Climate Public Expenditure and Institutional Review

FIJI

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CPEIR Team

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Table of Contents

Table of Contents

Table of Contents

FIGURES, TABLES, BOXES

Abbreviations

ACP	Annual Corporate Plan
ADB	Asian Development Bank
AF	Adaptation Fund
BACC	Budget and Aid Coordinating Committee
BR	Building Resilience
CCA	Climate Change Adaptation
CCM	Climate Change Mitigation
CCU	Climate Change Division
CDM	Clean Development Mechanism
CMP	Meeting of the Parties to the Kyoto Protocol
COP	Conference of the Parties
CPEIR	Climate Public Expenditure and Institutional Review
CSB	Cabinet Sub Committee on the Budget
CSO	Civil Society Organization
DeMPA	Debt Management Performance Assessment
DRM	Disaster Risk Management
DSA	Debt Sustainability Analysis
EU	European Union
FEA	Fiji Electricity Authority
FMA	Financial Management Act
FMIS	Financial Management Information System
FNCCP	Fiji National Climate Change Policy
FNDRMA	Fiji National Disaster Risk Management Arrangements
FNPF	Fiji National Provident Fund
FIRCA	Fiji Island Revenue and Customs Authority
FSC	Fiji Sugar Corporation
GCF	Green Climate Fund
GFS	Government Finance Statistics
GDP	Gross Domestic Product
ICCG	i-Taukei Climate Change Glossary
IPCC	Intergovernmental Panel on Climate Change
IRDF	Integrated Rural Development Framework
JICA	Japan International Corporation Agency
JNAP	Joint National Action Plan for Climate Change Adaptation and Disaster Risk Reduction
MDG	Millennium Development Goal
MFAIC	Ministry of Foreign Affairs and International Cooperation
MFF	Ministry of Fisheries and Forests
MIE	Multilateral Implementing Entity
MLGUDHE	Ministry of Local Government, Urban Development, Housing and Environment

MoA	Ministry of Agriculture
MoH	Ministry of Health
MPC	Macroeconomic Policy Committee
MoF	Ministry of Finance
MQLR	Minimum Qualification Requirement
MRMDNDMO	Ministry of Rural and Maritime Development and National Disaster Management Office
MTA	Ministry of i-Taukei Affairs
MTBF	Medium Term Budget Framework
MWTPU	Ministry of Works, Transport and Public Utilities
NCCCC	National Climate Change Coordination Committee
NCCCG	National Climate Change Coordination Guideline
NCCP	National Climate Change Policy 2012
NCF	National Climate Fund
NDMA	National Disaster Management Act 1998
NDMC	National Disaster Management Council
NDMO	National Disaster Management Office
NDMP	National Disaster Management Plan 1995
NIE	National Implementation Entity
NGOs	Non-Government Organizations
ODA	Overseas Development Assistance
OFI	Opportunity for Improvement
PA	Provincial Administrators
PCCFAF	Pacific Climate Change Finance Assessment Framework
PCCPP	People's Charter for Change, Peace and Progress
PEFA	Public Expenditure and Financial Accountability Assessment
PFM	Public Financial Management
PMO	Prime Minister's Office
PO	Provincial Office
PRC	People's Republic of China
PSC	Public Service Commission
PSIP	Public Sector Investment Program
RDSSED	Roadmap for Democracy and Sustainable Socio-Economic Development
REDD+	Reducing Emissions from Deforestation and Forest Degradation
SBI	Subsidiary Body for Implementation
SEG	Standard Expenditure Group
SOEs	State Owned Enterprises
UNCBD	United Nations Convention for Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNISDR	United Nations International Strategy for Disaster Risk Reduction
VAT	Value Added Tax
WAF	Water Authority of Fiji

Executive Summary

Fiji is on the front lines of climate change. Increased droughts, floods and extreme events such as cyclones affect every sector of Fiji's economy and impact employment levels, the availability of natural resources and resilience to disasters. To respond, Fiji is proactively creating and refining policies, institutions and budgetary systems that can mobilize resources toward climate change and disaster risk management activities.

One part of the effort includes a Climate Public Expenditure and Institutional Review (CPEIR) to examine how public and private climate change and disaster risk management expenditures are integrated into national budgetary processes. The CPEIR is an analytic tool that supports Fiji to identify and mobilize financial resources, improve budget systems, manage and scale–up climate finance and allow for monitoring and evaluation. The CPEIR can be used to help improve how the government and stakeholders spend resources to achieve Fiji's climate and disaster risk management goals.

In particular, a greater understanding of policies, institutions and public finance management systems provide insight into how Fiji can effectively plan, access, manage, deliver and measure resources for climate and disaster risk management activities. Numerous funding opportunities with international sources such as the Adaptation Fund (AF), the upcoming Green Climate Fund (GCF) and with regional partnerships such as with the Asian Development Bank (ADB), provide valuable opportunities for Fiji. However, Fiji must have the right systems in place. Strengthened public finance management systems, increased coordination among institutions and improved capacities can help Fiji take full advantage of these opportunities. The CPEIR tool helps to identify ways to strengthen Fiji's systems and help the country be in a stronger position to access the funds and achieve results on the ground.

This CPEIR report is centered on six Opportunities for Improvement (OFI). Each OFI includes a series of practical recommendations to strengthen Fiji's systems on climate change and disaster risk management. The OFIs and recommendations were developed from extensive research of Fiji's policies, projects and programmes, data analysis of Fiji's budgets and expenditures on climate change and disaster risk management, discussions from two workshops with over 70 participants from government, civil society and the private sector and feedback from over 40 bilateral meetings and informal consultations.

The Opportunities for Improvement include:

1. Strengthen institutional arrangements to establish strategic direction and improve coordination
2. Build capacity at all levels to address climate change and disaster risk reduction
3. Strengthen public finance management
4. Integrate climate change and disaster risk reduction into plans and policies
5. Track and account for climate change and disaster risk management expenditure
6. Enhance development effectiveness.

The recommendations under each OFI vary in scale and scope for example, to 'strengthen institutional arrangements to establish strategic direction' is to undertake a feasibility study for creating a new entity on climate change and disaster risk management. Other recommendations such as the creation of a central database on national climate change and disaster risk management expenditures in and out of the budget under the OFI to 'track and account for climate change and disaster risk management expenditure' offer an immediate and targeted step to improve Fiji's systems.

The CPEIR OFIs and recommendations are rooted in Fiji's existing systems and built on the immense progress already achieved. The goal for the CPEIR is to complement existing systems, scale-up existing successes, make practical suggestions for improvement and support Fiji in its effort to be more effective in achieving its objectives on climate change and disaster risk management.

Summary of Opportunities for Improvement and Recommendations

OFI: Strengthen Institutional Arrangements to Establish Strategic Direction and Improve Coordination

Fiji's institutional arrangements and coordination mechanisms are at the heart of the country's response to climate change and disaster risk management. A system of committees, units, offices and other entities have been established but weak connections between the entities result in a fragmented approach marked by a lack of communication and coordination. As a result, implementation of policy and projects is slow and budget allocations are often made on a casual basis and lead to stagnant levels of funding year after year.

Optimizing the institutional arrangements by defining roles, clarifying means of coordination and communication, establishing priorities and instilling a pattern of regular collaboration will speed up implementation and delivery of initiatives, support access to new sources of funding and streamline monitoring and evaluation. Moreover, stronger institutional arrangements will also contribute to a unified strategic direction on climate change and disaster risk management and streamline information and resources for stakeholders.

Recommendations for strengthening coordination of institutions:

- Undertake an analysis on the opportunities and challenges posed by creating a single climate/environment/energy/meteorology/disaster entity to promote coordination and coherence.
- Establish a high-level Climate Change and Disaster Risk Management Ambassador to advocate Fiji's goals on climate change and disaster risk management at national, regional and international forums.
- Undertake an assessment of identified agencies (e.g. Ministry of Finance (MoF), Ministry of Foreign Affairs and International Cooperation (MFAIC), Ministry of Environment and Fiji Development Bank) to become a National Implementing Entity (NIE) of the Adaptation Fund. The analysis should align with the criteria for the NIE accreditation process.
- Undertake a feasibility study for the design and establishment of a Fiji National Climate Fund (NCF).
- Review and update the 1998 National Disaster Management Act (NDMA) and the 1995/2006 National Disaster Management Plan (NDMP).
- The CCD, National Disaster Management Office (NDMO), Department of Energy and Fiji Meteorological Service, working with the Solicitor-General's office, to draft the laws to implement the NCCP and the revised NDMA.
- CCD and NDMO to create a 'one stop shop' for stakeholders including local government bodies and other agencies to access information on Fiji's climate change and disaster risk management plans, events, policies and projects, as well as opportunities and procedures to access funds.
- Establish a Co-Chair system for the National Climate Change Policy (NCCP) Sub-Committees where a member of the Climate Change Division (CCD) and a ministry representative chairs each committee.
- Seek Cabinet approval for the National Climate Change Coordination Guidelines (NCCCG).

- Develop a joint communications strategy for climate change and disaster risk management.
- Agencies and other entities including those not traditionally associated with climate change (i.e. women, disabled, elderly and youth) participate in climate change and disaster risk management related meetings, events, project appraisals, etc.
- Strengthen the implementation of the Integrated Rural Development Framework (IRDF) to include climate change and disaster risk management activities.
- Divisional Planning Officers to participate in the NCCP Sub-Committees to better support and strengthen community-driven climate change and disaster risk management initiatives.

OFI: Build Capacity at All Levels to Address Climate Change and Disaster Risk Management

The lack of adequate capacity on both the number of staff to implement climate change and disaster risk management and the technical and project management skills required for staff to be successful, are the most binding handicap to the achievement of national goals. It permeates all levels of work from policy development, implementation, monitoring and evaluation, reporting and affects the budget allocation to entities working on climate change and disaster risk management issues. By identifying capacity needs and developing a programme to train staff, the implementation of climate change and disaster risk management projects can be more efficiently delivered. Likewise, by strengthening the capacities of local agencies and communities, people working on the ground will have greater access to the resources and skills they need to be effective and promote Fiji's development objectives.

Recommendations to strengthen capacity building:

- The CCD, NDMO, Department of Energy and Fiji Meteorological Service are to undertake a review of their functional structure, roles within that structure, skill gaps, training needs and the adequacy of funding for enough human resources to deliver their mandates on climate change and disaster risk management. [1]
- Develop a programme to deliver trainings for technical and project management capacities associated with climate change and disaster risk management.
- Develop a programme to deliver trainings and guidance notes for local agencies and communities to access sources of funding and resources for climate change and disaster risk management initiatives.

OFI: Strengthen Public Finance Management

All public expenditures, including those on climate change and disaster risk management, flow through the Public Finance Management's (PFM) modules of planning, resource allocation, execution, and monitoring and reporting. A strong PFM system is therefore critical to the achievements of national objectives. In relation to climate change and disaster risk management, a robust PFM system will raise the confidence of development partners and facilitate the provision of general budget support to Fiji, facilitate access to external financing of climate change and disaster risk management expenditures, help achieve the required accreditation for a potential NIE from government, which will improve access to global funding for climate change and disaster risk management expenditures and attract greater use of the national systems by development partners leading to greater efficiency and lower cost of compliance.

[1] Department of Environment has already undertaken this review and other agencies should look to that experience for guidance and lessons learned

The implementation of PFM reforms is essential to strengthen service delivery and raise the quality of public expenditures including those for climate change and disaster risk management. This reform should include, among other things, measures to improve the 2013 Public Expenditure and Financial Accountability (PEFA) assessment.

Importantly, throughout the reform process, the MoF should promote the concept that the PFM reform is the responsibility of the whole government and to widen the awareness and ownership of the reform plan throughout government.

Recommendations for strengthening PFM:

- The MoF to prepare a medium-term PFM Reform Roadmap to strengthen the PFM systems and improve access to climate finance.
- The MoF to formalize the adoption of its internal financial ratios by government and include it in the budget strategy presented to Cabinet.
- The MoF to develop benchmarks for the budget allocation to climate change and disaster risk management expenditures.

OFI: Integrate Climate Change and Disaster Risk Management into Plans and Policies of Government

Integrating the issues of climate change and disaster risk management into all levels of planning, strategies and policies in government would elevate their importance, improve access to funding and widen awareness. Currently, national and sectoral plans and policies do not consistently include climate change and disaster risk management as cross-cutting areas, resulting in different levels of prioritization. As a first step, integrating climate change and disaster risk management into the new national development plan that will replace the Roadmap for Democracy and Sustainable Socio-Economic Development (RDSSED) expiring at the end of 2014 will provide clear signals that all other plans, such as Annual Corporate Plans and Business Plans, should address climate change and disaster risk management.

Including climate change and disaster risk management expenditures in the Budget Supplement every year, as well as in the budget speech, will provide data-driven milestones and demonstrate that climate change and disaster risk management is a priority area for all of Government.

Recommendations for greater integration of climate change and disaster risk management:

- Include climate change and disaster risk management as cross-cutting issues into the new national development plan that will replace the RDSSED after it expires in December 2014.
- Include climate change and disaster risk management as cross-cutting issues into Annual Corporate Plans (ACP).
- The MoF to include an analysis and table on climate change and disaster risk management expenditures in the Budget Supplement every year and include climate change and disaster risk management in the priority areas of the budget speech.
- The Cabinet Office to issue a circular to all ministries and departments that project proposals submitted for Cabinet's consideration should clearly identify how they address current and future climate change and disaster risk issues, and how the relevant consultation that the project has gone through.
- Develop a multi-year national implementation plan for climate change and disaster risk management to act as a bridge between national plans and budget; the implementation plan costs should be done and include a pipeline of projects.

OFI: Track and Account for Climate Change and Disaster Risk Management Expenditures

There are a host of measures that need to be put in place to improve the effectiveness of climate change and disaster risk management expenditures including management, control and implementation of agreed policies. As a first step, the country should measure what it is spending on climate change and disaster risk management. Tracking the total amount that a country spends on climate change and disaster risk management promotes greater policy effectiveness, identifies implementation gaps and improves coordination. The coverage of expenditures that are relevant to climate change and disaster risk management goes beyond the expenditures in the government budget. Data on government spending on climate change and disaster risk management are not separately classified in the budget and have to be extracted manually. More importantly, climate change and disaster risk management expenditures outside the budget are generally not available. These expenditures, though currently uncounted, could represent a significant contribution to the total Fiji spends on climate change and disaster risk management.

Recommendations for integrating climate change and disaster risk management expenditure in the national budget process:

- Financial Management Information System (FMIS) of the MoF to permanently code the classification of climate change and disaster risk management in the budget and train departments on how to apply these codes in their preparation for the 2015 budget submission. This system can also be applied to other cross-cutting issues like poverty alleviation.
- The MoF to issue a finance circular to ministries and departments to classify climate change and disaster risk management expenditures before they submit their bids to MoF.
- The MoF to lead a team made up of the CCD, NDMO, Department of Energy and Fiji Meteorological Service to weight the expenditures generated from the FMIS database in accordance with the CPEIR methodology tailored for Fiji's context.

Recommendations to capture climate change and disaster risk management expenditure outside the government budget:

- The MoF to coordinate inputs from relevant ministries for reporting on climate change and disaster risk management expenditures that include state-owned enterprises, local governments and private sectors.
- The Overseas Development Assistance (ODA) Unit in MoF to maintain a central database on national climate change and disaster risk management expenditures in and outside the budget.

OFI: Enhance Development Effectiveness

Building on the Paris Declaration for Aid Effectiveness and the Busan Principles of Development Effectiveness, Fiji is working to align itself with the principles of ownership, alignment, harmonization, managing for results and mutual accountability. By working with development partners, Fiji can ensure that assistance is in line with the RDSSED and consultations between the MoF, implementing agencies and development partners promote a cohesive and programmatic approach to climate change and disaster management projects.

Recommendations for enhancing development effectiveness

- Development partners to better align their assistance to government priorities to accelerate the achievement of Fiji's national goals on climate change and disaster risk management.
- Development partners to consult and coordinate with each other in their approach to climate change and disaster risk management in Fiji.
- The ODA Unit of the MoF to coordinate with development partners to fund the delivery of climate change and disaster risk management programmes.
- Consolidation of the approaches by the ODA Unit at the MoF, the Prime Minister's Office (PMO) and MFAIC to manage donor-funded projects to bring greater cohesion and coordination.

Introduction

Fiji's policies, institutions and budgetary systems shape how the country address climate change and disaster risk management by providing policy and project guidance or the 'what' as well as the processes for delivering results or the 'how'. Because climate change and disaster risk management are cross-cutting and affect every sector in Fiji, it is imperative these policies, institutions and budgetary systems be strengthened to ensure results are achieved as efficiently as possible.

In 2013, the Budget Aid Coordinating Committee (BACC) began the process of a CPEIR to examine how public and private climate change and disaster risk management-related expenditures are integrated into national budgetary processes. The CPEIR supports Fiji to:

- Identify and mobilize financial resources required to finance climate actions effectively
- Improve the budgetary process to ensure a strategic resource allocation to finance government's expenditure and investments related to climate change and disaster risk management
- Manage and scale–up climate finance to ensure sufficient allocation for both national and local government
- Allow for a monitoring and evaluation system to track how well the government and stakeholders spend financial resources on climate and disaster actions.

Each of these objectives of the CPEIR can help strengthen Fiji's systems to plan, access, manage, deliver and measure initiatives on climate change and disaster risk management. Importantly, the recommendations can also support Fiji to deliver results from funding mechanisms such as the GCF and AF.

Methodology

In 2014, a multi-disciplinary team that included international and national experts was identified to undertake the CPEIR. The team conducted research, literature reviews, and data analysis to gain insights into Fiji's climate change and disaster management policy and finance systems. The team hosted two workshops with over 70 participants from various ministries and held over 30 bilateral consultations with ministries, coordination bodies and other stakeholders.

The analysis builds on the experiences of CPEIRs in other countries such as Nepal, Bangladesh, Samoa, Cambodia and Thailand; the study examined three core aspects of the budget cycle vis-à-vis climate change and disaster risk management finance using the emerging generic CPEIR methodology. Further, this review has built on the experience from the Nauru Pacific Climate Change Finance Assessment Framework (PCCFAF) and Kiribati Budget Assessment. The methodology assesses progress to-date and makes recommendations for improvement in the future:

- Assess current policy priorities and strategies as they relate to climate change and disaster risk management and the extent to which these strategies and policies are coherent with national development, poverty reduction and economic growth strategies.

- Review institutional arrangements for promoting the integration of climate change and disaster risk management policy priorities into budgeting and expenditure management including within and across key ministries and stakeholders.
- Review the integration of climate change and disaster risk management objectives within the budgeting process and as part of budget planning, implementation, expenditure management and financing.

This CPEIR analyses[2] aims to be responsive to the government's goals, in particular the need to address climate change with disaster risk management holistically. This is the first CPEIR to examine the linkages between the two areas in an integrated manner.

Principles of Ownership and Participation

Source: www.dailytelegraph.au – Viti Levu Flooding

Two key principles for the Fiji CPEIR analysis are Ownership and Participation. Fiji has existing policies guiding climate change and disaster risk management resource mobilisation and expenditure and the CPEIR aims to support and further the foundation that the Fiji Government has already put in place to address climate change and disaster risk management. The CPEIR is based on stakeholder consultations, both through workshops and bilateral consultations, to ensure the analysis is derived from an inclusive and transparent process. Relevant Permanent Secretaries and committees, including those from central ministries and inter-ministerial committees such as the National Climate Change Coordination Committee (NCCCC), were aware of the CPEIR intentions and methods and technical experts from key ministries were consulted from the start.

Structure of this Report

The chapters in this report are arranged according to the various elements of Fiji's response to climate change and disaster risk management including public finance management, expenditures, budget, policy, institutions and local governance. The OFIs and subsequent recommendations are cross-cutting and integrated across each of these areas.

Each chapter begins with major observations that describe the current status of climate change and disaster risk management in that area. This is followed by the cross-cutting recommendations to strengthen policy, institutions, capacities, budgetary systems and implementation. The full list of OFIs and recommendations is included at the beginning of this report.

[2] All figures are in FJ$, except when otherwise noted.

Context of Climate Change and Natural Disasters in Fiji

As a small island developing state, Fiji is highly vulnerable to climate change and natural disasters. According to Fiji's Second National Communications to the United Nations Framework Convention on Climate Change (UNFCCC), the country faces increased rainfall, droughts, cyclones and sea level rise. Major sectors such as agriculture, water, energy, forests, tourism, health and transport are already being affected. Over the last five years, hundreds of villages have requested assistance for relocation and other services to increase their resilience to the adverse impacts of climate change and natural disasters.

To guide Fiji's climate change initiatives, the country has developed policies and programmes on climate change, disaster risk management, resource mobilization and expenditure. On the highest level, Fiji's RDSSED has the following goals related to climate change:

- A resource efficient, cost effective and environmentally sustainable energy sector.
- Sustainable management and utilization of Fiji's natural resources.
- Building national resilience to disasters and adapting to climate change.

In 2012, the government developed the NCCP defining objectives and strategies to address adverse impacts of climate change and outlining activities and focal points from across government for implementation. Disaster risk management is addressed through the NDMA and NDMP that describes the functions and duties of government and respective partners to respond to disasters. These overarching policies are supported by numerous sectoral policies, plans, guidelines and frameworks at the national and sub-national levels.

On the international stage, Fiji is a leader on climate change. In 2013, Fiji served as the Chair of the G77+ China in the UNFCCC negotiations and elected unanimously to serve as the Chair of the Subsidiary Body for Implementation, a key body within the UNFCCC. Fiji has also been a tireless voice for international financing for adaptation activities in vulnerable countries around the world.

Fiji has also shown leadership in responding effectively to disasters for example, before Cyclone Evan hit the country in 2012, it initiated evacuations and installed shelters in order to help communities prepare. As a result, the disaster management plans and procedures avoided unnecessary loss of lives and property.

Now is the time for Fiji to build upwards from this experience. Policies help guide the direction for Fiji on climate change and disaster risk management but now the challenge is to implement policies and enhance the institutional framework and budgetary systems to effectively deliver results.

CHAPTER 1
Fiji's Public Finance Management System

Major Observations

- There is a lack of alignment between policies on climate change and disaster risk management and the allocation of resources to implement them. Policies and plans are not costed, resulting in the lack of coherence over the funding necessary to implement them.
- Coordination between the central agencies on climate change and disaster risk management during the budget process is weak. As a result, the budget allocation to climate change and disaster risk management expenditures is not primarily driven by national policies but by budget considerations.
- Building a more robust public finance management system is a priority which will help raise the confidence of the international community and facilitate access to external finance on climate change and disaster risk management.
- The Government of Fiji has embarked on a reform program to further strengthen the PFM system and, among other things, improve the areas identified for improvement in the next PEFA assessment. A strong PFM system will help attract global and bilateral funding for climate change and disaster risk management to Fiji.

Recommendations

- The MoF to prepare a medium-term PFM Reform Roadmap to strengthen the public finance management systems and improve access to climate finance.
- To improve its budget framework, the MoF should formalize the adoption of its internal financial ratios by Cabinet and include them in the budget strategy.
- Develop a multi-year national implementation plan for climate change and disaster risk management to act as a bridge between national plans and budget; the implementation plan costs should be done and include a pipeline of projects.
- The MoF to develop benchmarks for the total budget allocation to climate change and disaster risk management expenditures.

Public Finance Management System

The 2004 Financial Management Act (FMA) provides the legal authority for the PFM operations, procedures and controls in Fiji. The FMA is supported by a set of financial regulations, instructions and manuals. The PFM system in Fiji is decentralized where ministries maintain their own bank accounts and make their own payments. Ministries drawdown their funds in accordance with their monthly cash flows. Selected expenditure items are under requisition, which requires the approval of MoF before they can be spent by the ministries. Reallocation of the funds within expenditure heads are allowed with certain conditions. An FMIS has been installed in government and has improved fiscal discipline and the reporting of fiscal information. Fiji adopts a cash-based accounting system.

The Budget Framework, Processes and Classifications

Budget Process

The budget processes consist of four major phases:

- Strategy and planning
- Submissions of expenditure bids
- Budget consultations
- Approval and production.

Strategy and Planning

The first step in the budget process is setting the strategy and the framework of the budget. The strategy covers the economic backdrop of the budget including a review of the international economy and an update on the state and outlook of the domestic economy. The Macroeconomic Policy Committee (MPC) which is chaired by the Governor of the Reserve Bank of Fiji (central bank) and includes the Permanent Secretaries in the MoF, Prime Minister's Office (PMO), Strategic Planning and Industry and Trade. The MPC plays an important role in coordinating Fiji's economic, monetary and fiscal policies. The Technical Committee of the MPC develops the economic forecasts for the next three years. The benefits of the MPC are that it improves the coordination of policies, pools scarce technical resources and uses all available information in government and the central bank to make economic and monetary projections.

The international and domestic economic landscape informs and influences the government's medium term fiscal strategy and the annual budgetary framework. In this framework, the debt position and the status of the economy help determine the overall budget balance or net deficit (Figure 1.1). Revenue including grants is projected to provide the funding envelope. Both the revenue and the budget balance determine the boundary of total expenditure, which in turn set the spending ceilings of ministries. The fiscal strategy and budget framework are approved by Cabinet and sent out to the ministries through a Finance Circular called Budget Strategy and Baseline Budget around June.

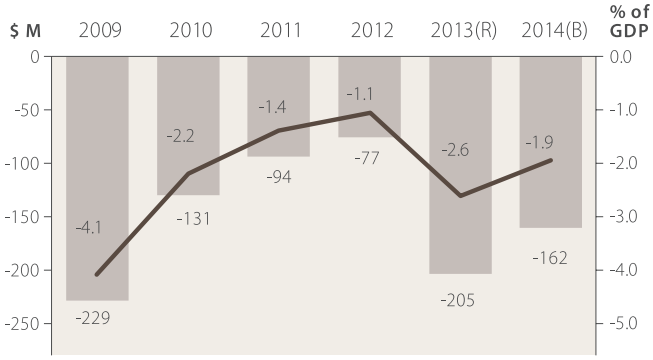
Fiscal Policies in the 2014 Budget

The fiscal policies that are identified in the 2014 budget include:

- Growth levels of 5% over the medium term
- Diversifying the economy for new sources of growth
- Promoting export-led growth and exploring opportunities for import substitution
- Ensuring access to essential services such as proper infrastructure, education, health, water, etc.
- Creating additional opportunities for employment and reducing poverty to improve the overall living standards.

Climate change and disaster risk management are directly connected to all of the above policies.

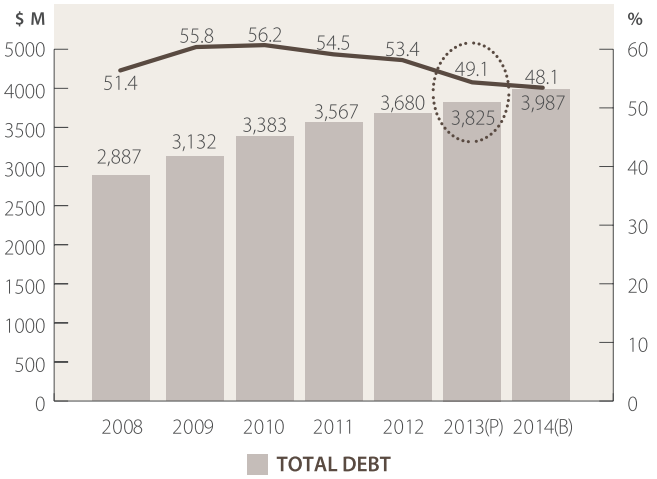
Figure 1.1: Net Deficit 2009 - 2014



(Source: Ministry of Finance).

The sustainability of the fiscal position is an important driver of fiscal strategy. This fiscal position is normally measured by the ability of government to sustain its debt level taking into account its revenue base and vulnerabilities, including those associated with climate change and natural disasters. The overall or net budget deficit determines the rate of debt accumulation. The government's medium term debt policy aims at progressively reducing the debt to GDP (Gross Domestic Product) ratio, which requires the rate of debt accumulation (net deficit) to be lower than the GDP's rate of growth. The government also intends to rebalance the mix of domestic and foreign debt. All new borrowings will be dedicated to financing capital projects meaning the operating account should always be in surplus.

Figure 1.2: Government Debt



The gross debt of government has been declining from a peak of 56% of GDP in 2010 to 49% in 2013 and is projected to fall to 48% by the end of 2014 and further to 46% in 2016 (Figure 1.2). The international debt benchmark for a small and vulnerable country like Fiji is around 45%. However, this benchmark must be country-specific based on its economy and degree of vulnerability. The growing impact of climate change and natural disaster adds to Fiji's vulnerability. Building country resilience through climate change and disaster risk management expenditures reduces this vulnerability and may provide more debt headroom for development spending. Examples of these are shown in the case studies highlighted elsewhere in this report.

A Debt Sustainable Analysis (DSA) helps determine the sustainability of the government's debt position. The DSA needs to be updated at least once every year. Fiji does not have a debt management strategy. The recent Debt Management Performance Assessment (DeMPA) has strongly recommended the development of a debt management strategy to guide the proactive management of interest rate risks, currency and sovereign exposure, maturity profiles and other debt related risks.

The MoF has adopted a set of financial ratios[3] to provide high-level guidance to its budget strategy and formulation (Table 1.1).

Table 1.1: Selected Financial Ratios

Ratio	Rationale	Threshold (%)	Current (%)
Revenue excluding grants as % of GDP	To avoid overtaxing economic activity	Below 27%	26.1
Wages and salaries as % of revenue excluding grants	To restrain the growth of this large expenditure item	Below 32%	30.4
Net overall deficit as % of GDP	To moderate the rate of increase in debt	Below 3%	2.6
Interest servicing to revenue excluding grants	To ensure that debt can be adequately serviced	Below 15%	13.2
Gross debt as % of GDP	To maintain a sustainable debt position	Below 45%	49.1

Source: Ministry of Finance

[3] These ratios were developed in the context of building a Fiscal Management Model (FMM) with the help of the ADB in 2012.

To improve the budget framework, the MoF should consider formalizing the adoption by Cabinet of its financial ratios and include them in the budget strategy. Furthermore, it could track these ratios in its analysis in the Budget Supplement and compare the actuals to benchmarks and explain measures being put in place to bring those ratios back to within their thresholds.

In formulating the budget, government expenditure policy has focused on the resources made available to service delivery areas such as education, health, water and law and order;[4] it has also focused on poverty reduction as a crosscutting issue. It is recommended that the government include climate change and disaster risk management as a cross-cutting issue and establish an allocation benchmark for climate change and disaster risk management expenditures. The ratio of government expenditures deemed relevant to climate change to total expenditure vary widely depending on the methodology and the coverage of data from 2.7% in Thailand to 16.9% in Cambodia;[5] Samoa's ratio was 15% and Fiji's at 33.6%. However, it is important to keep in mind that these ratios for other countries exclude disaster risk management. Therefore, based on the country's vulnerability to climate change Fiji could consider a benchmark of 10%. This benchmark is only a guide on the allocation government can make towards the growing importance of climate change and disaster risk management. The government may further consider undertaking a public expenditure review on climate change and disaster risk management expenditure.

Submission of Expenditure Bids

The second step in the budget process is for ministries to submit their expenditure bids to the MoF. The baselines of these bids are the actual spent in the previous year less any one-off item. These bids are evaluated by the Budget Division in the MoF and the sector officers in the Ministry of Strategic Planning.

There is very little coordination between the agencies dealing directly with climate change and disaster risk management when making their expenditure bids to MoF. This coordination needs to be strengthened throughout the budget processes but particularly before bids are presented to MoF. In evaluating these bids for climate change and disaster risk management expenditures, MOF and the Ministry of Strategic Planning should take into account the allocation benchmark mentioned above for climate change and disaster risk management and the alignment to national priorities.

Budget Consultations

An important third step in the budget process is the consultations that MoF holds with other ministries, private sector, non-governmental organizations (NGOs) and Civil Society Organizations (CSOs); these are held from August to October. The main purpose of these consultations is to afford the opportunity for everyone to express their views on what they would like to include in the budget. These consultations have grown since it was introduced some 15 years ago.

This is an important phase for ministries when negotiations are held with MoF and Strategic Planning on the size of their budget. After consultations with MoF and Strategic Planning officials, the consultations move up to the Cabinet Sub Committee on Budget (CSB), which is chaired by MoF. Other members of the Committee include the Ministers for Health, Education, Agriculture and Infrastructure and the Attorney General. At the CSB meetings, ministries are again given the opportunity to justify their budget submissions.

[4] 2014 Budget Supplement
[5] CPEIR in the Asia-Pacific Region: What have We Learnt? – UNDP

To improve the focus on climate change and disaster risk management, these consultations should include a combined meeting with climate change and disaster risk management agencies to review, among other things, the trend in allocation versus the benchmark, the emphasis of climate change and disaster risk management programmes and new initiatives that can be considered.

Approval and Production

The CSB endorses the budget before it is tabled in Cabinet for approval. The Minister for Finance announces the budget and delivers the budget address in November. Budget documents are made available to the public when the budget is delivered by the MoF.

Budget Documentation

The budget documents include the Budget Speech, the Budget Estimates and the Economic and Fiscal Update commonly known as the Budget Supplement. The Budget Speech normally includes a chapter on priority sectors. The Budget Supplement contains the details of the economy, the fiscal position, the policies announced in the budget speech and the expenditures in priority areas. It also includes a medium term strategy that contains targets on aggregate revenue, expenditure, deficit and debt. The 2014 Budget Supplement highlights three cross cutting issues: poverty alleviation, development in rural and maritime areas and youth and sports.

Climate change and disaster risk management expenditures should be included as one of the cross-cutting areas in the Budget Supplement every year and as a priority area in the Budget Speech. These will provide data-driven milestones and demonstrate that climate change and disaster risk management is a priority area for all of government.

Budget Organization and Classification

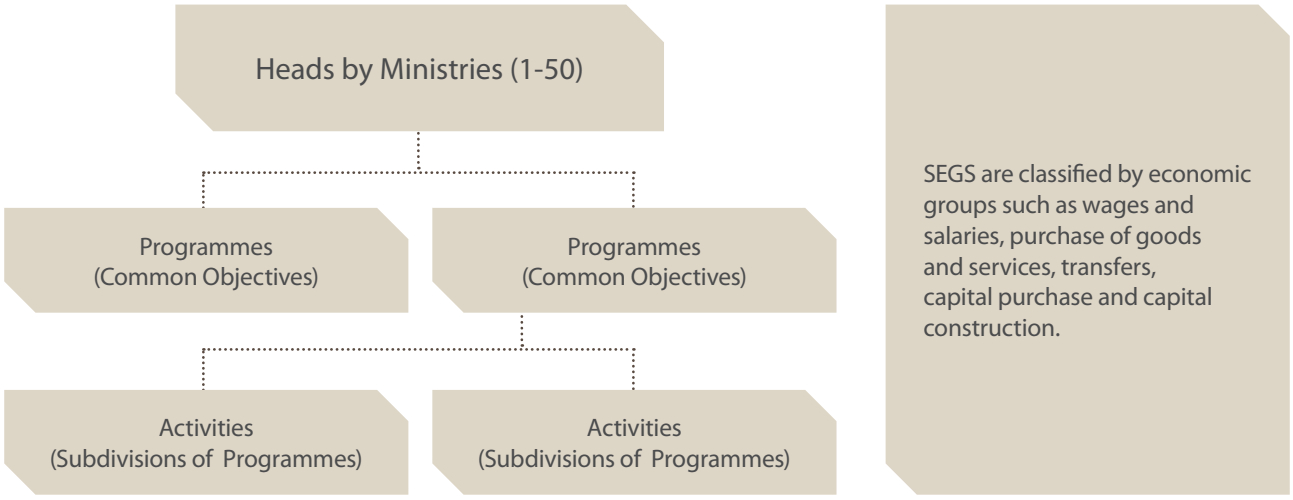
The budget is organized by administrative and economic classification, which is compatible with the International Monetary Fund's Government Finance Statistics (GFS).

In terms of administrative classification, it is organized by Heads that are the Ministries and under each Head are Programmes. Under each programme are Activities and under the summary of each Head is the Programme Statement that reflects the primary roles and responsibilities of each ministry or department. The Programme Statement also lists the ministries outputs that show the links to the overall targeted outcomes of government.

In terms of economic classification, the expenditures are classified into Standard Expenditure Groups (SEGs). The SEGs one to seven represent recurrent spending and SEGs eight to ten address capital expenditures. The budget includes capital expenditures that are funded by donors; it also indicates the staff compliment of each department. A below-the-line item in each program identifies aid-in-kind therefore, the information provided in the Budget Estimates is comprehensive.

Budget Organization and Classification

Figure 1.3: Budget Organization and Classification



Quality of the Public Financial Management System

Public Expenditure and Financial Accountability Assessment

As all public expenditures, including those on climate change and disaster risk management, flow through the PFM system; a strong PFM is critical to the achievement of national objectives. The central principle of PFM systems is that financial resources are limited hence prioritization is essential and implementation capacity must be taken into account. A robust PFM system will minimize waste and inefficiencies and improve accountability for how public monies are actually spent. In summary, a robust PFM system will raise the quality of spending and the delivery of government services.

In relation to climate change and disaster risk management, a robust PFM system will:

- Raise the confidence of development partners in Fiji's PFM and facilitate the provision of general budget support to Fiji, which has been absent until now.
- Facilitate the access to external financing of climate change and disaster risk management expenditures.
- Help achieve the required accreditation for a potential government NIE that will improve access to global funding for climate change and disaster risk management expenditures.
- Attract greater use of the national systems by development partners leading to higher efficiency and lower cost of compliance.

The strengths of the PFM are normally measured by independent assessments and reports. These include the external auditor and parliamentary reports for example, the Public Accounts Committee. An important independent external assessment is called the PEFA, a diagnostic check of all components of the PFM by a team of external experts at the end of which a score is given to each indicator of the assessment. The PEFA uses a prescribed global methodology supported by a dedicated secretariat at the World Bank. Many countries in the Pacific have undertaken at least one PEFA and few have done more than two. Fiji undertook an unofficial PEFA in 2005 and its first official PEFA in 2012. It should be cautioned however, even with a sound PEFA score, improvements can still be made to national budgetary and expenditure systems.

Credibility of the Budget

The budget allocation is a key indicator of the direction of government spending but this can vary significantly from the amount actually spent. One of PEFA's focus areas is the credibility of the budget in terms of both revenue and expenditure as an indicator of a strong PFM system and a robust budget formulation. Unspent allocations are inefficient as they tie up much needed resources; and it can indicate poor budgeting, inadequate management of the budget and weak planning and implementation capacity. On the revenue side, the overestimation of revenue can lead to serious cash flow shortages and disruption in project implementation.

The new FMA 2004 did not include provisions for any supplementary budget during the year. Therefore, changes in allocated expenditure are only possible through the redeployment of appropriated funds with the approval of Cabinet. Reallocation of expenditure realistically happens during the year due to shifts in priorities and unexpected crisis mainly in the areas of climate change and disaster risk management. Fiji regularly suffers from natural disasters like droughts, floods and cyclones. Contingencies put aside for disaster management under Head 50 of the budget are not meant to cover their full costs and, when disaster strikes, reallocation through redeployment are made during the year.

Table 1.2: Variation of Actuals from the Budget

Year	Total Revenue Plus Grants ($M)			Total Expenditure ($M)		
	Estimate	Actual	% Variation	Estimate	Actual	% Variation
2010	1,496.5	1,537.8	2.8	1,715.5	1,668.7	-2.7
2011	1,745.7	1,804.1	3.3	1,961.7	1,898.3	-3.2
2012	1,942.8	1,937.1	-0.3	2,077.9	2,013.7	-3.1

Source: Ministry of Finance

In the 2012 PEFA assessment, Fiji scored well on the credibility of the budget projection against actuals. Table 1.2 shows that revenue is generally underestimated and expenditure overestimated which may reflect the slow implementation of allocated spending. The variations are however, within reasonable range indicating good management and control of the budget.

Comprehensiveness and Transparency of the Budget

The 2012 PEFA assessment noted the budget documentations were comprehensive and were readily available to the public. Public expenditures can be narrowly defined as the central government expenditure as the budget excludes provincial, municipal councils, statutory bodies and State Owned Enterprises (SOEs).

The PEFA assessment therefore, identified the potential risk to government of the financial viability of the SOEs that are relatively large in the Pacific Islands because of the small economies. In Fiji, the large SOEs include the Fiji Electricity Authority (FEA), Fiji Airways, Fiji Sugar Corporation (FSC) and Water Authority of Fiji (WAF). The activities of most of these SOEs are relevant to climate change and disaster risk management. The financial risks faced by many of these SOEs like power generation and water supply can be severely multiplied by events associated with climate change and natural disasters. The 2012 PEFA assessment stressed that it is essential that consolidated risks reports of these SOEs are periodically prepared and submitted to Cabinet.

The 2012 PEFA assessment report concluded that Fiji's PFM system is "centered on a set of relatively advanced budget and financial management rules and structures around a clear legislative framework, and the rules are well-documented. Compliance with these rules and processes in many areas is high. Critically, there is a key break in the accountability chain, through the lack of effective legislative oversight, which hinders the ability of external stakeholders to hold managers to account for both financial and non-financial performance"

Policy-Based Budget

The RDSSED for 2009 – 2014 is supported have sector plans and policies like the NCCP. However, none of these plans and policies have been its costs identified. The 2012 PEFA assessment noted that the alignment of national policies and plans to the budget allocation needs to be strengthened. With the scarcity of financial resources, national plans and policies need to be prioritized across central agencies that contribute to climate change and disaster risk management. However, there is little coordination between these agencies in the prioritization and coordination of budget submissions and as a result, central agencies on climate change and disaster risk management operate individually in developing project proposals for the next financial year.

The 2012 PEFA assessment highlighted that the link of allocation to policies can be facilitated by forward planning. There are no multi-year expenditure projections in the central agencies on climate change and disaster risk management hence budgeting is limited to an annual time horizon; this creates several disadvantages: it does not facilitate forward project planning and resource mobilization and it affects budgeting and the availability of donor support. Ultimately, it slows down achieving the objectives in national plans. In consultation with the relevant line ministries, the CCD and NDMO should coordinate the preparation of a multi-year budget framework of climate change and disaster risk management projects that should be fully costed. Such a plan would facilitate robust budget submissions and attract greater donor support.

Predictability and Control in Budget Execution

The 2012 PEFA assessment noted aggregate fiscal discipline appears to be quite strong. On the revenue front, the assessment noted that recovery of tax arrears is often problematic and the reconciliation of tax accounts and tax audits should be systematically undertaken. At the same time, exemptions to competitive bids on procurement and the lack of public information should be addressed. The assessment noted that the recent introduction of ministry expenditure ceilings and the strengthening of controls on expenditure commitments have improved budget management. Adequate budget controls and efficient processes will facilitate greater access to funding for climate change and disaster risk management.

Accounting, Recording and Reporting

The 2012 PEFA assessment noted that budget execution reports and annual financial statements are prepared in a timely fashion and data quality is acceptable. However, there are sometimes delays to the finalizing of financial statement. The completeness and timeliness of accounts reconciliation, including payroll, bank/drawing accounts and advance accounts need to be improved.

External Scrutiny and Audit

On audit, the 2012 PEFA assessment noted that audit reports need to be submitted to Cabinet on a timely basis and that there is no systematic follow up on audit recommendations. There is also a backlog of audit reports for the review by the Public Accounts Committee (PAC) of Parliament.

CHAPTER 2
Budget Analysis

Major Observations

- Government allocation to capital spending has significantly increased and is expected to continue to rise in the future. It is therefore, reasonable to expect an increase in total government spending on climate change and disaster risk management.
- Unlike many countries in the region, Fiji's reliance on donor funding is low with only 0.7% of its revenue coming from cash grants. Most of its capital spending is funded through domestic loans. Government rather than donors provide most of the funding for climate change and disaster risk management.
- The alignment of donor assistance to government priorities need to be strengthened.
- The reforms of the PFM system explained above would facilitate the provision of general budget support to Fiji and the greater use of national systems by donors.
- The PEFA scores on the donor indicators are low due to poor regular reporting to government by donors including those on climate change and disaster risk management.

Recommendations

- Development partners to better align their assistance to government priorities to accelerate the achievement of Fiji's national goals on climate change and disaster risk management.
- Consolidation of the approaches by the ODA Unit at the MOF, the PMO and MFAIC to manage donor-funded projects to bring greater cohesion and coordination.
- Development partners to consult and coordinate with each other on their approach to climate change and disaster risk management in Fiji.
- The ODA Unit of the MoF to coordinate with development partners' to fund the delivery of climate change and disaster risk management programmes.

Total Budget Expenditure

Under the medium term fiscal framework, the size of the Government of Fiji as measured by the ratio of total expenditure to GDP is expected to shrink from its current level of 35% to 33% in 2016. The bulk of total expenditure is for recurrent spending accounting for about 64% of the total. Government's target is to raise the proportion of development spending in the medium term. As a result, the allocation to capital has increased significantly in the 2014 budget to 36% (Table 2.1) of the total budget compared to previous years when it hovered at 20%. Under this policy, the budget allocation to climate change and disaster risk management would increase with the rise in capital spending.

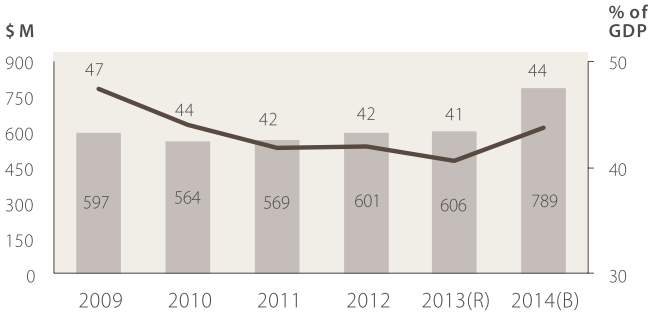
Table 2.1: Mix of total budget expenditure

Percentage	2007	2008	2009	2010	2011	2012	2013 (RE)	2014 (B)
Operating Expenditure	86	85	79	79	73	73	68	64
Capital Expenditure	14	15	21	21	27	27	32	36

RE – Revised Estimate; B – Budget
Source: Ministry of Finance

Recurrent Expenditure

Figure 2.1: Personnel Costs 2009 - 2014



Like many countries in the Pacific, the major component of recurrent spending in Fiji is wages and salaries, which account for 44% (Figure 2.1). While this ratio compares favorably to those in the region, it has increased significantly in 2014. Wages and salaries were previously set by the Public Service Commission (PSC). Under the new Constitution, the Permanent Secretary of each ministry, with the agreement of the Minister responsible, has the authority to determine salaries and benefits of its employees.

Capital Expenditure

Capital expenditures are mostly funded through loans. The bulk of the expenditures considered relevant to climate change and disaster risk management are capital in nature. However, donor funded projects within government are being handled in three separate places: the ODA Unit at the MOF, the PMO and MFAIC. The consolidation of this role will bring greater cohesion and coordination.

In the budget process, capital project proposals that are partly or fully funded by donors are submitted to the ODA Division of the MoF. These donor funded projects are presented to BACC for approval. The Permanent Secretary for Finance chairs the BACC with the membership of the Permanent Secretaries in the PMO, MFAIC and the Public Service. The ODA Division of the MoF is the Secretariat of the BACC.

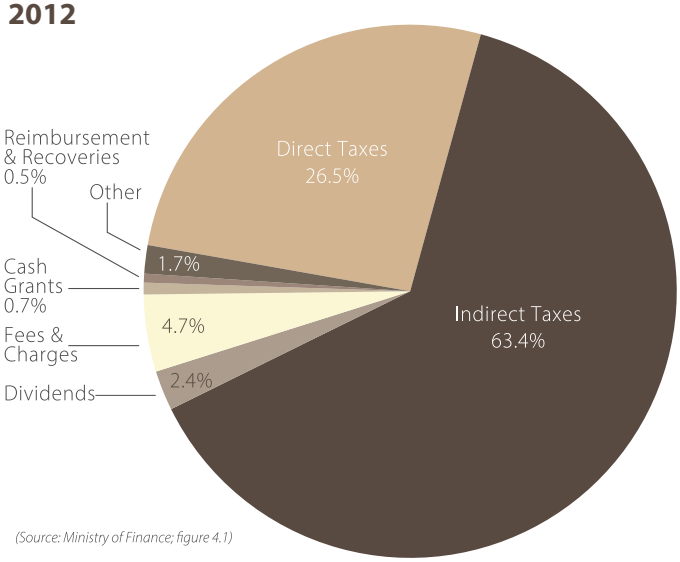
One of the greatest challenges in the implementation of capital projects in Fiji is the lack of project management skills. Retention of specialized skills is poor due to the demand from outside government and abroad. While this will remain a long-term issue, the design of climate change and disaster risk management projects should take this into account and have necessary plans to acquire short term experts and include these costs in the budget. The opportunity costs of allocating resources without the capacity to implement projects are high and should be avoided.

Revenue

In a prudent budgeting framework, revenue must drive expenditure. Spending more than the revenue collected will lead to debt. At the same time, overtaxing the private sector will discourage investment, production and hard work, which will lead to reduction in economic activity and ultimately lower revenue collections. The budget strategy must delicately balance the two competing factors.

The collection of taxes in Fiji is undertaken by the Fiji Islands Revenue and Customs Authority (FIRCA), which is a statutory body, established under its own Act. The FIRCA is governed by its own Board of Directors who is appointed by the Minister for Finance.

Figure 2.2: Composition of Operating Revenue - 2012



(Source: Ministry of Finance; figure 4.1)

The major component of revenue is taxation. Over the years, there has been a concerted move towards indirect taxes like Value Added Taxes (VAT) and away from direct taxes like income tax. Direct taxes account for only 26% of operating revenue while indirect taxes make up 63% and this ratio is expected to rise further in 2014 (Figure 2.2). VAT is currently levied at 15% and is the major source of taxation followed by border taxes i.e. mainly custom duties. Other taxes are service turnover, departure and water resource. Unlike many Pacific Island countries, cash grants in Fiji is a small proportion of total revenue contributing only 0.7%. Taxes collected from climate change and disaster risk management related activities would be concentrated in direct taxes mainly custom duties on fossil fuels and other related imports.

Financing the Budget

Fiji finances its budget deficit mainly through borrowing from the local capital markets by the flotation of medium and long term bonds. These bonds are well subscribed with the Fiji National Provident Fund (FNPF), a superannuation body and major subscriber. Insurance companies and to a less extent commercial banks also participate. Short-term treasury bills are periodically floated to cover temporary cash flow shortfalls.

Fiji also borrows from offshore to finance its budget deficit. Fiji is classified as a low-middle income country and therefore does not qualify for concessional loans from the ADB and the World Bank. Recently, most of the offshore borrowing is from the People's Republic of China which extends loans on concessional terms to Fiji. In the last eight years, Fiji is the only Pacific Island country that has accessed the global capital market through two bond placements. These placements were well subscribed by international investors. Fiji has established a sinking fund for the repayments of these international bonds.

Government Debt

Domestic debt continues to make up the largest proportion of total debt. Domestic debt to GDP is currently at 35% of GDP and external debt is at 14%. The proportion of external debt to total debt has however grown to 30% in 2013 from below 10% just seven years ago. The borrowing from the international capital market and China has raised the level of foreign debt in recent times. (Table 2.2)

Table 2.2: Composition of Government Debt

	2009	2010	2011	2012	2013 (P)
Domestic Debt ($m)	2,605.0	2,834.7	2,734.4	2,744.0	2,744.2
Domestic Debt (% of total)	83.2	83.8	76.7	74.6	71.7
External Debt ($m)	527.2	548.5	832.1	935.5	1,081.1
External Debt (% of total)	16.8	16.2	23.3	25.4	28.3
Total Debt	3,132.2	3,383.2	3,566.5	3,679.5	3,825.3
Debt (as a % of GDP)	55.8	54.7	54.5	53.4	49.1
Domestic Debt to GDP (%)	46.4	45.8	41.8	39.8	35.2
External Debt to GDP (%)	9.3	8.8	12.6	13.5	13.8

Source: Ministry of Finance
(P): Projected

Most of the climate change and disaster risk management expenditures are funded from domestic and foreign loans.

The level of external debt servicing has grown to $69 million in 2013 from $45 million in 2009 (Table 2.3). The spike in external debt servicing in 2011 was due to the repayment of the first issue of international bonds.

Table 2.3: External debt servicing

	2009	2010	2011	2012	2013
Total External Debt	527.5	548.5	832.1	935.5	1,081.1
Total External Debt Servicing	45.6	41.3	334.2	65.5	69.3
o/w Principal Payments	21.2	17.6	291.1	19.3	19.7
o/w Interest Payments	24.4	23.7	43.1	46.3	49.6
External Debt to GDP ratio (%)	9.4	9.1	12.7	13.6	13.9

Source: Ministry of Finance

The issue of providing debt relief or concessional terms of borrowing to more vulnerable countries is a continuing topic of discussion at the international forums. Financial and economic shocks as well as those arising from climate change and natural disasters can place countries like Fiji in debt distress. This has called for solutions to link debt relief to climate change mitigation and adaptation schemes.

Development Partners

One of the major differences of Fiji's PFM system from other Pacific Island countries is that its budget dependency on donors is relatively small. Aid in kind makes up 90% of total ODA in Fiji (Table 2.4). The major bilateral development partners that support the government capital expenditure program are China, the European Union (EU), the Australian Government, the New Zealand Government and the Japanese Government through the Japan International Corporation Agency (JICA).

Figure 2.4: Total ODA 2012 - 2014

Assistance	2012		2013		2014 (B)	
	($M)	%	($M)	%	($M)	%
Cash Grants	18.0	12.8	15.7	9.1	9.5	9.2
Aid In Kind	122.0	87.2	157.8	90.9	94.2	90.8
Total ODA	140.0	100	173.5	100	103.7	100

Source: Ministry of Finance; (B): Budgeted

In the Pacific region, there is a trend toward general budget support that is not tied to projects. This is preferred by the small island countries in the Pacific as it affords them flexibility in the use of this modality to fund their national priorities including those in the areas of climate change and disaster risk management. The EU, ADB and World Bank, among others, have provided general budget support to several countries in the region.[6] However, Fiji has yet to receive general budget support; a robust PFM and the general elections scheduled for late 2014 may catalyze the provision of this kind of support.

Development partners highlight the importance of a demand driven partnership. The alignment of donor funding to government priorities is therefore a relevant development issue. In an effective partnership platform, development partners select their preferred programs from government's menu of priorities. This ensures a greater harmony of assistance resulting in a more efficient allocation of resources; this alignment needs to be strengthened in Fiji.

According to the most recent data available from the 2011 Paris Declaration Monitoring Survey, 45% of aid disbursed overall is managed by the use of national systems. From the consultations on Fiji's CPEIR, the figure for Fiji is lower than this global average. The 2012 PEFA assessment noted that donor practices were weak in particular the provision of financial information for budgeting and reporting purposes and the use of national systems. These national systems refer to procurement, banking and accounting. The use of national systems avoid dealing with multiple donor practices, promote efficiencies and prevent duplication. The credibility and the confidence in the PFM system play an important role in the use of national systems by development partners. Efforts by government to improve their PFM would promote greater use of national systems by development partners.

Delays in the release of donor funding contributes to the delay in capital project implementation including those on climate change and disaster risk management. While it is to be expected that donors have to abide by their own systems, complying with all these requirements by government can be time consuming particularly when resources are small and already stressed. Considerable gains could be made if common reporting forms are developed that can satisfy all donors.

Coordination between development partners and the Fiji Government is working well and project review meetings with individual donors are held twice a year. A donor forum with government was convened for the first time in 2013 and it is expected to continue in the future. Donor's sectoral meetings are also convened annually. These forums provide government the opportunity to inform development partners about its strategies and policies. At these meeting, the two parties should table and resolve issues of common interests; closer coordination between government and donors will facilitate access to funding for climate change and disaster risk management expenditures.

[6] Some countries that have received general budget support are Solomon Islands, Tonga, Samoa and Cook Islands

Box 2.1: CASE STUDY ONE

Ecosystem Based Adaptation to Climate Change: An Approach for Community in Yadua Island, Bua.

Objective: Promote community resilience to climate change through an Ecosystem-based Adaptation program at Yadua Island, a small island with an area of 1378 hectares located between the main islands of Viti Levu and Vanua Levu.

Budget: The project was funded by the United Nations Development Programme (UNDP) Global Environment Facility (GEF) Small Grants Programme with the total amount of US$37,600.

Implementation: The project was implemented in 2012. The project partners included the Department of Agriculture, Department of Fisheries and Forestry, Conservation International, Mamanuca Environment Society, World Wildlife Fund, SeaWeb and i-Taukei Affairs Board.

Outcome: The project ensured ecosystem services are maintained, availability of natural resources source of food and livelihoods, and the preservation, restoration and conservation of biodiversity.

Lesson Learned: Some of the lessons learned from this project were as follows:

- Effective coordination from different stakeholders including government and local communities
- Co-financing with other stakeholders
- Financial compliance and reporting to donor can be an exhausting task; it requires a full time dedicated person.

Source: GEF SPG, Fiji 2013

CHAPTER 3
Expenditures on Climate Change and Disaster Risk Management

Major Observations

- As a share of GDP, Fiji's total spending on climate change and disaster risk management is expected at 1.26% of GDP and 1.08% of GDP respectively in 2014 and government spending as share of total expenditure on climate change and disaster risk management is 3.6% and 3.1% (recurrent and capital) in the same period. These figures are at the low end of the range of similar ratios in other countries. However, data coverage has a significant influence on the level of these ratios.
- If data on SOEs and the local governments are included, the proportion of public expenditure on climate change and disaster risk management to total expenditure will be higher.
- The amount that government spends on climate change and disaster risk management is bound to increase as government aims to continue increasing capital spending.
- The distribution of expenditures on climate change is heavily skewed toward adaptation, reflecting the national focus in this area. Spending on climate change mitigation has remained low in the last five years.
- The distribution of expenditure on disaster risk management is predominantly on risk reduction. However, the expenditures on disaster management have increased in recent years, reflecting the regular occurrences of natural disasters in Fiji.

Recommendations

Opportunities for integrating climate change and disaster risk management expenditure in the national budget process:

- FMIS of the MoF to permanently code the classification of climate change and disaster risk management in the budget and train departments on how to apply these codes as they prepare for the 2015 budget submission.
- The MoF to issue a finance circular to ministries and departments to classify climate change and disaster risk management expenditures before they submit their bids to the ministry.
- The MoF to lead a team made up of the CCD, NDMO, Department of Energy and Fiji Meteorological Service to weight the expenditures generated from the FMIS database in accordance with the CPEIR methodology tailored for Fiji's context.

Opportunities to capture climate change and disaster risk management expenditure outside the government budget:

- The MoF to coordinate inputs from relevant ministries for reporting on climate change and disaster risk management expenditures that include development partners, state-owned enterprises, local government and private sector.
- The ODA Unit in the MoF to maintain a central database on national climate change and disaster risk management expenditures in the budget and outside the budget.

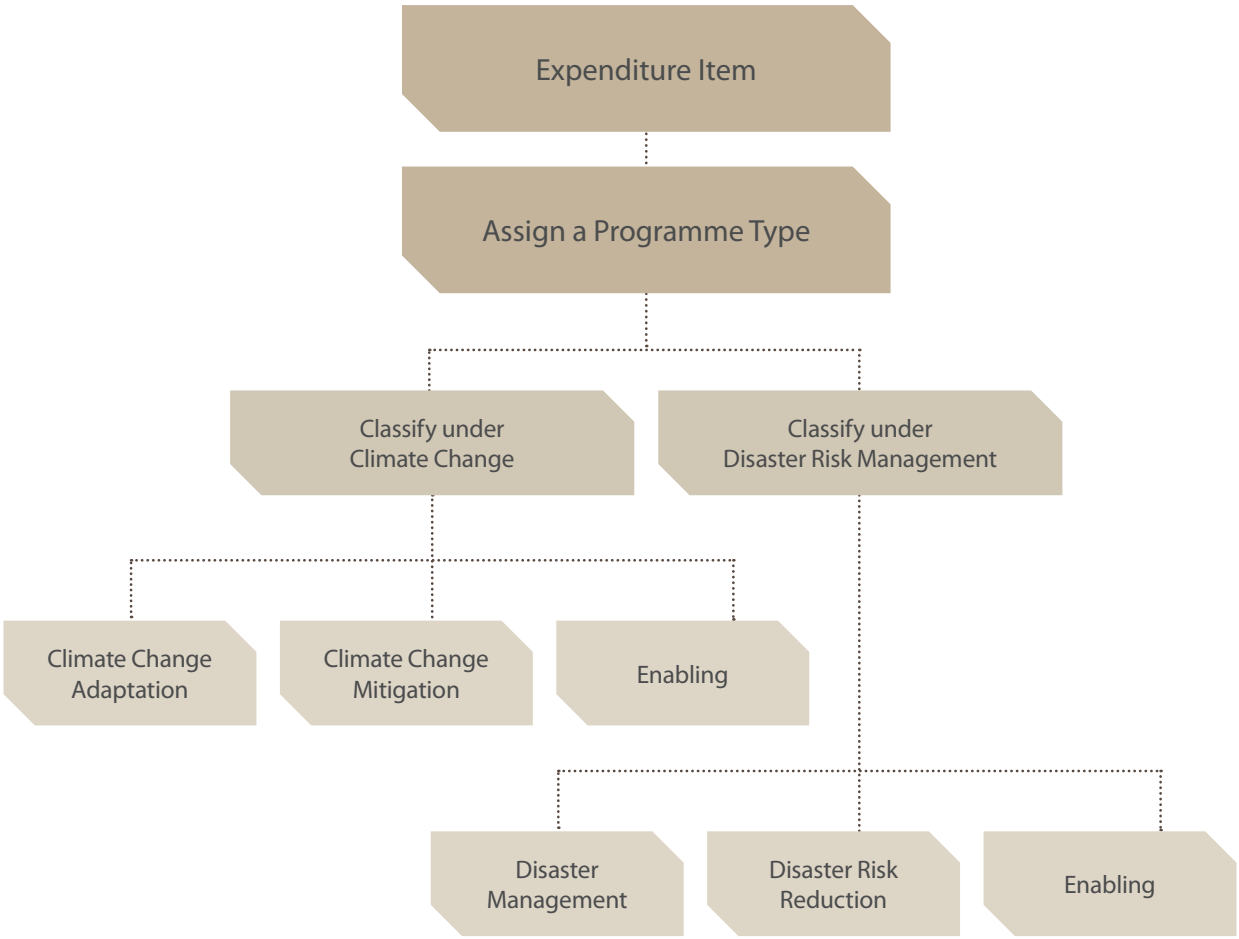
Coverage

The coverage of expenditures that are relevant to climate change and disaster risk management goes beyond the government budget. It also includes the relevant expenditures by local governments, SOEs, NGOs, CSOs and the private sector. However, while data on government spending can be obtained from the budget, climate change and disaster risk management expenditures outside the budget are generally not available. These 'off budget' expenditures can be significant in the total that Fiji spends on climate change and disaster risk management. The amalgamation of budget expenditures and those outside the budget will need to avoid double counting. This CPEIR analysis focuses primarily on the budget expenditure; this will underestimate the national level of spending on climate change and disaster risk management.

Classification Framework

The methodology employed for the expenditure classification in the Fiji CPEIR is in line with the CPEIR methodology developed by UNDP and the World Bank, with some variations reflecting national processes[7]. A third category called Enabling has been added to both climate change and disaster risk management classification to reflect policy development and planning.

Figure 3.1: The Framework for Expenditure Classification



[7] Bird et al. 2012, The Climate Public Expenditure and Institutional Review (CPEIR): A Methodology to Review Climate Policy, Institutions and Expenditure

Using the CPEIR methodology, the climate change related expenditures were classified as Climate Change Mitigation (CCM) – reducing greenhouse gas emissions and Climate Change Adaptation (CCA) – increasing resilience to climate change and enabling such as strengthening capacities. Likewise, expenditures related to disaster risk management are classified as Disaster Management (DM), Disaster Risk Reduction (DRR) and Enabling. Expenditure can be classified to more than one classification within a group or even across the two groups.

Each expenditure is accorded a degree of relevance under the classifications assigned to it that depends on the nature and intention of the expenditure. The degree of relevance of the expenditure is ranked high (H), medium (M) or low (L) (Table 3.1).

Table 3.1: Fiji Climate and Disaster Risk Management Weighting Framework

High	Rationale	Clear primary objective of delivering concrete and visible outcomes that improve CCM, CCA, DM and DRR
	Examples	Climate change policy and climate planning Reducing emissions from deforestation and forest degradation Disaster risk and mitigation, disaster rehabilitation fund Renewable energy and energy efficiency Drainage and flood protection
Medium	Rationale	Having (i) secondary objectives addressing CCM, CCA, DM or DRR or (ii) mixed programmes with a range of activities that are not easily separated but include at least some that support CCM, CCA, DM and DRR actions
	Examples	Biodiversity enhancement Watershed management Maintenance of irrigation schemes Control and protection of pollution and waste management
Low	Rationale	Activities that display attributes which indirectly support CCM, CCA, DM or DRR actions
	Examples	Environment programme Environmental planning, management and development control Fiji National Biodiversity Action Plan Upgrading of outer island stations

Weights are then assigned to reflect the degree of relevance. Those of high relevance are assigned a weight of 80%, those with medium relevance 50% and those with low relevance 25%. Fiji's weighting system drew from those used in other Asia-Pacific countries and were discussed and confirmed at the first national workshop. Where a single expenditure impacts more than one classification, the relevance to each area is reflected in the weight assigned to it.

Programmes

They are assigned a programme type to group expenditures into their common purposes; the programme types adopted for Fiji together with their indicative level of relevance is tabulated below in Table 3.2.

Table 3.2: Programme Types

Programme Type	Climate Change	Disaster Risk Management
Renewable Energy	H	L
Forestry	H	L
Disaster Management	L	H
Water Supply / Quality	M-L	L
Biodiversity / Conservation	M	L
Rural Development	M-L	M
Agriculture	H-M-L	L
Climate Proofing	H	H
Relocation	H	H
Ecotourism	M	M
Health (Climate Sensitive)	H	M
Health General	L	M
Climate Planning	H	M
General Planning	L	L

Government Expenditure on Climate Change and Disaster Risk Management

The core entities in government are directly involved in climate change and disaster risk management include the CCD, NDMO, Department of Environment, Department of Agriculture, Department of Fisheries, Department of Forests, Department of Energy and Metrological Services. These agencies come under different ministries, including the MFAIC, Ministry of Rural and Maritime Development, the Ministry of Local Government, Urban Development and Environment, Ministry of Primary Industries and Ministry of Works, Transport and Public Utilities respectively. The budget for these core agencies are scattered under the relevant ministries. The expenditures deemed relevant to climate change and disaster risk management is however not confined to the core agencies mentioned above. Expenditure in all ministries and departments across government may also impact climate change and disaster risk management in varying degrees of relevance.

The government budget does not currently classify expenditures as climate change and disaster risk management and these have to be done manually where each budget expenditure is extracted, examined and classified. With large projects, the contract documents should be referenced to determine the relevance and the weighting of the expenditure. The manual abstraction and tracking of climate change and disaster risk management expenditure in the national budget is time-consuming, prone to errors, inconsistent and run the risk of not being updated yearly.

It is therefore, recommended that the FMIS of MoF develop a budget code to classify climate change and disaster risk management expenditures in the budget. This coding system can also be applied to capture other cross-cutting issues like poverty alleviation. The MoF will need to issue a Finance Circular to ministries and departments to apply these codes and classify climate change and disaster risk management expenditures before they submit their bids. Furthermore, these classified expenditures

will need to be weighted and the MoF should lead a team made up of the CCD, NDMO, Department of Energy and Fiji Meteorological Service to weight the expenditures generated from the FMIS database in accordance with the CPEIR methodology explained above.

The budget data[8] for the whole of government for 2009 to 2014 was classified and weighted. Actual data was available for 2009 to 2012 and the budget estimates were used for 2013 and 2014.

Expenditures on Climate Change and Disaster Risk Management outside the Budget

The expenditure on climate change and disaster risk management is potentially much higher than what is captured in the government's budget and there may be significant amounts spent outside the government budget. The intention is to increase the coverage of expenditures to other off-budget expenditures (e.g. development partners, local governments, SOEs and the private sector).

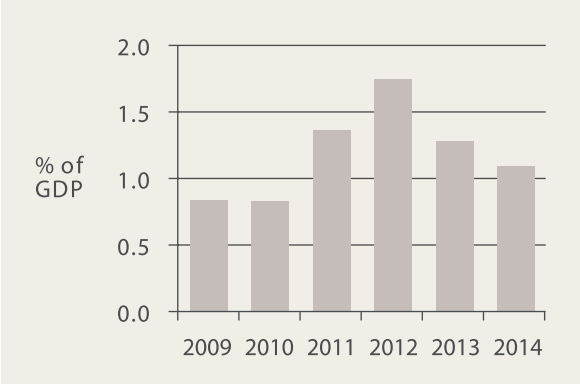
The above system of data collection will allow the ODA Unit in MoF to maintain a national database on climate change and disaster risk management expenditures by all sectors. This database will greatly facilitate future analysis of the scope, direction and quantity of the national expenditures within and outside the budget on climate change and disaster risk management, which will inter alia provide evidence on where climate finance is being allocated

Contribution of Climate Change and Disaster Risk Management Expenditures to the Country

As a share of GDP, the total climate change expenditure has marginally increased from 1.15% in 2009 to around 1.26 % in 2014 (Figure 3.2). Likewise, the share of disaster risk management expenditure has shown similar trend rising from less than 1.0 percent in 2009 to 1.08 percent in 2014 (Figure 3.3). The climate change ratio is relatively low compared to other countries, ranging from 0.5% in Thailand to 6.9% in Cambodia. Samoa's ratio to GDP is at 6%. However, international comparison is difficult due to differences in data coverage. The slow increase in Fiji's ratio over the last five years may reflect the direction of capital spending by government in other economic and priority sectors other than climate change and disaster risk management. It is expected that this ratio will rise as the data coverage expands to SOEs and local governments.

Figure 3.2: Total Climate Change Expenditure as Ratio of GDP

Figure 3.3: Total Disaster Risk Management as Ratio of GDP



[8] Total Capital Expenditure Data was adopted for the purpose of this analysis

Government spending deemed to be relevant to climate change continues to rise steadily as a share of total expenditure from around 3.4% in 2009 to 6.6 percent in 2011 before declining to 3.6 percent in 2014 (Figure 3.4). As shown in (Figure 3.5), government spending on disaster risk management also rose steadily from 2.5 percent in 2009 to 3.1 percent after peaking at 6.0 percent in 2012. This ratio compares to the low of 2.7% for Thailand and a high of 16.9% for Cambodia. Samoa expenditure was at 15% of total government spending. Again, data coverage has a major influence on these ratios. Government expenditure on climate change and disaster risk management has risen from $65 million in 2009 to $104.1 million in 2014 and $47.5 million in 2009 to $89.4 million in 2014 respectively.

Figure 3.4: Share of Climate Change in Total Expenditure 2009 – 2014

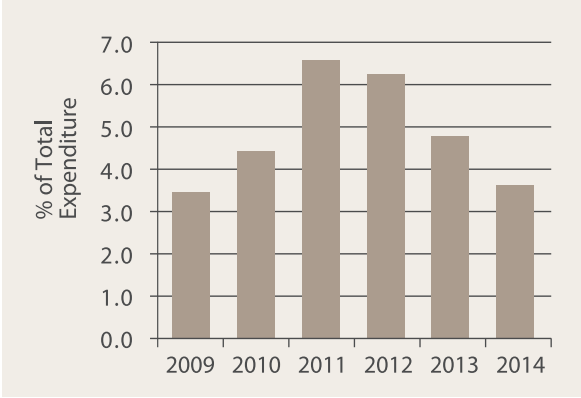
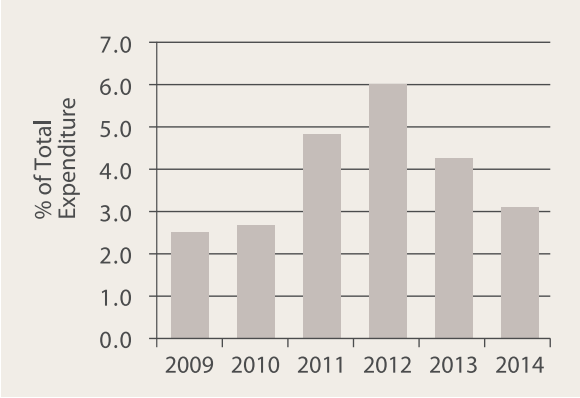


Figure 3.5: Share of Disaster Risk Management in Total Expenditure 2009 – 2014



Distribution of Climate Change and Disaster Risk Management Expenditure

The bulk of the expenditure on climate change is directed towards adaptation activities. Expenditures on mitigation have stayed relatively small throughout the last five years. This pattern reflects the national focus on adaptation.

Adaptation expenditure rose from $64 million in 2009 to $98 million in 2014 (Figure 3.6). Most of the projects for adaptation are in primary industries and environmental projects. The mitigation expenditures are largely in the energy sector reflecting government focus on promoting renewable energy as a substitute for fossil fuel, which will not only reduce carbon emissions but also decrease the high import bills.

Figure 3.6: Total Climate Expenditure by Classification 2009 - 2014

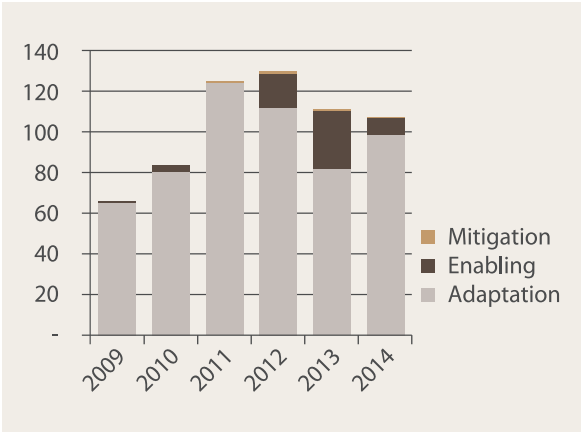
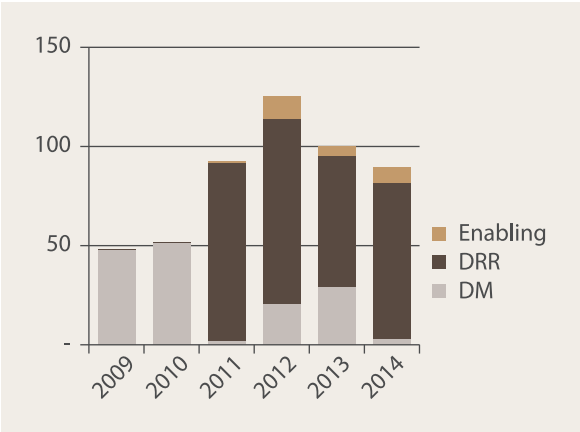


Figure 3.7: Total Disaster Risk Management Expenditure by Classification 2009 – 2014



The expenditures on disaster risk management are significantly skewed towards disaster risk reduction activities. In absolute terms, disaster risk reduction expenditure increased from around $38 million in 2009 to almost $64 million in 2014 (Figure 3.7). The disaster management-related expenditure has also risen from $10 million in 2009 to some $28 million in 2013. The volatility in disaster management expenditure reflects the occurrence of natural disasters in Fiji.

Box 3.1: CASE STUDY TWO

Promoting Sustainability of Renewable Energy Technologies and Renewable Energy Service Companies in Fiji

Objective: To promote the sustainability of renewable energy technologies and renewable energy service companies in Fiji.

Budget: The Project was supported by allocations from the GEF via UNDP (US$740,000), the Fiji Department of Energy (approximately US$110,000), and Japan (US$600,000).

Implementation: Operations began in January 2001 and was expected to complete in August 2003. However, due to delays, the project was not completed until 2010. The project was implemented by Department of Energy and supported by UNDP, JICA, Clay Engineering, Powerlite Ltd, Renewable Energy Service (RES) Fiji Ltd Consultants and the communities in Nabouwalu, Korokadi and Vunivau.

Outcome: The main outcomes of this project were: i) an effective government-adopted institutional and management policy framework in place for RES companies to have a major role in renewable energy-based rural electrification; ii) one RES company competitively selected to operate the Nabouwalu Hybrid System and other villages with solar lighting systems; iii) increased information and awareness of renewable energy systems; iv) improved in-country capabilities in all technical and business aspects related to renewable energy systems for the rural sector; v) improved assessment of renewable energy resources.

Lesson Learned:

- Projects can demonstrate the effectiveness of policy levers: The project was able to influence government policies by paving the way toward Cabinet approval of the new rural electrification policy.
- Engineering and technology choices must be context specific: The project planners assumed that Nabouwalu-type Hybrid Systems would be a technically and economically viable means to extend electrification to remote communities using renewable energy. Unfortunately, this type of technology was not practical for the communities.
- Coordination among all stakeholders is critical: Coordination, joint review, and integration of the international experts' outputs should be streamlined and integrated into the project.

Source: Project Document, UNDP

CHAPTER 4
Policy Analysis on Climate Change and Disaster Risk Management

Major Observations

- The RDSSED 2010 - 2014 does not adequately address climate change and disaster risk management and thus does not provide clear signals that all other plans, such as Annual Corporate Plans and Business Plans, should address climate change and disaster risk management.
- The government has identified several cross-cutting issues in its national development plans and budget that includes poverty alleviation. The climate change and disaster risk management can be included as a cross-cutting issue.
- The issues of climate change and disaster risk management are not considered into all levels of planning, strategies and policies in government so as to elevate their importance, improve access to funding and widen awareness.
- The Fiji Revenue and Customs Authority (FRCA) offers a range of tax incentives to encourage the production of renewable energy and bio fuels. It also offers tax incentive on contribution to a disaster relief fund. The effectiveness of these incentives could be a subject of future study.
- Fiji has undertaken a few public-private partnership projects and the potential for this modality could be enhanced by an appropriate set of incentives to encourage private sector funding of climate change and disaster risk management related expenditures particularly in power generation.

Recommendations

- Include climate change and disaster risk management as cross-cutting issues into the National Development Plan.
- Include climate change and disaster risk management as cross-cutting issues into Annual Corporate Plans.
- Review and update the NDM Act (enacted in 1998) and NDM Plan (developed in 1995 and reviewed in 2006).
- The CCD, NDMO, Department of Energy and Fiji Meteorological Service is working with the Solicitor-General's office to draft the laws that will implement the NCCP and the revised NDM Act.
- Seek Cabinet approval for the NCCCG.
- Strengthen the implementation of the IRDF to include climate change and disaster risk management activities.
- The MoF to include an analysis and table on climate change and disaster risk management expenditures in the Budget Supplement every year and include climate change and disaster risk management in the priority areas of the Budget Speech.
- The Cabinet Office to issue a circular to all ministries and departments that project proposals submitted for Cabinet's consideration should clearly identify how they address current and future climate change and disaster risk issues, and how the relevant consultation that the project has gone through.

Numerous policies and plans shape Fiji's approach on climate change and disaster risk management for example, international conventions such as the UNFCCC provide global opportunities to access technical, financial and capacity building support; national policies like the NCCP and NDMA provide direction and local level initiatives provide support for the implementation of activities.

However, a key challenge is that the policies and plans are at different stages of implementation. Access to resources, partnerships and delivery of activities is hampered by the lack of coordination and alignment of priorities for example, the RDSSED 2010 - 2014 does not adequately address climate change and disaster risk management and thus does not provide clear signals that all other plans, such as ACPs and Business Plans, should do the same. Without climate change and disaster risk management addressed in the overarching strategy for the country, it is difficult to ensure coordination among government ministries. Likewise, Fiji has great potential to optimize its use of international mechanisms such as those under the UNFCCC, but it will be necessary to further enhance the policy, financial and institutional frameworks that shape how Fiji addresses climate change and disaster risk management.

This policy chapter of the CPEIR outlines the policy landscape at the international, national and local levels. It is meant to provide an overview of measures are relevant for Fiji and present some opportunities to promote coherence and greater effectiveness.

International Conventions

Rio Conventions

Fiji is a signatory to international climate change agreements and conventions, including the UNFCCC, Kyoto Protocol, United Nations Convention to Combat Desertification (UNCCD) and United Nations Convention on Biological Diversity (UNCBD). The country's commitments at the international level have prompted national and sub-national policies and initiatives to address climate change and disaster risk management.

Hyogo Framework for Action

Fiji is implementing the adopted Hyogo Framework for Action (HFA) 2005 - 2015, an International Strategy for Disaster Reduction that highlights the importance of pursuing a multi-stakeholder approach; a strong call on states and international and regional organizations, including financial institutions to integrate disaster risk reduction considerations into sustainable development policies, planning, and programming at all levels. This international framework lays the foundation to develop the Pacific Disaster Risk Reduction and Disaster Management Framework for Action.

National Climate Change and Disaster Risk Management Policies and Plans

Roadmap for Democracy and Sustainable Socio-Economic Development

As mentioned previously, the most significant national plan in Fiji is the RDSSED 2009 – 2014. It sets out a strategic framework to achieve sustainable democracy, good and just governance, socio-economic development and national unity. The roadmap emerges from the PCCPP aimed at rebuilding Fiji into a non-racial, culturally vibrant and united, well governed, democratic nation; a nation that seeks progress and prosperity through merit-based equality of opportunity and peace. The RDSSED concludes at the end of 2014 and will be replaced by a new national development plan.

All government ministries align their ACPs to the pillars reflected in the RDSSED. From the ACPs, divisions create business plans to implement the goals of the ministries; the RDSSED sets the direction across government. Currently climate change and disaster risk management are mentioned generally in the RDSSED but not included as a specific goal with a measurable result. The only key performance indicator for climate change is the registration of Clean Development Mechanism (CDM) projects. While this is a good start, there is no mention of climate change and disaster risk management beyond this mitigation perspective.

It is critical for climate change and disaster risk management to be included in the new plan as cross-cutting issues with specific and measurable targets. This will help integrate the issues of climate change and disaster risk management into all levels of planning, strategies and policies in government and provide clear and consistent signals to include as focus areas in all other plans, such as the ACPs and Business Plans. Including climate change and disaster risk management in the RDSSED will elevate their importance, ensure that they are prioritized in the mandates of ministries, improve access to funding and widen awareness.

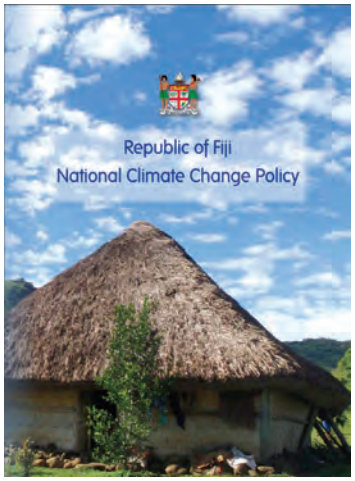
National Budget Supplement and Speech

The national budget is the major fiscal tool government uses to execute its policies including those on climate change and disaster risk management. The national attention on the Budget Speech and the budget allocation is much higher than any other event. The Budget Speech and some of its related fora are carried live on national television and radio. Recognizing the growing importance of climate change and disaster risk management in Fiji, government should include climate change and disaster risk management as priority sectors in the Budget Speech and Budget Supplement.

National Climate Change Policy

The National Climate Change Policy framework was developed in 2007 that defines the position of government in addressing climate change, climate variability and sea level rise. The framework identifies various stakeholders and defines the responsibilities of the stakeholders; it was reviewed in 2011 to reflect current and emerging climate change issues at the local, national and international level and this resulted in the development of the NCCP 2012.

The NCCP is linked to the Pacific Islands Framework for Action on Climate Change 2006 – 2015 (PIFACC), which is a regional framework that guides sectors to ensure current and expected impacts of climate change are considered in the planning and implementation of programmes and projects. The NCCP Implementation Framework highlights policy strategies and identifies agencies responsible for implementation of the strategies. It informs various sectors of government on what should be included in their respective sectoral plans and ministries' ACP in order to address climate change.



Cover of the Republic of Fiji National Climate Change Policy
Source: Ministry of Foreign Affairs

Table 4.1: Alignment of Respective National Frameworks to Regional and International Frameworks

Level	Climate Change	Disaster Risk Management
International	UNFCCC UNCBD UNCCD	HFA
Regional	PIFACC	Pacific DRR and DM Framework of Action (PDDFA)
National	RDSSED Peoples Charter for Change Peace and Progress (PCCPP)	
	NCCP CDM Guidelines NCCCG Reducing Emissions from Deforestation and Forest Degradation (REDD)+ Policy Sector Policies	NDMA NDMP
	Ministries Strategic and Annual Corporate Plans	

National Disaster Management Act and Plan

The NDMA of 1998 regulates the functions and duties of the government and respective agencies to respond to disaster management and activities. The NDMP 1995 is a directive to all agencies and personnel on the conduct of disaster preparedness and emergency operations

NDMA 1998 and the NDMP 1995 are both outdated and require revision to ensure Fiji has the resources and systems in place to address national disasters. Although Fiji undertook a review of the NDMA and NDMP in 2006 and developed the Fiji National Disaster Risk Management Arrangements, the document has never been approved.

Moreover, the NDMA and NDMP fall short by excluding community preparedness and the risks associated with specific populations such as women, children and people with disabilities. These topics should be explored during the revision process.

It is critical that the documents be finalized and approved as soon as possible.

*The development of the **Joint National Action Plan for Climate Change Adaptation and Disaster Risk Reduction** has been an ongoing discussion between the NDMO and CCD. A platform will likely be initiated by both agencies to foster strategic direction and plan the way forward. This will align with the new regional policy on the Strategy for Climate and Disaster Resilient Development in the Pacific (SRDP).*

*The **National Climate Change Adaptation Strategy** will be finalized in 2014, and will lay out an approach to identify and implement efficient and effective activities to manage the existing and anticipated consequences of climate change for resources sectors in Fiji, namely agriculture, biodiversity, forestry, land, water and fisheries and to provide specific activities for the implementation of adaptation resources. The draft NCCAS is aligned with, and builds upon, existing strategies, policies and action plans and is directly linked to the policy objectives and strategies as defined in the NCCP. The draft NCCAS will be important as the guiding document for the adaptation initiatives, programme and projects in Fiji.*

Sectoral Policies and Strategies

Fiji's response to climate change and disaster risk management includes various sectoral policies and strategies that provide targeted guidance and direction on the implementation of programming and projects. While many of the policies are not specifically linked to the NCCP, the goals of the sectoral policies often fulfill the objectives of the NCCP. For example, the National Energy Policy (NEP), reviewed in 2014, includes a guide for the sustainability of energy supplies to reduce fossil fuels. Implementation of the NEP relates directly toward the achievement of the mitigation goals of the NCCP.

Table 4.2: Sectoral Policies and Strategies that Address Climate Change and Disaster Risk Management

Sector Policy / Strategies	Descriptions
REDD+ Policy (2006)	Fiji's REDD plus policy contributes toward the development of a national carbon trading policy and strengthens the capacities to facilitate access to international financing mechanism such as opportunities in the context of the UNFCCC.
Reviewed National Energy Policy (2014)	The outcomes of the NEP are to provide affordable energy for all, facilitate sustainable energy supplies for Fiji and to reduce fossil fuel import costs. The objectives are to provide all Fijians with access to affordable and reliable modern energy services, establish environmentally sound and sustainable energy systems for energy production, procurement, transportation, distribution and end-use, and to increase the efficient use of energy and the use of indigenous energy sources to reduce the financial burden of energy imports on Fiji.
Draft Fiji 2020 Agriculture Development Agenda (2014)	The climate change agriculture activities focus on the management of natural resources, new drainage techniques that can get rid of flood waters more rapidly; and outer island rainwater harvesting. More effective management of soil carbon, precision application of fertilizers and nutrient, the use of energy-efficient machinery all plays a part in the community.
Rural Land Use Policy (2006)	The policy reflects the commitment to find sustainable mechanisms of development that will create necessary preconditions to achieve environmentally sound, social desirable and economically appropriate forms of land use.
Ministry of Agriculture: Disaster Risk Management Strategy (2011)	Highlights the Agriculture Risk Management Logical Framework that provides different DRM indicators for the Agriculture sector.
Ministry of i-Taukei Affairs Climate Change Change Mitigation and Adaptation Strategy (28th Feb, 2013)	This strategy is aligned to the NCCP objectives and facilitate awareness capacity building and training; facilitate the advice of planning for development and disaster response procedures and revitalize traditional knowledge practices and programmes.
Housing Policy	The policy recognizes that Fiji has a fragile environment because of its location, geographical isolation, endemic vegetation and life forms. It also recognizes that Fiji is vulnerable to a wide range of natural disasters, which calls on preparation for changing weather patterns by reviewing the tolerance levels used in the construction of houses and vital infrastructure.

National Climate Change Coordination Guidelines

As part of their mandate under the NCCP, the CCD has developed the National Climate Change Coordination Guidelines to streamline and clarify the systems and processes of coordination. The guidelines describe the means of communication and decision-making on climate change and are meant to make the NCCP implementation more efficient. They also include means of monitoring and evaluation of the CCD's activities.

The coordination guidelines are essential as they provide clarity of roles and responsibilities toward effective implementation of the NCCP. They also enhance cooperation with stakeholders such as development partners and CSOs. However, the guidelines have yet to be fully implemented and many of the entities involved in climate change are not aware of the guidelines and thus do not participate in the coordination structures the guidelines present. It is critical that Cabinet formally endorse the guidelines so that they are implemented and adopted as regular practice by ministries, development partners, civil societies and other stakeholders.

Local Governance

Integrated Rural Development Platform

Eroded coastline at Wainitogoru, Navua.
Source: Climate Change Division

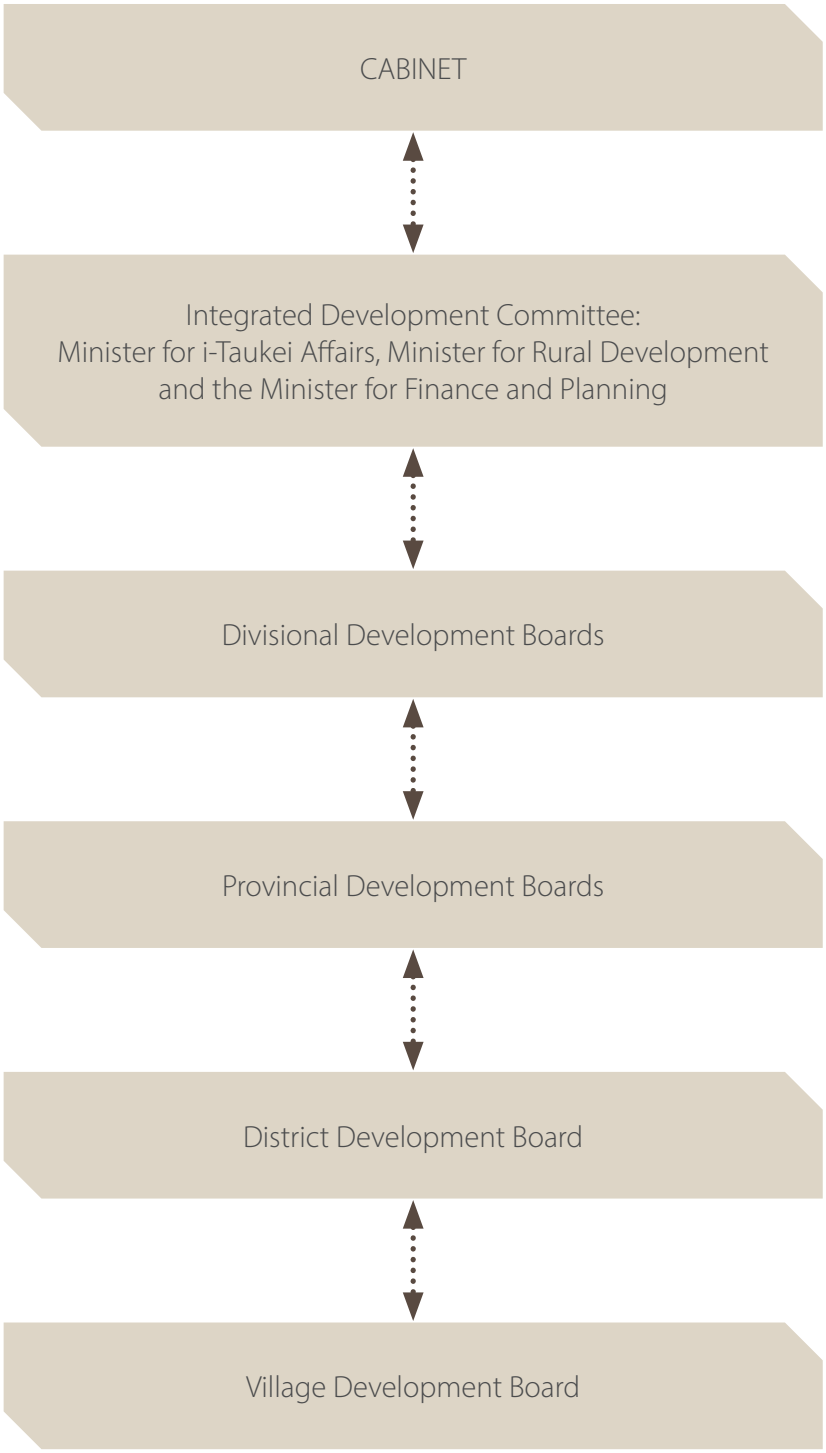
In 2009, Cabinet approved the Integrated Rural Development Framework that enables the Divisional Commissioners to make decisions on the allocation of all capital expenditures for rural development and to direct and oversee the implementation of capital expenditure programme by relevant line ministries. The establishment of the Provincial Development Board, with its structure, roles and membership is to support the IRDF.

Figure 4.1 reflects the integration at the local government level to strengthen the coordination and the reporting process. In this process it also highlights the important roles of the Ministry of Finance and Ministry of Planning in providing support through financing and planning.

The climate change and disaster risk management issues and project implementations can be channelled through the IRDF structure. There should be more attention provided to the framework with provision of more funding and human resources for effective implementation.

Integrated Development Structure

Figure 4.1: Integrated Development Structure



Encouraging Private Sector Participation in Climate Change and Disaster Risk Management Expenditures

Incentives are effective drivers of behaviors; they come in several forms but most involve reducing tax liabilities of corporates and individuals. FIRCA publishes a pamphlet on all incentives that it provides. Additions or changes to these incentives are announced in the budget and included in the Budget Supplement. Fiji does not pay subsidy for fossil fuel imports.

Table 4.3: Existing Incentives Relating to Climate Change and Disaster Risk Management

Area	Type of Incentives	Conditions	Classification
Bio Fuel Production	10-year tax holiday is available to a taxpayer undertaking a new activity in processing agricultural commodities into bio-fuels as approved by the Commissioner from 1 January 2009 to 31 December 2014.	• Minimum level of investment of $1,000,000; and • Employ 20 local employees or more for every income per year.	Climate Change Mitigation
	Duty free importation of plant, machinery and equipment for initial establishment of the bio fuel factory.	As above	Climate Change Mitigation
	Duty free importation of chemical required for bio-fuel production.	None	Climate Change Mitigation
Food Processing and Forestry	100% of the amount of investment as a deduction for investing in food processing as well as forestry. Re-investment will also be allowed for expansion purposes.	Investor should utilize 50% of local produce in its production process.	Climate Change Adaptation
Renewable Energy Projects and Power Co-generation	Tax holiday is available to a taxpayer undertaking a new activity in renewable energy projects and power cogeneration as approved by the Commissioner.		Climate Change Mitigation
	Duty free importation of renewable energy goods is also available.		Climate Change Mitigation
DRM	Voluntary Contribution for Disaster Relief- 150% tax deduction for voluntary contribution of cash donation by businesses towards a Disaster Relief Fund.	The threshold will range from a minimum contribution of $10,000 to a maximum contribution of $100,000.	Disaster Management
Importation of Fuel	2 cents per liter refund of duty on gas oil (diesel) having sulfur content not exceeding 500ppm purchased ex-duty paid stock.		Climate Change Mitigation
Forestry and Fisheries	Specialized machineries directly used for fisheries and forestry purposes. Free fiscal duty.	A letter of approval is issued by the Department of Fisheries and Department of Forests in relation to goods under concession.	Climate Change Adaptation

Source: Fiji Islands Revenue and Customs Authority Tax Incentive pamphlet

Most of the above incentives are aimed at climate change mitigation. There is potential benefit in undertaking an analysis on the effectiveness of the current incentives in promoting expenditure by the private sector on climate change and disaster risk management, to help design the scope and direction of future incentives. The government should continually explore new incentives to support future possibilities in the areas of climate change and disaster risk management. These may include the production of ethanol from sugar cane and the importation of electric cars.[9]

Incentives can also be effective in promoting the use of public-private partnerships in larger project in energy and communications. Fiji has experiences in public-private projects in building access roads for hotel development and there is strong potential to extend this funding modality to climate change and disaster risk management projects.

*The **Green Growth Framework (GGF)** for Fiji is currently under consultation. It aims to reframe the conventional growth model and reassess future investment decisions on natural resource utilization for economic growth. The tool will work to put environmental concerns on an equal footing with economic and social concerns for future polices and plans in Fiji. It will be critical for the GGF to align with existing and future climate change and disaster risk management policies and plans in Fiji.*

[9] All official information on tax incentives is included in the FRCA brochure.

CHAPTER 5
Institutional Analysis for Climate Change and Disaster Risk Management

Major Observations

- Fiji's institutional arrangements and coordination mechanisms are at the heart of the country's response to climate change and disaster risk management. A system of committees, units, offices and other entities has been established but weak connections between the entities results in a fragmented approach marked by a lack of communication and coordination.
- Implementation of policies and projects is slow and budget allocations have been made on a casual basis and, in most cases, have simply remained the same as previous years.
- There is not enough staff to meet the demand for climate change and disaster risk management initiatives. There is also a need to strengthen technical and project management capacities of the teams.
- Increased communication flows from global, national and sub-national actors will help all stakeholders get the information they need to deliver climate change and disaster risk management projects.

Recommendations

- Undertake an analysis on the opportunities and challenges posed by creating a single climate/environment/energy/meteorology/disaster entity to promote coordination and coherence.
- Establish a high-level Climate Change and Disaster Risk Management Ambassador to advocate Fiji's goals on climate change and disaster risk management at national, regional and international forums.
- Undertake an assessment of identified agencies (e.g. MoF, MFAIC, Ministry of Environment and Fiji Development Bank) of becoming a NIE of the Adaptation Fund. The analysis should align with the criteria for the NIE accreditation process.
- Undertake a feasibility study for the design and establishment of a Fiji National Climate Fund.
- The CCD, NDMO, Department of Energy and Fiji Meteorological Service are working with the Solicitor-General's office to draft the laws to implement the National Climate Change Policy and the revised NDMA.
- CCD and NDMO to create 'one stop shop' for stakeholders (including local government bodies and other agencies) to access information on Fiji's climate change and disaster risk management plans, events, policies and projects as well as opportunities and procedures for accessing funds.
- Establish Co-Chair system for the NCCP Sub-Committees, where a member of CCD and a ministry representative chairs each committee.
- Seek Cabinet approval for the NCCCG.
- Develop a joint communications strategy for climate change and disaster risk management.

- Agencies and other entities, including those not traditionally associated with climate change, such as women, people with disabilities, elderly and youth participate in climate change and disaster risk management-related meetings, events, projects appraisals, etc.
- Divisional Planning Officers to participate in the NCCP Sub-Committees to better support and strengthen community-driven climate change and disaster risk management initiatives.
- The CCD, NDMO, Department of Energy and Fiji Meteorological Service to undertake a review of their functional structure, roles within that structure, skill gaps, training needs and the adequacy of funding for adequate human resources to deliver their mandates on climate change and disaster risk management.
- Develop a programme to deliver trainings for technical and project management capacities associated with climate change and disaster risk management.
- Develop a programme to deliver trainings and guidance notes for local agencies and communities to access sources of funding and resources for climate change and disaster risk management initiatives.

The diverse impacts of climate change affect all major economic sectors in Fiji – from agriculture and forestry, tourism, water and energy. In response, the government has established a network of bodies, committees, divisions and other entities to focus on climate change and disaster risk management initiatives. At the center of the network are the CCD under MFAIC that is responsible for the implementation of the NCCP and the NDMO under the Ministry of Rural and Maritime Development and National Disaster Management that manages Fiji's response to natural disasters. Both entities are meant to play a key role in coordination and policy advice on climate change and disaster risk management.

Beyond the CCD and NDMO, numerous ministries and bodies address climate change and disaster risk management. These entities include:

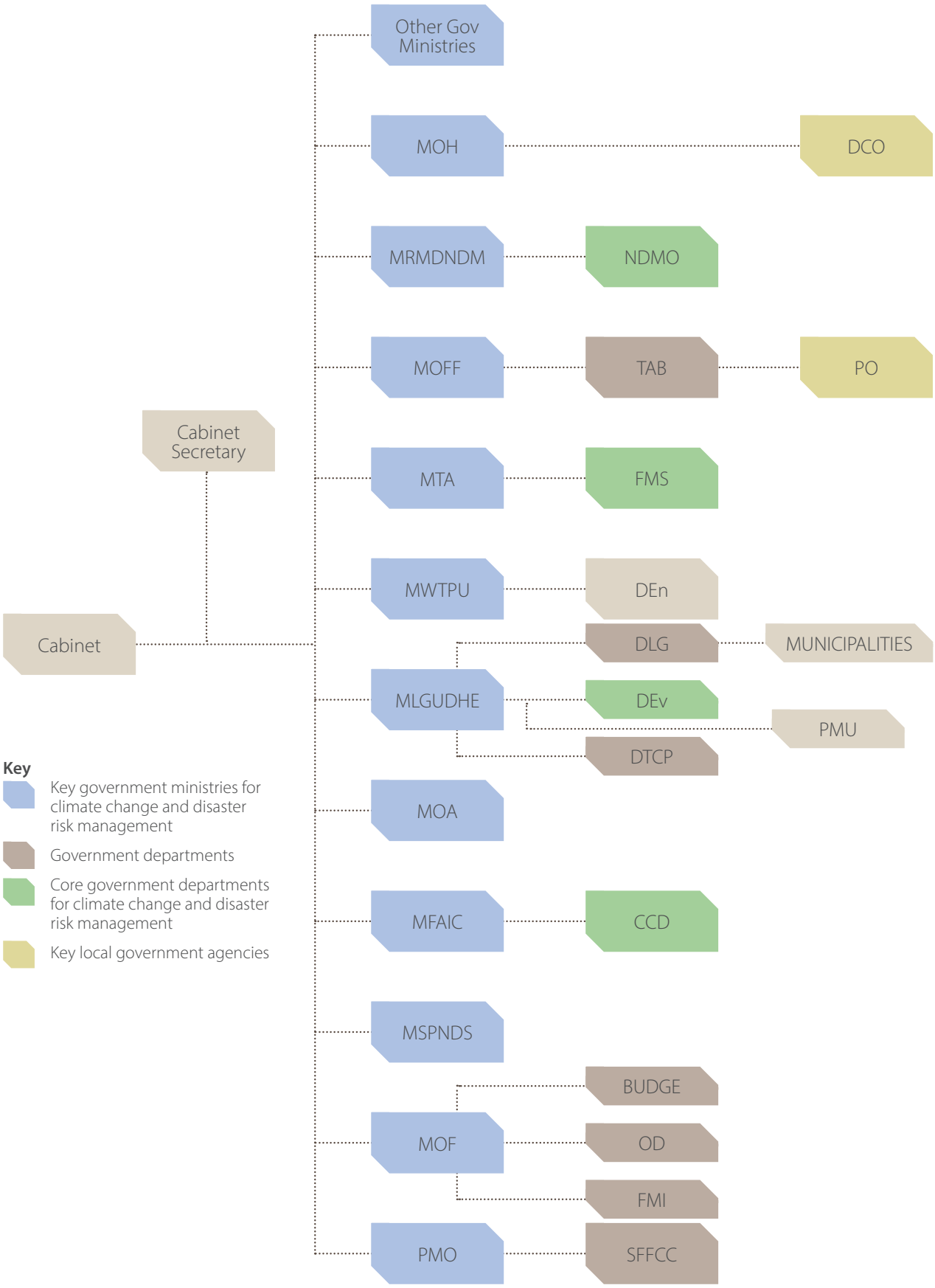
- Prime Minister's Office (PMO)
- Ministry of Finance (MOF)
- Ministry of Strategic Planning National Development and Statistics (MSPNDS)
- Ministry of Local Government Urban Development Housing and Environment (MLGUDHE)
- Ministry of Works Transport and Public Utilities (MWTPU)
- Ministry of Fisheries and Forests (MFF)
- Ministry of Agriculture (MOA)
- Ministry of i-Taukei Affairs (MTA)
- Ministry of Health (MoH)
- Ministry of Education
- Ministry of Social Welfare Women and Poverty Alleviation
- Department of Town and Country Planning (DTCP)
- Department of Energy (DOE)
- Department of Environment (DOE)
- Fiji Meteorological Service (FMS)
- Department of Local Government (DLG)
- Department of Water and Sewage (DWS).

At the local government level, the following institutions are addressing climate change and disaster risk management issues:

- Divisional Commissioners' Office (DCO),
- i-Taukei Provincial Offices (PO)
- Department of Local Government (DLG).

Figure 5.1 illustrates the landscape of ministries, departments, agencies and other entities that address climate change and disaster risk management.

Figure 5.1 Fiji Government Climate Change and Disaster Risk Management Institutions Arrangement



Climate Change & Disaster Risk Management Coordination Processes

With many entities addressing climate change and disaster risk management, coordination is a key challenge. Both climate change and disaster risk management have coordination bodies but there is limited communication with each other or enforcement of activities.

Climate Change

The implementation of climate change programmes and projects occur at all levels of government, including national, divisional and local levels. To enhance efficiency, the NCCCC was established to provide guidance and policy advice to government on all matters relating to climate change. The body is made up of senior government officials and is chaired by the Permanent Secretary for MFAIC. The five national sub-committees established under the NCCCC provide advice on the implementation of the eight objectives of the NCCP which are: Mainstreaming, Data Collection, Storage and Sharing, Awareness Sharing, Education and Training, Adaptation, Mitigation, Financing and International and Pacific Region Participation. Some of these bodies meet regularly while others do not.

Disaster Risk Management

The coordination and implementation of disaster risk management policies occur across government bodies. They include:

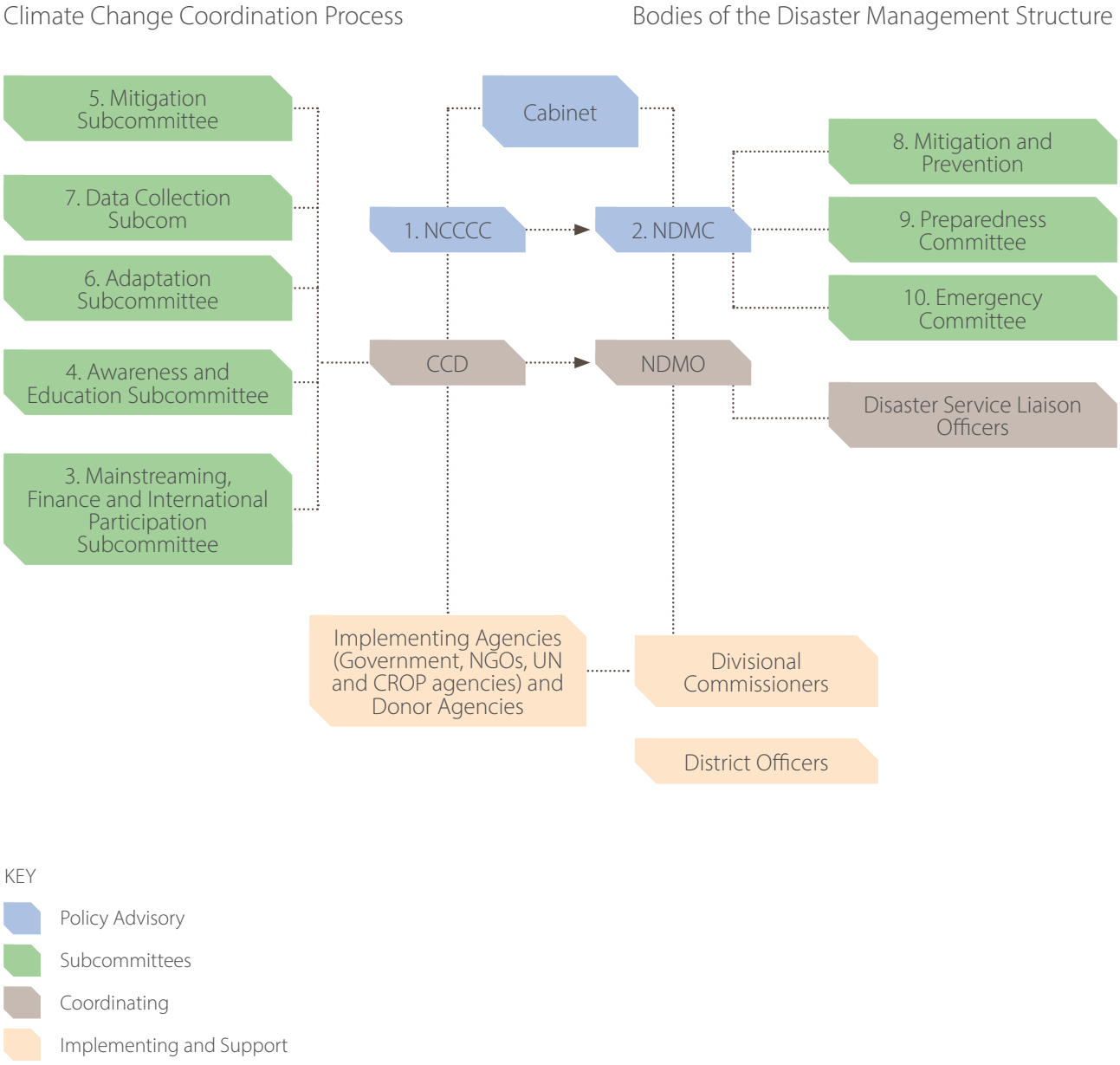
- The NDMC is the forum for the formulation of disaster management policies.
- The NDMO implement policies in close cooperation with relevant departments through the DSLO system, and in cooperation with Divisional Commissioners and District Officers.
- At divisional and district levels, the Commissioner and District Officers coordinate the implementation of policies with their respective Disaster Management Councils (NDMP, 1995).

The Permanent Secretary for the Ministry of Rural and Maritime Development & National Disaster Management Office is a member of the NCCCC while the Permanent Secretary for the MFAIC is a member of NDMC. NDMO is a member of the NCCP Adaptation and Education Training and Awareness Raising sub-committees.

Cooperation between NDMO and CCD most often occurs through specific projects. For example, they work together to identify, map out and profile vulnerable and impacted communities across Fiji; and engage relevant stakeholders from government ministries, development partners, Council of Regional Organisations in the Pacific (CROP) agencies, and CSOs in order to identify suitable adaptation options for impacted communities. However, beyond specific projects, there is little policy or strategic coordination between the two bodies. It will be helpful for them to meet more regularly to identify linkages and discuss synergies between their policies and portfolios.

Climate Change & Disaster Risk Management Coordination Processes

Figure 5.2: Climate Change & Disaster Risk Management Coordination Processes



The table below lists the committees on climate change and disaster risk management and their respective roles.

Table 5.1: Climate Change and Disaster Risk Management Committees

Committee	Key Roles
1. **National Climate Change Coordination Committee (NCCCC)**	Serves as the main platform to provide guidance and policy advice to government on all matters relating to climate change
2. **National Disaster Management Council (NDMC)**	Responsible for disaster management policy and operations.
3. **Mainstreaming Finance and International Participation Subcommittee**	Discuss strategies and indicators from the NCCP into the national development plan and sector plans and ministry's ACP. These are to be mainstreamed into the budget processes. They also coordinate access to climate change financing.
4. **Education Training and Awareness Subcommittee**	Provides advice on the development of relevant climate change curriculum for schools and outreach materials for public awareness in both urban and rural areas.
5. **Climate Change Mitigation Subcommittee**	Collates/advises mitigation project information from the respective ministries and organizations and also coordinate energy efficiency, renewable energy, eco-friendly energy sources programs
6. **Climate Change Adaptation Subcommittee**	Coordinates adaptation activities in the country as outlined in the NCCP and the National Climate Change Strategy. Monitor progress towards achieving the adaptation goal in the policy.
7. **Data Collection and Sharing Subcommittee**	Provide guidance on climate change related data collection standards and best practices. To also adopt and recommend best method(s) to centralize storage i.e. a 'one stop shop'.
8. **Mitigation and Prevention Committee**	The Mitigation and Prevention Committee has been assigned the role to prepare policies for disaster mitigation.
9. **Preparedness Committee**	The Preparedness Committee is responsible for community awareness activities, including the National Disaster Awareness Week and the review of public sector preparedness arrangements.
10. **Emergency Committee**	During the emergency stage the Committee convenes daily to review the emergency operations and take policy and operation decisions.

Fragmentation of Climate Change and Disaster Risk Management Responses

The agencies are directly involved with climate change and disaster risk management are the CCD within MFAIC, the Environment Department and Project Management Unit within the Ministry of Local Government, the Disaster Management Division in the Ministry of Rural Development, the Department of Energy and Meteorological Service at the Ministry of Works, Transport and Public Utilities. However, there is little communication and coordination between these government agencies in the submission of budgets and in the implementation of climate change and disaster risk management activities, as highlighted by the Public Finance Management section. The dispersion of these core divisions throughout government has contributed to the poor coordination in setting priorities and in pooling scarce resources in the implementation of projects. The budget allocations to the climate change and disaster risk management have been made on a casual basis where, in most cases, they have simply remained the same as previous years.

There is a need to re-examine the structure of core divisions that play key roles in addressing climate change and disaster risk management. The distinction between policy development and policy implementation appear to be unclear. Consequently, priorities at national level are diffused which affects budgetary allocation to climate change and disaster risk management activities. There should be a clear connection between the policy development and implementation. The policy role could be effectively played by a central agency involved directly with climate change and disaster risk management while the implementation role should obviously be with relevant line ministries.

To enhance coordination and efficiency, it is worth exploring the idea of creating a single entity that combines agencies that have climate change, environment, disaster, energy and meteorology as a key part of their mandate. This new streamlined entity could set national priorities on climate change and disaster risk management and achieve greater coordination and efficiency. Putting climate change and disaster risk management bodies 'on the same team' will help raise the profile of issues in government and provide a foundation of rules, systems and coordination to enhance delivery and reduce fragmentation. Fiji could look to other Pacific Island countries that have created a single ministry for climate change, environment, energy and meteorology to identify best practices and if such an entity would be a good fit for Fiji.

High-level Representation or Ambassador for Climate Change and Disaster Risk Management

Fiji Delegates at the UN Climate Change Negotiations
Source: www.urbangateway.org – Cyclone time in Fiji.

Fiji has been well recognized for its leadership on climate change at the global level and was elected as the Chair of the G77+ China in the UNFCCC process successfully negotiating collective positions and key agreements during 2013 and at the UNFCCC Conference in Warsaw. The country has also been unanimously elected as the Chair for Subsidiary Body for Implementation (SBI) for 2014 – 2015, one of the two subsidiary bodies of the UNFCCC established by the Conference of Parties (COP) / Meeting of the Parties (CMP) and it supports the work of the COP and CMP through the assessment and review of the effective implementation of the UNFCCC and its Kyoto Protocol.

In coming years, it will be important to build on Fiji's international success in order to strengthen national and sub-national awareness on climate change and disaster risk management. A high-level Ambassador on climate change and disaster risk management could promote a common understanding of the issues to communities, municipalities, government actors, development partners, international, regional and national fora and others. The Ambassador can play a key role in showcasing Fiji's work on climate change and disaster risk management and advocate effectively for Fiji's priorities.

An effective model for this type of high-level role is the current appointment of the HIV and AIDS Ambassador in the Asia-Pacific region. Fiji's current Ambassador has been effective in strongly advocating for action on HIV and AIDS. A similar role could be envisioned on climate change and disaster risk management.

Capacity on Climate Change and Disaster Risk Management

The effective implementation of climate change and disaster risk management activities critically depends on institutional and individual capacities. Entities working on climate change and disaster management issues must have adequate numbers of staff to implement policies, projects and programmes, as well as to advocate for Fiji's priorities at regional and global levels. Without increasing staff numbers, Fiji's preparedness and responses to climate change and disasters will be limited.

Also, the individuals in the offices addressing climate change and disaster risk management must have the technical and project management skills to be effective. Ensuring that staff are effective by enhancing their skills on accessing, delivering, measuring and reporting will help Fiji be more efficient at delivering much-needed results.

Climate Change Unit/Division

The Climate Change Unit was transferred from the Department of Environment to the MFAIC in September 2011 following a ministerial decision to strengthen Fiji's participation at international meetings and negotiations and support Fiji Missions overseas to explore potential bilateral and multilateral sources of funding.

In early 2014, the Unit under the Political and Treaties Division grew into a CCD managed by its own Director. The CCD's overarching role is to provide coordination for the implementation of the NCCP.

The implementation of the NCCP was not costed so the team operates with limited resources of only $200,000 per year. The total number of staff employed in the CCD is 13 and of this number, only one person has an established post while 11 are project posts, including the Director of Climate Change and a United States Agency for International Development (USAID) response volunteer (Table 5.2). The single established post has been constant over the years while the number of project posts has grown to accommodate the increasing number of projects. The average salary of staff remained constant at around FJD 20,000 for the last five years until the salary increase of 8-15% in January 2014. The annual allocation of $200,000 is under Segment 7, which is commonly referred to as special expenditure. As such, a non-wage recurrent expenditure can be utilized for the implementation of the NCCP as well as support project staff to deliver on their annual work programme.

Table 5.2: Current Staff in Key Government Ministries

Agency	Total Number	Admin & Policy	Technical	Scientific	Project
Department of Energy	81	15	22	7	23
Department of Environment	47	31	6		10
National Disaster Management Office	12	12			
Fiji Meteorological Service	11		6	5	
Climate Change Division	13	1			12

Disaster Risk Management

The budget for NDMO has remained stagnant for a number of years. There are 12 staff employed without any vehicle and the current organisational structure does not provide for NDMO offices at the divisional and district levels. If a State of Emergency is declared by the Prime Minister, funding is redeployed from other government budgets. These funds are managed by the Ministry of Rural Development and NDMO; any funds unspent after the emergency are returned to the relevant ministries. The Prime Minister's $1million Relief Fund in the MoF also serves as a contingency fund.

Strong wind during Cyclone Gavin at Nasese, Suva – Australian Broadcasting Website www.abc.net.au

Table 5.3: Institutional Capacity

Institution	No. of Technical Staff	Requirements
CCD MFAIC	▶ 1 Director ▶ 1 permanent staff ▶ 9 project staff ▶ 2 volunteers	▶ Increase in the number of technical staff ▶ Staff to have substantive posts ▶ Review the MQLR for the new staff ▶ Review the salary of the staff to match the MQLR and experience
Disaster Risk Management Division Ministry of Rural Development	▶ 1 Director ▶ 12 technical staff	▶ Establish NDMO staff at the divisional level ▶ Increase in the number of staff for both policy and technical

There is a critical need for technical skills in project development and management. Some development partners support capacity development or offer indirect assistance. However, the matching of these opportunities to the skill gaps in government needs to be strengthened. It is critical for all entities that address climate change and disaster risk management, such as the CCD, NDMO, Department of Energy and Fiji Meteorological Service to undertake a review of their functional structures, roles within that structure, skill gaps and training needs and the adequacy of funding for adequate human resources to deliver their mandates on climate change and disaster risk management. These entities should look to the Department of Environment that undertook a similar exercise recently.

Access to Climate Change and Disaster Risk Management Information and Resources

The CCD and NDMO are faced with challenges in the dissemination of knowledge and providing adequate and up-to-date information to all stakeholders and communities. The CCD publishes a quarterly newsletter and maintains a website but with an already overstretched staff, it is difficult to collect information from other ministries, departments and entities to make it available. This results in confusion and frustration from stakeholders about opportunities to access information, including means for acquiring funding and technical resources.

Ideally, the CCD and NDMO would be able to create a "one stop shop" as a repository for stakeholders (including local government bodies and other agencies) to access information on Fiji's climate change and disaster risk management plans, events, policies and projects, as well as opportunities and procedures for accessing funding. This would require staff to maintain the portal, as well as systems in place to collect the information from across government.

Operations of the National Climate Change Policy Sub-Committees

There are five NCCP sub-committees, each with a specific role to oversee the implementation of the policy. While the committees have the mandate to drive the activities of the NCCP, they are often hampered by a lack of leadership and momentum. In some instances, the Chairs of the sub-committees were not available so the meetings would be postponed or deferred indefinitely.

Strengthening the Chairs of the sub-committees, as well as the support for the Chairs by the CCD would help to ensure that the committees undertake their work in a timely manner. One suggestion is for a CCD Senior Officer to Co-Chair each of the sub-committees. As the sub-committees are in the purview of the CCD, the Senior Officer can ensure the meetings occur and the outcomes are reported back to the CCD and the NCCCC.

Moreover, to enhance project implementation, the Division Planning Officers (DPO) should attend the sub-committee meetings. The DPOs have been established in each of the four Divisional Commissioners' Offices and play a crucial role in project implementation. Their participation on the sub-committees would provide a helpful connection between national-level planning and the work on the ground.

Lack of Involvement of Non-Traditional Actors

The contribution of non-traditional stakeholders, such as government ministries and other entities focused on traditionally non-climate issues such as women, youth and people with disabilities are crucial. While climate change and disaster risk management may not be a significant part of their mandates or portfolios, their insights can support an integrated and holistic view for actions on climate change and disaster risk management in Fiji.

Fiji can build on the significant international recognition of the links between gender and climate change. Moreover, there has been a campaign from youth groups in Fiji at local and international events, on climate change. The Ministry of Youth could play a role in identifying and promoting the links between youth, climate change and disaster risk management.

National Implementing Entity

On an international level, the AF is designed to finance concrete climate change adaptation projects and programmes based on the priorities of developing countries. Vulnerable developing countries that are Parties to the Kyoto Protocol may use three different tracks to access resources from the Adaptation Fund:

- Direct access through a National Implementing Entity (NIE)
- Using the services of a Regional Implementing Entity (RIE)
- Using the services of a Multilateral Implementing Entity (MIE)

For the government to access funds directly (i.e. not through a regional or multilateral entity), an NIE must be accredited by the Adaptation Fund Board. The accreditation criteria includes budgetary and project management capacities. Importantly, the PEFA indicators discussed earlier in the report are closely linked to the NIE accreditation requirements.

Table 5.4: Correlation between PEFA and NIE Accreditation

PEFA Indicators	NIE Accreditation Requirements
Financial Integrity and Management	
PI-12: Multi-year perspective in fiscal planning, expenditure policy and budgeting PI-20: Effectiveness of internal controls for non-salary expenditure PI-21: Effectiveness of internal audit PI-28: Legislative scrutiny of external audit reports	i. Accurately and regularly record transactions and balances in line with good practices, and are audited; ii. Managing and disbursing funds efficiently and with safeguards; iii. Producing financial plans and budgets; iv. Legal status to contract with the Adaptation Fund.
Institutional Capacity	
PI-19: Competition, value for money and controls in procurement PI-24: Quality and timeliness of in-year budget reports PI-27: Legislative scrutiny of the annual budget law D-1: Proportion of aid that is managed by use of national procedures	i. Procurement procedures which provide for transparent practices; ii. Capacity to undertake monitoring and evaluation.
Project / Programme Management Capacity	
PI-4: Stock and monitoring of expenditure payment arrears PI-11: Orderliness and participation in the annual budget process PI-22: Timeliness and regularity of accounts reconciliation PI-23: Availability of information on resources received by service delivery units	i. Ability to identify, develop and appraise projects; ii. Competency to manage or oversee the execution of the project/program including ability to manage sub-recipients and to support project /program delivery and implementation.

Transparency and Self-Investigative Powers	
PI-26: Scope, nature and follow-up of external audit Quality and timeliness of in-year budget reports PI-6: Comprehensiveness of information included in budget documentation PI-7: Extent of unreported government operations	i. Competency to deal with financial mismanagement and other forms of malpractice.

Fiji currently does not have an accredited NIE under the AF and therefore, cannot access resources directly from the AF. However, Fiji has been able to access funds through UNDP as the Multilateral Implementing Entity (MIE). Exploring a potential NIE for Fiji will require the country measure potential NIE candidates against the criteria for accreditation. Potential candidates include:

- Ministry of Finance – Government
- Ministry of Foreign Affairs and International Cooperation
- The Project Management Unit of the Ministry of Local Government & Environment
- Fiji Development Bank.

The AF has limited resources but the modality of direct access through an NIE will be a significant pathway for the future GCF. The modalities for direct access under the GCF have yet to be finalized but Fiji would benefit from identifying and assessing potential candidates now and when the GCF becomes operational, Fiji is prepared with a potential candidate.

National Climate Fund

The National Climate Funds are nationally driven and nationally owned funds to help countries collect climate finance from a variety of sources, coordinate them, blend them together and account for them. An NCF can help Fiji manage a pool of funds and efficiently direct resources toward activities that deliver results on the ground. For example, a Fiji NCF could be managed by the NCCC. Local entities could apply for funds from the NCF and the NCCC would make decisions about how the funds should be allocated based on national priorities.

In this way, the NCF can provide a streamlined and country-driven system to support the development, management, measurement and implementation of projects as well as policy assurance and financial control of climate change funds and partnership management. An NCF could help Fiji to blend various resources together at the national level, providing a mechanism for managing and supporting Fiji's climate change objectives from the inside out, not the other way around.

It will be critical that any NCF be integrated with existing legislation, budgetary and institutional structures. The fund should not be a stand-alone mechanism. Rather the fund should be fully integrated into the systems of government. Ideally, an NCF aligns with a strong PFM system for example, the fund could be managed through the MoF using the national budget.

It is recommended that the country undertake a feasibility study for a Fiji NCF. This study can be based on the six key decisions for an NCF, namely objectives, capitalization, governance, fiduciary arrangements, implementation and measurement. UNDP's Guidebook on NCFs can be a useful resource for the study.

Box 5.1: CASE STUDY THREE

Vunidogoloa Village Relocation Project

Objective: To relocate Vunidogoloa Village in the Tikina of Koroalau, Cakaudrove because the village is always flooded when there is heavy rain and during high tide

Budget: The total cost for this relocation project was US$978,229

Implementation: Following the approach of the villagers to the government a group of senior government officials visited Vunidogoloa Village to get firsthand experience of the plight of the community. It was during this visit that government agreed to pilot a relocation project under the disaster risk reduction and climate change adaptation initiative. The focus of the relocation was to look at what modality could be applied for Fiji as it was noted that different circumstances required different approaches. The project was successfully completed and the villagers are in their new location with new homes.

Outcome: Thirty families of Vunidogoloa Village were relocated to Cevuvu settlement. The relocation enabled families to have access to a safer place that does not pose any threat to natural disasters. Furthermore, to ensure sustained livelihoods and food security the Ministry of Agriculture via the Rural and Outer Island (ROI) programme provided assistance for the construction of fish ponds and purchased of some breeding cattle for the community. In addition to this the Ministry of Labour and the International Labour Organisation contributed to additional livelihoods initiative such as copra drier and a pineapple planting materials.

Lessons Learned:

- Procurement of political support is important
- Identification of land – land issues to be resolved
- Early identification of financial support to be included in the budget
- A multidisciplinary and multi-stakeholder approach to be engaged and government to provide support in project implementation
- Proper planning is very crucial
- Project is community driven.

Source: Ministry of Rural and Maritime Development & NDMO

CHAPTER 6
Assessment of Local Government Institutional Capacity

Major Observations

- Lack of capacities identified with local agencies and communities, people working on the ground will need to have greater access to resources and skills they need to be effective.
- The local government bodies and other agencies are finding it difficult to access information on Fiji's climate change and disaster risk management plans, events, policies and projects, as well as opportunities and procedures for accessing funds.

Recommendations

- Develop a programme to deliver trainings and guidance notes for local agencies and communities to access sources of funding and resources for climate change and disaster risk management initiatives.
- CCD and NDMO to create 'one stop shop' for stakeholders (including local government bodies and other agencies) to access information on Fiji's climate change and disaster risk management plans, events, policies and projects, as well as opportunities and procedures for accessing funds.

Administrative Structure

Figure 6.1: Map of Fiji

Fiji is divided into four divisions and 14 provinces at the local government level – the Northern Division, Western Division, Central Division and Eastern Division that are headed by Commissioners who are nominated by the central government (Ministry of Rural and Maritime Development and National Disaster Management Office). The Western Division, which comprises of three main provinces: Ra, Ba and Nadroga/ Navosa. The Northern Division is made up of three provinces: Macuata, Bua and Cakaudrove that includes Taveuni, Rabi and Kioa. The Eastern Division comprises of the maritime island with three provinces; Lomaiviti, Kadavu and Lau. Also included is the island of Rotuma. The Central Division is comprised of five provinces namely Naitasiri, Tailevu, Rewa, Namosi and Serua.

The Commissioner is responsible for the implementation of the ministry's budgeted capital project in each province. It also coordinates rural and urban development in the 14 provinces with other government ministries and agencies. Altogether there are 13 municipalities and 1,171 i-Taukei or indigenous Fijian villages.

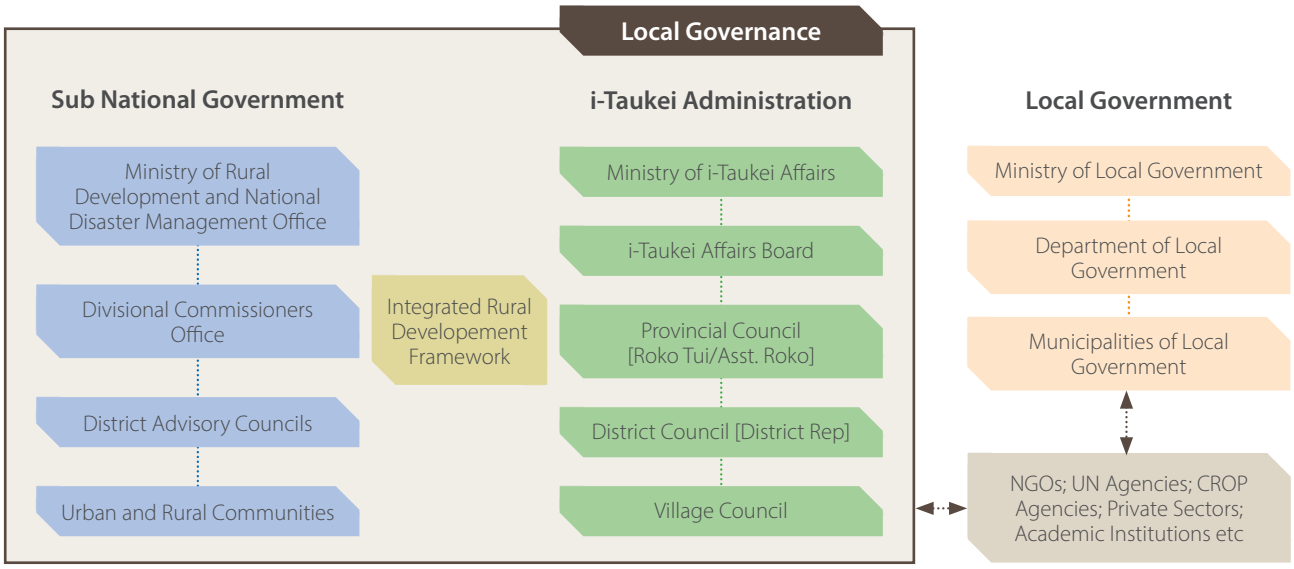
The i-Taukei villages are governed under the i-Taukei Affairs Act, even if they are located in municipal areas. There are approximately 32 laws spread across different fields which frame the work of local governments in Fiji. These include the Local Government Act, the Town Planning Act, the i-Taukei Affairs Act, the Subdivision of Land Act, the Environmental Management Act and the Public Enterprise Act.

While local governments have a degree of autonomy in some matters, they are largely managed by national government. In part this is the result of the 2009 Local Government Reform that created the role of Special Administrators (SA) appointed by government to manage municipal councils.

Navala Village, in the highlands of Ba Province – Tourism Fiji website www.fiji.travel

Local Governance Landscape

Figure 6.2: Landscape of Local Governance Institutions



The Ministry of Rural and Maritime Development and National Disaster Management Office is responsible for promoting growth, reducing poverty and addressing rural to urban drift through the provisions of social amenities and incentives for increasing incomes from farming and marine resources and also to overall achievement of rural people and become resilient communities.

The ministry is also responsible for the appointment of Divisional Officers and the Provincial Administrators and District Officers appointed to look after the provinces and districts in the Eastern Division also act as the linkage from the central government to the communities.

NDMO implements the NDMC policies and sets up the National Emergency Operations Centre (NEOC) during emergencies. The NDMO/NEOC is assisted by Disaster Service Liaison Officers (DSLOs) from government agencies, as the main point of contact for liaison and coordination.

At provincial council level, the Provincial Offices or *Roko Tui* are established under the Fijian Affairs Act. The Provincial Council is appointed and mandated through the i-Taukei Affairs Board and the Chair is appointed through consultation with the Commissioner's Office. All issues and development requests are submitted through the Village Council and this is discussed again at the District Council before it is taken up to the Provincial Council.

Municipal councils are mandated to observe, deliver and enforce the laws relating to urban management, maintenance of basic urban services including public health, garbage collection, recreational areas, drainage systems and urban management. However, the municipal councils come under the ambit of the local government.

Cemetery underwater at Wainitogoru, Navua. Source: Climate Change Division

Roles of Provincial Councils in Climate Change and Disaster Risk Management Responses

Each of Fiji's 14 provinces is headed by the Provincial Officer/*Roko Tui* and supported by the Assistant Provincial Officer or Assistant *Roko*, the District Rep or *Mata ni Tikina* and a paid Village Representative or *Turaga ni Koro*.

The roles and functions of the provincial council are regulated under the i-Taukei Affairs Act *(Cap 120)*. All provincial councils report directly to the i-Taukei Affairs Board which is established under the i-Taukei Affairs Act and its functions is to submit recommendations or proposals that may benefit the i-Taukei people in relation to good governance and well being.

Issues from the community are discussed through the Village Council and then the District Council before being taken to the Provincial Councils. The District Council is normally chaired by the Provincial Officer/*Roko Tui*. At the Provincial Council meeting, the Commissioner appoints the chair through consultation with all relevant stakeholders at the divisional level.

Importantly, the i-Taukei Affairs Board has recruited eight Conservation Officers to work in the following provinces and funded directly from the following donor agencies:

- Cakaudrove Province, Bua Province, Macuata Province and Rewa Province – funded by the Packard Foundation
- Serua Province – funded by Pacific Blue Foundation
- Lomaiviti Province – funded by MacArthur
- Kadavu Province – funded by GEF Small Grant Pacific
- Ra Province – funded by Asian Development.

The Assistant Provincial Officers and Conservation Officers were trained to conduct Rapid Vulnerability and Adaption Assessments for both climate change and disaster risk management through collaboration and support from Conservation International, the University of the South Pacific and CCD. The information from the assessment is collated by CCD and will also be used to determine the vulnerability of each i-Taukei community in Fiji.

The Ministry of i-Taukei Affairs through its Board have also established the Yaubula Committee or Resource Committee in all provinces, and also at district and village levels. Members of this committee will comprise of resource owners, line ministries and relevant NGOs working together in terms of resource management.

Local Government Policy, Institutions and Budgeting

Protecting the environment and responding to climate change. Source: Australian DFAT

The Ministry of Local Government, Urban Development, Housing and Environment is responsible for overseeing the activities of the 12 municipal councils in Fiji under the Local Government Act. In terms of the national budget, local government is provided for under the Policy and Administration programme and activity 2 of the ministry. The government provides direct funding to the municipal councils in the form of capital grants as well as operating expenditure for Special Administrators. The Special Administrators are appointment by government to oversee policy implementation of the ministry and the councils. As a direct report to the government, the position ensures implementation of the Peoples Charter particularly in relation to good governance, transparency, integrity and accountability. The Special Administrator ensures all council standing procedures and policies are updated in accordance with the regulations and duly complied with.

Total budget for the Department of Local Government has increased to $12.5 million in 2014 from $4.4 million in 2013 and $2.8 million in 2012. Projects that will be funded in 2014 are mainly those targeting market refurbishment, investment, National Fire Authority and upgrading of sports facilities.

The main source of revenue for councils is from city and town rates. This rate is based on the assessed value of each property on a fixed date for all rateable properties across town or city area. Rates are tax levied by municipal councils to support the councils in providing services such as collection and disposal of garbage, street lighting and cleaning, roads, footpaths, drainage and maintenance of parks and playgrounds. Other sources of revenue include rents, parking fees, taxi base fees, and business licenses.

The councils are autonomous bodies that determine their priorities and are guided by the general direction of government. Submissions are made to the Department of Local Government for their capital projects; local governments have a minimal role in the national climate change and disaster risk management budgeting process. Their own expenditures have an impact on climate change and disaster risk management but are not captured in the current PFM system.

Private Sectors and Non-Government Organisations

Funding for climate change and disaster risk management actions are also facilitated from different stakeholders such NGOs, CROP agencies, and other development partners. The donor agencies have established Project Management Units through CSOs to provide assistance and support to vulnerable communities.

CSOs are the 'last resort' as they 'fill in the gaps' and work with government agencies but the concern is government priorities change from year to year.

There is also a potential role for the private sector that could be further explored in addressing climate change and disaster risk management. In the tourism industry, for example, resorts and hotels are experiencing sea level rise and coastal erosion and are financing their own adaptation measures. The use of solar energy has been significant in island resorts because of the high cost of fuels and a desire to reduce greenhouse gases.

Access of Local Agencies and Communities to Funding and Resources

Local government bodies and other agencies face difficulties in accessing information on Fiji's climate change and disaster risk management plans, events, policies and projects, as well as opportunities for accessing funds. Without adequate information, many local entities do not have knowledge of procedures to access funds. This results in frustration over the lack of 'open doors' of support for community-driven actions.

Moreover, capacities at the local level need to be strengthened to deliver projects successfully. Training on project development, implementation, delivery and measurement, as well as technical aspects of climate change and disaster risk management projects will help local entities be more effective in their work. This will also contribute to communities having greater ownership over the projects in their areas.

One way this can be addressed is for the CCD and NDMO to create a "one stop shop" for stakeholders (including local government bodies and other agencies) to access information on Fiji's climate change and disaster risk management plans, events, policies and projects, as well as opportunities and procedures for accessing funds. This could be a website where stakeholders can get the resources, information and contacts they need to proceed with climate change and disaster risk management initiatives. A one-stop shop will streamline communication and strengthen community-led delivery of projects.

CONCLUSION

The CPEIR Opportunities for Improvement and recommendations aim to enhance Fiji's policy, institutions and budgetary systems and drive further action on climate change and disaster risk management. Fiji faces immense challenges, including sea level rise, drought and floods that will adversely affect nearly every economic sector. Analyzing Fiji's budgetary systems, expenditures, policies, institutions and local governance can provide insights for strengthening Fiji's systems and assist Fiji to more effectively achieve their objectives on climate change and disaster risk management.

In particular, the OFIs and recommendations can help Fiji prepare for funding opportunities from international, regional and national sources. The Green Climate Fund and Adaptation Fund, along with regional programmes and national budgets, provide important opportunities for the country. It is critical Fiji have the right structures in place to not only access these funds but also ensure the effective and efficient implementation of climate change and disaster risk management initiatives.

Fiji has achieved much success at international level, including its leadership in the UNFCCC negotiations and at national level, such as the numerous energy, environment, and forestry projects in villages across the country. The CPEIR OFIs and recommendations aim to build on this foundation and enhance Fiji's efforts to reduce emissions and increase resiliency now and in the future.

ANNEX

Definitions

Adaptation to Climate Change
Adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.

Capacity Development
The process by which people, organizations and society systematically stimulate and develop their capacities over time to achieve social and economic goals, including through improvement of knowledge, skills, systems, and institutions.

Clean Development Mechanism
A mechanism under the Kyoto Protocol through which developed countries may finance greenhouse-gas emission reduction or removal projects in developing countries, and receive credits for doing so, which they may apply towards meeting mandatory limits on their own emissions.

Climate
The long-term average weather of a region, including typical weather patterns, the frequency and intensity of storms, cold spells and heat waves

Climate Change
A change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and is in addition to natural climate variability observed over comparable time periods.

Climate Variability
Climate variability refers to variations in the mean state and other statistics (such as standard deviations, the occurrence of extremes, etc.) of the climate on all spatial and temporal scales beyond that of individual weather events. Variability may be due to natural internal processes within the climate system (internal variability), or to variations in natural or anthropogenic external forcing (external variability).

Coastal Erosion
A long-term trend of shoreline retreat and/or loss of beach sediment volume over several decades. 'Cutback' is a more suitable term for a dynamically 'stable' shoreline to describe the temporary loss of beach volume or shoreline retreat during a storm (before the volume gets replenished over ensuing weeks and months).

Deforestation
The conversion of forest to another land use or the long-term reduction of the tree canopy cover below the minimum ten per cent threshold.

Disaster
A serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses and impacts, which exceeds the ability of the affected community or society to cope using its own resources.

Disaster Risk Management (DRM)
The systematic process of using administrative directives, organizations, and operational skills and capacities to implement strategies, policies and improved coping capacities in order to lessen the adverse impacts of hazards and disaster.

Disaster Risk Reduction (DRR)
The concept and practice of reducing disaster risks through systematic efforts to analyse and manage the causal factors of disasters, including through reduced exposure to hazards, lessened vulnerability of people and property, wise management of land and the environment, and improved preparedness for adverse events.

Emissions
The release of substances (e.g. greenhouse gases) into the atmosphere.

Emissions Trading
A market-based approach to achieving environmental objectives. It allows those reducing greenhouse gas emissions below their emission cap to use or trade the excess reductions to offset emissions at another source inside or outside the country. In general, trading can occur at the intra-company, domestic, and international levels.

Energy Efficiency
Reducing the amount of energy used for a given service or level of activity in order to produce the same level of end-use service. Energy efficiency improvements are predominantly achieved through using technologically more advanced equipment. For example, using compact fluorescent light globes reduces the amount of electricity required for lighting.

Extreme Weather Events
An event that is rare at a particular place and time of year. Definitions of 'rare' vary, but an extreme weather event would normally be as rare as or rarer than the 10th or 90th percentile of the observed probability density function.

Forest Degradation
Forest degradation is the depletion of forest to tree crown cover at a level above ten per cent.

Green Climate Fund
Governments established a Green Climate Fund as an operating entity of the financial mechanism of the UNFCCC. The GCF will support projects, programmes, policies and other activities in developing country Parties. The Fund will be governed by the GCF Board and is expected to be the largest fund on climate change, potentially channeling billions of dollars.

Greenhouse Gases
The atmospheric gases responsible for causing global warming and climate change. The major GHGs are carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_20). Less prevalent — but very powerful — greenhouse gases are hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6).

Intergovernmental Panel on Climate Change
The IPCC surveys worldwide scientific and technical literature and publishes assessment reports that are widely recognised as the most credible existing sources of information on climate change. The IPCC also works on methodologies and responds to specific requests from the UNFCCC's subsidiary bodies. The IPCC is independent of the Convention.

Kyoto Protocol
Kyoto Protocol, among other things, sets binding targets for the reduction of greenhouse-gas emissions by industrialized countries

Measurable, Reportable and Verifiable (MRV)
MRV is a process/concept that potentially supports greater transparency in the climate change regime.

Mitigation of Greenhouse Gases
In the context of climate change, a human intervention to reduce the sources or enhance the sinks of greenhouse gases. Examples include using fossil fuels more efficiently for industrial processes or electricity generation, switching to solar energy or wind power, improving the insulation of buildings, and expanding forests and other 'sinks' to remove greater amounts of carbon dioxide from the atmosphere.

Natural Disaster
Any event or force of nature that has catastrophic consequences, such as avalanche, earthquake, flood, forest fire, hurricane, lightning, tornado, tsunami, and volcanic eruption.

Reforestation

Replanting of forests on lands that have previously contained forests but that have been converted to some other use.

Renewable Energy
Energy produced from renewable resources, such as wind, solar, geothermal energy and biofuels.

Resilience
The ability of a social or ecological system to absorb disturbances while retaining the same basic structure and ways of functioning, the capacity for self-organisation, and the capacity to adapt to stress and change.

Rio Conventions
Three environmental conventions, two of which were adopted at the 1992 "Earth Summit" in Rio de Janeiro: the United Nations Framework Convention on Climate Change (UNFCCC), and the Convention on Biodiversity (CBD), while the third, the United Nations Convention to Combat Desertification (UNCCD), was adopted in 1994. The issues addressed by the three treaties are related -- in particular, climate change can have adverse effects on desertification and biodiversity -- and through a Joint Liaison Group, the secretariats of the three conventions take steps to coordinate activities to achieve common progress.

Sea Level Rise
Factors leading to sea level rise under global warming include both increases in the total mass of water from the melting of land-based snow and ice, and changes in water density from an increase in ocean water temperatures and salinity changes. Relative sea level rise occurs where there is a local increase in the level of the ocean relative to the land, which might be due to ocean rise and/or land level subsidence.

Storm Surge
The temporary increase, at a particular locality, in the height of the sea due to extreme meteorological conditions (low atmospheric pressure and/or strong winds). The storm surge is defined as being the excess above the level expected from the tidal variation alone at that time and place.

Sustainable Development
Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

United Nations Framework Convention on Climate Change (UNFCCC)
In 1992, countries adopted the UNFCCC as a response to the problem of global warming. Five years later, they adopted the Kyoto Protocol, which strengthens the Convention by setting legally binding emission reduction requirements for 37 industrialized countries. The ultimate objective of both treaties is to stabilize greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate system. The staff of the United Nations Climate Change Secretariat works towards this goal, guided by the Convention's 195 and the Protocol's 192 Parties. At the head of the secretariat is the Executive Secretary. This position is currently held by Christiana Figueres.

Vulnerability
The degree to which a system is susceptible to, or unable to cope with, adverse effects of climate change, including climate variability and extremes. Vulnerability is a function of the character, magnitude, and rate of climate variation to which a system is exposed, its sensitivity, and its adaptive capacity.

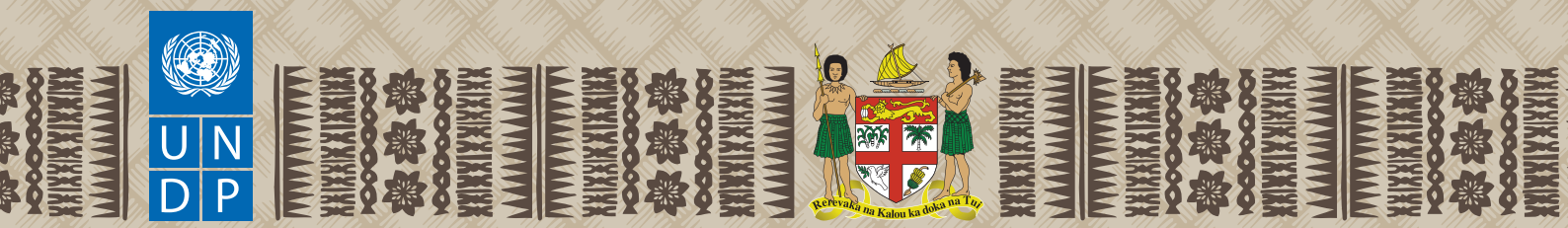
Sample of Climate Change Related Programmes, Projects and Initiatives in Fiji

(Source: Climate Change Division Database)

Government Agencies	Climate Change Related Programme and Projects
Climate Change Division	▶ Coordinate the Implementation of the NCCP ▶ UNFCCC First, Second and Third National Communication ▶ Clean Development Mechanism (2011 – 2012) ▶ AusAid Building Resilience Project (2011 – 2013) ▶ National Climate Change Summit 2012 and 2013 ▶ Relocation Programme ▶ CC Newsletter and Website
Ministry of Education	▶ Incorporation of Climate Change Information in all Formal Education ▶ Strategy to Integrate Climate Change in School Curricula, Teacher Education and Vocational ▶ Integration of Adaptation and Disaster Risk Reduction into the School Curriculum
Ministry of Social Welfare, Women and Poverty Alleviation	▶ Empowerment of Rural Women and their Role in Poverty and Hunger Eradication, Development and Current Challenges ▶ Gender Mainstreaming Training ▶ Access to Services ▶ Economic Empowerment of Women ▶ Food Security ▶ Entrepreneurial Skills ▶ Climate Change Project: Solar Electrification and Solar Women Engineers
Department of Tourism	▶ A study was carried out in 2005 for Adaptation to Climate Change in the Tourism Sector in Fiji
Ministry of Strategic Planning, National Development, and Statistics	▶ Coordinate with the CCD on climate issues and environmental issues with the Department of Environment
Ministry of Rural and Maritime Development & National Disaster Management Office Sugar	▶ Building the national resilience to disasters, reducing vulnerability and risks and adapting to climate change ▶ Support the development of adaptation technologies and systems that are sustainable, consider traditional knowledge and are culturally acceptable ▶ **Project:** Coordinate Implementation of Infrastructure plans on Water and Sewerage, Electrification, Alternative Sources of Energy and Telecommunications ▶ **Rural Infrastructure:** Emergency Water, Upgrading NCAR, Upgrading CAR, Boarding Facilities, Building Grant ▶ **Self Help:** Rural Housing, Facilitate Review of NDMP (1995), Disaster Management ACT – Review Paper, Facilitate formulation of Joint National Action Plan

Ministry of i-Taukei Affairs and i-Taukei Affairs Board	▶ Implementation of the Ministry's Climate Change Policy ▶ Assist Provincial Offices and Conservation Offices conduct Climate Change and Disaster Risk Management Vulnerability and Adaptation Assessment ▶ Collaboration with USAID Coastal Community Adaptation Project ▶ REDD plus for Rural Women ▶ Climate Change Desk Officer
Department of Energy	▶ Energy Conservation and Efficiency (ECE) Programme intends to educate the public on the importance of using energy efficiently. This is undertaken through public awareness programmes, energy audits, use of energy efficient equipment and the adoption of standards and labeling for refrigerators and freezers. ▶ Renewable Energy: Hydro, Wave, Wind, Biomass, Solar Water Pump, Solar Light Jetties, CDM ▶ **Power Sector:** Rural Electrification, Solar Home Systems, Somosomo Hydro, Nabouwalu Village Hybrid Power System, Buca hydro project, Sustainable Energy Financing Project (SEFP) ▶ **Security Energy:** Energy Conservation Efficiency and Biofuel
Fiji Meteorological Service	▶ Climate Change Science and Climate Change Projections; Quality control of all climate data and ingested into appropriate models for Climate Products; Continuous and efficient manning of Climate Services; Establishment of Disaster Recovery Plan. ▶ **Project:** Pacific Climate Change Science Programme
Ministry of Information	▶ Publication of climate change and disaster risk management issues to all media outlet and media release
Ministry of Agriculture	▶ Land use planning; climate resilient crops; disaster response management ▶ Land use BR Project - provision of flood protection services. ▶ River dredging activities ▶ River bank protection ▶ Watershed management ▶ Pacific Adaptation to Climate Change Project ▶ Integrated Water Resource Management Project
Department of Forests	▶ Sustainable Forest Management and REDD plus programme
Department of Fisheries	▶ Fisheries and Climate Change programme finalizing their action plan

Department of Environment	▶ **WPU:** Formulate policy, Enforce the Litter Decree/Legislation, Minimize or control waste, Solid Waste Management, Liquid Waste Management ▶ Air Pollution Control: each documents have an Action Plan link: www.environment.gov.fj ▶ **Ocean Depleting Substance (ODS):** 10years awareness on ODS and Global Warming, training and incorporated in the school curriculum. They advise on Montreal Protocol and always complement their awareness on greenhouse gases. Mitigate through enforcement to eradicate ODS ▶ **Environment Impact Assessment (EIA):** Review EIA process to include climate change components, review terms of reference and need the assistance of the CCD, review of reports and comments from CCD ▶ **National Biodiversity Strategies and Action Plans (NBSAP):** Working document and the component for climate change is the forest conservation and management, the works undertaken by this section is to monitor and manage the NBSAP. A very good exemplary is documenting on traditional knowledge; coordination role ▶ **The Mangrove Ecosystem Conservation and Livelihoods (MESCAL) Project:** Production of economic value of mangroves; produce an integrated national mangrove status and use map; produce mangrove identification survey/field guide; number of training workshops on mangrove field survey; project and mangrove conservation awareness activity at national level. ▶ **Coral Triangle Initiative/Coral Triangle Pacific (CTP):** The name of the four years long project for Fiji is CTP. It supports baseline data collection on climate change and resilience of coastal ecosystems to climate change enhancement
Department of Town and Country and Planning	▶ Development Control ▶ Alternative Source of Energy ▶ Energy Efficiency- Urban design and Climate Change ▶ Incorporation of Climate Change into Urban Development plans ▶ Collaborated with WWF on the implementation of the Labasa municipality Climate Change Adaptation Plan
Ministry of Health	▶ Climate change project falls under the Public Health programme but is also closely linked with the Environment Health Unit. Currently, the Piloting Climate Change Adaptation to Protect Public Health (PCCAPHH) project is the only climate change project at the ministry. The goal is to enhance capacity of health sector institutions to respond effectively to climate-sensitive diseases like dengue, leptospirosis, typhoid and diarrhea through the development of a climate-based early warning system for diseases, strengthen health sector capacity for effective utilization and application of early warning systems and pilot health adaptation activities in most vulnerable areas.



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