



TONGA'S NATIONAL FINANCIAL INCLUSION STRATEGY

2023 - 2027



NATIONAL RESERVE BANK OF TONGA



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NRBT Governor's Introduction

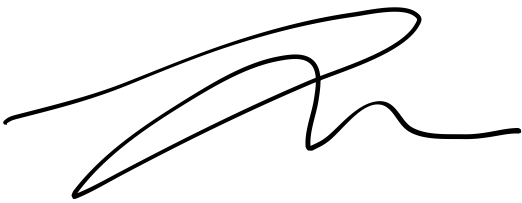
The National Financial Inclusion Strategic (NFIS) 2023 - 2027 is Tonga's roadmap for achieving financial inclusion, promoting social equity and fostering economic growth. The key focus is bridging financial gaps and making financial services more accessible and affordable, particularly in remote areas. The strategic objectives include banking the 34 percent unbanked adults, transitioning the 14 percent relying on informal services to formal ones, and ensuring financial access for the over 60 percent lacking any form of financial services.

Developed by incorporating insights from stakeholders, including the private sector and global best practices, the NFIS aligns with Tongans' development aspirations. The strategy empowers individuals and communities by facilitating effective use of financial services, contributing to inclusive economic development and enhanced financial resilience. Consumer protection measures instill confidence in using financial services and products.

Strategic partnerships with AFI, UNCDF and other partners to benefit from innovative approaches are crucial for overcoming access and affordability barriers to financial inclusion. Collaboration among stakeholders is essential, recognizing their shared responsibility for Tonga's common good. The NRBT plays a central role in driving NFIS implementation, ensuring financial system stability. The NFIS has five focused objectives:

- i. Improve and deepen access to financial services.
- ii. Enhance Micro and Small Medium Enterprises' (MSMEs) access to finance.
- iii. Promote and support responsible Digital Financial Services (DFS) and product innovation.
- iv. Promote consumer protection and financial competencies.
- v. Foster inclusive green financing.

The NFIS launch in 2023 initiates stakeholder consultations to finalize and prioritize objectives and actions. Support and cooperation from all stakeholders are sought to achieve the ultimate goal of enhancing economic prosperity and livelihoods in Tonga.



Tatafu Moeaki
Governor

The Five Proposed Strategic Objectives for Tonga's National Financial Inclusion Strategy (NFIS)

1. Improve and Deepen Access to Formal Financial Services
2. MSME Access to Finance
3. Promote and Support Responsible Digital Financial Services (DFS)
4. Consumer Protection and Financial Competencies
5. Foster Inclusive Green Finance



Strategic Objective 1: Improve and deepen access to formal financial services.



KEY OBJECTIVES:

1. **Improve access to formal financial services** for all, including the rural, underserved, and low-income population segments.
2. **Assess and determine appropriate financial products and services** that suit the needs of the wider population and target groups such as women and those working in the informal sector.
3. **Enhance the range of financial services** by strengthening the existing financial service providers across the formal and informal sector.

Key Objective 1:

Improve access to formal financial services for all, including the rural, underserved, and low-income population segments.

Actions	Indicators	Expected Outcomes
1.1.1. Assessment and Mapping		
Conduct an assessment to identify regions, communities, and demographics with limited access to formal financial services.	Report identifying Underserved Regions, Communities, and Demographics Regarding Access to Formal Financial Services.	Improved Understanding of the specific regions, communities, and demographics with limited access to formal financial services.
Create a map of existing financial access points, including banks, ATMs, and mobile money agents.	Financial Access Points Mapping Report Encompassing Banks, ATMs, and Mobile Money Agents within Target Regions or Demographics.	Informed Decision-Making, leading to more effective and targeted financial inclusion efforts, improving the efficiency of resource allocation.
1.1.2 Strengthen pathways to formal financial inclusion for users of informal financial services.		
Develop and implement plans to ensure that individual members of informal savings groups can own an individual bank account (instead of one group representative as currently is the case)	Completion of Regulatory Review; Legal Framework Amendments; Regulatory Collaboration and Advocacy Member Identification Procedures	Enhanced regulatory framework to allow for individual bank account and gradual introduction of other banking products (e.g., loans, mortgages, insurance) to this target group.
Conduct a study to identify measures to reduce informality and implement recommendations.	Study on Reducing Informality	Reduced Informality: through implementation of tangible actions to formalize and regulate such informal services.
1.1.3 Enactment of Agency Regulations/Guidelines and Agency Network Establishment		
Study on the approach to enact fair agency regulations/guidelines for Financial Institutions with the aim to enact Agency regulations/Guidelines.	Enactment of national Agency Regulations/Guidelines for Financial Institutions	Increased Accessibility and Financial Inclusion levels: The establishment of agent networks governed by national regulations/guidelines will increase

Actions	Indicators	Expected Outcomes
Partner with local banks and financial institutions to extend their presence in rural areas through agent networks and increase number of additional local agents.	<ul style="list-style-type: none"> Number of Partnerships Established with Local Banks and Financial Institutions for Expanding rural presence via Agent Networks Number of additional Local Agents (with a focus on Rural/remote Areas) Providing Financial Services 	accessibility to formal financial services in rural and underserved areas and enhance financial inclusion.

Key Objective 2:

Assess and determine appropriate financial products and services that suit the needs of the wider population and target groups such as women and those working in the informal sector etc.

Actions	Indicators	Expected Outcomes
Research and Product Development		
Conduct comprehensive market research and surveys to understand the financial needs and preferences of different population segments.	Number of Market research initiatives and surveys conducted (% focused on women and information sector workers).	Comprehensive Understanding of the financial needs and preferences of different population segments.
Based on the research findings, collaborate with financial institutions to develop tailored financial products and services, taking into account factors like accessibility, affordability, and user-friendliness for the target groups.	Number of Tailored Financial Products and Services Developed for Target Groups in Collaboration with Financial Institutions.	Tailored Financial Products which align with the specific needs of women and informal sector workers, ensuring accessibility, affordability, and ease of use.
Pilot programs and Monitoring framework		
Launch pilot programs to test the new financial products and services within the target groups, allowing for adjustments and improvements based on real-world feedback.	Number of Pilot Programs launched for testing.	Refined Products: Pilot Programs will enable the refinement of financial products and services based on real-world feedback, resulting in more effective and user-friendly offerings. Measurable Impact: Regular monitoring and evaluation will provide data on the usage and impact of these financial products, allowing for continuous improvements and alignment with the needs of the population.
Regularly monitor and evaluate the usage and impact of these financial products, making necessary changes to ensure they effectively meet the needs of the population.	New Financial Products within Target Groups/Rate of Adaptation or Improvement Based on Real-world feedback from Pilot programs. Usage and Adoption Rate of New Financial Products within Target Groups. Impact Assessment of Financial Products on Financial Inclusion and Economic Empowerment. Frequency of Adjustments Made to Financial Products based on Evaluation Findings.	

Key Objective 3:

Enhance the range of financial services by strengthening the existing financial service providers across the formal and informal sector.

Actions	Indicators	Expected Outcomes
Capacity Building and Regulatory Framework Enhancement		
Provide Capacity Building and Training to financial service providers, focusing on improving knowledge and skills in delivering a wider range of financial services, including customer service, risk management, and the use of technology for service delivery.	Percentage Increase in Financial Service Providers' Proficiency in Delivering Diverse Financial Services, Measured Through Post-Training Assessments.	Capacity Building and Training results in enhanced skills, improved service quality and effective technology use.
Enhance regulatory environment for financial service providers by streamlining regulatory processes (while maintaining consumer protection standards), revising outdated rules, and ensuring regulations are flexible. Establish regulatory sandboxes to encourage innovation.	Number of Regulatory Revisions or Streamlined Processes implemented for Financial Service Providers in Collaboration with Regulatory Authorities.	Enabling regulatory environment promotes diversification of financial service offerings and encourages innovation via regulatory sandboxes.
Access to Funding and Technology Adoption		
Facilitate access to funding for financial service providers, including microfinance institutions and informal agents, through dedicated funds, grants, or partnerships with financial institutions willing to invest in expanding financial services.	Total Value of funding facilitated for Financial Service Providers (Microfinance Institutions, Informal Agents) through dedicated funds, grants, or partnerships. Number of Financial Services providers adopting FinTech solutions or developing Digital Platforms and Mobile applications.	Increased Financial Accessibility for service providers enabling expansion of services. Increased Investment: Dedicated funds, grants, and partnerships result in increased investments and expansion of financial services to underserved areas.
Promote the adoption of financial technology (FinTech) solutions by financial service providers, encouraging the development of digital platforms and mobile applications for efficient and secure service delivery.		Technology Adoption by Financial Services Providers leads to technological advancements in service delivery and improves the efficiency and security of services.

Strategic Objective 1:

Improve and deepen access to formal financial services.

Key Objectives	Actions Summary
1. Improve access to formal financial services	<ul style="list-style-type: none"> • Assessment and Mapping of the specific regions, communities, and demographics with limited access to formal financial services → improved understanding, informed decision-making → targeted actions and efficient resource allocation • Enhanced regulatory framework enabling informal savings groups members to open an account (exposure to other banking services) • Improved access via additional agents governed by national agent banking regulations/guidelines

Key Objectives	Actions Summary
<p>2. Appropriate financial products and services</p>	<ul style="list-style-type: none"> • Comprehensive market research and surveys → increased understanding of financial needs of target groups → development of tailored financial products and services • Pilot programs with real-time feedback and M&E → refined tailored financial products and measurable impact
<p>3. Enhance the range of financial services</p>	<ul style="list-style-type: none"> • CB and training to FSP to increase the delivery of a wider range of financial services, supported by an enabling regulatory framework • Facilitate access to funding for FSP + promotion of Fintech solutions → increased access to funding of FSP but also increased investment in partnerships and technology adoption → improvements in financial service delivery, efficiency and security

Strategic Objective 2: Promote inclusive and sustainable growth of MSMEs through improving access to finance to Micro, Small and Medium Enterprise (MSME)

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KEY OBJECTIVES:

1. Introduce and strengthen the new avenues of financing to support start-ups and innovative firms.
2. Improve credit enablers/infrastructure to mitigate the credit risk and facilitate MSME and Women MSME financing.
3. Improve MSME financial literacy and capacity building
4. Streamline the coordination of business registration and licensing to promote business formalization and formalization, ultimately informing government programs and business services.
5. Improve market access for local and export - customized programme eases businesses to international market through).
6. Enhance MSME data collection and sex-disaggregate data

Key Objective 1:

Introduce and strengthen the new avenues of financing to support start-ups and innovative firms.

Actions	Indicators	Expected Outcomes
Provide suitable financial products for start-up and early-stage lending and financing (Hybrid model of debt-to-equity ratio)	Number of new financing scheme/ model for start-ups and early stage	<ul style="list-style-type: none"> • Increase in number of new startups. • Reduce in MSME credit gap.
Microfinance	Number of MFIs	
Incubator	Number of incubator	

Key Objective 2:

Improve credit enablers/infrastructure to mitigate the credit risk and facilitate MSME and WMSME financing.

Actions	Indicators	Expected Outcomes
Credit Guarantee Schemes (CGS)	Number of CGS applied/approved	<ul style="list-style-type: none"> • Increase in the approved loan/ financing for MSMEs
Risk-sharing Facility (RSF)	Number of RSF applied/approved	
Moveable Collateral Registry (MCR)	Number of MCR application/approved	
Alternative credit scoring (potential for expansion to cover the whole Lending process i.e. application, approval to disbursements and loans monitoring, mobile and internet banking).	Number of usage of alternative credit scoring by the commercial bank/Non-Bank Financial Institutions (NBFIs)	

Key Objective 3:
Improve MSME financial literacy and capacity building

Actions	Indicators	Expected Outcomes
Implement tailored financial education and literacy programs for MSMEs and WMSMEs	Number of workshop/training	<ul style="list-style-type: none"> Increase level of financial awareness and literacy
Collaborate with public and private entity for financial awareness among MSMEs	Number of collaborations	
Implement Financial Literacy and Capability (FLIC) index	Monitor the literacy and capability index	

Key Objective 4:
Streamline the coordination of business registration and licensing to promote business formalization and formalization, ultimately informing government programs and business services.

Actions	Indicators	Expected Outcomes
Coordinate with Ministry of Trade and Economic Development (MTED) to ease and incentivise company registration (e.g.: Single window registration/online registration)	The formation of single window registration/ online registration	<ul style="list-style-type: none"> Increase the number of formal business registration Coordinated definition for MSMEs Increase the number of formal business registration Increase the number of formal business registration
Definition for MSMEs	National definition of MSME	
Incubator and accelerator program for targeting redundant formal sector workers to ensure just transition to micro businesses and feasible MSME's that have closed down.	Number of accelerator for the informal businesses	
The use of e-invoice to mitigate shadow economy.	Adaptation by the government bodies and agencies	

Key Objective 5:
Improve market access for local and export - customized program eases businesses to international market.

Actions	Indicators	Expected Outcomes
Customised market facilitation	Number of programme	<ul style="list-style-type: none"> Increase MSMEs sales - local and international
Market immersion initiative (low-cost, low-risk export incubator program that allows you to generate leads and sales)	Number of initiatives	
Business matching and advisory services	Number of business matching services	

Key Objective 6:
Enhance MSME data collection and sex-disaggregate data

Actions	Indicators	Expected Outcomes
Establish Sex- Disaggregate Data	Data collection platform	Statistics/ data on MSMEs and WMSMEs

Strategic Objective 3: Responsible Digital Financial Services (DFS), Product Innovation and Delivery

3

Objective:

To promote and support responsible digital financial services (DFS), product innovation and delivery in Tonga

KEY OBJECTIVES:

1. Create an Enabling Regulatory Environment and Policy Regime
2. Bridge Access and Usage Gaps for Digital Payments and Digital Financial Services.
3. Ensure Ecosystem Readiness and Secure Access to Digital Payment Infrastructure
4. Measure Access and Usage of Digital Financial Services Effectively

Key Objective 1:

Create an Enabling Regulatory Environment and Policy Regime

Actions	Indicators	Expected Outcomes
3.1.1. Develop and approve the National Payment System Act	Number of National Payment System Act approved	Strong and effective legal foundation conferring NRBT with the mandate to issue relevant policies, regulations, frameworks, and notices
3.1.2 Establish a comprehensive digital financial services and payment services framework	Number of DFS and payment Services framework finalized	Provide regulatory clarity on the definition and classification of entities/providers, licensing, regulatory and supervision regime in Tonga
3.1.3 Develop and implement the FinTech regulatory sandbox framework to promote responsible innovation	Number of FinTech regulatory sandbox framework finalized	Enhanced capability of staff towards understanding of DFS innovation, models, and technologies toward applying appropriate and proportionate regulation
3.1.4 Issue guidelines on interoperable cash-in cash-out (CICO) agent networks and agency banking	Number of Guideline on interoperable agent network finalized	Efficient distribution of non-exclusive CICO agent network across Tonga

Actions	Indicators	Expected Outcomes
3.1.5 Develop regulations for tiered KYC and AML/CFT, prioritizing access for disadvantaged groups	Number of Tiered KYC regulation finalized	Proportionate access to DFS and digital payments for all customer segments without compromise to AML/CFT risks and financial integrity
3.1.6 Identify and address specific skill gaps within the regulatory team related to digital financial services regulation and supervision	Number of Capacity building program delivered	Proportionate access to DFS and digital payments for all customer segments without compromise to AML/CFT risks and financial integrity

Key Objective 2:

Bridge Access and Usage Gaps for Digital Payments and Digital Financial Services

Actions	Indicators	Expected Outcomes
3.2.1 Facilitate expansion of agent networks in underserved areas	Number of Roadshow and awareness campaigns to promote agent onboarding, trust, and adoption	Enhanced consumer, provider, and agent awareness to CICO agents, operations and offerings.
	Number of Agents in Tonga	
3.2.2 Explore an agent registry with geospatial mapping for financial access points	Number of Database with comprehensive data on agents, location, and distribution of agents created	Robust and operational online platform allowing efficient management and capture of agents' sex disaggregated data, location, services offered and information of agent network utilization
	Number of GIS mapping solution adopted	
3.2.3 Encourage interoperable agent networks and deployment of interoperable point of sales terminals	Number of Stakeholder workshop and trainings	Full interoperability in CICO agent network and coverage with low-cost digital payment terminals, channels, or POS
	Number of Agents, Point-of Sale (POS) or low-cost digital payment terminals	
3.2.4 Promote payment service providers to target vulnerable and hard-to-reach communities through digitizing Government-to-People (G2P) payments and social assistance.	Number of Awareness campaign implemented	Enhanced digital payments consumers' awareness with regards to affordable, safe, and fast digital payments
	Number of Individuals and MSMEs reached	
3.2.5 Design, test and encourage adoption of customer-centric digital financial services	Number of FinTech admitted to Regulatory Sandbox	Responsible, inclusive, and innovative DFS and digital payments services appropriate for the needs of individuals and MSMEs are introduced and sustained within Tonga
	Number of DFS and Payment Service Provider license issued	
	Number of Individuals and MSMEs reached	

Key Objective 3:

Ensure Ecosystem Readiness and Secure Access to Digital Payment Infrastructure

Actions	Indicators	Expected Outcomes
3.3.1 Assess and enhance ecosystem readiness for digital financial services (e.g. savings, credit, insurance, remittances, pensions, etc.)	Number of Mapping conducted	Enhanced understanding of the DFS offering of existing financial and payment service providers to identify gaps and challenges
	Number of Agents in Tonga	
3.3.2 Advocate for cybersecurity and consumer protection measures among payment service providers	Number of Stakeholder workshops and campaigns conducted	The quality of DFS and digital payment services is high, consumers are well informed and reminded of fraud, scams, and redress mechanisms
3.3.3 Facilitate regular engagements with stakeholders for policy relevance to support financial inclusion, competition, and efficiency	Number of Stakeholder workshop and trainings	The quality of existing programs is strengthened by adapting international best practices to the reality of the DFS ecosystem in Tonga
	Number of individuals/ stakeholders participated	
3.3.4 Foster collaboration between financial services providers and FinTech to encourage innovation and new business models fit to customer context, gender sensitivity and market needs	Number of Workshop on competition and ecosystem development conducted	Strengthened capacity and understanding of DFS and FinTech ecosystem actors and participants
	Number of Hackathons and FinTech ecosystem event held	
3.3.5 Encourage participation in specialized training programs on topics such as digital payment infrastructure, cybersecurity, and emerging technologies for regulatory teams and FSPs.	Number of Capacity building event conducted Number of Financial Service Provider (FSP) staff trained	National capacity building and awareness activities and events around various themes held to raise awareness among the providers about responsible financial practices, affecting different target groups.

Key Objective 4:

Measure Access and Usage of Digital Financial Services Effectively

Actions	Indicators	Expected Outcomes
3.4.1 Establish a collaborative data policy for disaggregated data collection that align with financial inclusion objectives	Number of Data Collection, Use and Protection Policy developed	Financial institutions and FinTechs participate in coordinated reporting and data collection efforts towards measuring access, usage, and quality of DFS in Tonga.
	Number of FSP submitting data to regulator	
3.4.2 Periodically collect and analyse data to identify barriers and access constraints	Number of Demand and supply side surveys conducted	Providers and users of financial products and services provide information on access, usage, and quality of DFS and digital payments in Tonga.
3.4.3 Foster partnerships with regional regulators, development partners, and ecosystem actors for shared insights and knowledge on financial inclusion interests	Number of Regional Technical and Leaders Meeting attended	Build and strengthened relationships for engagement and knowledge sharing across the Pacific under the PIRI and AFI umbrella

Strategic Objective 4: Consumer Protection and Financial Competencies

4

Objective:

Ensure all financial consumers in Tonga are efficiently protected and empowered through high financial literacy and capability levels.

KEY OBJECTIVES:

1. Establish a consumer protection framework for the financial sector including the revision of Financial Consumer Protection policy.
2. Review and enhance the dispute resolution mechanisms/procedure for financial consumers.
3. Develop a coordinated plan for financial literacy activities at national level.
4. Integrate financial literacy into the product design and service delivery by FSPs and increase awareness about the product and services including digital financial services.

Key Objective 1:

Establish a consumer protection framework for the financial sector including the revision of Financial Consumer Protection policy.

Actions	Indicators	Expected Outcomes
4.1.1. Review and develop legal and regulatory provisions, including the integration of financial consumer protection into the existing Consumer Protection Bill.	Number of legal documents revised/updated	Strong and effective legal framework to protect financial consumers from fraud, abuses, and errors, and establish clear mandate.
4.1.2. Review the financial consumer protection policy, including privacy and data protection to address increasing risks associated with a rapidly developing digital economy.	Number of financial consumer protection policy finalized	Enable financial users to take greater advantage of the benefits provided by financial services through savings, responsible borrowing and innovative services, especially digital financial literacy.
4.1.3. Provide the regulator with capacity building on consumer protection, awareness and supervision.	Number of capacity building program delivered	Enhanced awareness and capacity in terms of financial consumer protection frameworks for regulator staff.

Key Objective 2:

Review and enhance the dispute resolution mechanisms/procedure for financial consumers.

Actions	Indicators	Expected Outcomes
4.2.1. Analyse the current legal and regulatory environment and incorporate relevant redress provisions into existing FCP frameworks or policies	Number of legal documents updated with help and redress focus	Enhanced consumer protection frameworks with relevant redress provisions, standardized across the FSPs.
4.2.2. Review and refine dispute resolution mechanisms / procedure for financial consumers.	<ul style="list-style-type: none"> • Number of stocktaking on existing FSP IDR mechanisms • Number of update of regulator/ADR process 	Robust help and redress mechanism that enables consumers of FSP to be informed of procedures for handling complaints, fairly and quickly.
4.2.3. Facilitate stakeholder coordination, cooperation and capacity building activities for staff of FSPs (IDR) and Central Bank (ADR) involved in complaints handling.	Number of stakeholder workshop and trainings	Well-equipped and trained staff for the FSPs and regulator units involved in complaints handling.
4.2.4. Design and implement awareness campaigns on financial consumers' right and responsibility, including focused campaigns to strengthen customer awareness of dispute-resolution channels.	<ul style="list-style-type: none"> • Number of awareness campaign implemented • Number of individuals reached 	Enhanced financial consumers' awareness with regards to their rights and responsibilities, and to where and how can lodge their complaints if displeased with the financial products or services received.
4.2.5. Develop a concept note to automate complaints handling through an online portal accessible to financial consumers.	Number of concept note to develop and implement an online portal for complaints handling	Financial consumers will be able to submit their complaints more efficient and this will allow better monitoring and reporting on the complaint status.

Key Objective 3:

Develop a coordinated plan for financial literacy activities at national level.

Actions	Indicators	Expected Outcomes
4.3.1. Conduct a mapping/stocktaking of existing financial education practitioners and activities in the country.	Number of mapping conducted	Enhanced understanding of the offer of existing financial education providers and programs.
4.3.2 Create a database (web page or web site) bringing together tools and program providers in financial education for research and consultation.	Number of database created	An online operational platform allowing efficient management and consultation of data recorded on financial education activities and tools in Tonga.
4.3.3. Organize workshops and seminars involving stakeholders such as practitioners, MFI managers, etc. to strengthen existing programs.	<ul style="list-style-type: none"> • Number of stakeholder workshop and trainings • Number of individuals/ stakeholders participated 	The quality of existing programs is strengthened by adapting international best practices to the Tonga reality.

Actions	Indicators	Expected Outcomes
4.3.4. Deliver training of trainers for practitioners around key themes on financial education for individuals and MSMEs.	<ul style="list-style-type: none"> Number of training-of-trainers conducted Number of individuals trained 	Strengthened capacity of financial education practitioners.
4.3.5. Implement awareness activities for the financial consumers and general public, including awareness-raising materials through communication channels, articles published in the press and newspapers, etc.	Number of awareness activities	National activities and events around various themes held to raise awareness among the population about financial practices, affecting different target groups.
4.3.6. Monitor, evaluation and report the above activities.	Number of Monitor & Evaluation framework	An effective system for M&E will facilitate continuous improvement in financial education activities and literacy levels of the Tongan population.
4.3.7. Conduct a demand-side analysis to better understand consumers' financial literacy levels and needs, including vulnerable groups and small entrepreneurs.	Number of demand-side analysis conducted	Understanding financial consumer financial literacy levels and needs in terms of financial education.
4.3.8. Develop a concept note for a coordinated national plan for financial literacy activities together with relevant stakeholders.	Number of national plan concept note developed and adopted	Build the foundation for the implementation of efficient and coordinated financial literacy program in Tonga.

Key Objective 4:

Integrate financial literacy into the product design and service delivery by FSPs and increase awareness about the product and services including digital financial services.

Actions	Indicators	Expected Outcomes
4.4.1. Build the capacity and raise awareness of FSP staff to integrate financial literacy into the product design and service delivery.	<ul style="list-style-type: none"> Number of capacity building event conducted Number of FSP staff trained 	Financial institutions participate in coordinated efforts towards financial education in Tonga.
4.4.2. Incorporate relevant and tailored messages around financial products and services including digital financial services into existing and planned awareness campaigns.	Number of awareness campaign included tailored messages	Users of financial products and services make better informed decision and trust towards FSPs is increased.

Strategic Objective 5: Foster Inclusive Green Finance

5

Objective:

Create an enabling regulatory environment to help ensure resilience among individuals and MSMEs in Tonga to the impacts of climate change and participate in a just transition to a low carbon society.

KEY OBJECTIVES:

1. Understand the current landscape and improve regulatory ecosystems for inclusive green finance implementation in Tonga.
2. Establishment of national coordination mechanisms for Inclusive Green Finance (IGF) policy development and implementation to increase awareness in the financial sector.
3. Build the capacity of financial regulators on Inclusive Green Finance policy development and implementation

Key Objective 1:

Understand the current landscape to improve regulatory ecosystems for inclusive green finance implementation in Tonga

Actions	Indicators	Expected Outcomes
5.1.1 Conduct a simple research on IGF	Number of research/scoping study conducted	A research document/study report on the IGF landscape in Tonga
5.1.2 Include green elements on demand side surveys	Number of green elements added in DSS	Providers and users of financial products and services provide information on climate vulnerabilities and coping mechanisms through the DSS

Key Objective 2:

Establishment of national coordination mechanisms for awareness raising on IGF policy development and implementation

Actions	Indicators	Expected Outcomes
5.2.1 Establish coordination mechanism on IGF	Number of national coordination mechanism on IGF established	A research document/study report on the IGF landscape in Tonga

Key Objective 3:

Build the capacity of financial regulators on IGF policy development and implementation

Actions	Indicators	Expected Outcomes
5.3.1 In-Country Training on IGF for regulators and financial institutions to develop IGF customer-centric products and services	Number of training conducted	Financial regulators and policymakers understand IGF
5.3.2 Peer Learning Exchange	Number of peer learning exchange conducted	Financial regulators and policymakers understand IGF through learnings from peers