors Compilation.

The SWOT analysis provided strengths, weakness, opportunities, and threats (concerns) regarding the green bond in Fiji. The major concern is to overcome the weakness and work towards fulfilling the threats. This paper provides meaningful information on green bonds and disseminated to the relevant stakeholders to attract more potential investors. The concern of attracting relevant investors is a major issue in Fiji as well as in other developing nations, thus suggestions are also highlighted in this paper. Possible solutions are derived from overcoming the weak points.

Future Value Simulation Analysis: With the given rate of return in Table 4.1.1, we forecast the closing balances under both investments with a minimum investment of FJD\$5000.

From the years 2019 – 2023 used the historical rates as per Table 1 for KFL but used the forecast rates of 3% onwards. For Fiji Sovereign Green Bond interest rate is pegged at 4%. The future value was calculated and analyzed in the Table below.

Table 4.4.1. Future Value Analysis

Years	Term Deposit- KFL			Fiji Sovereign Green Bond		
	Investment	Interest	Balance	Investment	Interest	Balance
2019	\$ 5,000.00	\$ 312.50	\$ 5,312.50	\$ 5,000.00	\$ 200.00	\$ 5,200.00
2020	\$ 5,312.50	\$ 252.34	\$ 5,564.84	\$ 5,200.00	\$ 208.00	\$ 5,408.00
2021	\$ 5,564.84	\$ 166.95	\$ 5,731.79	\$ 5,408.00	\$ 216.32	\$ 5,624.32
2022	\$ 5,731.79	\$ 100.31	\$ 5,832.10	\$ 5,624.32	\$ 224.97	\$ 5,849.29
2023	\$ 5,832.10	\$ 174.96	\$ 6,007.06	\$ 5,849.29	\$ 233.97	\$ 6,083.26
2024	\$ 6,007.06	\$ 180.21	\$ 6,187.27	\$ 6,083.26	\$ 243.33	\$ 6,326.60
2025	\$ 6,187.27	\$ 185.62	\$ 6,372.89	\$ 6,326.60	\$ 253.06	\$ 6,579.66
2026	\$ 6,372.89	\$ 191.19	\$ 6,564.07	\$ 6,579.66	\$ 263.19	\$ 6,842.85
2027	\$ 6,564.07	\$ 196.92	\$ 6,761.00	\$ 6,842.85	\$ 273.71	\$ 7,116.56
2028	\$ 6,761.00	\$ 202.83	\$ 6,963.83	\$ 7,116.56	\$ 284.66	\$ 7,401.22
			\$ 61,297.34			\$ 62,431.76

Source: Author's future value estimation excels.

Table 4.4.1 depicts the comparison of term deposit and green bond balances after a period of 10 years. The closing balance of FSGB surpassed by the dollar time deposits held at KFL. Additionally, with a minimum investment of \$5000, green bonds guarantee a 1.85 percent higher return than time deposits. Diagnostics in descriptive statistics and future value analysis undeniably reaffirm that Green Bonds are a higher benefit while being a default risk free investment instrument. The authors also anticipate a very positive response from local Fijian investors.

Prospects of Fiji Sovereign Green Bond: According to consensus scientific opinion, if the current trend in global warming persists and high polluting countries continue to be lax in raising ambition, the effects of climate change will only worsen. Fiji is not ready to sit back and let this disturb its development goals. The Fijian Government is using the knowledge gained from the issuance of the Fiji Sovereign Green Bond to investigate other market-based mechanisms for raising climate finance, in the true Fijian spirit of tenacity, persistence, and ingenuity. The next step in Fiji's quest for a prosperous, climate-conscious future is to raise market capital by utilizing fiscal revenue streams and blue bonds. The Fijian Green Bond is mutually advantageous to both investors and the people who ultimately benefit providing both financial returns and critical assistance for vulnerable people on the ground (Fijian Prime Minister report, 2019). The UNFCCC secretariat has received Fiji's long-term climate action plan that the country submitted in accordance with the Paris Agreement. According to the 2019 UN Climate Change Report, Fiji wants to achieve net zero carbon emissions across all economic sectors by the year 2050.

CONCLUSION

Fiji Sovereign Green bonds plays an important role in protecting our environment using financial perspectives. Multiples projects are assigned under green bonds categories. These projects categories in the following eligible sectors: renewable energy & energy efficiency, resilience to climate change for highly vulnerable areas, clean & resilient transport, reducing pollution & greenhouse gas emissions, water efficiency & wastewater management, sustainable management of natural resources and eco-efficiency (RBF, 2019). Since it began in 2017, many potential investors are not aware of the high importance of this bond. Only a few private investors have invested in this bond, while others continue with normal investments with financial institutions. Green bonds have a better financial future as they attach higher returns as well as conservation to our natural resources. Future research can be done with a wide broad including the bigger sample size and increase the terms of study as this study comprised of 5 years data from 2019 to 2023.

Suggestions

As a new green bond in Fiji the following suggestions should be incorporated to expand the market size:

- Implementation of digital systems.
- Creating more agencies rather than only Reserve Bank of Fiji.
- Have flexible minimum investment amounts which suites all categories of investors.
- Fiji government can set dual mechanisms in issuing bonds. Each large enterprise can be allocated a quota of bond purchase, and the enterprise must buy, and the incentive mechanism, where individual buyers can be encouraged to buy, and they would be offered a higher coupon rate than enterprise buyers.
- Awareness and campaign program, targets the countryside areas, villagers, with a better rate of return.
- Advertisement via social media, including televisions with importance and pictures.
- Involving journalists to interview the current investors and display stories in the media.

Limitation of studies

Limited sample size. Policies of other financial institutions can be compared with Fiji Sovereign Green Bond policies apart from the listed financial institution.

Acknowledgments

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Data Availability Statement

The participants of this study did not give written consent for their data to be shared publicly, so due to the sensitive nature of the research supporting data is not available.

Conflict of Interest: The authors declare no conflict of interest.

Funding Statement: The authors assert that there is no funding available.

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