



PIONEERING GREEN FINANCE IN THE DEVELOPING WORLD: THE FIJIAN SOVEREIGN GREEN BOND

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ACTION AREA: Cross-cutting

FOCUS AREA: Financing

COUNTRY: Fiji

SECTORS

INVOLVED: Cross-sectoral

TIMEFRAME: November 2017 – 2022 and 2017-2030 (5 year and 13 year bond tenure options)

CASE SUMMARY: In November 2017, the Fijian government successfully issued a sovereign green bond and raised Fijian dollars (FJD) 100 million (~USD 50 million; long-term average conversion rate: 1 USD = 2 FJD) to help finance its transition towards a low-carbon and climate-resilient economy. Green bonds are fixed income financial instruments for raising capital from investors through the debt market. The bond issuer raises a fixed amount of capital from investors over a set period of time (i.e. the 'maturity') and repays the capital as well as an agreed amount of interest when the bond matures. A green bond is different from a regular bond in that it is being 'labelled'. That means that it is designated as 'green' by the issuer or another entity, with a commitment to use the proceeds of the green bond in a transparent manner and solely finance 'green' projects, assets or business activities with an environmental benefit (OECD, 2015, p.5). Fiji became the first developing country to use this innovative financial instrument. In April 2018, the Fiji Sovereign Green Bond (FSGB) was successfully listed on the London Stock Exchange International Securities Market, which enabled the FSGB to reach broader investor segments.



Figure 1: Frank Bainimarama (Prime Minister of Fiji) and Claire Perry (British MP) at the London Stock Exchange opening (Ministry of Economy, 2018)

For the bond's issuance, Fiji developed a Green Bond Framework through a transparent process with sound plans for strengthening the country's climate actions and in strong alignment with the International Capital Market Association's (ICMA) Green Bond Principles. These principles were developed by a group of investment and multilateral banks, including the World Bank and the International Finance Corporation (IFC), and are voluntary guidelines for a broad market use. To institute credibility,





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the Fijian government also engaged a second opinion provider, Sustainalytics, to review and verify the green and sustainable aspects of the framework. Following Sustainalytics' analysis, the framework was revised and further strengthened. Fiji's Green Bond Framework (FGBF) targets climate change mitigation and adaptation, sustainable land use and biodiversity protection and, in addition, helps achieving the Sustainable Development Goals (SDG).

There is an increasing need for innovative financing options that have minimum implications for fiscal stability for developing economies and that enable them to efficiently mobilise private, bilateral and multilateral financing. As a developing country vulnerable to climate impacts, it was imperative for Fiji to balance its developmental aspirations and climate goals. Fiji saw the global green bond market as an opportunity to address capacity and resource gaps in meeting these goals, and tapped into its potential. With high-level political endorsement, the FSGB allowed Fiji to reach an untapped international investor base and also enabled it to be ambitious in planning its future climate actions. By encouraging domestic investors to help finance green projects through this bond, the Fijian government was able to gain significant subscriptions. The robust and transparent process set by Fiji is likely to pioneer and establish a roadmap for other developing countries to follow in using innovative financial instruments for financing their climate needs and actions.

BACKGROUND: ————— Fiji, like most Small Island Developing States (SIDS), faces the brunt of climate change-induced disasters, particularly in the form of floods and tropical cyclones. In the last 50 years, the country has experienced 63 tropical cyclones, including the 2016 category 5 tropical cyclone Winston and Cyclone Gita in 2018. Winston was the strongest cyclone ever in the Southern hemisphere, causing damages amounting for almost a third of Fiji's Gross Domestic Product (GDP) (World Bank, 2016). The country is also grappling with long-term threats such as sea-level rise, the full impact of which is not yet determined. Fiji has identified 42 communities for imminent relocation and already started relocating them. Extreme weather events are not only impacting fragile ecosystems in the country, but also threatening key economic sectors – such as agriculture, fishing and tourism – and thus the livelihoods of Fijians. The Fijian government estimates average asset losses due to tropical cyclones and floods to over FJD 500 million (~USD 250 million) per year, i.e. more than 5% of Fiji's GDP (Republic of Fiji, 2017). Climate change is not only a global challenge, but also presents an adverse bottleneck to development in Fiji. This strong interlinkage between climate change and development is reflected in Fiji's various national level policies and plans.

The country is at the forefront in terms of advocating ambitious international policies to counter climate change and demonstrates this through its own domestic policies, which seek to reduce adverse impacts of climate change. In 2012, Fiji introduced its National Climate Change Policy to deliver on its climate commitments by promoting the integration of climate change issues into national planning and providing guidance to the government for developing appropriate climate change adaptation and mitigation strategies. To accelerate inclusive sustainable development, strengthen resilience and enhance economic growth, Fiji developed a Green Growth Framework in 2014. Fiji also developed its '5-year and 20-Year National Development Plan' (NDP) in 2017, which is now the apex planning and policy document. The NDP aims to guide Fiji towards a more sustainable, inclusive, resilient and low-carbon future. In 2015, Fiji submitted its Nationally Determined Contribution (NDC) to the Paris Agreement, taking forward these goals globally. The NDC sets out the commitment to achieve 100% electricity generation from renewable energy, and in addition to that, an indicative reduction of 10% CO₂ emissions for energy efficiency improvements by 2030. These measures will reduce CO₂ emissions in the energy sector by around 30% from a 'business-as-usual' scenario (Government of the Republic of Fiji Islands, 2015). To quantify the need to address climate change in order to achieve its development aspirations, Fiji worked with the World Bank to undertake an economy-wide Climate Vulnerability Assessment in 2017.

Fiji has also developed strategic plans to better articulate and support its development ambitions outlined in the NDP from a climate change perspective. The National Adaptation Plan and the Planned Relocation Guideline have been developed in 2018 to address Fiji's adaptation needs. From a mitigation perspective, Fiji has developed its NDC Roadmap and the Low Emissions Development Strategy that will guide Fiji to approach 100% renewable energy share in electricity generation by 2030 (from around 60% in 2013), achieve a 10% reduction in economy-wide CO₂ emissions through energy efficiency measures and ultimately achieve net-zero emissions by the year 2050.

As a developing country that strives to fulfil the fundamental development needs of its people, Fiji requires technical expertise, human resources and financial capacity to fully implement its plans. While Fiji is proactively taking steps to mitigate its impact on the climate and address the adverse impacts of climate change on its economy, effectively countering the latter will also require collective action and contributions from the private sector and industrialised nations.

To address these capacity and resource gaps, Fiji saw an opportunity in the form of a sovereign green bond. A sovereign green bond provides a country with the opportunity to show its commitment and leadership in achieving climate goals. The rapidly growing global green bond market saw over 1,500 issuances valuing over USD 150 billion in 2017, of which over USD 20 billion can be attributed to sovereign green bonds (Climate Bonds Initiative, 2018). Capitalising on this opportunity to unlock unconventional sources of financing, Fiji leveraged its positive sovereign rating (upgraded to Ba3 positive from B1 stable by Moody's in September 2017) and issued the FSGB to mobilise the required financing from a range of sources, based on an estimation from its national budget (the process outlined in the next section), during its Presidency of the UNFCCC's Conference of Parties in 2017 (COP23). Fiji's Green Bond Framework (FGBF), developed along international green bond guidelines, detailed the process and outlined the goals of the FSGB, with the objective of transparent disclosures and maintaining integrity of the FSGB implementation.

ACTIVITIES:

- **DESIGN AND APPROVAL PROCESS:** The FGBF was designed based on the 2017 Green Bond Principles (GBP) by the International Capital Market Association (ICMA), and the principles' four core components: (i) Use of Proceeds to guide the direction the funds towards eligible projects with clear environmental benefits and promote a low carbon transition; (ii) Process for Project Evaluation and Selection to help set up an institutional framework from selection to approval; (iii) Management of Proceeds to oversee the reception, implementation and tracking of the funds; and (iv) Reporting to enable a comprehensive and transparent monitoring of funds (see ICMA, 2018). In line with these principles, a Green Bond Steering Committee (GBSC) was established to lead the design and development of the Green Bond Framework, undertake necessary preparatory work and approve the eligible projects. Comprising regulators, environmental experts, as well as representatives from the Office of the Attorney-General and the Ministry of Economy, the GBSC was tasked with overseeing the implementation and allocation process of the FSGB. This design and development process was guided by the IFC over a five-month period that culminated in the launch of the FSGB at COP23.
- **PROJECT SELECTION AND EVALUATION:** The Climate Change and International Cooperation Division of the Ministry of Economy undertook a structured exercise to identify projects to be supported with the proceeds of the FSGB. The Ministry of Economy holds the ultimate duty of determining the list of eligible projects, with its Director of Climate Change managing the project identification process and recommending eligible projects to the GBSC. Considering the fairly new global green bond market, and Fiji's first initiative to partake in it through the FSGB (which was envisioned to be issued within a year) the Fijian government decided on selecting existing projects familiar to its



Monitoring, Reporting and Verification (MRV) system. These projects were well-documented and reported, and in a subsequent step shortlisted to 39 eligible projects through an in-depth analytical assessment of the 2017-2018 national budget. These projects were extensively monitored and evaluated through an internal process over a period of one year to further identify those which were most optimally using their budget allocations to achieve maximised impact. Through this process, seven projects were finally selected across six thematic areas for inclusion for financing under the FSGB. These project recommendations were then approved and endorsed by the GBSC.

• **PROJECT ACTIVITIES:** The projects chosen to be financed with the proceeds of the FSGB are being realised in six thematic areas, with two projects falling under the clean water supply area. Figure 2 shows categorised financial allocations from the proceeds raised by the FSGB by thematic area.

- **CLEAN WATER SUPPLY:** Work is ongoing to strengthen the rural water supply programme in Fiji by implementing 120 rural water schemes and installing two ecological purification systems. Also, a rainwater harvesting programme is being implemented to deliver over 8000 water tanks to drought-affected communities.
- **CYCLONE REHABILITATION:** With the aim of 'building back better', 196 schools which were damaged by Tropical Cyclone Winston in 2016, are being rebuilt using cyclone-resilient engineering standards. Of these, a few will also be developed to serve as evacuation centres during disasters.
- **EMERGENCY ROAD WORKS:** The Fiji Roads Authority has an Emergency Road Works programme that rehabilitates damaged roads and makes them more resilient to natural disasters. Proceeds from the FSGB are being used to restore damaged roads, reinforcing bridges, improving drainage and deploying coastal protection measures for roads.
- **ACCESS TO GREEN ENERGY:** To achieve Fiji's emission-reduction targets and improve access to energy, proceeds were used to install cyclone-resilient solar home systems (SHS) in rural communities.
- **FOREST CONSERVATION:** Proceeds from the FSGB were also used for the Fiji Reducing Emissions from Deforestation and Forest Degradation (REDD+) programme. The project started in 2012, in its feat to contribute towards global climate change mitigation and strengthen Fiji's forest ecosystem.
- **SUSTAINABLE WASTE MANAGEMENT:** Proceeds were used for the expansion of Fiji's largest waste-disposal facility, the Naboro Landfill, where there is a potential for a methane-capture system that could ultimately be used to generate electricity.

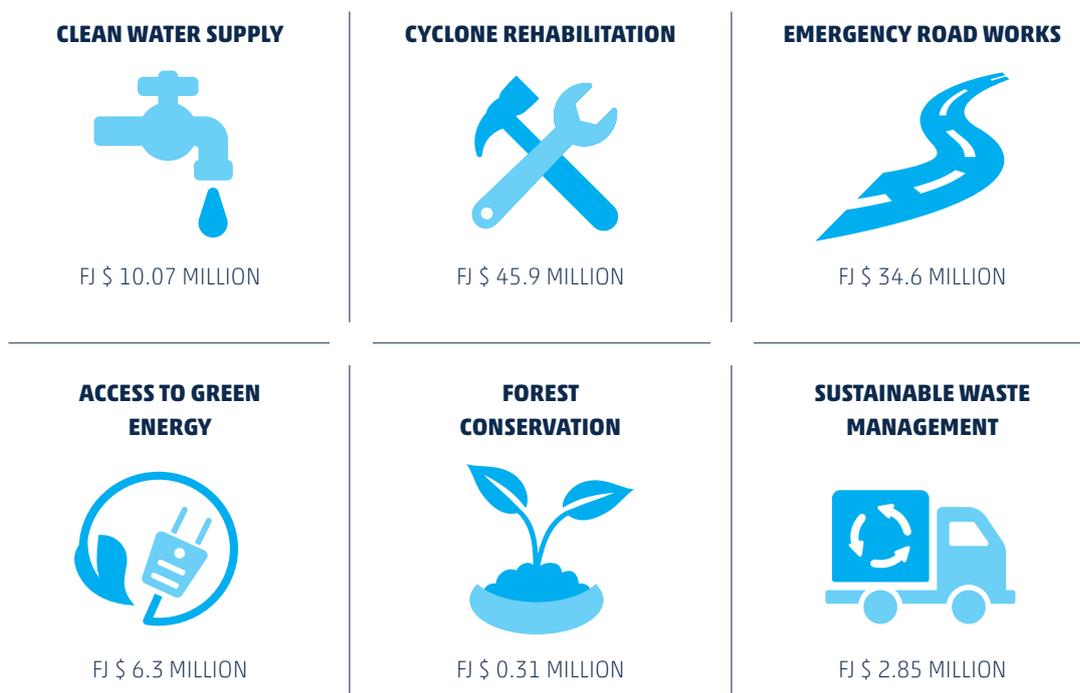


Figure 2: Financial allocation by thematic area (in FJD) (Ministry of Economy, 2018)

INSTITUTIONS

INVOLVED:

The Green Bond Steering Committee is ultimately responsible for the FSGB. The committee includes high-level representatives from the Reserve Bank of Fiji, the Ministry of Economy, the Office of the Solicitor General and the International Financial Cooperation as technical advisors.

The Head of Climate Change and International Cooperation (Ministry of Economy) is responsible for managing the project identification process and coordinating with all line ministries to identify potential green projects. The issuance of the FSGB was the responsibility of the Debt Management Unit (Ministry of Economy) and the Reserve Bank of Fiji (RBF). The financial management and disbursement of bond proceeds is the responsibility of the Treasury Division (Ministry of Economy).

Given that the FSGB has a 5-year and 13-year tenure, the Climate Change and International Cooperation Division will be responsible for coordinating ongoing monitoring, evaluation and reporting of projects with respective government agencies over the next 5 and 13 years.

COOPERATION WITH:

- **WORLD BANK GROUP:** Primarily through the International Finance Corporation (IFC), the World Bank has guided the Fijian government through the various planning, design and implementation stages of the green bond issuance.
- **GOVERNMENT OF AUSTRALIA'S DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT):** Under the DFAT-IFC partnership, DFAT provided funding to support the technical work to be undertaken for the FSGB through a three-year capital markets development programme.
- **SUSTAINALYTICS (SECOND OPINION PROVIDER):** Reviewed and strengthened the Fiji Green Bond Framework.



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- FINANCE:** —
- The Government of Australia allocated AUD 12 million (~USD 8.5 million) for the 2016-2020 period, under the DFAT-IFC partnership for 'Supporting Private Sector Development in Fiji (Capital Markets Development Project)'. The funding was used to support Fiji to develop its bond issuance and become the first developing country to issue a sovereign green bond.
 - Of the financing raised through the FSGB, the private sector contributed to approximately 64.7% of the overall investments. 17% of the financing came from the banking sector, 10% from the insurance sector and the remaining 73% from superannuation funds, private companies, trusts and foreign investors.

IMPACT OF ACTIVITIES: — The FSGB puts emphasis on resilience building and adaptation-focused projects, with around 90 % of the proceeds from the bond being channelled to climate resilience and adaptation projects. Thus, the bond supports this under-funded segment, reflecting Fiji's local needs and priorities. The remaining 10 % of the proceeds were used for mitigation projects that denote Fiji's commitment to the Paris Agreement and its low-carbon ambitions. Considering the projects were selected from a list of on-going projects based on the potential for maximum effectiveness, the FSGB has been able to deliver and capture tangible impacts within a year of its issuance. The key impacts arising from the use of proceeds are depicted below (Ministry of Economy, 2018):

- **CLEAN WATER SUPPLY:** The implementation of 120 rural water schemes provided 42,670 people in 120 rural communities throughout Fiji with access to water emanating from a clean and well-managed source. To this date, the installations of two ecological purification systems (EPS) have benefitted 6,122 people out of 42,670 by providing them with access to 20,000 litres of clean, treated water. The remaining households will have this benefit by August 2020. Through the installation of water tanks, the rainwater harvesting programme has benefitted more than 40,245 people through the hygienic storage of at least 40.2 million litres of water.
- **CYCLONE REHABILITATION:** In total, 1,283 schools and related structures were rebuilt, 65 of which can also be used as evacuation centres during disasters. The rehabilitation of these schools benefits 33,209 students.
- **EMERGENCY ROAD WORKS:** The project activities resulted in 1,177 roads being restored, 176 bridges rehabilitated, more than 1,200 km of drainage being improved, and around 3 km of coastal protection measures constructed.
- **ACCESS TO GREEN ENERGY:** 2635 cyclone-resilient solar home systems in rural communities were installed, which are expected to reduce up to 1,038 tonnes of CO₂ emissions annually.
- **FOREST CONSERVATION:** 2001 native and indigenous trees were planted to create carbon sinks and support Fiji's natural biodiversity. This project is expected to reduce up to 1,919 tonnes of CO₂ emissions annually.
- **SUSTAINABLE WASTE MANAGEMENT:** FJD 2.85 million (~USD 1.4 million) was allocated towards the expansion of Fiji's largest waste-disposal facility. The expansion of the selected waste-disposal facility would enable 5 times more capacity for waste collection, and would also make the facility feasible for waste-to-energy systems by providing the necessary economies of scale.

WHY IS IT

- GOOD PRACTICE:** ——— • **FINANCIAL VIABILITY:** In 2017, Fiji became the first developing economy and the third nation (after France and Poland) to issue a sovereign green bond, which raised around FJD 100 million (~USD 50 million) from the international debt market. The Fijian government also encouraged domestic investors and particularly commercial banks to support the financing of green projects through this bond, resulting in the banks significantly oversubscribing (3 times) to the five-year tranche of the bond and thus notably mobilising private climate finance. Fiji therefore intends to continue the issuance of green bonds in the future to attract domestic and international investors. Fiji was awarded the Green Bond Pioneer Award at the Climate Bonds Initiative's conference in London in 2018. The FSGB is an important step taken by a vulnerable developing country towards market-based financing mechanisms for investing in and funding its own green initiatives and implementing its NDC.
- **POLITICAL BUY-IN:** The FSGB has been endorsed at the highest political level as well as across the various government ministries. It has observed strong involvement from the Solicitor General's Office, the RBF, the Ministry of Economy and other nodal agencies across the design, implementation and regulation process of the bond. This also enabled it to garner support from international organisations such as the IFC.
- **ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS:** The projects funded through the proceeds of the FSGB not only target climate change adaptation and mitigation. They also manage to address several of the Sustainable Development Goals (SDGs). Through actions on clean water supply, cyclone rehabilitation, emergency roadworks, access to green energy, forest conservation and sustainable waste management, the FGBF-funded projects contribute to the achievement of the SDGs on clean water and sanitation (SDG 6), affordable and clean energy (SDG 7), industry, innovation and infrastructure (SDG 9), sustainable cities and communities (SDG 11), climate change (SDG 13), life on land (SDG 15), beyond the overarching achievement of SDG 17, partnerships for the goals. This is delineated by Table 1 below.

| THEMATIC AREA | SUSTAINABLE DEVELOPMENT GOALS | |
|------------------------------|-------------------------------|--------|
| Clean Water Supply | SDG 6 | SDG 17 |
| Cyclone Rehabilitation | SDG 9, SDG 11, SDG13 | |
| Emergency Roadworks | SDG 11 | |
| Access to Green Energy | SDG 7, SDG 13 | |
| Forest Conservation | SDG 11, SDG 13, SDG 15 | |
| Sustainable Waste Management | SDG 6, SDG 11 | |

Table 1: SDGs met by the FSGB (Created by case study authors)



• **TRANSPARENCY:** The FSGB comprised a robust MRV process for project selection. The projects were selected from a set of existing projects, which were already well-documented and reported on through the budget development process (Public Sector Investment Programme), the Financial Management Information System and project briefs and reports with responsible line ministries and government agencies. These existing projects were then extensively assessed, monitored and evaluated through an internal process to select the seven most impactful projects. The FSGB has further ensured transparency through the RBF website, which informs and updates investors on the implementation progress of the FSGB. A ring-fenced account was also set up by the Ministry of Economy to transparently receive and disburse the FSGB proceeds. This will make it simpler and clearer to monitor and report FSGB-related expenditures and verify the use of proceeds ex-post.

| MAJOR CRITERIA FOR SELECTING PROJECTS | |
|---------------------------------------|---|
| 1 | Project must be programmed in the 2017-2018 national budget in accordance with section 3 of the FGFB. |
| 2 | Project must fall under either one or more of the following eligible sectors in accordance with Section 1 of the FGFB: a. Renewable Energy and Energy Efficiency; b. Resilience to Climate Change for Highly Vulnerable Areas and Sectors; c. Clean and Resilient Transport; d. Reducing Pollution and Greenhouse Gas Emissions; e. Water Efficiency and Wastewater Management; f. Sustainable Management of Natural Resources; and g. Eco-efficiency. |
| 3 | Project components should not be funded by any other financing mechanisms of the Fijian Government. |

Table 2: Major criteria for project selection
(Created by case study authors from information in the FSGB Impact Report 2018)

IMPACT OF ACTIVITIES: — • **IMPLEMENTATION PLAN:** The FGFB presents a comprehensive framework to extensively guide the selection, monitoring and evaluation of projects financed by the FSGB. Consequently, this clearly delineated the responsibilities and accountability of different institutions with respect to this objective. Beyond establishing responsibilities for nodal agencies, the FGFB has further appointed the Green Bond Steering Committee to overlook the alignment of the FSGB with the framework. The steering committee structure is critical to guide the relevant stakeholders. It is essential that a central coordinator is appointed, who has the authority and capacity to see the big picture. This is well integrated into the institutional structure with the involvement of the Governor of the RBF, and further, representation from the Office of the Solicitor General and high-level representatives from the Ministry of Economy, ensuring a coordinated effort.

• **USING A PHASED APPROACH TO LEVERAGE THE BENEFITS OF THE GROWING GREEN FINANCE MARKET:** Through the FSGB, Fiji has effectively tapped into the growing global green financial and market instruments to support and enhance its efforts towards adaptation and resilience. The FSGB was divided into four tranches which were issued between 1 November, 2017 and 18 July 2018. Given that the FSGB was a new undertaking for Fiji, this phased approach enabled the Fijian government to test the market and re-adjust its issuance and marketing strategies through a learning by doing approach, thus contributing to the capacity building of the Fijian government and RBF officials. The successful promotions and communication around the bond have enabled the nation to tap into various sources of international finance, including from the private sector. In doing so, Fiji has set the precedent in the developing world for using cost-efficient and domestically sustainable innovative instruments for financing their national priorities.

- OPEN STAKEHOLDER ENGAGEMENT TO ENCOURAGE INVESTMENT AND MAXIMISE

IMPACT: Strong stakeholder engagement has been observed to maximise the impacts of the selected projects. For instance, domestic investors and banks were incentivised to invest through an RBF-initiated FSGB marketing roadshow that encouraged the stakeholders to provide suggestions on how the FSGB could be made more attractive for investment. Such an engagement with the banking sector was the factor that led to the short-term tenure (5-year issuance) of the FSGB. Further, to create a sense of community ownership for the implemented water solutions, the Water Authority of Fiji trained communities to manage the systems and undertake periodic minor maintenance.

- IMMEDIATE RELEVANCE AND IMPACT: Considering that the FSGB selects existing projects based on the potential for maximised impact on climate change redressal, the change brought about by the FSGB is significant, immediate and relevant. For instance, the water tank installation under the Water Harvesting project has enabled the storage of at least 40.2 million litres of hygienic water, impacting over 40,000 people in Fiji.

OVERCOMING BARRIERS / CHALLENGES: _____

WHAT WERE THE MAIN BARRIERS / CHALLENGES TO DELIVERY?

INFORMATIONAL:

Green financial instruments from developing countries tend to lack credibility. Furthermore, there was a strong need to build international awareness for the bond in order to mobilise sufficient funding.

TECHNICAL:

There existed limited domestic capacity to fulfil all requirements for the successful issuance of the FSGB.

HOW WERE THESE BARRIERS / CHALLENGES OVERCOME?

- The Fijian government engaged an independent agency, Sustainalytics, to provide a second opinion on their green bond framework and inputs for strengthening it. This was followed by an annual third-party audit by KPMG in December 2018.
- The Fijian COP23 Presidency championed better access to enhanced climate finance and resources for developing nations. Building on this, the sovereign green bond was launched during COP23 to gain global recognition. Further, in April 2018, Fiji listed the FSGB on the London Stock Exchange International Securities Market. This helped the FSGB gain international exposure to a much larger pool of potential investors.

The Fijian government leveraged technical assistance and capacity building support from the IFC to develop options for mobilising climate finance for the FSGB. IFC also supported Fiji's Climate Change and International Cooperation Division in developing the criteria for project selection.



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- LESSONS LEARNED:** ———
- **ADOPT INNOVATIVE MARKET TOOLS:** Developing economies face the challenge of insufficient capacities to simultaneously tackle their climate and developmental priorities. Leveraging the benefits of the green bond has shown that a cost-effective and domestically self-sufficient green market mechanism can address these twin priorities.
 - **USE DOMESTIC ADAPTATION FINANCE:** Considering both the limited sources and the requisite need of adaptation finance for small-island nations, its domestically-funded green bond has enabled Fiji to build resilience towards climate impacts without entirely relying on external finance.
 - **BUILD TRANSPARENT PROCESSES:** Measures such as the web-page set up by the RBF, engaging a second opinion provider (Sustainalytics) and authorising a third-party audit (KPMG) has ensured transparency in the design and implementation process. This has built investor trust into both the FSGB and the projects it funds, which in turn enabled the maintenance of the current investment and increased the probability of larger future investments.
 - **USE EXISTING CAPACITIES TO MONITOR AND EVALUATE:** There are numerous reporting requirements for green bonds that need to be adhered to in building credibility. The FSGB issuance built on the existing relationship that the Ministry of Economy had with other government agencies in its capacity as the central coordinating agency of government. This enabled greater ease of coordination to monitor, evaluate and report on achievements of not only the 7 projects selected but also the 39 projects initially shortlisted to be financed through the FSGB. The Ministry of Economy used its Financial Management Information System to track budget usage and utilised existing periodic project reporting cycles to gather information needed.

HOW TO REPLICATE

- THIS PRACTICE:** ————— As the first developing country to establish a sovereign green bond, Fiji has shown exemplary use of innovative green market instruments. This presents an opportunity to the rest of the developing world for successful replication. Key considerations when replicating are:
- **SELECT PROJECTS IN LINE WITH NATIONAL (CLIMATE AND DEVELOPMENT) TARGETS:** Identify projects with respect to national priorities that ensure a maximised impact. This can be done by assessing national documents, such as the national budget (as was done in this case).
 - **ENSURE A ROBUST INSTITUTIONAL FRAMEWORK:** Accounting for all stages of the project and accordingly allotting responsibilities to the relevant stakeholders is key for the effective implementation of such a bond. Political buy-in at the highest level further strengthens this framework, ensuring a robust check-and-balance system.
 - **GET HIGH-LEVEL POLITICAL BUY-IN:** Political buy-in at the highest level has created opportunities for all the diverse stakeholders involved, and vice-versa. This is an integral factor to account for when replicating such a practice.
 - **INVEST IN A SCALABLE AND VIABLE WAY:** The FSGB also offers opportunities for scaling up, seeing how it taps into projects with high probability of success and resultant positive impacts. By creating a business case for the current green bond proceeds being invested in adaptation and resilience-related work, it showcases a viable investment opportunity, and enables a larger potential scale-up of the bond in the future.

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