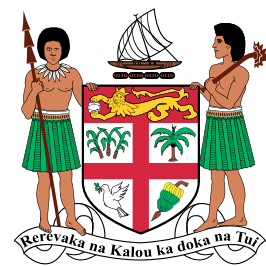


CLIMATE RELOCATION OF COMMUNITIES TRUST FUND

Financial Management Policy Guideline



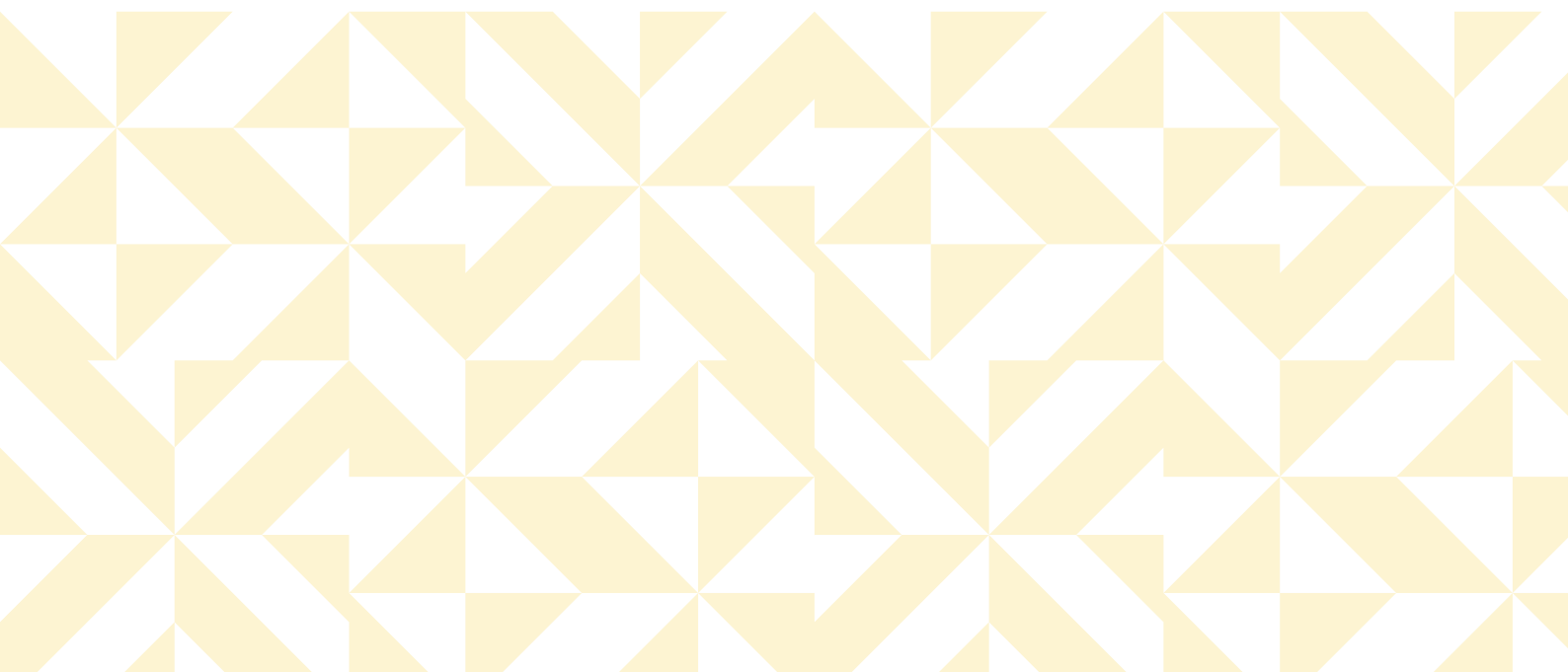
MARCH 2023



CLIMATE RELOCATION OF COMMUNITIES TRUST FUND

Financial Management Policy Guideline

MARCH 2023



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The Climate Relocation of Communities Trust Fund - Financial Management Policy Guideline represents the Fiji Government's commitment to build a climate resilient nation.

The development process was led by the Climate Change Division (CCD) of the Office of the Prime Minister, with support from the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) Global Programme - Human Mobility in the Context of Climate Change Programme (GP- HMCCC).

Table of Contents

1	INTRODUCTION	1
1.1	Legal Mandate	1
1.2	Purpose of the Trust Fund	2
1.3	Scope and purpose of the Financial Management Policy Guideline	3
1.4	Review of the Financial Management Policy Guideline	4
2	FUND STRUCTURE AND SCOPE	5
2.1	Sources of funds held in trust	5
2.2	Typology of approved Trust Fund investments	5
3	TRUST FUND GOVERNANCE	7
3.1	Legal framework for planned relocation	7
3.2	Roles and responsibilities	8
	3.2.1 <i>Technical assessment and decision making</i>	8
	3.2.2 <i>Financial oversight, administration & fundraising</i>	8
	3.2.3 <i>Operational supervision and implementation</i>	11
4	OPERATIONAL GUIDELINES AND PROCEDURES	12
4.1	Community consultation and inclusive decision making	12
4.2	Process for authorising Trust Fund expenditure	13
	4.2.1 <i>Operational costs</i>	13
	4.2.2 <i>Pre-stage assessment activities</i>	13
	4.2.3 <i>Costed planned relocation plans</i>	13
4.3	Process for requesting fund disbursement following authorisation	15
4.4	Procurement processes and the management of third parties	15
4.5	Safeguards	16
	4.5.1 <i>Adherence to operational safeguards</i>	16
	4.5.2 <i>Declaration of competing interests</i>	16
	4.5.3 <i>Whistleblower policy</i>	16
	4.5.4 <i>Other fiduciary issues</i>	16
	4.5.5 <i>Confidentiality</i>	17
	4.5.6 <i>Anti-money laundering and anti-terrorism</i>	17
4.6	Transparency, accountability, and reporting	17
	4.6.1 <i>Audit of the Trust Fund</i>	17
	4.6.2 <i>Reporting</i>	17
	4.6.3 <i>Donor reporting</i>	18
	4.6.4 <i>Monitoring and evaluation</i>	18
	4.6.5 <i>Non-compliance and failure to comply</i>	19



Abbreviations and Acronyms

CCD	Climate Change Division of the Office of the Prime Minister
CROC	Climate Relocation of Communities (Trust Fund)
FMPG	Financial Management Policy Guidelines
The Secretariat	The Secretariat of the Fiji Taskforce on Relocation and Displacement Taskforce
The Taskforce	The Fiji Taskforce on Relocation and Displacement
The Trust Fund	Climate Relocation of Communities Trust Fund
The Trust Fund Act	Climate Relocation of Communities Trust Fund Act 2019
GTB	Government Tender Board
MoF	Ministry of Finance
OPM	Office of the Prime Minister
SOP	Standard Operating Procedures for Planned Relocation in Fiji



Introduction



1

This financial management policy guideline outlines the governance arrangements, applicable legal framework, administrative and financial requirements as well as the specific disbursement, procurement, audit, and reporting procedures that must be applied to all operations associated with the Climate Relocation of Communities Trust Fund¹ (**‘the Trust Fund’**) established under the Climate Relocation of Communities Trust Fund Act (No.21 of 2019) (**“the Trust Fund Act”**).

The Trust Fund was established for *“the planned relocation of communities in Fiji that are adversely affected by climate change”* and through this function supports urgent social protection objectives and outcomes that are critical to increasing Fiji’s resilience to climate change. The Climate Relocation of Communities Trust Fund is a dedicated source of financing for addressing the complex operations involved with the planned relocation of communities and is expected to derive financial resources from a variety of sources.

In order to support the objectives of the Trust Fund and its legal mandate and scope this guideline synthesises the relevant regulations, requirements, and responsibilities to which the trust fund must adhere. In addition to the existing legal framework to which the Trust Fund must comply this guideline also defines the additional requirements introduce to further support the enhanced accountability and transparency required given the sensitive issues and challenges the Trust Fund is purposed to address.

1.1 LEGAL MANDATE

The *Trust Fund Act* was enacted by the Parliament of the Republic of Fiji on 24 June 2019. This Act provides the basis for the objectives of the Trust Fund and establishes the requirements that will guide operations of the Trust Fund. This legislation and the establishment of the fund further supports national compliance with the overarching legal framework for community-led, state-recognised and supported planned relocation of vulnerable communities and groups established under Part 12 of the Climate Change Act (2021).

The fiduciary management and compliance of the operations of the Trust Fund are required by law to comply with the standards defined and procedures stipulated by the Financial Management Act 2004, the Financial Instructions 2010 and the Procurement Regulations 2010.

¹ While the ‘Climate Relocation of Communities Trust Fund’ is the legal reference for the Fund, the alternate long form reference to this fund, for the purposes of fundraising the alternative title ‘*Climate Relocation and Displaced Peoples Trust Fund for Communities and Infrastructure*’ may be used.

The Minister for Finance is the minister responsible for the Trust Fund Act and its Financial Management Policy Guideline.

1.2 PURPOSE OF THE TRUST FUND

The purpose of the Trust Fund is to serve as a dedicated fund for receiving monies from donors and other sources of finance purposed to support, facilitate, and enable the safe and effective planned relocation of vulnerable communities in Fiji. The primary beneficiaries of the fund are ‘communities’ which are interpreted by the Trust Fund Act as ‘villages, formal settlements and informal settlements’.

As per section 4 of the Trust Fund Act, the purpose of the Trust Fund is to:

- a) receive monies from donors and other sources for planned relocation; and
- b) disburse monies for planned relocation and related matters, including—
 - (i) *research, assessments and studies into the circumstances which necessitate planned relocation;*
 - (ii) *activities or initiatives that assess the vulnerability of communities which may be at risk of being displaced due to the adverse effects of climate change;*
 - (iii) *activities or initiatives that identify viable locations where communities displaced by climate change may settle; and*
 - (iv) *activities or initiatives which seek to ensure that relocated communities are provided the necessary infrastructure to guarantee an adequate standard of living and the rights and freedoms provided under the Constitution of the Republic of Fiji.*

The overarching objectives that the Trust Fund and the Trust Fund Act serves are articulated under section 77 of the Climate Change Act which defines the Planned Relocation in Fiji as being understood and defined/constituted by the following purposes, objectives and principles:

- a) to allow for the orderly, respectful and dignified relocation of at-risk communities;
- b) to provide for a minimum standard of protection and assistance to persons at risk of, or affected by, disasters and climatic change, including the most vulnerable persons and taking into consideration the special needs and circumstances of persons living with disabilities, the elderly, sick, women and children;
- c) for planned relocations, provide a coordination mechanism to enable all affected stakeholders to participate in decisions affecting communities;
- d) to relocate at-risk communities only when other adaptation measures as set out in the NAP have been exhausted;
- e) to relocate at-risk communities only with the full free and prior informed consent of the communities, following inclusive and gender responsive consultation and participatory processes;

- f) to ensure that relocation sites—
 - (i) *are on land that is least vulnerable to climate change impacts and capable of supporting the current and future needs of the at-risk community and any existing or host communities; and*
 - (ii) *have similar or better housing, infrastructure, social infrastructure and other social and financial support systems, employment opportunities than the community from which persons were relocated, and can meet the current and future sustainable development needs of both the existing or host community and the at-risk community that is to be relocated to that site;*
- g) if an at-risk community is relocated to land that supports existing communities, the rights and concerns of those existing or host communities are taken into account and respected;
- h) where possible and desirable, infrastructure is relocated from the at-risk community to the relocation site;
- i) relocation is to be non-discriminatory; and
- j) the adoption of approaches which—
 - (i) *are human-centred including prioritising community needs from the bottom up;*
 - (ii) *support the continuation of livelihoods;*
 - (iii) *are human rights based; and*
 - (iv) *are pre-emptive.*

1.3 SCOPE AND PURPOSE OF THE FINANCIAL MANAGEMENT POLICY GUIDELINE

This Guideline has been developed to support compliance and interpretation of the relevant legislation and existing requirements and legal frameworks under which the Trust Fund operates. This guideline will be used by the decision-making bodies and officials described, as well as officers responsible for executing the fiduciary duties and administrative requirements of the Fund. The guideline provides information necessary to:

- A. Define the governance structure** which will guide the decision-making processes and strategic oversight functions in relation to the Trust Fund.
- B. Establish the operational guidelines and procedures** that will guide the management of the Trust Fund in compliance with the Financial Management Act 2004, Financial Instructions 2010, the Procurement Regulations 2010 and other associated regulations and guidelines.
- C. Ensure that the operations of the Trust Fund comply** with both requirements of The Trust Fund Act (2019) and the relevant overarching principles as well as specific and relevant provisions set out by the Climate Change Act (2021).



1.4 REVIEW OF THE FINANCIAL MANAGEMENT POLICY GUIDELINE

To ensure that this guideline will continue to effectively support the procedures and approaches used to execute planned relocation activities safely and effectively in Fiji, as they mature and develop overtime, a review and update of this guideline will be:

- 1) Conducted under the oversight of the Minister for Finance upon receipt of written request by the Taskforce on the Relocation and Displacement of Vulnerable Communities.
- 2) Called for by the Minister for Finance and/or triggered by the introduction of new Regulations associated with the Trust Fund Act.
- 3) Called for by the Minister for Climate Change and/or triggered by any changes made to the Planned Relocation Guidelines, Standard Operating Procedures, or any other relevant legislative amendments with material impact upon the form of the guidelines.

Fund Structure and Scope

2

2.1 SOURCES OF FUNDS HELD IN TRUST

- a) The Trust Fund has been established to operate as a multi-donor trust fund. Funding accrued through different domestic and international sources, mechanisms, facilities, and donors will be pooled and used in the aggregate for the support of planned relocation activities defined by this document, the Climate Relocation of Communities Trust Fund Act (2019), and the Climate Change Act (2021).
- b) Funds will be held and purposed to target specific stages and activities involved in the relocation process as described by the Standard Operating Procedures for Planned Relocation in Fiji (SOP).
- c) The Trust Fund will uphold a no-earmarking of contributions policy. Donors to the Trust fund will not be permitted to earmark funds for particular communities or groups, regions or areas.
- d) The Trust will benefit from applicable domestic revenue-raising mechanisms such as levies or taxes as deemed fit to support the responsibility and evolving priorities supported by the fund.
- e) Pursuant to section 9 of the Trust Fund Act, Trust Fund income is exempt from income tax.

2.2 TYPOLOGY OF APPROVED TRUST FUND INVESTMENTS

The Trust Fund will consider investments that align with the eligible activities described within the Trust Fund Act and included below:

- i) research, assessments and studies into the circumstances which necessitate planned relocation;
- ii) activities or initiatives that assess the vulnerability of communities which may be at risk of being displaced due to the adverse effects of climate change;
- iii) activities or initiatives that identify viable locations where communities displaced by climate change may settle; and
- iv) activities or initiatives which seek to ensure that relocated communities are provided the necessary infrastructure to guarantee an adequate standard of living and the rights and freedoms provided under the Constitution of the Republic of Fiji.

As per section 5 subsection 2 of the Trust Fund Act – trust funds may also be used to cover the operating expenses of the Fund. These investment areas should also be considered alongside the objectives described in the aforementioned section of the Climate Change Act (section 77).

For the purpose of this guideline, the activities described above can be summarised and organised in relation to 3 pillars:

PILLAR 1: Decision Making

Pillar 1 activities are associated with the decision-making process that must guide the use and consideration of planned relocation of at-risk communities. This stage in the relocation process is described through the SOP. The Trust fund will be used to finance the costs and activities involved with assessing climate and disaster risks at the community level, engaging communities through a participatory consultation and decision-making process, and other interactions and studies required to determine whether planned relocation is required in any given context.

PILLAR 2: Planning

Pillar 2 activities refer to all actions and processes involved with the technical planning and design stages needed to identify a suitable alternative site for the relocation of a community or group and to design options for building new and relocating existing infrastructure.

PILLAR 3: Implementation

Pillar 3 investments and activities related to all the associated costs of planned relocation after the ‘relocation plan’ is finalised. These activities relate to the costs of procuring and securing a new site, the physical construction of infrastructure, the logistical costs of moving people and belongings, and the subsequent support and monitoring required to support livelihoods and evaluate relocation outcomes.

Trust Fund Governance

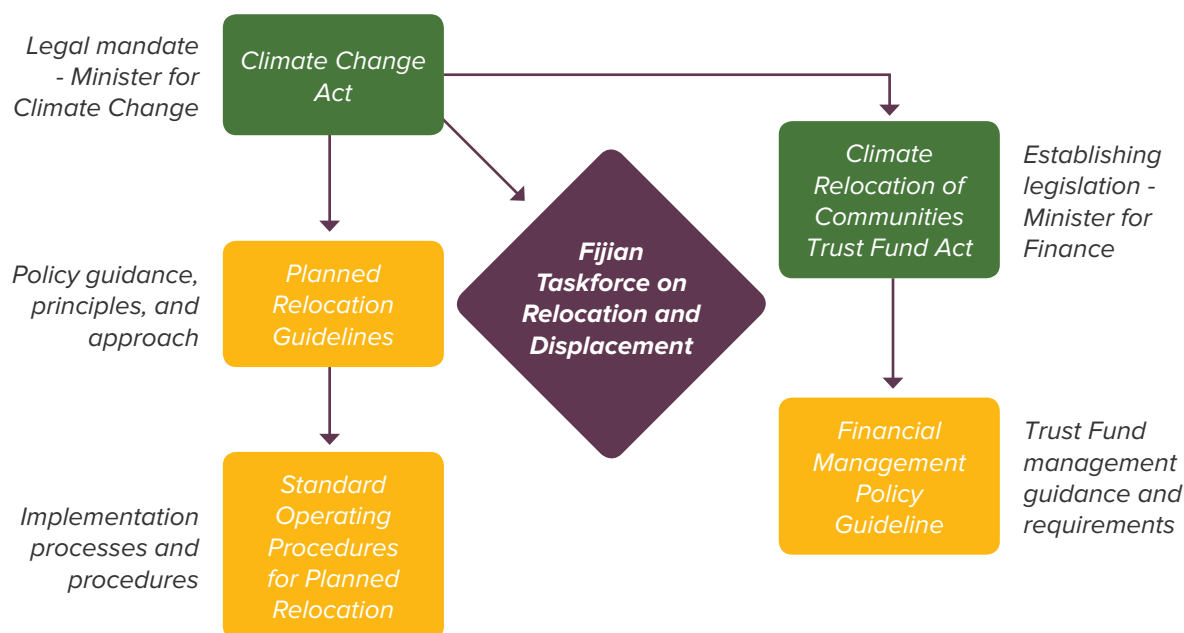
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3.1 LEGAL FRAMEWORK FOR PLANNED RELOCATION

In order to disburse funding held in trust for purposes and activities that serve to achieve the overarching objectives of the Trust Fund, the Climate Change Act (2021) creates legal association between relevant national policies and the SOP (Section 76). These elements provide further guidance on the processes and safeguards that will define planned relocation activities in Fiji.

- The guideline and overarching principles as well as the theory of change that supports the rationale for state recognition of planned relocation in Fiji is established through Fiji's Planned Relocation Guidelines.
- The procedures for assessing and supporting planned relocation are detailed by the Standard Operating Procedures for Planned Relocation in Fiji (SOP).

FIGURE 1 Depiction of Fiji's existing legal and policy-based architecture for Planned Relocation of vulnerable communities.



To support the overarching objectives of the Trust Fund, which include the effective and efficient use of financial resources to support the planned relocation of vulnerable communities, the Trust Fund is governed by a multi-tiered governance structure. This governance oversight is defined across three tiers and functions:

- 1: Technical Assessment and Decision Making
- 2: Financial Oversight, Accounting and Administration of Trust Funds, and Fundraising
- 3: Implementation and Monitoring

3.2 ROLES AND RESPONSIBILITIES

3.2.1 Technical assessment and decision making

The Fiji Taskforce on the Relocation and Displacement of Communities Vulnerable to the Impacts of Climate Change ('The Taskforce'), as established under part 12 section 75 of the Climate Change Act, will be guided by the Taskforce terms of reference and be supported by a secretariat established within the Ministry of Rural and Maritime Development ('Secretariat'). The Taskforce is chaired by the Climate Change Division.

The Taskforce will comprise of members of line ministries and will be responsible for the following:

- a. Coordinating the expertise and assessment information and data required to develop relocation plans.
- b. Making the decisions required to progress planned relocation activities in Fiji.
- c. Where decisions involve financial implications for the Trust Fund, the decision of the Taskforce will be submitted as a 'recommendation' to the Minister responsible for Climate Change for final approval and further action.

3.2.2 Financial oversight, administration & fundraising

Oversight of the Trust Fund and administration are provided through the legal mandate of the Ministry of Finance. Section 7 subsection (1) of the Trust Fund Act requires that - *The Ministry must keep accounts and records of transactions of the Fund and its activities and must prepare financial statements and accounts for each financial year.*

Fundraising is provided through the legal mandate of the Climate Change Division (CCD) of the Office of the Prime Minister, under the purview of the Minister for Climate Change. The Climate Change Act stipulates that the Minister responsible for Climate Change may 'use monies in the Climate Relocation of Communities Trust Fund established under section 3 of the Climate Relocation of Communities Trust Fund Act 2019' for the purpose of supporting the objectives set out in Section 77.

A. The Minister for Climate Change is responsible for:

- i. The final decision as to whether to endorse or not endorse proposals and associated funding allocations requested for each relocation project. The Minister for Climate Change will accept the recommendations of the Taskforce in good faith and the Taskforce will be given the opportunity to respond to any queries or issues raised by the Minister for Climate Change before a final decision is made.
- ii. Advocacy and high-level reporting on the use of trust funds.
- iii. The development of domestic revenue-raising instruments - as required - to help further resource the trust fund.
- iv. Ensuring the active participation of vulnerable persons or communities in community consultations in relation to planned relocation to ensure that their views are taken into account (as stipulated by the Climate Change Act).

B. The Minister for Finance is responsible for:

- i. Ensuring that money in the Fund is expended only for the purposes provided under section 4(b) of the Trust Fund Act.
- ii. The development of further regulations as required to support the effective management of the Trust Fund and to provide any further clarity required through the application of these guidelines.
- iii. Causing a copy of an annual report on the activities and expenditure of the Fund, including financial statements for the Fund, to be laid before Parliament at the next sitting of Parliament after Cabinet receives the report.

C. The Director of the Climate Change Division is responsible for:

- i. Ensuring that the monies held in Trust are expended for the purposes as stipulated in the Trust Fund Act.
- ii. Ensuring that the use of funds complies with the relevant Financial Management Act 2004, Finance Instructions 2010, and the Procurement Regulations 2010.
- iii. Seeking the endorsement of Taskforce decisions on the use of funds from the Minister for Climate Change.
- iv. Seeking approval to utilise Trust Funds to cover operational costs of the Trust Fund from the Minister for Climate Change.
- v. Seeking endorsement from the Permanent Secretary for Finance for all payments from the Trust prior to disbursement.
- vi. Ensuring that there is a minimum of two signatories for all cheque payments.
- vii. Maintaining up to date accounts and records of all transactions and relevant documentation in relation to the monies expended.
- viii. Supporting the Ministry of Finance with the preparation of acquittal reports and annual reports through information compiled from the quarterly progress/completion reports provided by the Secretariat.

- ix. Ensuring all accounting of Trust money complies with the requirements set out under Part 9 section 58, subsections 2-6 of the Finance Instructions:
 - (2) The receipt and payment of trust money must be recorded in a separate cashbook or set of ledger accounts.*
 - (3) Each month, the trust account must be balanced and reconciled with the trust bank account. The names and balances of each account must be listed and the reconciliation shall be signed by the responsible officer. Un-reconciled items must be investigated and resolved promptly.*
 - (4) Each year, a statement of receipts and payments must be prepared for audit and inclusion, when required, in the agency's annual report.*
 - (5) Each payment of trust monies must be supported by an expenditure voucher which contains details of—*
 - (a) the date;*
 - (b) the payee;*
 - (c) the amount; and*
 - (d) the reason for the payment.*
 - (6) Each expenditure voucher for trust money must be signed and dated by the authorising officer, who must be independent of the officer responsible for maintaining the trust account records.*
- x. Fundraising to support the sustainability and growth of the trust fund.
- xi. Chairing of all Taskforce meetings.

D. The Permanent Secretary for Finance is responsible for:

- i. Ensuring financial operations comply with the relevant Financial Management Act 2004, Finance Instructions 2010, and the Procurement Regulations 2010 for expending the money received from the Trust.
- ii. Preparing acquittal reports and annual reports for submission to the Minister for Finance ahead of Cabinet submission and Parliamentary review.
- iii. Preparing annual financial statements for the Trust Fund and acquittal reports for the donor.
- iv. Ensuring that the Trust fund is audited annually by an independent auditor as approved by the Minister for Finance.
- v. Authorising all payments from the Fund.
- vi. Obtaining approvals from GTB for any procurements above FJ\$50,000.00.
- vii. Retirement of any accountable advance received.
- viii. Liaising with the Solicitor General's Office concerning vetting and execution of supplier contracts.

3.2.3 Operational supervision and implementation

The deployment and implementation of funds held in trust are directly informed and overseen at the operational level by The Taskforce and its Secretariat with oversight provided by the Minister for Climate Change.

The Permanent Secretary for Finance and CCD will support compliance and accountability.

The Secretariat is responsible for:

- i. Ensuring that the money received from the Trust is expended for the purpose it was received.
- ii. Developing the work plan and budget that will define how monies are to be expended.
- iii. Maintaining proper records and documentation for each relocation project.
- iv. Submitting the original copies of the aforementioned documentation to MOF on a monthly basis or as required.
- v. Maintaining duplicate copies of the aforementioned documentation for filing and recording for a period of at least 7 years.
- vi. Submitting quarterly progress or completion reports on the implementation of project activities to the Director of CCD and the Taskforce.

4

Operational Guidelines and Procedures

4.1 COMMUNITY CONSULTATION AND INCLUSIVE DECISION MAKING

The Financial Management Policy Guidelines will be used in conjunction with the Standard Operating Procedures for Planned Relocation in Fiji (SOP).

The SOP is designed to satisfy the requirements of the Planned Relocation Guidelines and the legal framework established under the Climate Change Act.

Section 77 subsection (2) of the Climate Change Act states that:

Prior to the Minister making a decision on relocating at-risk communities, the Fijian Taskforce on Relocation and Displacement must—

- (a) consult affected persons or communities and communicate the rights of those persons or communities and the scientific and policy justification for the proposed relocation;*
- (b) conduct a public hearing whereby the affected persons or communities have the right to legal representation; and*
- (c) provide a record of all views raised during the consultations and public hearing to the Minister.*

Subsection (4) established further requirements that are supported by the SOP to support the decision making by the Taskforce and the final decision taken by the Minister:

(4) When making a decision whether or not to relocate an at-risk community, the Minister must—

- (a) take into account all views raised during the consultations and public hearing;*
- (b) take into account any recommendations of the Fijian Taskforce on Relocation and Displacement;*
- (c) consider the availability of appropriate financial resources to facilitate relocation;*
- (d) ensure that the decision is consistent with, and following the processes and requirements established under, the Fijian Planned Relocation Guidelines and any supporting SOP.*

The final decision taken through the use of the SOP, the assessment and recommendation decision of the Taskforce, and the final endorsement decision made by the Minister for Climate Change must be consistent with the principles and objectives set out in section 77(1) of the Climate Change Act.

4.2 PROCESS FOR AUTHORISING TRUST FUND EXPENDITURE

4.2.1 Operational costs

Operational costs of the Trust Fund must be limited to costs that relate to the additional costs associated with the operations of the Trust Fund and its reporting and audit requirements. The maximum contribution to operational expenditures from a single contribution instance, source, or donor may not exceed 5% of the total amount.

Detail of the operational costs that require coverage must be drawn up by the Director of CCD in consultation with the Taskforce before submission to the Minister for Climate Change for approval.

4.2.2 Pre-stage assessment activities

The capacity and potential to produce technically credible and robust costed planned relocation plans is contingent in adequate pre-investment in *‘research, assessments and studies into the circumstances which necessitate planned relocation’*. The details of assessment needs and processes are detailed in the SOP.

The Taskforce will review both the technical and financial plans and arrive at a consensus on a recommendation based on the principles, guidelines, and objectives for Planned Relocation in Fiji. In order for the Taskforce to officially recommend a proposal for consideration by the Minister for Climate Change, the Taskforce must document:

1. Details of potential beneficiaries within the community in question.
2. Recommendations arising from historical studies and/or assessments that call for the activities to be undertaken (as detailed in the submitted technical plan).
3. Evidence of consultation and consensus reached by the community in question through a process consistent with the requirements cited under section 77 subsections 2,3, and 4 of the Climate Change Act.

4.2.3 Costed planned relocation plans

The SOP for Planned Relocation in Fiji and associated risk assessment frameworks illustrate the considerations and sequence of actions required to develop a funding plan for an instance in which planned relocation is required. The SOP sets out a rigorous process involving close stakeholder consultation and needs assessment to help validate investment strategy and recommendations. The SOP process is inclusive of the necessary selection criteria and technical requirements needed to ensure that only highly advanced, urgent, and feasible investments reach advanced proposal stages.

The Taskforce will review both the technical and financial plans and arrive at a consensus on a recommendation based on the principles, guidelines, and objectives for planned relocation in Fiji. In order for the Taskforce to officially recommend a proposal for consideration by the Minister for Climate Change, the Taskforce must document:

1. Details of beneficiaries.
2. Details of SOP stage and compliance.
3. Classification of the activity or activities set out under part 4 of the Trust Fund Act to which the request and proposal applies.
4. Detail of the objectives under section 77 of the Climate Change Act the request and proposals seek to contribute to.
5. Documentation of meeting minutes and detail of those Taskforce members in attendance when the decision was made.
6. Evidence of consultation and consensus reached by the community in question through a process consistent with the requirements cited under section 77 subsections 2, 3, and 4 of the Climate Change Act.

When a proposal is accepted by the Taskforce, the following process must be followed:

- a. An official request via a Letter or Memorandum must be submitted to the Minister for Climate Change requesting approval to utilise monies from the Trust.
- b. The official request must include the following information:
 - i. detailed background information on the scope of the project and total funds requested for the project;
 - ii. a costed work plan is to be submitted to provide details of costs for each activity and sub-activity and the timeline for project implementation. The costed work plan must be further categorised across the different phases of the project;
 - iii. all activities as per the costed work plan must be within the scope of eligible expenses of the Fund as defined in paragraph 3.0 (b);
 - iv. the official request must be endorsed by the Permanent Secretary for the respective line Ministry, prior to its submission to MOF.
- c. Upon receipt of the above request and supporting information, the CCD will seek the Minister for Climate Change's endorsement of the project proposal and the total funds required for the project.
- d. In the event project implementation is not completed within the stipulated timeline as per the approved proposal, a revised approval will need to be sought from the Minister for Climate Change detailing the extension of implementation timelines and any amendments to the budgeted activities as necessary.
- e. The CCD will inform the Taskforce on whether a project proposal has been approved or declined by the Minister for Climate Change.

4.3 PROCESS FOR REQUESTING FUND DISBURSEMENT FOLLOWING AUTHORISATION

- a. Once approval has been received for the proposal in question, individual payment requests must then be submitted to the Ministry of Finance through an official Memorandum.
- b. In the case of the blanket approval of a costed planned relocation plan, payments must be requested and managed in a manner consistent with the 'three tranche' budget and planning system described within the SOP.
- c. A checklist summarising all required supporting documentation will be provided by the Ministry of Finance. This checklist must be included as an attachment to the payment request submission.
- d. In each instance, the payment request will require endorsement by the Permanent Secretary for Finance.

4.4 PROCUREMENT PROCESSES AND THE MANAGEMENT OF THIRD PARTIES

- a. All procurement processes that utilise Trust Fund resources must adhere to government procurement regulations and processes must be managed by government ministries.
- b. Procurement of any goods and services above FJ\$50,000 will require approval by the Government Tender Board (GTB). Procurement below this threshold must be accompanied by at least three (3) valid quotations.
- c. Implementing Ministries and state entities must ensure that procurement is not artificially split to circumvent the need to obtain approvals from the GTB.
- d. A formal supplier contract must be executed between the implementing Ministry and the Contractor detailing the scope of work to be completed and the total cost of the engagement. The supplier contract must be vetted by the Office of the Solicitor-General prior to execution.
- e. Payments will be made directly to the Contractor as per the submissions received. Relevant Ministries involved in the oversight of activities must endorse completion of each stage of work by the Contractor before payments can be made.
- f. Payments of accountable advance will only be made to the designated officer who will then be responsible for the retirement of all funds expended with supporting acquittals reports. Subsequently, any unexpended advance must be reimbursed to the Trust.
- g. Ministries must retire all monies on a timely basis prior to requesting any further funding.

- h. Ministries must submit progress or interim reports for projects and activities funded by The Trust Fund. These must include the financial reports detailing funding utilisation and project progressive reports.
- i. Any other additional documents as requested by MOF during the assessment of the payment request.
- j. Ministries must support and participate in relevant project monitoring and evaluation exercises as required.

4.5 SAFEGUARDS

4.5.1 Adherence to operational safeguards

The activities funded by the Trust Fund must comply with the procedural safeguards set out through the SOP for Planned Relocation and the legal safeguards and requirements established under the Climate Change Act.

The Fijian Government will periodically reassess and review the procedures and safeguards associated with planned relocation activities. This guideline operates in conjunction with the most recent endorsed version of the SOP for Planned Relocation.

4.5.2 Declaration of competing interests

The alignment of the Trust Fund with existing financial management legislation and establishment of dedicated internal governance arrangements provides the means to prevent fraud, corruption, conflicts of interest and undue influences from occurring or existing in influence of decision-making processes. All Taskforce members are required to declare and document potential conflicts of influence at the outset of the consideration and deliberation of a proposal for the use of Trust Funds.

4.5.3 Whistleblower policy

In the event that undue influence is perceived to have impacted upon a decision made in relation to the governance of the Trust Fund the ‘whistleblower(s)’ are instructed to either:

- a. Report to the Taskforce Chair.
- b. Report to Manager Internal Audit, Risk and Compliance.
- c. Disclose information in the suspected breach of protocol via submission in writing to the Permanent Secretary for Finance or another official in a position whereby authority is deemed relevant and appropriate.

4.5.4 Other fiduciary issues

All parties must support the procedural requirements, fiduciary requirements, reporting requirements, and information sharing requirements to the best of their ability. Where regulations are deemed to be required to improve compliance and support transparency, both external and internal stakeholders are encouraged to submit proposals to the Minister for Finance directly for consideration and review.

4.5.5 Confidentiality

The Taskforce and all officials involved with Trust Fund operations will uphold the ‘right to privacy’ provided by the Constitution of the Republic of Fiji (2013) when handling any personal and confidential information that may be associated with planned relocation operations in Fiji.

4.5.6 Anti-money laundering and anti-terrorism

All transactions into the Trust Fund are regulated and controlled via the obligations put in place by the Financial Transactions Reporting Act 2004 which applies to all financial institutions in Fiji.

Any ‘money laundering offence’ is an offence against section 69 of the Proceeds of Crime Act 1997

The Financial Institution within which the Trust Funds are held is obligated to keep records and verify identity of all transfer sources and will follow ‘obligations to report’ as set out in Part 3 of the Financial Transactions Reporting Act 2004.

The Financial Intelligence Unit and Anti-Money Laundering Council have been established under the Financial Transactions Reporting Act 2004 to support, regulate, and protect financial institutions from financial crimes and criminal activity.

4.6 TRANSPARENCY, ACCOUNTABILITY, AND REPORTING

4.6.1 Audit of the Trust Fund

- a. The Trust must be audited by an independent auditor who is a chartered accountant registered with the Fiji Institute of Accountants, holds a certificate of public practice required under section 36 of the Fiji Institute of Accountants Act 1971, is not employed in the civil service and shall be approved by the Minister for Finance.
- b. Specific procurement process audits and project-specific audits may be required at any time upon request by the Minister for Climate Change or Taskforce.
- c. The accounts of the Trust must be audited annually and published on the Fiji Climate Change *Portal*.
- d. As deemed necessary, the Permanent Secretary for Finance may request the Internal Audit and Good Governance Section of the Ministry of Finance to conduct a compliance or performance audit.

4.6.2 Reporting

- a. A progress report, informed by the annual audit, will be made publicly available and will be produced and published annually within 12 months of the first disbursement made by the Trust Fund and annually thereafter. This progress report will be produced by the Ministry of Finance and will provide an overview of funding received into the Trust Fund as well as document all activities and investments made through the Trust Fund.

- b. As required under the CROC Trust Fund Act section 8, the aforementioned annual progress report with Information on activities and expenditure of the Trust Fund, including financial statements and up to data monitoring and evaluation information on existing and new activities will be submitted to Cabinet within 6 months of the reporting year. This report will be presented to Parliament by the Minister for Finance in the sitting following Cabinet submission.

4.6.3 Donor reporting

- a. While the earmarking of funding for communities, regions, and approved activities over others is not aligned with the operational requirements associated with the Trust Fund, all efforts to support donor priorities and requirements as well as specific financial reporting protocols will be met where possible, practical, and when expressly required.
- b. Reporting and acquittal of donor funding will provide detail on the use of funds over the reporting period inclusive of details on the specific target communities the donor contributions have contributed too.
- c. Special circumstances in which the earmarking of funding is deemed appropriate, the attribution of funding to specific activities may be permitted. These cases will be assessed and confirmed on a case-by-case basis and only upon request.
- d. Completion Reports documenting the completion of a singular project intervention (i.e., a completed planned relocation of a community or group) will be produced for public record and in support of donor reporting and communication where relevant.
- e. All contributing bodies, financial mechanisms/funds, and donors will be provided with access to the annual cabinet-approved progress report described in section 4.6.1 (b).

4.6.4 Monitoring and evaluation

- a. Funds dispersed by the Trust Fund will be purposed for activities that produce results that are measurable in relation to pre-approved indicators and an agreed results framework as described in section 4.2. Monitoring and evaluation will be performed in relation to these agreed indicators and any other approved indicators set out within the original proposal and request.
- b. Gender-disaggregated data on activities conducted using Trust funds must be provided through project and site-based reporting where possible and comply with the gender-oriented principles and requirements of the Climate Change Act.
- c. The Secretariat will produce quarterly progress reports to CCD as well as project completion reports as described under the implementation related monitoring activities detailed in section 3.2.3. These reports will be used to support evaluation of progress against agreed workplans.

- d. The Secretariat and CCD will ensure that their respective oversight and responsibilities collectively enable the active monitoring of expenditure and enable real time tracking of progress against objectives and agreed workplans. Where required this arrangement will be support by relevant IT systems to ensure monitoring metrics are actively available and can be used to support supervisory functions and oversight.
- e. The technical monitoring and evaluation of planned relocation activities is defined and clarified through the procedures defined through the SOP for Planned Relocation. These procedures describe both ongoing monitoring and evaluation systems that are to be in place throughout the SOP process as well as an additional post-relocation monitoring and evaluation system for assessing long term outcomes.
- f. Monitoring and evaluation systems and information will be actively interpreted and used to develop recommendations and best practice. Recommendations will be compiled by the Secretariat and considered by the Taskforce. These recommendations will be used to amend and revise the relevant policies, guidelines, procedures, and legal framework that underpins and defines Fiji's approach to planned relocation as required.
- g. Monitoring and evaluation products will be integrated into reporting to support both national and external reporting requirements.
- h. Monitoring and evaluation information in the form of an overview will be included within the annual reporting process described under section 4.6.2.

4.6.5 Non-compliance and failure to comply

- a. Regulatory non-compliance by any organisations involved with the management of Trust Funds will be considered grounds for investigative action against responsible individuals and offices.
- b. Failure to comply with any of the requirements of this guideline shall constitute a material breach of process and will result in the necessary disciplinary action, penalties, and legal prosecution as is deemed relevant and applicable based on the nature of the breach.
- c. Failure to comply with financial reporting requirements will be handled through existing internal processes.
- d. d) In instances in which non-compliance or failure to comply with these guidelines is apparent and confirmed, the Minister for Climate Change reserves the right to revoke authority to proceed with previously endorsed activities/projects.

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