



2024 Executive Training Course for Policymakers on the 2030 Agenda for Sustainable Development

Aligning the 2030 Agenda and the Paris Agreement—
Integrating SDG Implementation and Climate Action

Incheon, Republic of Korea, 7-10 May 2024

Fiji's Experience with Climate and SDG Financing



Fiji Background

A Small Island Developing State (SIDS), but large Ocean State

- More than 330 islands
- 18,275 square kilometres spanned across 1.3 million square kilometres of Exclusive Economic Zone
- Less than 900,000 people in population
- Fijian economy is:
 - highly dependent on the tourism industry
 - extremely volatile to global economic trends, especially the rising oil and food prices
 - higher trading partner inflation
 - ongoing shortages of raw materials
 - high freight costs
- National GHG Emissions as off 2019 was 0.004 percent of the total global emissions.
(Emissions of the energy sector (52.74%), Forestry and Other Land Use (21.18 %) Agriculture (13.14%). Waste sector (9.70 %) and Industrial Processes (3.24%))



Fiji's Key Climate Legislation and Policies

- Fiji Climate Change Act 2021 (*NDC, Net-zero, NAPs, National Climate Change Policy, MRV, Carbon Markets, Sustainable Finance, Private Sector Engagement, resilient development, climate induced relocation*)
- National Development Plan
- INDC then 2020 Updated NDC
 - NDC Implementation Roadmap
- National Adaptation Plan
- Climate Vulnerability Assessment
- National Oceans Policy
- Low Emission Development Strategy 2018-2050
- Draft National Carbon Budget
- Technology Needs Assessment
- SDG7 Roadmap for Fiji
- National Infrastructure Investment Plan

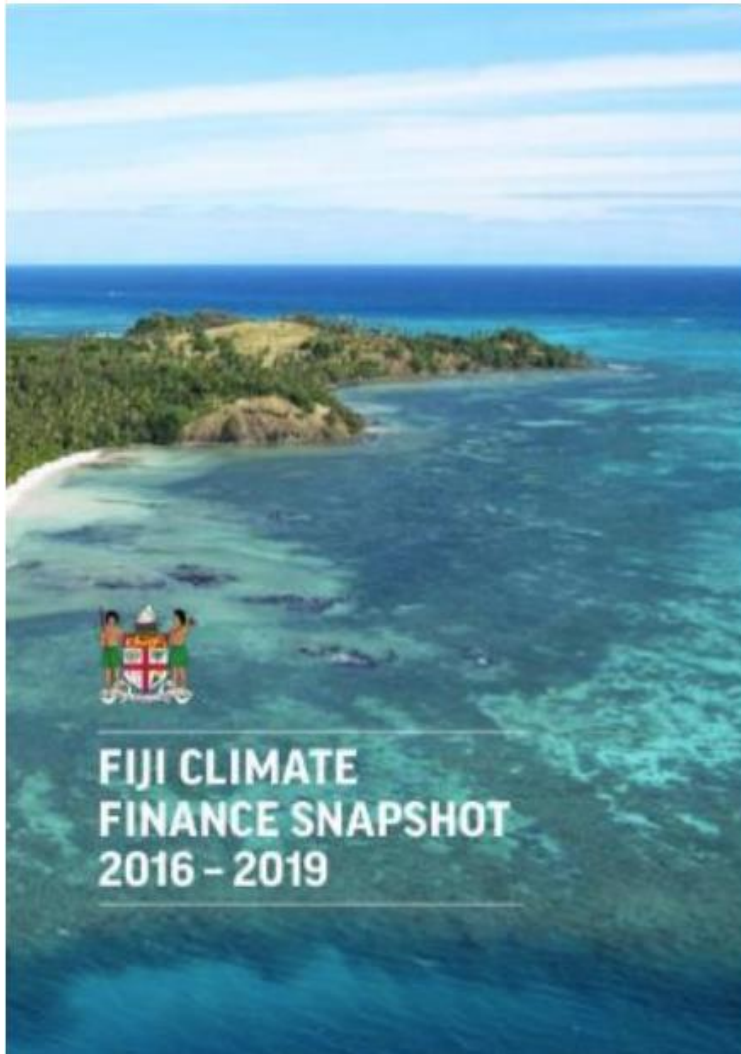


Fiji's Climate Finance Policies and Plans

- NDC Investment Plan and Project Pipelines
- Fiji Climate Finance Snapshot
- National Climate Finance Strategy
- Drua Incubator Innovation Fund
- Fiji Rural Electrification Trust Fund
- Climate Relocation of Communities Trust Fund
- Fiji Sovereign Bonds: Fijian Green and Sustainable Bonds Frameworks
- Guidelines for Preparation, Appraisal and Approval of Projects Under the Public Sector Investment Programme (PSIP)



Fiji Climate Finance Snapshot 2016-2019



Key Takeaways

1. Roughly FJD\$1.94 billion in domestic and international public climate finance was allocated to Fiji annually during the Snapshot.
2. About FJD\$781 million was spent annually.
3. Both figures fall short of the FJD\$3.28 billion in annual identified climate finance needs.

Table 8 | Summary of Investments and Needs by Sector

SECTOR	AVERAGE ANNUAL ALLOCATED* (FJD PER YEAR)	PERCENT OF ESTIMATED ALLOCATIONS	AVERAGE ANNUAL EXPENDITURE* (FJD PER YEAR)	PERCENT OF ESTIMATED EXPENDITURES*	TOTAL ESTIMATED ANNUAL NEEDS** (FJD PER YEAR)	PERCENTAGE OF ANNUAL ESTIMATED NEEDS**
Disaster Risk Managements	FJD 779,784,007	40.18%	FJD 197,340,721	25.24%	FJD 275,870,000	8.39%
Transport	FJD 636,150,348	32.78%	FJD 383,434,761	49.04%	FJD 2,259,277,427	68.75%
Water and Sanitation	FJD 173,185,475	8.92%	FJD 86,370,851	11.05%	FJD 162,650,000	4.95%
Electricity	FJD 88,417,134	4.56%	FJD 55,204,518	7.06%	FJD 561,663,741	17.09%
Agriculture	FJD 74,060,965	3.82%	FJD 32,681,315	4.18%	FJD 1,247,429	0.04%
Blue Economy	FJD 72,374,383	3.73%	FJD 7,784,803	0.99%	FJD 5,470,000	0.17%
Policy and Governance	FJD 56,899,171	3.09%	FJD 9,219,412	1.18%	FJD 500,000	0.02%
Housing	FJD 30,164,062	1.55%	FJD 5,590,975	0.72%	FJD 11,390,000	0.35%
Health	FJD 11,308,348	0.58%	FJD 0	0.00%	FJD 130,000	0.00%
Forests	FJD 10,138,681	0.52%	FJD 4,221,067	0.54%	FJD 7,789,663	0.24%
Migration/Relocation	FJD 5,261,998	0.27%	FJD 0	0.00%	FJD 0	0.00%
TOTAL	FJD 1,937,744,572	100.00%	FJD 781,848,423	100.00%	FJD 3,285,988,260	100%

Identified Donors

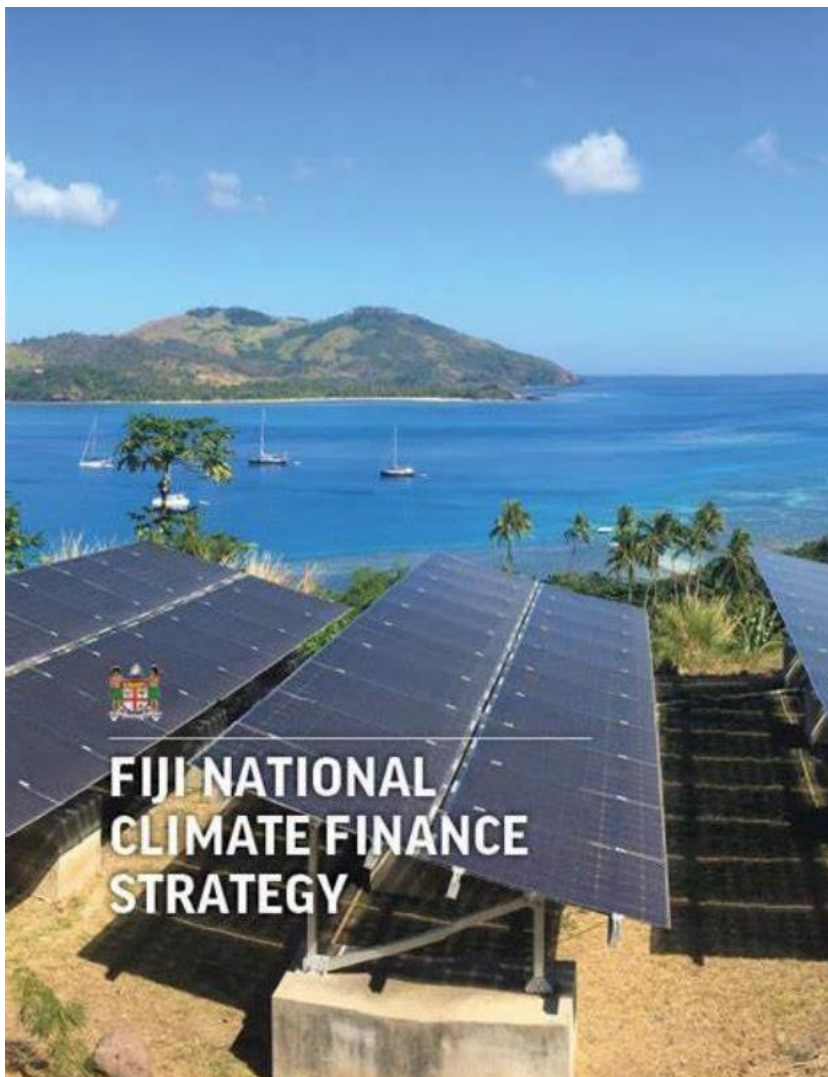
MULTILATERAL ORGANIZATIONS	FOUNDATIONS AND NGOS	BILATERAL DONORS*		CLIMATE FUNDS
Asian Development Bank	Australian Centre for International Agricultural Research	Australian Department of Foreign Affairs and Trade		
European Investment Bank	David and Lucile Packard Foundation	Australian Government and Bureau of Meteorology		
United Nations Office of Coordination of Humanitarian Affairs	Duke of Edinburgh	European Union		
Food and Agriculture Organization	Fiji Water Foundation	Export-Import Bank of China		
International Office on Migration	Global Green Growth Institute	Export-Import Bank of Malaysia	Government of Italy	
International Fund for Agriculture Development	Gordon and Betty Moore Foundation	French Development Agency	Government of Japan	Adaptation Fund
United Nations Development Program	Institute of Environmental Science and Research Limited	French Global Environmental Facility	Government of Luxembourou	Green Climate Fund
United Nations Educational, Scientific and Cultural Organization	International Atomic Energy Agency	German Federal Ministry of Economic Cooperation and Development	Government of Switzerland	Global Environment Facility
United Nations Environment Program	International Tropical Timber Organization	German Federal Ministry of Nature Conservation, Environment, Building and Nuclear Safety (BMUB)	United States Agency for International Development	
United Nations International Children's Emergency Fund	Leonardo DiCaprio Foundation	Government of Canada	Japanese International Cooperation Agency	Multilateral Fund for the Implementation of the Montreal Protocol
United Nations Office of Disaster Risk Reduction	Waitt Foundation		Korea International Cooperation Agency	
United Nations Women	Secretariat of the Pacific Community		Kuwait Fund for Arab Economic Development	
World Bank Group	Secretariat of the Pacific Regional Environment Programme		New Zealand Ministry of Foreign Affairs and Trade	
World Food Program	The Energy and Resources Institute		Principality of Monaco	
World Health Organization	Wildlife Conservation Society		People's Republic of China	

Fiji National Climate Finance Strategy

- The NCFS lays out Fiji's main investment priorities for cultivating a climate-resilient, low carbon economy from 2022 to 2029, living blue print for the Fijian government and its development partners
- The NCFS covers twelve sectors in the Fijian economy: ***Agriculture, Blue Economy, Climate Induced Relocation, Disaster Risk Management, Electricity, Forestry, Gender and Social Inclusion, Housing, Human Health, Climate Policy and Governance, Transport, and Water and Sanitation.***
- NCFS is anchored to the National Development Plan 2017-2036, and draws from Fiji's existing climate change policies *contribution (NDC) Investment Plan and the Climate Vulnerability Assessment (National Adaptation Plan, Low-Emissions Development Strategy, Nationally Determined Contribution)*



Fiji National Climate Finance Strategy continued



- Includes concept notes for 24 mitigation and adaptation projects that both advance Fiji's climate objectives that reflect SDG links and benefits
- Has shortlisted projects for GCF, thus acts as the GCF Country program
- Prioritizes climate budget tagging into national and sub-national budget and financial systems

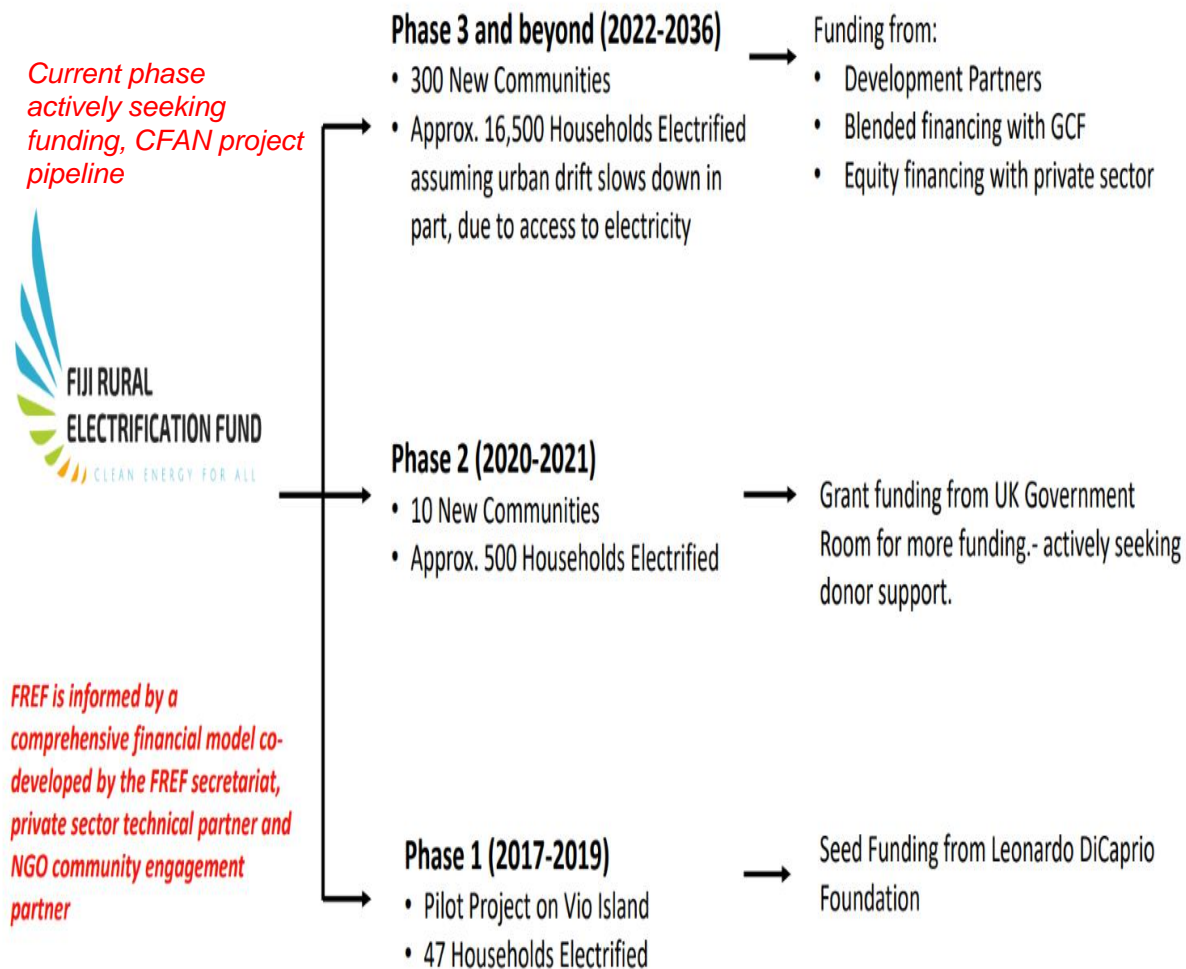


National Initiatives for Climate and SDG Finance

Drua Incubator Innovation Fund

- UNDP partnership with the Governments of [Fiji](#) and [Luxembourg](#) developed the [Drua Innovation Small Grant Scheme](#)
- aims to support inclusive and resilient economic development in Fiji.
- financing of activities that support the private sector and align with the sustainable financing objectives defined by [Fiji's Climate Change Act](#) and [National Climate Change Policy 2018-2030](#).
- small grants of up to **FJ\$75,000** to support private sector and civil society organizations (CSOs) contribute directly to the market diversification, resilience building, and the internal business reform required to green the economy

Fiji Rural Electrification Trust Fund



National Initiatives for Climate and SDG Finance

Climate Relocation of Communities Trust Fund*

- First development of **Planned Relocation Guidelines**
- is the world's first national trust fund to be linked to a government legislated, community-driven process for the planned relocation of communities, settlements, and groups when 'in-situ' adaptation efforts fail.
- Fund received through government taxes and donors
- **Fijian Taskforce on the Relocation and displacement of Communities Vulnerable to the Impacts of Climate Change** oversees relocation assessments and implementation arrangements is supported through the legal requirement for government to produce **Standard Operating Procedures for Relocation 2023**
- In 2014, the Fiji Government announced that 676 Coastal communities needed relocation based on projected climate impacts, and that of this total, 42 are expected to require relocation in this decade, with 17 currently considered as prioritized for relocation as soon as possible
- 6 relocated pre SOP development but Nabavatu Village used the SOP

Fiji Sovereign Bonds

- First was the first SIDS to issue a sovereign green bond post TC Winston in 2017, total of 100 million FJD was issued for following projects such as *Rural Water Supply Programme, Rainwater Harvesting System, Rehabilitation and Construction of Schools, Emergency Works (Road infrastructure), Solar Home System New Installations, REDD plus, and Construction of Naboro Landfill - Stage 2*
- Fiji issues its first 3 year and 5 year Sovereign Blue Bond of total 20 million FJD. *Projects covered should promote sustainable use of ocean-based resources to support economic and social development.*
 - Using Nature Based Solutions for Coastal Protection for low lying vulnerable coastal communities.
 - Scale up of Fiji's Aquaculture sector by focusing on advanced national breeding programmes and public private grow out programmes for multiple species that include beach-de-mar (sea cucumbers), shrimps/prawns, pearls, seaweed, giant clams and grouper fish.
 - Developing sustainable towns and cities using integrated planning solutions.
 - Enhancing solid waste management by enhancing the capacity of Fiji's only sanitary landfill and boosting the capabilities of wastewater treatment for the Water Authority of Fiji.

Challenges for Climate and SDG financing

1. Political will and change in Government
2. Mobilization of funds due to lack of institutional and human capacity
3. Loss of technical experts within government due to migration and competitive salary outside government
4. Technical Assistance to develop concept notes in the NCFS, NDC Investment Plan into full project proposals.



Opportunities for Climate and SDG financing

- ❖ Second party opinion by Sustainalytics believes that Fijian Sustainable Bond Framework is aligned with the overall sustainability strategy of the company and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15
- ❖ Mainstreaming climate change into capital projects in the National Budget programme using the Public Sector Investment Programme (PSIP)
- ❖ Introduction of the climate budget tagging in national budget process
- ❖ Next submission of NDC to incorporation SDG indicators of prioritized sectors
- ❖ NDC tracking tool to track means of implementation being developed under the Capacity Building Initiative for Climate Action Transparency Programme
- ❖ Establishment of a Programme Development Unit with Climate Change Division
- ❖ Support of CFAN and Commonwealth Climate Finance Advisors
- ❖ Fiji a pilot country Taskforce on Access to Climate Finance by UK Government
- ❖ GCF accreditation of Ministry of Finance



Vinaka

