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Original text: English

PIFS Cataloguing-in-Publication data

Mapping of Fiji's Private Sector Resilience Building Initiatives and Enhancing Public Private Sector Engagement in Climate Change Finance / [Commissioned by the Pacific Islands Forum Secretariat and Fiji Commerce and Employers Federation]. Suva, Fiji: Pacific Islands Forum Secretariat, 2023.

66 pages: col. illustrations; 30 cm.

ISBN: 978-982-202-087-8

1. Climate changes – Environmental aspects—Fiji 2. Climate change – Government policy – Fiji 3. Climate change mitigation I. Pacific Islands Forum Secretariat II. Fiji Commerce and Employers Federation III. Fiji Ministry of Economy

363.738'74'099611 dc23 AACR2

















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ABBREVIATIONS

AE Accredited Entity

AF Adaptation Fund

BAU Business As Usual

C02 Carbon Dioxide

COVID-19 Corona-virus Disease

EFL Energy Fiji Limited

FBDRC Fiji Business Disaster Resilience Council

FDB Fiji Development Bank

FCEF Fiji Commerce and Employers Federation

FLMMA Fiji Locally Managed Marine Area Network

FMCG Fast Moving Consumer Goods

FREF Fiji Rural Electrification Fund

GCF Green Climate Fund

NDA National Designated Authority

(Office of the Prime Minister or Climate Change Division)

NDC Nationally Determined Contribution

NDMO National Disaster Management Office

PIFS Pacific Islands Forum Secretariat

PPP Public Private Partnership

PV Photovoltaic



EXECUTIVE SUMMARY

This country report attempts to provide a study for optimising the level of meaningful engagement between the private and public sectors, articulate available pathways for accessing climate financing for adaptation and mitigation, as well as highlighting the pipeline of diverse projects that are prioritised for implementation in the immediate future for Fiii.

Given the size of the country's private sector, interviews were conducted with forty-four captains of industry, as well as elected officials of the respective industry associations, and five government ministries in order to glean a concise perspective of those barriers that presently affect the quantity and quality of climate resilient initiatives in Fiji. During the interviews, the following consistent feedback was registered.

UNDERSTANDING THE FIJIAN PRIVATE SECTOR

Over time, the role of Fiji's private sector in advancing climate resilience has steadily evolved beyond its formative stages of procuring goods and services to its present role. It now provides context-critical expertise and structured financing solutions, keeps communities connected through its infrastructure, and influences national policies for sustainable development. Businesses in Fiji are also organised into traditional membership clusters that are industry specific and/or have evolved into various online clusters on social media channels such as Facebook, Viber and WhatsApp that are not confined to industry or size but focus on building social cohesion within the diverse private sector community.

BARRIERS FOR PRIVATE SECTOR ACCESS TO CLIMATE FUNDS

Improving access to climate financing for projects by the Fijian private sector is contingent on factors that are immediately within reach of the country, as well as externally. These factors are:

- increasing the private sector technical capacity to contribute and co-design climate proposals;
- focus private and public sector leader-level attention on strengthening national planning and coordination systems;
- clarifying pathways to access existing bilateral and multilateral sources of climate finance;
 and
- simplifying the application process for accessing climate finance through AEs.

RESOURCES AND INSTITUTIONAL STRENGTHENING

The Fiji Business Disaster Resilience Council (FBDRC) is one of nine councils under the umbrella of the Fiji Commerce and Employers Federation (FCEF) and presently plays a critical role in being the business representative to the National Disaster Management Office (NDMO), as well as with multi-stakeholder humanitarian clusters. As a potential pathway forward, these two organisations may increasingly play a vital role in strengthening industry level participation and coordination, provided that adequate funding support is earmarked in order to recruit skilled personnel to resource this function.



DEVELOPING A COUNTRY REGISTRY OF PROJECTS

There remains an opportunity to increase collaboration among stakeholders by establishing a publically accessible registry of active and upcoming projects by different organisations in order to improve country coordination.

OPPORTUNITIES FOR INTER-INDUSTRY CAPACITY BUILDING

In the Fiji context, there is an increasing demand by the private sector to access the skills, knowledge and resources that prepare businesses and industries to respond to climate resilience actions. In this regard, there are two immediate opportunities available for consideration.

- Support collaboration and peer-to-peer learning opportunities among businesses and industries that are complementary in nature, such as those in the tourism, transport or energy industry.
- Increase climate resilience partnerships between academic and research organisations and the private and public sector, with the development sector to guide progress.

NEXT STEPS

There are three key steps to prioritise in considering the findings of this report.

- 1. Explore alignment of the FCEF strategic plan and its councils' terms of reference to complement the National Designated Authority (Office of the Prime Minister or Climate Change Division) (NDA) Strategic Plan and subsequent pipeline of climate resilience projects.
- 2. Approach bilateral and multilateral agencies for technical and financial resources to support the recruitment of a climate finance, coordination or policy specialist to initially staff the FCEF and FBDRC secretariat.
- 3. Gain consensus among FBDRC and NDA on an accelerated pathway for accessing up to USD 1 million from the Green Climate Fund Readiness Grant to support institutional capacity building, coordination, policy planning and programming for investment.



Ratu Wiliame Maivalili Katonivere during the 2022 TOPEX



This country report has been commissioned by the Pacific Islands Forum Secretariat (PIFS) at the request of Fiji's national private sector organisation, the Fiji Commerce and Employers Federation (FCEF), supported by the government's Office of the Prime Minister or Climate Change Division, which is Fiji's National Designated Authority (NDA) to the Green Climate Fund.

Its objective is to further consolidate the collective understanding of the potential that is readily available in Fiji's private sector and that of the region, then gain consensus on pathways for meaningful engagement, while also providing clarity about financing opportunities for climate change-related adaptation and mitigation activities and identifying existing and potential public-private partnership (PPP) arrangements.

In Fiji, there are numerous private sector actors (national, regional and international) that offer a diverse suite of solutions at community, provincial and country level. Their interests, as well as their history of collaboration with government and development agencies, varies significantly, depending on their expertise, established reach among communities, appetite for policy engagement, and ability to mobilise resources efficiently.

There are broadly six modalities that the Fijian private sector has participated in to advance the country's climate resilience ambitions:

- **policy dialogue**, contributing to the formation of legislation and national policies and their operational deployment;
- knowledge sharing information provided to stakeholders based on internal research, development and operational experience;
- **technical cooperation** providing context-critical and specialist information on infrastructure solutions for the country;
- capacity development assistance provided to enhance stakeholder perspective of private sector challenges;
- donations by the private sector in the interest of fostering country growth and for which no payment is expected; and
- **finance** risk undertaken by businesses for which payment is expected, including loan guarantees and equity.

At a regional level, the collation of this country report is complementary to efforts carried out in Cook Islands, Samoa, Solomon Islands, Tonga and Vanuatu, involving direct consultations with the private sector to determine their needs relative to climate financing, mapping out businesses' operations that are relevant to climate change adaptation and mitigation, creating a database of the private sector against relevant accredited entities (AE) and developing concept notes for private sector project proposals or for possible public private partnership arrangements.



2.0 METHODOLOGY

Developing a methodology for mapping the climate resilience initiatives of Fiji's private sector requires a twofold approach: firstly, to interview those businesses that actively contribute to the country's efforts and secondly to interview those captains of industry who are elected to leadership positions in their associations.

- The research was conducted by two Fijian private sector professionals who have direct experience in climate financed resilience projects in Fiji.
- In order to obtain a clear picture of Fiji's private sector, a survey was developed and shared with key stakeholders such as FCEF, NDA, FDB and PIFS. This version was then simplified further after feedback from micro, small and medium enterprises in Fiji.
- Given the COVID-19 global pandemic and its impact on the ability to gather data in person, an online questionnaire was distributed via email to FCEF's membership before sharing it on the organisation's social media channels (Facebook, Twitter and Instagram), reaching over 50,000 users in Fiji.
- The questionnaire was also shared with various private sector groupings on Viber a crossplatform voice over IP and instant messaging software application.
- A desktop review and follow-up interviews were subsequently conducted to identify accredited entities and prepare Fiji's specific PPP case studies, as well as outline corresponding bilateral and multilateral partnerships that have previous, ongoing, or potential scope for engagement.

As of 2 November 2021, a total of 44 businesses leaders and industry association representatives in Fiji were successfully consulted from micro, small, medium and large businesses.

A sample questionnaire used in the survey is attached as **Annex 1**.

The industry sectors represented by interviewed businesses/associations in this survey are tabulated below.

Table 1. List of interviewees by industry in Fiji

Industry	Number of participants
Agriculture (includes agribusiness)	6
Construction (includes civil engineering)	2
Fuel and energy	6
Finance (includes commercial bank, insurance and investment)	3
Fishing (includes aquaculture)	2
Fast-moving consumer goods (includes food, clothing, logging and printing)	13
Retail	2
Security	1
Technology	2
Transportation (includes taxi, bus and cartage)	4
Waste management	1
Telecommunications	1
Legal services	1
Total	44



2.1 OVERVIEW OF FIJI'S PRIVATE SECTOR

An increasing number of individual businesses and industries already have, or are forecast to make, investments in renewable energy, waste management and resilient buildings. These financial investments are either self-funded or accessed via a loan from a licensed financial institution.

There is a healthy level of patriotism among private sector leaders who are motivated to align their business strategy to national policy by developing a tangible product, service offering or internal project that generates a demonstrable sustainable development benefit for the country and or its citizens.

While the frequency of natural disasters has seen businesses develop mitigation strategies or standard operating procedures for such disruptive events, the COVID-19 global pandemic has severely affected the ability of industries to dedicate time, finances and skills to innovative research and development. Instead, it is shifting private sector behaviour patterns into survival mode that is focused on immediate cost control measures, with innovative solutions being primarily confined to this effort.

The private sector continues to make investments in climate resilience-building solutions at an individual business level, yet there are presently no country-level accounting guidelines for consistently defining or tracking progress on sustainable procurements.

There is a growing appetite for inter-industry collaboration on established climate resilience projects so that businesses can learn from each other and share knowledge on management level skills, as well as practical financing modalities.

2.2 OVERVIEW OF PRIVATE SECTOR COORDINATION

As the national organisation responsible for business representation at country level, the Fiji Commerce and Employers Federation (FCEF) is a secretariat to ten councils that are responsible for championing standards and compliance, governance, and overall industry development. Currently, FCEF is preparing to include an additional industry cluster that will possibly be called the Creative Council for Visual and Performing Arts. The current councils are listed below.

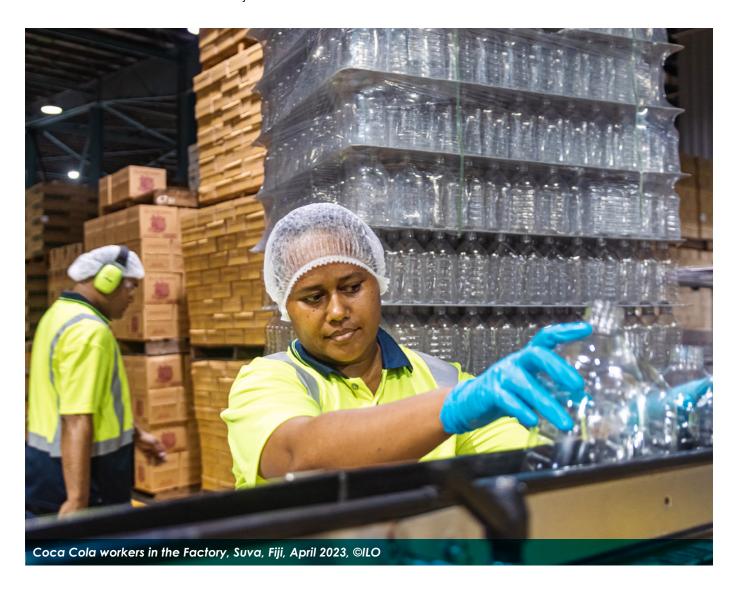
- 1. Business Process Outsourcing Council
- 2. Women Entrepreneurs in Business Council
- 3. Fiji Business Disaster Resilience Council
- 4. Manufacturing, Trade and Export Council
- 5. Mining and Quarrying Council
- 6. Human Resources Council
- 7. Retailers and Small Business Council
- 8. Tourism and Transport Council
- 9. Professional and Financial Services Council
- 10. Young Entrepreneurs Council

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In addition to FCEF, the private sector is also organised according to specific industries and professions which comprise of the following:

- 1. Fiji Chamber of Commerce
- 2. Fiji Human Resources Institute
- 3. Fiji Institute of Accountants
- 4. Fiji Institute of Engineers
- 5. Institute of Internal Auditors: Fiji
- 6. Fiji Institute of Quantity Surveyors
- 7. Fiji Institute of Valuation and Estate Management
- 8. Fiji Institute of Bankers
- 9. Fiji Hotel and Tourism Association
- 10. Association of Banks in Fiji





3.1 OVERVIEW OF FIJI'S PRIVATE SECTOR

Access to credible and consistent information that enables private sector leaders to effectively align business strategy with national policies, upcoming regulatory frameworks and legislation implementation. By and large, one-on-one discussions with survey respondents suggest that, while the country's private sector shows a high degree of optimism and patriotism, there remains a previously untapped potential to improve access to credible and consistent information that would empower businesses with existing country-wide infrastructure and other resources to accelerate sustainable development targets.

Building inter-industry collaboration recognises that, while individual businesses compete on a transactional level, there is an overwhelming need for industries to collaborate on more complex areas related to climate change adaptation and mitigation, such as accelerating the country's sustainable development targets in relation to renewable energy by 2030. This would require intentional efforts by all stakeholders to set a clear guideline for collaboration, confidentiality and cross-learning among private sector leaders.

De-risking climate finance has been the single consistent item from respondents in relation to challenges faced by individual businesses, as well as industries. It presents a multi-faceted opportunity to address market fractures that prevaricate private sector investment in accelerating Fiji's sustainable development targets. A consistent challenge highlighted was in relation to the lack of government incentives that would offset a portion of financial risk, while allowing individual businesses to innovate the operationalisation of these inducements. An example is the introduction of incentives that allow businesses to renovate or introduce environmentally friendly infrastructure in the absence of national guidelines, as well as in considering the economic impact of the COVID-19 global pandemic.

Cultivating technical skills such as calculating greenhouse gas emissions or forecasting the total energy usage are specialised services that are predominantly available in government departments, non-governmental organisations and regional agencies, such as the Pacific Community. Developing an ongoing skills share platform specifically for the private sector will allow its individual businesses to make informed decisions about managing energy usage, as well as forecasting opportunities to make investments in new products, services or internal projects.

3.2 OPPORTUNITIES

The present focus of businesses remains on continuity, following the severe contraction of the Fijian economy due to the impacts of the COVID-19 global pandemic. With the borders being closed for tourism – the airline and tourism sectors being the most affected – a number of businesses are closing permanently, and a record number of jobs have been lost in Fiji.

A key point from the interviews is that reducing the operational costs of a business and increasing its profitability is a driving factor of the way businesses operate presently. Therefore, business leaders would engage in mitigation and adaptation activities, if it meant that would reduce the operational costs of the business. However, with respect to engaging in mitigation and adaptation

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activities, financing remains a major factor that businesses are unable to invest in these activities. There are a few challenges in accessing funds from commercial banks, including high interest rates on loans for mitigation activities, such as the installation of renewable energy equipment. There is opportunity to minimise the gap for the climate financing needs of the private sector.

There is also a trend of businesses marketing themselves as sustainable or green in order to capture customer market shares that are now conscious of the impact of global climate change. Therefore, regardless of whether businesses are legitimately engaging in mitigation and adaptation initiatives, there is an opportunity to encourage businesses to incorporate sustainable/environment activities into their strategic business plans and operations.

All the above, together with introduction of the 2021 Climate Change Act, increases the onus on businesses to participate in the formulation of national plans that are derivatives of the country's international commitments, while concomitantly exploring those climate adaptation and/or mitigation initiatives that improve their organisational competitiveness in the short, medium or long term.



4.0 FINDINGS FROM THE SURVEY

The individual businesses, as well as the industry associations that took part in the mapping survey and interviews, represent a sample group of Fiji's diverse private sector and their responses are intended to provide a snapshot of ongoing as well as planned climate change adaptation and mitigation initiatives.

Some key areas of the survey are noted below.

4.1 AWARENESS AND KEY CONCERNS OF CLIMATE CHANGE IMPACTS

With the exception of five participants, all the participants noted that climate change would affect their business/industry (Figure 1). Two participants from the fast-moving consumer goods (FMCG) industry and one from the transportation industry felt unsure whether there would be any effect on their business. One from the FMCG industry did not anticipate any effect on their business and one did not respond to the question.



Figure 1. Business awareness of impact of climate change



Table 2 shows the key concerns raised by survey participants from businesses and industry.

Table 2. Key concerns by businesses and industry

Industry	Key concerns of businesses /industry
Agriculture	The agricultural sector is highly dependent on the climate. Rising temperature and heat led to an increase in pests and therefore the nutritional value of food supply. The soil salinity was also compromised due to the use of chemical fertilisers. In the long run, the agricultural sector anticipates a loss of market due to these factors.
	Due to severe weather conditions, the agricultural sector is vulnerable to losing crops in flood and strong winds and, until recently, there has been no insurance cover in Fiji for loss of crops during natural disasters.
	Island resorts are struggling to grow fruits and vegetables due to higher water table effects from rising sea levels.
	The beekeepers are concerned about the health of plants and nectar that bees pollinate due to the change in climate patterns. Some owners lost their hives during a cyclone.
Construction	Participants noted that the previously unaffected waterfront properties and island resorts are now affected by erosion and storm surges, which also affects the sewerage systems and grey water leach lines.
	There are concerns with respect to the significant financial burden that businesses will have to undertake as:
	 new structures are now designed to cater for climate change impacts such as storm surges, meaning that floor levels are now set higher to avoid flooding; and due to the frequency of category 5 cyclones in the South Pacific region, the Fiji region will be upgraded to Region D, which means that new structures will be required to withstand higher wind speeds (category 5 cyclone).
Energy	Negative concerns: The increasing cost of energy during warmer weather due to the increasing use of air conditioning and disruptions to the supply chain due to adverse weather patterns and shortage of raw materials. The extreme weather conditions are forcing businesses to invest increasing finance in climate-resilient infrastructure and green technology.
	Positive concerns: Renewable energy businesses in Fiji will see a growth due to the movement towards green energy by businesses and individuals. This will also create jobs and information in Fiji and the South Pacific region.
Finance	Changing climate conditions are:
	 leading to more frequent natural disaster losses and insurance claims. affecting customer health, life, and property; and interrupting business operations and productivity losses due to property and resource damage.
	The increased frequency and magnitude of disasters across the world has led to soaring losses, since such losses are a direct result of increased reinsurance costs and adversely affect the underwriting results.

Industry	Key concerns of businesses /industry	
Fishing	One of the participants noted that, currently, they are totally unaware of the impacts of climate change on the tuna fishing industry, but they understand that if global warming continues, it would threaten the financial stability of people who relied on tuna fishing as their source of income, as the tuna may migrate to other parts due to warmer waters.	
	Another noted that increased rainfall, flooding and temperature variation have been affecting production cycles of different species and prawns at prawn farms. Their source of income has also been affected after losing stock and damage to infrastructure during flooding and strong wind surges.	
Fast-moving	Supply chain	
consumer goods (FMCG)	Businesses are anticipating disruption to good quality, locally sourced supply chains, with concerns on the availability of raw materials. They are also expecting the cost of production to increase, due to increasing costs of imported supply chain materials.	
	Some businesses are already experiencing disruption to supply chain and production.	
	 A timber manufacturer has noticed changes in the time seeds are required to be ready for transplanting and have also faced unavailability of locally sourced seeds and therefore having to import seeds. Extended drought periods have affected the replanting projects for months and there has been a notable increase in the number of forest fires. Heavy rain experienced recently has affected the soil (erosion) in many parts of the forests. An FMCG manufacturer with a start-to-end supply chain and production has noted an increasing loss of crops due to damage to greenhouses in severe weather. 	
	Business interruption	
	Participants also noted facing regular downtime in production and loss of sales due to poor availability of supply chain materials following frequent natural disasters and flooding, with businesses shutting down for days at a time.	
	Infrastructure	
	There has also been a notable effect on infrastructure requiring regular repair and maintenance due to weakened structure, rust and corrosion with the changing climate, as well as following severe natural disasters.	
Retail	The retail sector's concerns are centered around the disruption to supply chains, business interruptions and the increased cost of doing business due to the frequency and severity of natural disasters in Fiji.	
Security	Participants noted disruption to supply chains, particularly following natural disasters.	



Industry	Key concerns of businesses /industry
Technology	Participants noted disruption to technological services (e.g. internet access) and call services due to network outages following natural disasters, as well as the effects of rust and corrosion on technological infrastructure due to increased rainfall and warmer temperatures.
Telecommuni- cations	The disruptive force of natural disasters has been leading to significant financial losses for the telecommunications industry. Losses have risen from infrastructural damage (to telecommunication towers, generators, and solar systems) which are expensive equipment and require heavy investment. There has also been loss of revenue from network outages and stores being closed for extended periods of time after a disaster.
	In addition, due to the frequency of insurance claims following natural disasters, the insurance premiums have also increased in recent years.
Transportation	Natural disasters and rain have caused losses for the transportation industry, including damaged roads, potholes, wear and tear on vehicles and an increasing number of accidents.
	The industry also noted financial losses from business interruptions following natural disasters due to the inaccessibility of roads and telecommunications.
	There is pressure on the transportation industry to change the way it operates in Fiji, in particular having to comply with the type of vehicle which is used for public transport which places significant financial burden on businesses and individuals.
Waste Management	Participants noted concerns regarding the environment, due to the improper disposal of rubbish and waste, which blocks drains and destroys marine habitats when it washes into the ocean.

4.2 BUSINESS CONTINUITY PLANS TO SUPPORT CONTINUED OPERATIONS

Most businesses know how to continue operating after an emergency.

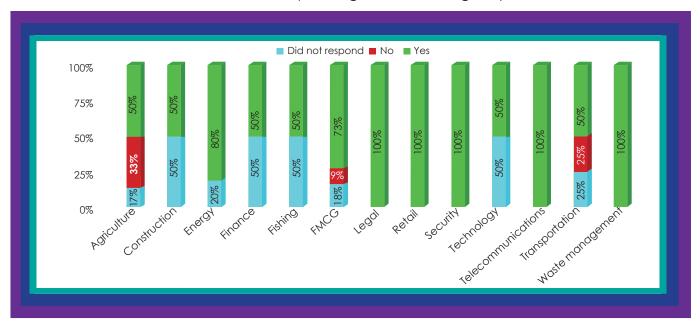


Figure 2. Businesses that have continuity plans



4.3 CURRENT MITIGATION ACTIVITIES

Table 3. Current mitigation activities, products and services

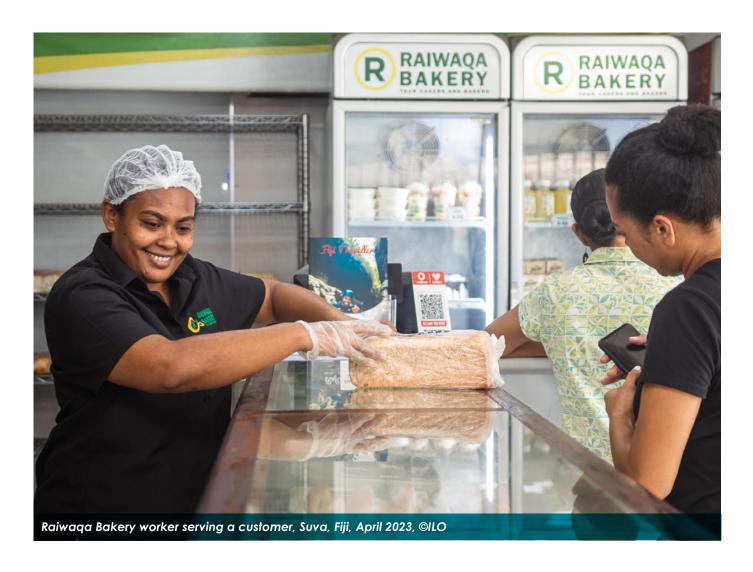
Industry	Current mitigation activities/products/services
Agriculture	Products Organic farming is maintaining the nutrients of crops and salinity of the soil
	 Projects/Activities Use of organic fertilisers / manure. Using coconut husks as soil. Rainwater harvesting / boreholes. Biodegradable and/or repurposed packaging. Waste management by using agricultural waste to produce biogas and compost.
Construction	Use of organic additive products to reduce the amount of waste in septic systems. use of reverse osmosis process to desalinate sea water for potable use.
Energy	 Projects/Activities Investment in bio-fuel energy. Financing low emission renewable projects (solar, wind, biomass). Installation of solar panels at fuel stations sites / business sites. Use of energy saving lights. Offering environment-friendly certified cleaning products. Waste management at fuel stations – collection points for plastic, aluminum beverage cans.
	 Products Renewable energy solutions. Solar photovoltaic (PV) systems. Energy saving lights.
	 Services Installation of solar PV systems, wind turbines and energy-saving lights for business and individuals. Consultancy.
Finance	 Activities – impact of business activities on the environment Targeting transition to 100% renewable energy. Reducing potable water consumption. Reducing waste to landfill. Reducing paper consumption. Engagement with largest emitting business customers to establish and/or strengthen low carbon transition plans.



Industry	Current mitigation activities/products/services
	 Products Commercial loan portfolio for sustainable solutions, including funding initiatives that improve environment sustainability and support natural disaster resilience. Insurance cover for natural disasters, including introducing new products, such as parametric microinsurance for farmers, fishermen and market vendors.
Fishing	 Activities The commercial fishing industry is regulated by laws that govern sustainable fishing practices, such as the fishing of targeted and non-targeted species and all by-catches, the ecosystem they live in and the fishing gear used. Working with the Ministry of Environment with respect to finding an environment-friendly alternative to the current refrigerant gases used on fishing vessels, which are known to cause depletion of the ozone layer. Use of solar lights, hydro electricity, low-tech non-motorised aeration, green technology and low-key cost-effective feeding on farms.
Fast-moving consumer goods (FMCG)	 Activities Biomass power / sustainable energy generation in factories. Using energy-efficient/saver lights and appliances. Installation of solar to power factory and business premises. Use of biodegradable/sustainable packaging. Recycling paper and waste material management to reduce waste to landfill. Use of decanter centrifuge for waste water management in factory. Monitoring the usage of water and electricity as part of Environment, Health and Safety measures. Water catchment facility to recycle rainwater. Responsible/sustainable business practices, e.g., no use of single use plastics or plastic utensils for business functions, encouraging recycling, forest waste management. Investing in resilient buildings/infrastructures. Corporate social responsibility Funding projects for solar systems and boreholes for communities.
Legal	Services Having a dedicated partner responsible for environmental law practice, who looks after both paid and pro bono clients.
Retail	Undertaking environment friendly projects e.g., distribution of wood burning efficient stoves.
Technology	Services Offering nanotechnology solutions to businesses to that allows business innovative solutions to mitigate their contribution to climate change; as well as following green sustainable business practices.

Industry	Current mitigation activities/products/services
Telecommuni- cations	Activities Installation of solar generation at base transmitting stations throughout the country.
Transportation	Activities Compliance with the types of vehicles used in public transportation. In 2018, the Government Gazetted that fuel coming into Fiji needed to meet Euro 4 standards for unleaded and Euro 5 for diesel.
	Ourrently all taxis are Euro 4 compliant; no new buses have been imported since the new law was gazette in 2018, therefore all the buses currently on the roads are older models.

Based on the financial information provided by 15 respondents, a total of circa \$14.2 million Fijian dollars is invested by businesses in some of these projects.





4.4 CURRENT ADAPTATION ACTIVITIES

Table 4. Adaptation activities

Industry	Adaptation (building resilience and preparations) activities
Agriculture	 Activities Food and nutrition security with harvest management training. Focusing on crop protection and food safety standards in agriculture; helps with longer shelf life. Installing cooling facilities to keep produce fresh. Harvesting rain water. Educating farmers on disaster preparedness. Insurance for properties and buildings.
Construction	 Activities Environmental assessments prior to commencing building/construction projects. Avoid developing around mangroves/coastal areas. Higher sustainable design parameters.
Energy	 Activities Insurance of buildings and infrastructure against losses from natural disasters. Investing in building of climate-resilient infrastructure. Disaster preparedness activities, such as keeping stock 300 m above floor level in case of flooding.
Finance	 Activities Investment in green building with features such as: air conditioning, temperature and lighting control via sensors to manage energy consumption. rainwater harvesting for use in washrooms. bus bays and bicycle parking to encourage cycling and use of public transportation.
FMCG	Activities – impact of business activities on the environment Investing in disaster preparedness activities such as: • water tanks / rainwater harvesting system. • back-up generators. • building upgrades for disaster resilience. • introduction of efficient motor vehicle fleet. • factory and building insurance against damage from natural disaster.
Retail	Procurement of energy-efficient office equipment that is financially viable, as well as following pre-disaster operating procedures for retail shops around Fiji

All the businesses (except the agricultural sector) interviewed during the survey noted they have insurance that covers material damage from natural disasters. Respondents from the agriculture sector felt that there needed to be an affordable insurance product that enabled farmers to transfer financial risk associated with crop and livestock loss as a consequence of natural disasters.



It is evident that businesses are not completely prepared to adapt to the effects of climate change in Fiji and a potential reason could be that, other than natural disasters, businesses have not seen many of the other observable effects of climate change that countries overseas have observed and are therefore not aware of how they need to adapt to it.

4.5 BARRIERS PREVENTING BUSINESSES FROM UNDERTAKING MITIGATION AND ADAPTATION ACTIVITIES

FINANCE

Survey respondents unanimously agreed that financing remains the biggest factor preventing businesses trying to mitigate and adapt to climate change effects.

Climate mitigation and adaptation projects come at a cost and require significantly high capital investment. Most businesses in Fiji have been hindered financially due to COVID-19 and closure of borders. Currently, the focus of businesses is to ensure continuity of business operations, so self-funding, climate-related activities are not feasible and obtaining a loan from commercial banks is also not viable because of the high interest rate and the low rate of return from the projects.

In addition, while some businesses have faced delays in getting their loans approved by the commercial banks, there remains a tendency for international NGOs and development agencies engaged in alternative livelihood projects to recreate pre-existing supply and market chains, instead of supporting businesses in those specific products or service categories through financing instruments, such as grants, to reduce the risk associated with developing community projects into long-term revenue streams.

In terms of accessing climate financing, businesses are not aware of the accredited entities in Fiji that they could approach with business proposals for climate related projects.

AWARENESS AND TECHNICAL KNOW-HOW

By and large, business leaders in Fiji have a broad understanding about climate change, given the government's sustained international leadership. Admittedly though, there is a need for increased technical capacity to comprehend complex climate financing – access mechanisms, potential private sector adaptation strategies – and be able to prepare proposals that are based on a strong understanding of the science.

COMPANY STRATEGY

The focus of businesses presently is on continuity of operations, as well as on making a profit. There is limited commitment to invest in climate-related projects, given the prevailing economic conditions.

OTHERS

Respondents also mentioned:

- the need for policy clarity by government, requiring businesses to manage their carbon footprint, and therefore businesses are not driven to carry out mitigation activities;
- there are insufficient tax incentives for businesses that want to undertake climate-related activities; and
- the availability of resources, at a reasonable cost, is also a factor preventing the businesses from undertaking mitigation and adaptation activities.



4.6 WHAT MORE CAN BE DONE BY THE GOVERNMENT

FINANCE AND INCENTIVES

Given that participants noted that finance was the greatest barrier preventing them from taking climate-related action, it was not surprising to note that businesses want the government to assist financially. Key proposed actions by government are:

- making finance accessible for climate change mitigation and adaptation projects via climate funds that provide low interest loans to businesses, and assisting loan applications by providing cash equity support;
- providing incentives to encourage private sector investment in climate mitigation and adaptation projects, including tax holidays and subsidies, via 50/50 investment in businesses undertaking climate-related projects, e.g., renewable energy and waste management projects such as recyclina;
- other incentives to encourage sourcing of reasonably priced, good quality materials, e.g. recycled materials for buildings, greener equipment, and duty concessions for cleaner alternative fuels such as LPG gas;
- incentives for businesses to sell affordable electric vehicles to help achieve Fiji's nationally determined contributions; and
- expanding the parameter of insurance covers, such as for losses of income from business interruptions and loss of crops.

POLICY REFORMS

Given that businesses are currently focused on making a profit, with not much motivation to consider the environment, compelling businesses to be more considerate via policy reforms may be a viable option. With the new Climate Change Bill passed into law on 23 September 2021, which will come into effect once it is published in the Gazette, the government hopes to see changes in the way businesses operate in Fiji. The new act recognises that Fiji faces a real climate emergency and aims to work towards limiting the increasing global temperature to the 1.5° pre-industrial level.

Participants have noted that improvements to energy efficiency and vehicle fuel economy, increases in wind and solar power, producing biofuels from organic waste, setting a price on carbon, and protecting forests are all important to reduce the amount of carbon dioxide and other gases trapping heat on the planet. The government should, therefore, implement a 0–50-year plan, in consultation with the private sector, which maps out the desired mitigation adjustments to by-laws to ensure that the gradual change is starting immediately, with effective timelines and targeted strategies.

Some policy recommendations from the participants included:

- enforcing cleaner gas for air-conditioning units which will emit less carbon dioxide;
- enforcing European standards for the generators installed in buildings, which are currently completely unregulated, to ensure carbon emission;
- phasing out diesel fuel and imposing age restrictions on the importation of second-hand vehicles; and
- encouraging the use of greener, single-use disposal utensils and takeaway containers/ packaging.

AWARENESS, EDUCATION AND CONSULTATION

Participants noted that many businesses are unaware of climate change and its effects on the continuity of businesses in Fiji, so targeted and strategic consultation and awareness need to be undertaken for businesses to take effective mitigation and adaptation action.

The expectation is that government bodies should be the champions of climate change and sustainable projects in Fiji.

4.7 LESSONS FROM INTERVIEWS

Private sector engagement in Fiji remains an ongoing opportunity that has not yet been fully explored, even though it is widely recognised as an important stakeholder in the country's ability to meet its sustainable development targets.

In the absence of a national implementing guide for the 2021 Climate Change Act, the nationally determined contributions and the five- and 20-year national development plans, business and industry leaders are highly patriotic and continue to offer a variety of climate resilience solutions with varying levels of verifiable environmental benefits.



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5.0 POTENTIAL PROJECTS IN FIJI

When considering private sector focused projects in Fiji with potential to secure funding support from the larger international climate change funds, the following four key factors need to be taken into account:

- the project's direct relevance to climate change readiness/adaptation and the fund's criteria for support;
- the identified practical needs of the private sector that overlap with national development goals to ensure crucial government endorsement;
- the viability of successfully implementing the project; and
- the expected scale of economic, social and business enabling outcomes.

Projects that address climate change impacts, economic resilience, enhancement of a vibrant private sector and more secure community income opportunities are most likely to compete effectively for (possibly reduced) funding support. Showcase and demonstration projects that do not incorporate all of these factors will probably be less successful in securing funding support. Annex 2 highlights the pipeline of Fiji's national designated authority (Ministry of Economy).

The types of projects in Fiji that are most likely to fulfill the above criteria are summarised in Table 5.

Table 5. Relevance and appropriateness to Fiji

Type of project	Relevance and appropriateness to Fiji
Supply of clean / renewable energy to businesses and 100 per cent of the communities in Fiji	More than half of Fiji's electricity is already produced using renewable energy sources (hydro, windmill and biomass). However, a lot of money is used by the government to subsidise the use of fossil fuel in power production.
	With most businesses trying to reduce operational costs and the Fiji Government's NDC aiming for 100 per cent renewable energy by 2036, such projects will be consistent with the funding criteria.
Use of electric vehicles/buses to reduce carbon emissions	Most of Fiji's population travel by public transport but this currently operates in high emission vehicles.
	Using a phased approach to replace the aging bus fleet as a climate change mitigation measure would fulfill the eligibility criteria for climate financing.
Resilient agricultural supply chain	The agricultural sector remains a vital part of Fiji's economy and provides a means of income and employment, as well as income from exports. It also contributes towards the quality of health in Fiji by providing fresh produce.
	The agricultural supply chain is always disrupted after natural disasters and consequent disruptions to transport infrastructure.

6.0 RECOMMENDED STRATEGY AND NEXT STEPS

Table 6 provides a blueprint of the next steps with respect to private sector engagement in climate change adaptation and mitigation.

Table 6. Recommended strategic responses to current issues

Issues to be addressed	Recommended strategic response	
Limited understanding and focus of businesses on the impact of climate change and the unaligned goals of the private sector and the government.	Awareness needs to be created on the impact of climate change on businesses and the strategies that can be adopted to build resilience. The private sector needs to be active stakeholders in projects that have a positive effect on businesses, are aligned to Fiji's NDC goals and provide access to potential support for climate financing from accredited entities in Fiji.	
Limited practical engagement and collaboration of govern-	The private sector consultation and engagement should continue.	
ment and private sector on climate change issues.	There must be transparent sharing of useful information between the private sector and government with respect to NDC goals and national strategies. With the key focus of private sector being profit and continuity of business, creating awareness on the impacts of climate change will be important to promote collaboration.	
	All the government ministries must be aligned with the overall national development plans and strategies of the government, and practical discussions relating to climate change should be on the meeting agenda of business councils and industry associations and their members. The government should also use this platform to consult as well as engage with the private sector to align its NDCs.	
Limited private sector resources to provide tangible inputs to larger projects and to ensure the sustainability of the associated commercial activities. Access to commercial credit will continue to be difficult for most SMEs.	and benefit the communities as well as the private sector, it might be valuable to provide blended financing options or	
	Additionally, there needs to be implementation of projects that provide both funding support/back up and technical assistance to businesses and incorporate measures to enhance their competitiveness: improved supply chains, increased efficiency and adequate financial resources through partial guarantees. This will enhance the prospects of securing credit support and securing equity investments.	



Issues to be addressed

Recommended strategic response

Creating awareness of climate financing specifically targeted at SMEs will encourage participation of SMEs in climate change adaptation and mitigation, as well as minimise the risk of large-scale projects being relevant to bigger businesses.

Complex and difficult funding submissions required by the large climate change funds that are beyond the capabilities of the great majority of businesses in Fiji Development of strong project submissions that are relevant to climate change but also address the evident needs of numerous businesses in one or more industry sector. This combination should provide the extensive systemic impacts that will secure funding support. Positive impacts on relatively disadvantaged communities should be included in any funding support submission. There should be continuous lobbying by the government for streamlining processes to fast-track project proposals approval and fund disbursements.

In the absence of a one-stop shop for climate-related projects, awareness needs to be created regarding independent consultants with practical experience who can fill the gap and facilitate a platform for businesses and AEs to ensure that all the requirements are fulfilled in the submissions.

Limited private sector resources and expertise to undertake largescale climate change projects Realistically, most businesses in Fiji are SMEs, with limited resources, finance, expertise and management capabilities. Expectations of the private sector should take this into account.

Where appropriate, the role of overseas investors/partners should be included in the strategy to address these shortcomings and provide access to international expertise and markets. However, technical knowledge should be passed onto locals to ensure continuity of similar projects in Fiji and other Pacific Island countries.





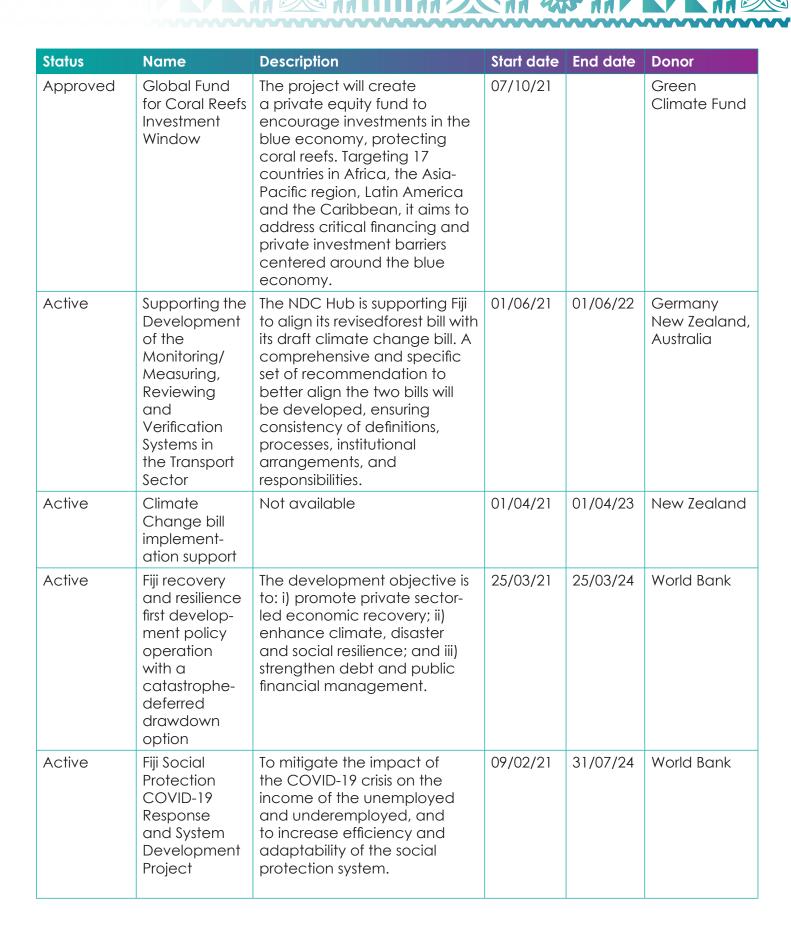
ANNEX I: PRIVATE SECTOR MAPPING QUESTIONNAIRE

- 1 How does the business define and classify climate change mitigation programmes or projects?
- What climate mitigation programmes or projects does the business have planned, which are not yet implemented?
- 3 What other potential mitigation activities are there, which the business can undertake but are not planned for?
- What resources should be accessible to businesses for any of the current, planned or potential climate change mitigation activities?
- 6 How will the business finance any of the current, planned or potential climate change mitigation activities? (Self-funded, commercial borrowing, donor or development agency grants, government incentives)
- On you think climate change has an impact on the sustainability and continuity of the business? If yes, what are the key concerns with regard to climate change impacts on the business in the short and long term?
- Please indicate barrier(s) to your business managing climate related risk, e.g. technical skills, awareness, climate financing, etc.
- What current adaptation (building resilience and preparation) activities is the business currently undertaking in relation to the effects of climate change?
- What other potential adaptation activities are there which the business can undertake but has not planned for?
- Does the business have insurance against losses related to climate change, such as natural disasters (e.g. floods, droughts)?
- Should the private sector be actively engaged in the climate change national adaptation process carried out by the government?
- 12 Is the business currently engaged in any climate change adaptation/mitigation projects in partnership with a government or non-government donor agency?
- Will the business be willing to partner with a government or non-government donor agency to carry out climate change adaptation/mitigation activities/projects?
- What more can be done by the private sector to assist the government with climate change mitigation?
- (5) What more can be done by the Fijian government to assist local businesses with climate change mitigation and adaptation?



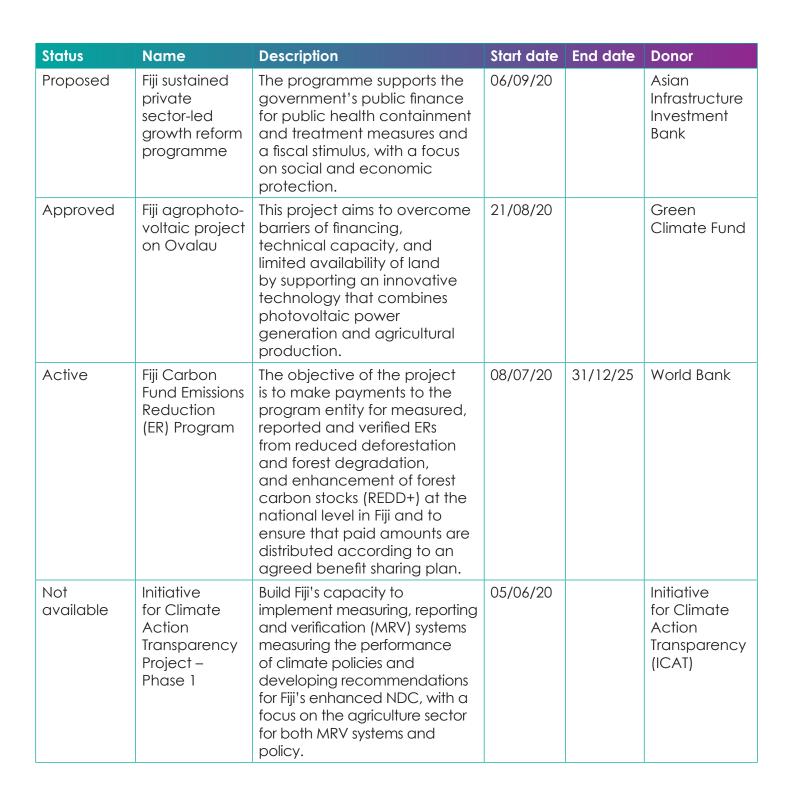
ANNEX II: PIPELINE OF NDA PROJECTS, STATUS, DESCRIPTION AND DONOR PARTNERS

Status	Name	Description	Start date	End date	Donor
Pipeline	Enhancing Direct Access to Climate Finance in Fiji – Phase 2	Building on the first GCF Readiness Project on Enhancing Direct Access to Climate Finance, this project (Phase 2) will take the next steps necessary to support the Ministry of Economy in its accreditation to the GCF, including Stage 2 submission: development of a project pipeline and concept notes. It will also include continued support to the other DAE in Fiji, the Fiji Development Bank, to upgrade its accreditation to Cat B (small size projects) and to the NDA, to fully utilise its stakeholder engagement platform, including digital engagement, and improve and refine its procedures.	01/03/22	01/03/24	Green Climate Fund
Pipeline	Mainstream adaptation planning at the local level in Fiji	Fiji developed its National Adaptation Plan in 2018. The Fiji government would now like to integrate adaptation at the local level: in town development planning and investment plans. This project aims to support mainstreaming the national adaptation plan at the local level through various actions, including supporting local adaptation planning, investment mobilisation and capacity building.	04/01/22	01/01/24	Green Climate Fund



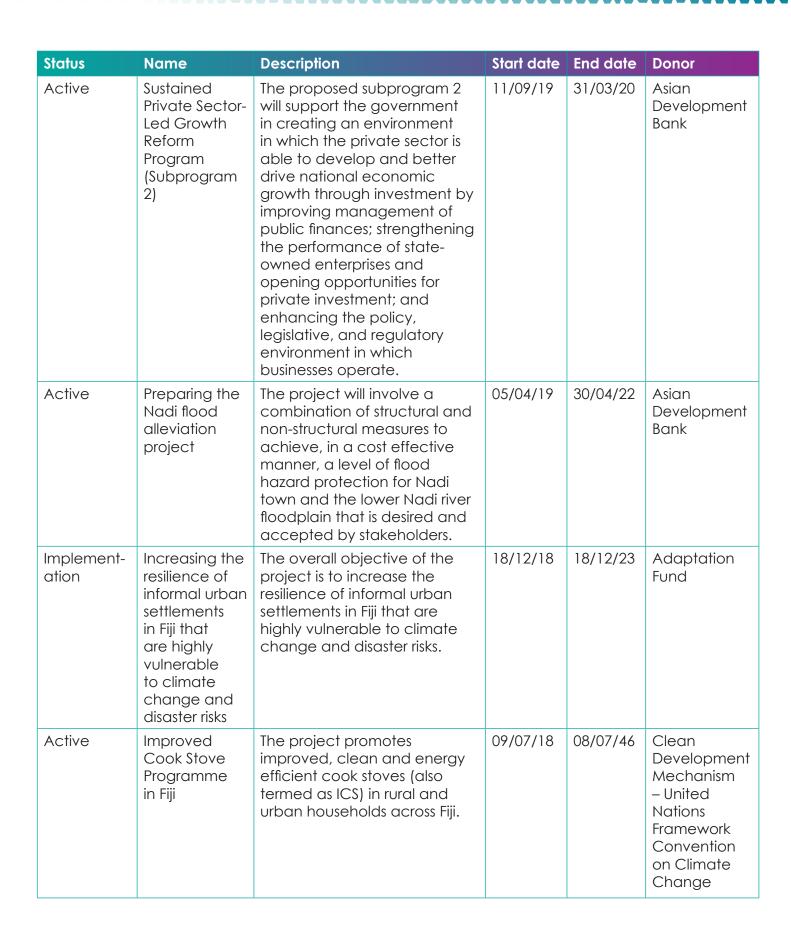


Status	Name	Description	Start date	End date	Donor
Completed	Alignment of Fiji's revised forest bill with draft climate change bill	The NDC Hub is supporting Fiji to align its revised forest bill with its draft climate change bill. A comprehensive and specific set of recommendations to better align the two bills will be developed, ensuring consistency of definitions, processes, institutional arrangements, and responsibilities.	01/01/21	01/12/21	Germany, NewZealand, Australia
Completed	Powering the Sustainable Tourism Planning and Recovery	This project developed green investment opportunities and made recommendations for the green COVID-19 recovery of the tourism sector in Fiji. It also provided best practice green principles guidance to the sustainable tourism planning framework that is being developed by the Department of Tourism together with the International Finance Corporation.	01/01/21	31/12/21	GGGI contributing member countries
Implement- ation	Global Subnational Climate Fund (SnCF Global) – Equity	The goal of SnCF Global (or the "Fund") is to catalyse long-term climate investment at the sub-national level for mitigation and adaptation solutions through a transformative financing model.	13/11/20	20/04/33	Green Climate Fund
Implement- ation	Global Subnational Climate Fund (SnCF Global) –Technical Assistance Facility	The goal of SnCF Global (or the "Fund") is to catalyse long-term climate investment at the sub-national level for mitigation and adaptation solutions through a transformative financing model.	13/11/20	20/04/28	Green Climate Fund





Status	Name	Description	Start date	End date	Donor
Active	Enabling Sustainable Rural Electrification Investment in Fiji	This project supports the Fiji Rural Electrification Fund through the completion of a pre-implementation survey and post implementation surveys, analysis of survey data, technical assessment for solar hybrid systems and development of technical specifications, resource mobilisation for solar hybrid systems and capacity-building for sustainable monitoring of rural electrification projects.	01/04/20	31/12/22	GGGI contributing member countries
Closed	Fiji Second Fiscal Sustainability and Climate Resilience DPO	The Development Objective of the Second Fiscal Sustainability and Climate Resilience DPO is to support the government's effort to: (i) strengthen medium-term fiscal sustainability; (ii) improve the investment climate; and (iii) build climate resilience.	07/12/19	07/11/20	World Bank
Active	Enhancing Access to Climate Finance in Fiji	The project supports Fiji's NDA and two key entities in the climate finance space to strengthen their internal processes, external consultations and partnerships, and capacity to identify, select and develop project pipelines. The two key entities are the Ministry of Economy and the Fiji Development Bank. Recognising that these two institutions must work closely together to mobilise both the small and large investments needed and create an enabling environment for private sector to participate in mitigation and adaptation actions, the project will work with both entities to strengthen their ability to access climate finance and to create coordination mechanisms.	17/10/19	15/04/22	Green Climate Fund



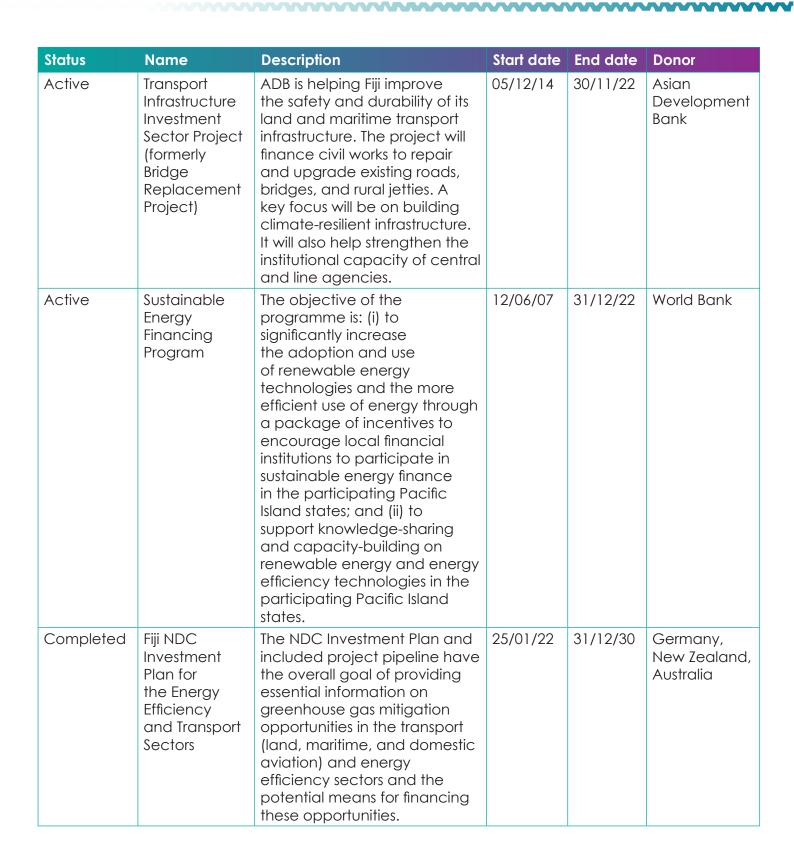


Status	Name	Description	Start date	End date	Donor
Closed	Fiscal Sustainability and Climate Resilience DPO	The operation supports Fiji's reform effort to strengthen medium-term fiscal sustainability while undertaking structural reforms to improve the business climate and resilience to climate change.	02/04/18	30/06/19	World Bank
Completed	Development of Fiji's Low Emissions Development (LED) Strategy	Fiji LEDS is a national initiative incorporating all the sectors of the economy, specifically looking at the waste, agriculture, forestry, blue carbon, land transport, maritime transport, domestic aviation, and off- and ongrid electricity sectors. The journey into its preparation has been of a very holistic and inclusive nature. After several stakeholder consultations with the government, private and civil society stakeholders, the Climate Change and International Cooperation Division) and the technical team at the Global Green Growth Institute (GGGI) have devised Business as Usual, High Ambition and Very High Ambition long-term, low emission and sustainable development strategies, showing a pathway to netzero emissions and even netnegative emissions in some sectors by 2050. Fiji LEDS will set the overall pathway to transform Fiji to a zero-carbon, resilient economy and it also plays a very crucial role in informing and enhancing Fiji's NDCs.	01/01/18	31/12/18	GGGI contributing member countries

Status	Name	Description	Start date	End date	Donor
Completed	Development of Fiji's NDC Roadmap	The NDC Roadmap increases mobilisation of both national and international resources for renewable energy and energy efficiency programmes through identification, design and preparation of bankable green energy projects and facilitation of an enabling environment for investment into the green energy sector. It increases awareness of emission reduction options in electricity and transport and creates greater preparedness to implement climate mitigation projects by providing information to decision makers.	01/01/17	31/12/17	GGGI contributing member countries
Active	Supporting public financial management (PFM) reform	The government recognises that strong PFM is key to macro-economic stability and poverty reduction. The proposed knowledge and technical assistance will support the implementation of Fiji's Public Financial Management Improvement Programme 2016–2019 (PFMIP) by improving institutional capacity for reform and reform coordination. Implementing the PFMIP will help promote fiscal discipline, the strategic allocation of resources, and efficient service delivery.	24/11/17	23/11/22	Asian Development Bank
Active	Fiji Urban Water Supply and Wastewater Management Investment Programme	The impact of the proposed investment programme will ensure that future growth in the greater Suva area (GSA) is sustainable and will improve public health. The outcome will be improved access to a sustainable water supply and sewerage services in the GSA.	09/12/16	31/12/26	Asian Development Bank



Status	Name	Description	Start date	End date	Donor
Closed	Emergency assistance for recovery from Tropical Cyclone Winston	ADB is helping Fiji improve the safety and durability of its land and maritime transport infrastructure. The project will finance civil works to repair and upgrade existing roads, bridges, and rural jetties. A key focus will be on building climate-resilient infrastructure. It will also help strengthen the institutional capacity of central and line agencies.	30/06/16	28/03/18	Asian Development Bank
Implement- ation	Fiji Urban Water Supply and Wastewater Management Project	Building and renovating infrastructure to improve access to safe water and sewerage systems in the greater Suva area. Creating a new river water intake station on the River Rewa and improving the Kinoya wastewater treatment plant and associated sewer coverage.	05/11/15	11/01/25	Green Climate Fund, Asian Development Bank, European Investment Bank, Fiji Government
Active	Fiji Transport Infrastructure Investment Project	The objective of the Transport Infrastructure Investment Project for Fiji is to improve the resilience and safety of land and maritime transport infrastructure for users of project roads, bridges and rural jetties and wharves. The project will seek to prioritise investments in high poverty areas, including the poorer islands of Vanua Levu and Taveuni.	11/03/15	30/06/23	World Bank
Closed	Fiji Post- Cyclone Winston Emergency Development Policy Operation	The development objective of the project is to support Fiji's recovery from the immediate impact of Cyclone Winston through a prioritised and sequenced recovery plan	04/02/15	30/06/17	World Bank





Status	Name	Description	Start date	End date	Donor
Pipeline	Fiji: FCPF REDD+ Readiness Preparation Proposal – Readiness Fund	The development objective of grant is to assist Fiji to carry out the readiness preparation activities by supporting the preparation of its REDD+ strategy through a participatory and inclusive process, the establishment of a national MRY system, and by producing technical work and policy advice to help strengthen sustainable land and forest management practices.			World Bank
Pipeline	Vanua Levu Tourism Development Project	To increase the contribution of tourism in the local economy of Vanua Levu through improved planning and infrastructure services.			World Bank



ANNEX III: LIST OF GREEN CLIMATE FUND AND ADAPTATION FUND ACCREDITED ENTITIES

- Accredited entities (AEs) are those organisations that partner with the Green Climate Fund (GCF) or Adaptation Fund (AF), the Government of Fiji and the private sector to convert concepts into actual projects. AEs can be private or public, non-governmental, sub-national, national, regional or international, as long as they meet the standards of the donors. They carry out a range of activities that usually includes the development of funding proposals and the management and monitoring of projects and programmes.
- There are presently 113 AEs globally that Fiji may partner with in order to access the GCF. Of this number, approximately 20 national, regional and international AEs have previous, ongoing and future projects in Fiji. These are listed below.
- Generally, there are two ways in which the private sector can access GCF funding. It can submit proposals with a no-objection letter from the NDA. The proposal is initially assessed by the GCF private sector team before it is forwarded to the Technical Advisory Panel and then the GCF Board for a decision. There is no restriction on the project size, but funding will require some co-financing commitments, since funding may not be purely grant-based. The project ideas identified in the mapping report could evolve into a concept for submission to the GCF, and later into a full proposal for the private sector.
- Most GCF-approved projects in the Pacific region are government-led with the private sector playing a secondary role. They respond to 'call for proposals/concept notes' under the GCF Private Sector Facility. So far, two global calls for proposals have been made. This is where the national private sector mapping is useful; as soon as the GCF issues another call for concept notes, national private sector organisations such as the Fiji Commerce and Employers Federation (FCEF) can submit a concept on behalf of its members, as the timeline for submission is usually short (within one month).
- It is important to note that countries such as Fiji may access GCF resources through multiple entities simultaneously. An overview of these organisations is given below.



Accredited entity	Overview
Asian Development Bank (ADB)	The ADB is an international organisation whose main goal is to achieve environmentally sustainable growth and thereby reduce poverty in the Asia/Pacific region by providing financial assistance to developing countries in the form of loans, technical assistance, grants, guarantees and equity investments. ADB works in many areas to address climate change, but its main focus and expertise are on clean energy, sustainable transport and urban development, land use and forests for carbon sequestration, climate resilient development, and strengthening related policies, governance and institutions.
Conservation International (CI)	CI is a non-profit organisation that operates internationally in over 30 countries with a wide range of partners in order to empower societies to responsibly and sustainably care for nature and the well-being of humanity. It works with communities, governments, academia, foundations, civil-society organisations and the private sector in order to deliver innovative nature-based solutions for climate change mitigation and adaptation. In developing countries, it partners with the host country's government institutions, research or academic institutions, and indigenous peoples' organisations.
European Investment Bank (EIB)	The EIB is headquartered in Luxembourg and is an international financial entity whose main objective in developing countries is to provide finance and expertise for sound and sustainable investment projects, in both the private and the public sector; provide social and economic infrastructure; and address climate change. EIB is currently operating in over 150 countries and has a mandate to operate in any developing country. Climate action is one of the top policy priorities for EIB, which integrates climate considerations across all its activities, in addition to financing climate mitigation and adaptation projects. The EIB Office in Sydney, which was responsible for the Pacific region, has been scaled back.
Fiji Development Bank (FDB)	FDB is a national public sector entity and government-owned development bank based in Fiji. FDB's main objectives are to facilitate and stimulate the promotion and development of natural resources, transportation and other industries and enterprises in Fiji and to give special consideration and priority to the economic development of the rural and agricultural sectors of the economy. Its climate change-related activities are restricted to Fiji.
Food and Agriculture Organization of the United Nations (FAO)	The Food and Agriculture Organization (FAO) is a specialised agency of the United Nations that leads international efforts to defeat hunger. Its goal is to achieve food security for all and make sure that people have regular access to enough good quality food to lead active, healthy lives. With over 194 member states, FAO works in over 130 countries worldwide

Accredited entity	Overview
International Finance Corporation (IFC)	The IFC is an international organisation with a strong global presence and focus on development, primarily in the private sector. It is a sister organisation of the World Bank. The IFC's climate investment portfolio has reached USD 13 billion, with a track record in wind and solar projects globally. Its experiences in leveraging, mobilising and intermediating climate funds and programmes for green growth has allowed it to help unlock private climate investment, using blended finance. In addition to investments in climate projects, the IFC also provides technical assistance or advisory services to private and public sector clients to promote sound environmental, social, governance and industry standards; catalyse investment in clean energy and resource efficiency; and support sustainable supply chains and community investment.
International Fund for Agricultural Development (IFAD)	IFAD is an international organisation whose objective is to improve agricultural development and livelihoods in developing countries. Its projects and programmes are carried out in remote and environmentally fragile locations, including least developed countries and small island developing states. IFAD assists vulnerable groups, such as smallholders, pastoralists, foresters, and small-scale entrepreneurs in rural areas, by providing, among other things, access to weather information, disaster preparedness, social learning and technology transfer that enables farmers to increase the climate resilience of rural farming systems.
Japan International Cooperation Agency (JICA)	JICA is an entity headquartered in Japan with a strong global presence. It provides financial and technical support to climate change mitigation and adaptation projects, focusing on energy efficiency, renewable energy, public transport systems, stable water supply, climate-resilient agriculture, sustainable forest management, disaster risk reduction and coastal protection. Building on international best practices, JICA aims to make the best use of Japanese knowledge, experience and technologies in driving a paradigm shift towards a low-carbon and climate-resilient society in developing countries.
Pacific Community (SPC)	SPC is a regional organisation serving as the principal scientific and technical organisation supporting development in the Pacific region. It is owned and governed by its 26 members, including all 22 Pacific Island countries and territories. It has focused on sustainable economic development, empowered and resilient Pacific communities, and the enhanced health and livelihoods of Pacific people with a view to achieving its members' development goals.
Secretariat of the Pacific Regional Environment Programme (SPREP)	SPREP is a regional organisation based in Samoa and focused on climate change and environmental issues affecting the Pacific region. SPREP supports action on climate change in the key areas of adaptation, mitigation, policy and science. Key activities include: assisting countries to integrate climate change considerations into national planning and development processes; supporting and building capacity at the national and sub-national levels through technical training on meteorological services, cost benefit analyses, vulnerability assessments and monitoring and evaluation; providing support to coordinate integrated adaptation measures; and implementing mitigation activities, such as renewable energy projects (solar and biomass).



Accredited entity	Overview
United Nations Development Programme (UNDP)	UNDP is an international organisation with a mandate concentrated on development and with a focus on sustainable development, climate change and disaster resilience, and governance. UNDP works in partnership with entities, such as national governments, United Nations agencies, civil society organisations and development banks, in order to support the coordinated delivery of financing to achieve transformational impacts in the areas of mitigation and adaptation. Adaptation activities include integrated climate change strategies, national adaptation plans, national planning and budgeting frameworks; cross-sector climate-resilient livelihoods; climate-resilient integrated water resource and coastal management; ecosystem-based adaptation; and climate-resilient energy and infrastructure. In the area of mitigation, UNDP supports developing countries in order to create enabling environments for investment in mitigation technologies and land-use at scale. It undertakes activities in low-carbon energy access solutions (rural mini-grids, bioenergy and green charcoal supply chains), grid-connected renewables, energy efficient buildings and appliances, and reducing emissions from deforestation and forest degradation.
United Nations Environment Programme (UNEP)	UNEP's mandate is to promote sustainable development and prudent use of the global environment. Its key activities include promoting investment in clean technologies, protecting biodiversity and ecosystems, alleviating poverty, and ecosystem-based adaptation in order to reduce human vulnerability to climate change. It works with the financial communities to mobilise financial resources for investments in low carbon and climate resilient development; developing climate finance readiness and capacity-building; and undertaking policy and research analysis.
World Bank	The World Bank is an international organisation with a strong global presence and mandate to reduce poverty by promoting sustainable economic development. It works in partnership with developing countries through national governments in order to support the coordinated delivery of its projects and programmes in various sectors and through the use of various financial instruments, including grants, loans and guarantees. Its work in climate change mitigation covers renewable energy generation, energy efficiency and access, forestry, and sustainable transport projects and programmes. In addition, it has supported the least developed countries, small island developing states and other vulnerable countries in climate change adaptation by financing projects in disaster risk reduction and ecosystem services in sectors such as fisheries and water resources management.
World Food Programme (WFP)	WFP is headquartered in Italy with a mandate to fight hunger worldwide by supporting national, local and regional food security and nutrition plans and programmes. It has built strong relationships with international organisations, non-governmental organisations, civil society and the private sector to enable people, communities and countries to meet their food needs. WFP also plays a role both in helping governments and communities prepare and respond to shocks, as well as in reducing vulnerability and building lasting resilience. Approximately 40 per cent of WFP's operations include activities designed to reduce disaster risk, build resilience and help people adapt to climate change.

Accredited entity	Overview
World Wildlife Fund (WWF)	WWF is an international non-governmental organisation. Its work has evolved from saving species and landscapes to addressing the larger global environmental threats, with people at the centre of its work. Its related activities are organised around six priority areas for improved environmental management – climate, forests, food, freshwater, wildlife and oceans.
International Union for the Conservation of Nature (IUCN)	The International Union for Conservation of Nature (IUCN) headquartered in Switzerland, is a non-profit organisation that operates internationally in over 150 countries with a wide range of members and partners, including states and government agencies, non-governmental organisations, scientists and experts to find practical solutions to environment conservation and sustainable development challenges. It has a strong presence in countries in transition, least developed countries and small island developing states through its regional offices. Its overall programme of work focuses on valuing and conserving nature, ensuring effective and equitable governance of its use, and deploying nature-based solutions to global challenges such as climate change. IUCN does this by undertaking and supporting scientific research, managing and implementing field projects on the ground and bringing together various stakeholders to develop and improve policies, laws and best practices.
World Metrological Organisation	The World Meteorological Organization headquartered in Switzerland, is an international entity focused on weather, climate and water. It provides a unique mechanism for the timely exchange of weather, climate and water data, information and products. Its core activity is to assist countries and national agencies to improve weather and airquality forecasts, climate predictions, risk assessments, early warnings for extreme weather and climate events, and to provide a growing range of related services for the public and decision makers globally.
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	GIZ is an international organisation that offers the following services: advice; human capacity development; network and dialogue management and mediation; and management and logistics. The entity supports long-term capacity-building and policy reform processes, and operates in all sectors relevant to sustainable development and climate change mitigation and adaptation, including renewable energies and energy access, energy efficiency, the measurement of reduction in greenhouse gas emissions, the use of climate-friendly technologies in industry, results-based financing for reducing emissions from deforestation and forest degradation, climate-resilient cities, climate risk management and insurance, and systems and ecosystem-based adaptation.
Save the Children Australia	Save the Children Australia (SCA) is a non-governmental organisation (NGO) based in Australia that operates internationally through its network. With its vision of ensuring a world in which every child attains the right to survival, protection, and development, SCA tackles issues that affect children, including access to health and education, saving lives in a disaster, mitigating and adapting to climate change, and protecting children from harm. It manages various programmes related to climate change adaptation, disaster risk reduction, education, health and nutrition, and urban and humanitarian areas, among others. It integrates knowledge of climate change impacts into its programmes, which helps children and their communities to better prepare for future disasters and the effects of climate change and helps to safeguard the outcomes of the programmes.



ANNEX IV: POTENTIAL PUBLIC PRIVATE PARTNERSHIPS IN FIJI

The Fiji Government's Ministry of Finance and Strategic Planning, National Development and Statistics has had a public private partnership (PPP) implementation guideline in place since 2020. The guideline outlines the PPP arrangement and notes the three typical categories of PPPs.

1. No build component

- a. Performance-based maintenance: The private sector party maintains existing public infrastructure to specified performance levels.
- b. Operations and maintenance: The private sector party maintains and operates existing public infrastructure to provide services to specified performance requirements.

2. A build component with public finance

- a. Design, build, and operate: The private sector party designs, builds, operates and maintains public infrastructure to specified performance levels; the facility is publicly financed at practical completion.
- b. Lease: the private sector party assumes responsibility for an existing public facility or infrastructure system which it operates and maintains. Any extensions or upgrades are undertaken or overseen by the private sector party and funded from tariff revenue and/ or by government.

3. A build component with public finance

- a. Availability design/build/finance/maintain: The private sector party designs, constructs, finances and maintains a specialist piece of public infrastructure and ensures its ongoing availability as measured by 'availability' specifications to the government agency 'partner' who uses it to provide public services.
- b. User pays design/build/finance/operate (DBFO): the private sector party designs, constructs, finances, operates and maintains a specialist piece of public infrastructure to provide final public services, often directly to the public.
- c. User pays concession: A private sector party assumes responsibility for an existing public facility or infrastructure system that it operates and maintains. Unlike a lease, any upgrades or extensions are generally financed by the contracted private sector party. A concession has a similar commercial structure to a DBFO.

For reasons noted above, with limitations in the private sector in Fiji, PPPs could play an important role in larger climate change-related projects in Fiji and other PICs. The best outcomes will, however, be achieved through a genuine collaborative approach between government, the private sector, and international agencies to provide the required skills and experience to structure the deal.

This appendix contains two PPP cases studies:

- the Fiji Rural Electrification Fund (FREF), which has already successfully completed phase
 1: and
- the Ovalau Solar Photovoltaic Project, which has been delayed due to COVID-19.



FIJI RURAL ELECTRIFICATION FUND

The Fiji Rural Electrification Fund (FREF) was established in 2017 as a charitable fund to provide affordable, reliable and renewable electricity in the next ten years to approximately 4% of Fiji's population (circa 300 communities) who do not have access to electricity as they are either far away from the nearest electricity grid or located on maritime islands that are not serviced by Energy Fiji Limited (EFL).

Rural communities electrified under the initiative will pay affordable monthly tariff payments that will be placed into the trust fund and used to provide electricity to other rural communities throughout Fiji in due course.

In the first phase of the project, which in essence is the pilot project of FREF, 47 households have been successfully electrified on Vio Island in the period from 2018 to 2019. They now have access to 315-watt hours of electricity per household per day.

PHASE 1 PROJECT PARTNERS

- Funding Fiji Rural Electrification Fund (FREF) via funds from the Leonardo DiCaprio Foundation
- Engineering, procurement and construction Viti Renewables Private Limited (Joint venture of Energy Fiji Limited and Sunergise Fiji Limited [Clay Energy Limited – local technical subcontractor])
- Community engagement partner Fiji Locally Managed Marine Area Network (FLMMA)

Timeline

June 2018 - Phase 1 commenced

August 2018 – Master agreement signed between FREF and Viti Renewables Private Ltd for a contract to build a solar mini-grid system on Vio Island and for the operations and maintenance of the same.

May 2019 – Launched by the Prime Minister (Hon. Josaia V. Bainimarama)

CONTRACT ADMINISTRATION

- FLMMA was engaged to undertake the initial baseline survey through community engagement, as well as conduct the technical training relating to the installation of solar PV battery hybrid energy systems, energy efficiency and conservation, village sustainability and resiliency planning and solar payment system, not just for Vio Island, but across 10 interested communities in Fiji. FLMMA continued its awareness and financial literacy training across other communities in Fiji. This was concluded in January 2021.
- Sunergise Fiji Limited was contracted for the pilot project and they subsequently engaged Clay Energy Limited, its Fiji subsidiary, to complete the project. EFL assisted with the facilitation of the master agreement between FREF and Sunergise, which was signed in August 2018.



KEY SUCCESS FACTORS FOR CLAY ENERGY LIMITED

- One factor is the successful construction and implementation of the solar mini-grid system and connection to the 47 households on the island. The mini-grid system has supplied electricity to four additional newly built households since its launch.
- A second factor is the operation and maintenance of the mini-grid system, which is currently ongoing, and the annual contract renewal. The panels are expected to have a life of at least 20 years, with some lasting up to 25 years. In 2021, the solar panels required some repair work after Tropical Cyclone Yasa in December 2020 and some grid rewiring due to water damage. There has not, however, been any equipment replacement since the implementation of the mini-grid in 2019.

FINANCIAL ARRANGEMENT OF PHASE 1

Approximately FJD 250,000 of the funding received by FREF from the Leonardo DiCaprio Foundation was used for capital investment, repair work, and community engagement on the Vio Island electrification project.

Further cost for community engagement, after implementation and the ongoing operations and maintenance aspect of the project, is not accounted in the FJD 250,000 at this stage.

CHALLENGES

- The non-traditional setup, governance structure and ownership of land in Vio Island, with people from different provinces having settled in the community, posed a challenge for the FLMMA team in steering leadership in the community.
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At the inception of the project, community payments for the monthly tariffs were consistent but the COVID-19 pandemic and subsequent movement restrictions reduced their ability to pay, so collection of tariffs was temporarily ceased. The payments were reinstalled when the restrictions were lifted.

LESSONS LEARNT

- The holistic and people-centered approach to community engagement was key in the getting the community on board the electrification project and the same approach will be key in engaging with other communities across Fiji.
- The public and private stakeholders involved in the project need to have clear priorities. In particular, the government ministry representatives on the board need to align their goals with each other first and, to achieve this, there needs to be frequent meetings of the board, with the dedicated FREF manager playing a key role in facilitating this.



- After the pilot project, the budget set out for the project became clear. There should be a timely payment arrangement with the partners after the delivery of key project outcomes. These should be clearly stipulated in the MoU/MoA at the time of signing.
- EFL's role in the electrification project mainly involved the facilitation of the contract between FREF and Sunergise and ensured that key areas of deliverable were captured in the agreement. In view of the fact that there will be a phase two, three and four of the FREF project, as well as other renewable energy projects around Fiji in the coming years, there should be knowledge transfer between the EPC (engineering, procurement and construction) and EFL in all areas of the project, including, but not limited to finance, technical, operations and maintenance.
- To reduce operational cost and to achieve economies of scale for the construction and implementation of the electrification project, a concept should be built and a number of communities should be targeted at one time.

BIG WINS - POSITIVE OUTCOMES OF PHASE 1

A survey needs to be conducted to obtain some measurable and financial statistics on phase 1 of the project. Verbal feedback from the community was, however, noted by FLMMA in their continued engagement in Vio Island post implementation. The points below were noted.

- The project has brought a noticeable sense of community to the island because of the engagement of the community throughout the project.
- The children have benefited greatly from the project, as now they have access to electricity to study at night.
- Vio Island is a fishing community and their livelihood is highly dependent on the money from selling fish back to the mainland. The community now receives a better price for their fish because they are able to keep it fresh in ice/fridge.
- Communities are now able to enjoy the simple pleasures of life by being able to own and operate material things such as DVD players, radios, television sets and mobile phones.
- Women in the community have opportunities to operate small businesses, such as baking.

PHASE 2 OF THE RURAL ELECTRIFICATION PROJECT

Phase 2 of the project was expected to complete by 2021, but due to the COVID-19 lockdown, curfew, movement restriction and potential high risk of exposure to the community, Phase 2 has been deferred and is now due to be completed by 2022.

- A pre-implementation survey was successfully completed in January 2021 by FLMMA for up to eight rural communities in Fiji.
- The tender was expected to close in February and construction to begin in April (subject to the impacts of COVID-19).



FIJI AGROPHOTOVOLTAIC PROJECT

Fiji is dedicated to contributing to the reduction of global greenhouse gas (GHG) emissions and has communicated in its NDC its goals of generating 100% of its electricity from renewable sources by 2035 and of reducing CO2 emissions by 30% from the energy sector BAU (business as usual) by 2030.

Ovalau is a volcanic island of 109 km2 with 9,606 people living in 27 villages as of 2017. The island is currently powered 100% by five diesel generators owned and operated by Energy Fiji Limited (EFL) based in Levuka. This causes several issues, including noise pollution and high CO2 emissions.

As the generators run 100% on diesel fuel, which is imported into Fiji, the electricity tariff is heavily subsidised by the government, placing a significant financial burden on it.

This agrophotovoltaic project will install a 4 MWp Agro photovoltaic (APV) system connected to Ovalau's micro-grid, along with a 5 MWh battery energy storage system (BESS) for a reliable power supply, in order to increase its renewable generation from 0% to about 57.24%. The APV system will lower the government's fiscal burden by replacing the high-cost diesel generation on Ovalau island.

PROJECT PARTNERS

- National authority Ministry of Finance and Strategic Planning, National Development and Statistics and Ministry of Agriculture
- Accredited entity The Fiji Development Bank is in charge of the handling and distribution of fund the loan from the Green Climate Fund (GCF).
- Independent power producer (IPP) Ovalau Agrosolar Pte Limited (OAS). OAS is a special
 purpose company established to construct and sell power (via a power purchasing
 agreement) to Energy Fiji Limited. OAS will be the sub-borrower of the loan from FDB and will
 be owned and operated by Envelops Co Ltd, a South Korean-based company.

FINANCIAL AGREEMENT

GCF financing (USD in millions)

- Loan 3.9 M for solar PV (IPP's work for construction and implementation of the power plant)
- Grant 1.1 M solar PV/BESS O&M capacity building

FDB co-financing (USD in millions)

Loan 1 M – for the construction of the power plant and installation and connection of BESS

KOICA co-financing for BESS (USD in millions)

In-kind contribution 4 M – 5MWh BESS



CHALLENGES

Land

Ovalau is a small volcanic island with limited area available for agricultural production. The problem of land use between the PV and agriculture is, therefore, expected to be resolved by the agrophotovoltaic system, which allows for planting of crops underneath the PV panels, and which will provide a climate-resilient environment for agricultural activities over an arable land space of seven hectares.

Technical know-how

The PV, together with BESS, is the first of its kind in Fiji. As Fiji lacks the technical know-how to operate, manage and maintain the systems, this will have to be outsourced to other countries, which will make it less technically sustainable. To overcome this, intense training will be carried out to transfer knowledge and know-how to locals for the operation and maintenance (O&M) of the APV systems, as well as to carry out similar projects in Fiji in the future.

KEY PROJECT OBJECTIVES

The basic concept of the project is the simultaneous generation of power using solar and agricultural production in the same area. The objectives of the construction of the solar power plants are:

- to enhance climate change resilience by reducing the carbon emissions and enhancing the energy security on Ovalau;
- to revitalise community economics by promising additional sources of income from the implementation of the project to the host communities; and
- to improve the quality of life for the local people by providing more reliable electricity and implementing climate-resilient agriculture.

ANTICIPATED OUTCOMES OF THE PROJECT

- 1. Successful procurement and construction of the APV plant by the IPP, whilst at the same time allowing arable land for agricultural activities.
- 2. Successful installation and connection of the 5MWh BESS to the existing grid system, currently running with 100% diesel generators by EFL.Successful installation and connection of the 3.
- 3. Increase the management capacity in micro-grid stabilisation by training EFL engineers and potential engineers/technicians (the latter being youths aged between 18 and 25) for the management of a micro-grid, O&M of APV arrays and BESS. The target groups include women and girls, as the project aims to have women and girls enjoying the same benefits of decent jobs with proper payment equal to that of men and boys with the same skills. One of the important aspects in the grid management with the solar system will be a solar prediction method for the grid dispatch purpose.
- 4. Promote climate resilient APV projects in Fiji by establishing specialised climate financing facility and regulatory scheme which can enhance the APV project's financial replicability in Fiji.
- 5. Promote awareness of the threats of climate change to climate-vulnerable communities via mass and social media and enhance the general awareness of APV systems.



SUSTAINABLE DEVELOPMENT OUTCOMES

The project has significant social, economic, environmental and gender-sensitive development co-benefits. It will contribute to six Sustainable Development Goals (SDGs).

- 1. Environment It will reduce air pollution caused by the emission of carbon and other particulate matters from the use of diesel fuel, as well as noise pollution from the use of generators. In addition, the APV system will lead to improved water availability, enhanced soil quality, reduced erosion and sustainable agricultural practices, increasing the productivity of agriculture and leading to food security on the island.
- 2. Social Provision of materials for project-related training and knowledge-sharing in the maintenance of a PV array and BESS system; financial service access; and climate and environment risk and impact assessment and management. These could be used as a toolkit for FDB's other financing. Gender-inclusive development can be promoted in Fiji by hiring women and girls and engaging them as active partners for training and project implementation.
- 3. Economic First and foremost, the project will reduce the fiscal burden on the Fijian government from subsidising the cost of energy generation on Ovalau, as well as reduce the reliance on diesel fuel and the cost of its importation. The project will also create job opportunities for the local labour force, including youths and women. The project is also expected to improve access to funding APV in Fiji and other PICs.
- 4. Gender the Gender Action Plan (GAP) is designed to ensure equal opportunity for both men and women in training and employment (for APV system maintenance and operation). This, in the long term, may contribute to a change of perception by Fijian people of gender roles, which will empower women and girls to better participate in the formal economy and development activities in the future.
- 5. Others Korea International Cooperation Agency (KOICA) will provide grants to the government of Fiji to implement a climate-resilient agriculture project under the solar APV. KOICA's project will include organic-farming, processing, storage, marketing of essential crops and vegetables in Fiji that are susceptible to climate change-induced natural and other types of disasters (such as long drought, floods, cyclones and other extreme weather conditions). This will contribute to improving the country's food security in the long term.



As a next step, there is increasing demand for coordination among the Fijian private sector to analyse the numerous climate finance opportunities available to the country's public and private sectors through bilateral and multilateral partners.

This concept note provides an opportunity for FCEF and FBDRC to seek initial funding that enables the organisations to attract an experienced coordination specialist to liaise with the various layers of partners.

CONCEPT NOTE 1

PROJECT TITLE

Decarbonising the Fijian Public Transportation Industry (e-Mobility)

PROJECT SUMMARY

The optimal operation of buses is an essential service for Fiji, providing transportation for over 500,000 people on a daily basis. The bus industry is solely operated by the private sector, with 57 bus companies. As of September 2017, 1,673 buses were registered in Fiji, with the World Bank estimating its annual income at approximately FJD 80 million for the same annual period.

On average, a bus travels about 164 km/day. The current bus fleet in Fiji serves most of the country but is based on high emission vehicles. There are 400 buses 30 years or older, and over 700 buses do not have any emission standards. The entire fleet was pre-Euro II standard in 2017 and, whilst some operators have introduced Euro III and IV standard buses since then, the vast majority remain Euro II standard or below. Most of these old vehicles are still operating, their maintenance costs tend to be high and, more importantly, their emissions, especially for local pollutants (NOx, SOx and PM), are significantly higher than the rest of the fleet, affecting both climate change and health. Despite buses representing only 1.39% of the total number of vehicles, this transport mode accounts for approximately 8.4% of the country's total greenhouse gas emissions (Fiji LEDS 2018).

An optimal way to promote sustainable transport is to sustain the already high public transport modal share, while encouraging and incentivising more private vehicle users to shift to this transport mode. The e-bus project would be carried out in phases, phase 1 being the transition of the buses servicing the central division from the current fuel-consuming buses to electric buses. Eventually this will happen in other CBD areas around Fiji and eventually other routes serviced by the bus operators once e-bus capability grows in Fiji.

Phase 1(pilot) of the project may potentially involve the actions listed below.

- Exploring the potential for Autogas or LPG powered buses utilising the existing vehicle refueling sites located on Fiji's two main islands.
- Sourcing electric buses to Fiji. Electric buses deployed in Fiji will likely be battery electric buses (BEBs) or electric trolley buses that use new street-level overhead power lines. This will, however, require a significant initial capital investment.



- Setup charging stations at bus depots for overnight charging and opportunity chargers for mid-route bus charging, which can be set up at bus stations. These chargers would likely only involve a commercial premises transformer upgrade.
- Energy Fiji Limited (EFL) still relies significantly on diesel fuel to generate energy, so the
 introduction of electric buses would require consultation and confirmation from EFL of its
 capacity to support the additional load of charging electric buses. Alternatively, companies
 can also set up solar panels to source their own energy to save more costs. The government
 could consider doing the same at the bus station for mid-route charging during the daytime.

CLIMATE CHANGE RELEVANCE

Fiji's Nationally Determined Contribution (NDC) aims to reduce CO2 emissions by 30% compared to business as usual (BAU) during the period 2020–2030. The government has committed to integrating low carbon and climate-resilient growth into its development efforts and in 2017 issued a green bond to support climate mitigation and adaptation.

The Fiji NDC Implementation Roadmap 2017–2030 sets a pathway for the 30% emissions reduction target under the Paris Agreement. This framework covers both supply-side grid improvements and demand-side energy efficiency. The roadmap estimates that investment of USD 2.97 billion in these areas will reduce Fiji's annual C02 emissions by 627,000 tonnes by 2030, but the roadmap recognises that the full potential for reaching the target is conditional on Fiji receiving significant means for implementation and support.

The transport component of the NDC roadmap is estimated to reduce emissions by 137,000 tCO2/yr. The mitigation actions under transport include vehicle replacement programmes for buses, taxis, private cars, lorries and minibuses, which are expected to have the largest contribution to CO2 mitigation (95,000 ktCO2/yr) in the sub-sector. One of the major challenges to wider battery electric vehicles adoption is the lack of sufficient charging infrastructure and the need to assess and select appropriate charging technology. This challenge can be tackled much more easily by electrified city buses than by electric passenger vehicles. City buses utilise the same routes, they spend the nights in the same depot and the driving times are within a known range. Locations of the chargers and utilisation times can be optimised, robust trials can be undertaken, and bus routes can be electrified one by one or in a phased group approach.

The recent Fiji Climate Finance Snapshot report indicated that the investments needed to reach mitigation targets are lagging. In the transport sector, the snapshot concluded that further investments are needed in low-carbon transport. Ensuring resilient, low-emission transport by land, sea, and air is vital if Fiji is to meet its climate commitments. Fiji's NDC lists transportation as one of three sectors that will enable it to meet its goal of reducing total CO2 emissions by 30% by 2030. In addition, the Climate Vulnerability Assessment identifies transportation as the sector with "the largest investment needs for building the country's resilience." While most investments to reduce emissions from road transport will come from the private sector, the Low Emissions Development Strategy calls on the public sector to invest in proof of concept low carbon vessels and vehicles for marine and road transport.



KEY STAKEHOLDERS

The project will involve collaboration of many parties, including but not limited to the following.

- Fiji Bus Operators' Association
- Directors of bus companies
- Fiji Commerce and Employers Federation
- Ministry of Commerce Trade Tourism and Transport
- Ministry for Infrastructure, Meteorological Services, Lands and Mineral Resources
- Energy Fiji Limited
- Fiji Roads Authority
- Land Transport Authority
- TotalEnergies (Fiji) Ltd
- Mobil Oil (Fiji) Ltd
- Pacific Energy Ltd
- Fiji Gas Ltd
- Blue Gas Fiji Ltd.

POTENTIAL CLIMATE FUNDS

- Existing bilateral partnerships: Fiji may choose to review its existing areas of cooperation with countries that have a demonstrated capacity for achieving the intent of the e-mobility plan.
- Accessing the Green Climate Fund and the Adaptation Fund: Fiji may access financing and technical resources from the GCF and the AF through the sixteen international, regional and national accredited entities that operate in Fiji.
- Philanthropic organizations: Fiji has recent experience in accessing funds for its climate adaptation and mitigation activities from prominent philanthropic organisations such as the Leonardo Decaprio Foundation and the Waitt Institute. These partnerships may provide a pathway to accelerate access to climate funds.

CONCEPT NOTE 2

PROJECT TITLE

Strengthening private sector coordination mechanisms through the Fiji Commerce and Employers Federation

PROJECT SUMMARY

The increasing disruptive nature of adverse climatic conditions on business operations, compounded by the global coronavirus pandemic in the archipelago, has exacerbated existing gaps in coordination mechanisms between the private sector, the Government of Fiji and development agencies.

Various recommendations offered by the latter consistently suggest that the latent potential of the private sector in scaling up multiple disaster and resilience efforts at a country level often rests in strengthening coordination efforts. The Fiji Business Disaster Resilience Council (FBDRC), which is part of the Fiji Commerce and Employers Federation (FCEF), provides a platform for the business



community to manage disaster and climate change effects on enterprises, and to support government, civil society, and humanitarian and development partners in building climate and disaster resilience. Building on actual experience and realisations of the pain points that the business community needs to address in order to be an active partner of the national government in promoting more disaster-ready local businesses, the FCEF proposes to implement the project, Strengthening Private Sector Disaster Coordination Mechanisms.

PROJECT OBJECTIVES

The project aims to strengthen FBDRC engagement in relevant country-level disaster risk management forums. Specifically, the project aims to achieve the following objectives:

- to develop pre-disaster agreements with government and development agencies;
- to facilitate private sector participation in joint planning sessions with government and development agencies; and
- to identify and record a database of Fijian businesses in the private sector that are currently engaged in disaster and resilience activities.

PROJECT ACTIVITIES

- Enhance FBDRC's capacity on disaster risk management and emergency preparedness by:
 - o facilitating joint-planning with government and relevant partners on emergency preparedness, response and business continuation and recovery;
 - o contributing to national and regional initiatives on disaster risk reduction, emergency preparedness and humanitarian assistance; and
 - o developing a network work plan, focusing on enhancing disaster risk reduction, preparedness, response and recovery.
- Develop FCEF service offerings on disaster resilience for local businesses by:
 - o conducting disaster preparedness awareness campaigns and activating existing members of the FCEF and other local chambers and business associations:
 - o conducting business continuity training, with a focus on women-led or women-owned small and medium enterprises; and
 - o developing an accredited list of members, mapping local business capacities and potential to contribute to emergency response and recovery.

The FBDRC will work to develop and implement protocols on how businesses engage in disaster risk reduction, emergency preparedness, response and recovery. This may include but is not restricted to:

- guidelines and best practice for partnering with humanitarian organisations (including due diligence processes);
- preparing small businesses for disasters;
- building partnerships with the national government and the UN;
- understanding the disaster management system (including how to work with the humanitarian clusters, how to ensure your donations are targeted at the identified needs of the most vulnerable communities, how to understand humanitarian information, etc.); and
- gender, protection and accountability to affected populations.

KEY STAKEHOLDERS

The project will involve collaboration among various parties, including but not limited to:

- Business owners and leaders of industry;
- Private sector business associations;
- Fiji Commerce and Employers Federation;
- Fiji Chamber of Commerce;
- National Disaster Management Office;
- Fiji humanitarian cluster;
- Humanitarian and development agencies; and
- Civil society organisations.

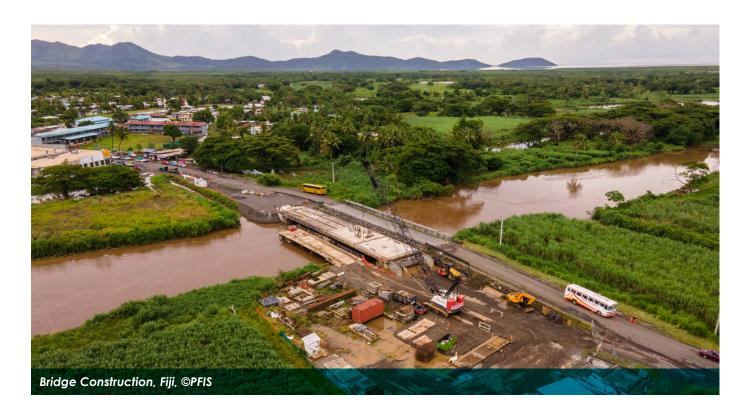
POTENTIAL CLIMATE FUNDS

Existing bilateral partnerships:

Fiji may choose to review its existing areas of cooperation with countries that have a demonstrated capacity for achieving the intent of strengthening private sector coordination mechanisms through the FCEF. An example of bilateral funding availability is the country's bilateral relations with Australia, where the latter pledged to spend 500 million over five years (2020–2025) to strengthen climate change and disaster resilience in the region.

Philanthropic organisations:

Fiji has recent experience in accessing funds for its climate adaptation and mitigation activities from prominent philanthropic organisations, such as the Leonardo Decaprio Foundation, the David and Lucile Packard Foundation and the Waitt Institute; these partnerships may provide a pathway to accelerate private sector coordination, given their ability to channel climate financing with minimal bureaucratic requirements.





ANNEX VI: A PARTNERSHIP FRAMEWORK

A framework by the Fiji Commerce and Employers Federation, with support from the Fiji Government, for improving climate finance coordination and public private partnerships

INTRODUCTION

According to the Fiji Government's Public Private Partnership (PPP) Policy 2019, such a partnership is defined as a contractual arrangement between a government agency and a single private sector party for the provision of public services and, in particular, the provision of public infrastructure and related services, over time. Subsequently the Ministry of Economy published a *Public Private Partnership Implementation Guide 2020* to further articulate the conditions and safeguards for operationalising PPPs, informed by the country's unique socio-economic and prevailing policy conditions.

As global financial instruments continue to evolve broadly, this framework focuses on strengthening the conditions for ongoing coordination in six key areas (Figure 2). These recommendations are informed by responses gleaned during the Fiji Private Sector Mapping Exercise in 2021 to support well-designed, fiscally viable PPPs that enable local and international businesses to participate meaningfully in climate resilience initiatives.

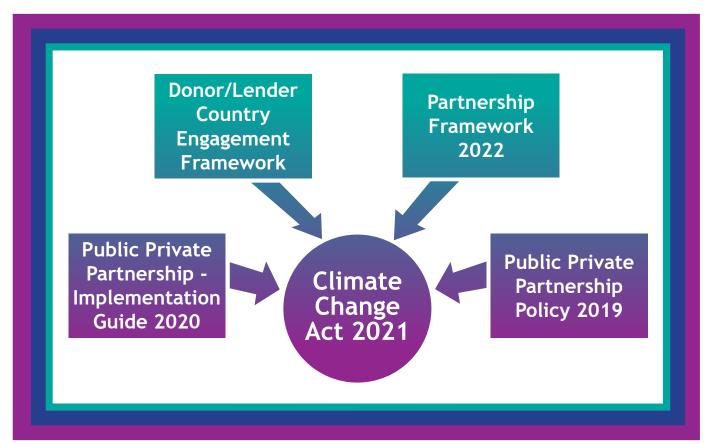


Figure 1. Key decision-making tools for improving coordination among climate resilience actors in Fiji

OBJECTIVES

In considering the disruptive effect of the global pandemic (COVID-19) on the country's sustainable development progress, there are opportunities to consider characteristics that are country-specific, including the value of inter-personal relationships, socio-economic considerations and prevailing policy conditions. The partnership framework aims to articulate a clear pathway for improving coordination between the public and private sectors, through the Fiji Government's national designated authority (NDA) and driven by the national private sector organisation, the Fiji Commerce and Employers Federation (FCEF).

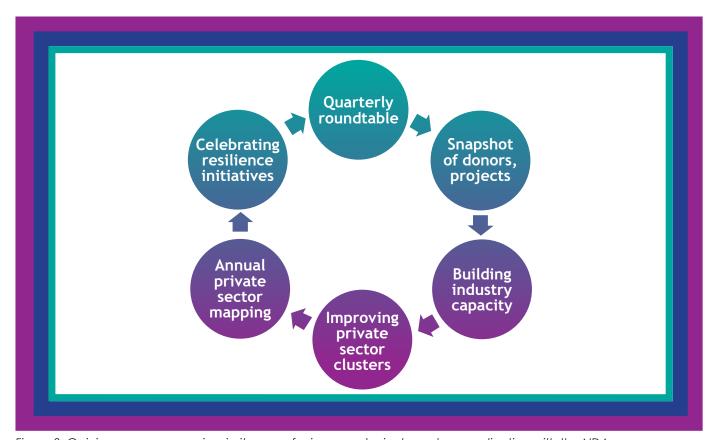


Figure 2. Gaining consensus on six priority areas for increased private sector coordination with the NDA

1. QUARTERLY ROUNDTABLES:

Establishing a quarterly roundtable between the national designated authority (NDA) and private sector leaders among other actors shall be to gain consensus on pathways for achieving Fiji's sustainable development targets while creating sub-groups that focus on rigorous intellectual analysis of climate resilience initiatives and financing modalities, among other thematic areas. This would produce an inherent benefit of building a network of Fijian private sector professionals who share a natural motivation for building the country's climate resilience, supported by the (soon to be established) project management unit while also harnessing its efficiencies to animate sustainable development policies into proof-of-concept case studies, as well as project proposals.



2. SNAPSHOT OF DONORS, DOCUMENTS AND PROJECTS:

Removing information barriers that prevaricate the increased participation of Fiji's private sector in climate resilience initiatives requires a multi-pronged approach. As global financial instruments continue to evolve and while donors continually refine their strategic funding priorities, a central database hosted online by the NDA shall act as a central source of the most up-to-date information on: (i) Fiji's bilateral partnerships with its Ministry of Foreign Affairs; and (ii) on ongoing projects that are being undertaken by different actors in conjunction with other government ministries whose annual corporate plans align with the country's sustainable development targets. This online database shall also host all climate-related information on national policies, reports and project documentation for ease of access for all stakeholders.

3. BUILDING PRIVATE SECTOR CAPACITY:

Understanding the evolving policies of climate resilience and financing provides an opportunity to conduct a series of structured learning outcomes specifically for Fijian business owners, leaders and executives who contribute to adaptation and mitigation efforts at either a country level or tailored specifically to a private sector industry, e.g. insurance companies. The series of structured learning outcomes may focus on providing those Fijian business owners, leaders and executives with knowledge about: (i) the Climate Change Act 2021 and the 5 and 20 year national development plans; (ii) accessing geospatial data to ensure that proposals are technically sound; and (iii) how each of the sixteen accredited entities that operate in Fiji consider proposals and specific case studies from other countries that have accessed these funds via a private sector pathway.

4. IMPROVING PRIVATE SECTOR CLUSTERS:

Fiji is characterised as a country with strong communal structures that translate into how its private sector competes on a transactional level yet collaborates on complex areas, such as national policy and business industry regulations. During natural disasters, building consensus on industry standards or in submissions to government, Fiji's private sector has historically collaborated as clusters or private sector industry associations, e.g. the Fiji Bus Operators Association and the Fiji Fuel Retailers Association. Almost every major private sector industry has a registered association which enjoys varying levels of impact in coordination, Strengthening the capacity of these clusters provides an ideal opportunity to garner.

5. ANNUAL PRIVATE SECTOR MAPPING:

Conducting an annual mapping exercise of the private sector's climate resilience-building initiatives by adaptation or mitigation provides a clear pathway for stakeholders, such as individual businesses, industries, policy makers and development partners to organise technical support, raise industry level commitments and target policy incentives, such as concessions that promote innovation and technology transfer for sustainable energy breakthroughs. As part of this exercise, the national private sector organisation FCEF (with support from the NDA) may agree on a standard methodology for this mapping exercise, taking into account the various industries present in Fiji, as well as how this information would feed into the country's sustainable development target.

6. CELEBRATING RESILIENCE INITIATIVES:

There are a number of existing events that promote industry standards, celebrating innovation, as well as rewarding advancements. These include but are not limited to Fiji's Prime Minister's Exporter of the Year Award, Fiji Development Bank's small and medium enterprise awards, as well as the Fiji Excellence in Tourism awards. Gaining consensus among these organising committees provides a credible platform for publically amplifying the ongoing efforts of Fiji's private sector, while motivating individual businesses to collaborate.

COMPONENTS OF THE PARTNERSHIP

As the country continues to develop its various modalities to accessing climate finance in line with evolving global instruments, the following components amplify overarching values that frame a living partnership framework which is responsive, flexible and balanced.



Figure 3. Five overarching components of the partnership framework between the public and private sectors in Fiji

- **Establish a baseline:** As public and private sector partners convene, it would be important to gain consensus on a vision, purpose, processes, standard glossary and a set of documents for referencing.
- **Emphasizing leadership:** The framework shall be chaired by the FCEF Chief Executive Officer and an official may be agreed upon by both organizations that shall have the responsibility of operationalizing initiatives, in the absence of the chair.
- Recognizing cultural diversity and inclusion: In the Fiji context, this would require parties to appreciate that numerous ethnicities and cultures that are present in the country and therefore will need to gain consensus on language, cultural norms as well as commonalities. This may also extend to ensuring gender inclusion as a component of the partnership
- Consolidate working arrangements: Empower parties to communicate effectively in person
 as well as virtually, as the case may be, taking into consideration the COVID-19 global
 pandemic. This may take the form of in person meetings at mutually agreed times then
 migrate onto virtual channels such as an NDA portal, Zoom, Emails and the most prevalent
 form of instant communication in Fiji which is to create a Viber community.
- **Building Performance:** Requires that parties continually improve on communication and feedback mechanisms, reviewing the partnership framework as various goals are met in the project cycle and publicize climate finance successes in a timely manner.



BENEFITS OF THE PARTNERSHIP

There are numerous advantages in documenting the elements of a partnership into a framework and for the purpose of defining these saliently, it is important to categorise these motivations according to key stakeholders that play an integral role in accelerating climate finance access in Fiji.

NATIONAL DESIGNATED AUTHORITY

refers to the specific Government institution that is widely recognized as the country's endorser by bilateral and multi-lateral partners such as the Green Climate Fund (GCF), Adaptation Fund (AF) and the United Nations Framework Convention on Climate Change (UNFCCC). In Fiji, the NDA is the Office of the Prime Minister or the Climate Change Division. Given that the Division and by extension its Ministry is primarily responsible for accelerating the country's sustainable development goals, optimizing coordination with the private sector provides an organized pathway for measuring the effectiveness of legislation and policies such as the Climate Change Act 2021 and Nationally Determined Contributions (NDC) Implementation Roadmap 2017-2030 respectively among other documents.

PRIVATE SECTOR

refers to micro, small, medium and large for-profit enterprises that operate in the country. These individual enterprises are then organized into private sector collectives by industry or share similar policy interests such as the Fiji Bus Operators Association or the Fiji Fuel Retailers Association that represents the collective motivations of these member businesses. At a country level, FCEF is recognized as the national private sector organization representing the interests of its members at policy level. Engaging business leaders and entrepreneurs in a partnership framework provides a formalized avenue to raise innovative ideas, mitigate risks and offer country specific incentive recommendations which may accelerate the NDA's efforts.

DEVELOPMENT PARTNERS

refers to bilateral and multi lateral agreements that the country has entered into for the purpose of advancing mutually agreed upon outcomes such as cooperation for climate financing and technical resources. The optimized participation of all stakeholders in building climate resilience inclusive of the private sector enables development partners to commit resources and financing to specific areas of a project cycle and or country process versus replicating existing efforts undertaken by different agencies.

PROPOSED FORMS OF PARTNERSHIP

In recognising the ongoing disruptive nature of the COVID-19 pandemic and natural disasters, there are essentially three forms of partnership recommended to support progress.

ONLINE PORTAL:

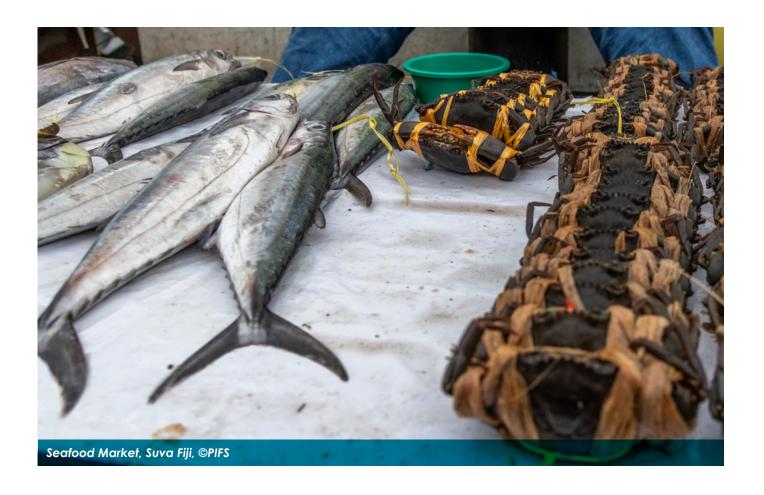
The purpose of this online portal shall be to provide all stakeholders with consistent, verifiable and good quality information. This may range from key documents, such as the country's *Climate Change Act 2021*, the 5 & 20 year national development plans, the Nationally Determined Contributions Implementation Roadmap 2017–2030, the Fiji Low Emissions Development Strategy 2018–2050) to other documentation on specific projects.

EMAIL LISTSERV:

This is a collection of email addresses for various partners that is held in a database for ease of consistent information distribution. The benefit of a listserv is in its ability to hold a record of various stakeholders' email addresses and consistently provide updates over time.

VIBER COMMUNITY:

This provides an interactive platform for stakeholders to continually engage in information-sharing activities instantaneously. Given the prevalence of Viber as an acceptable form of correspondence in Fiji, this form of communication will empower stakeholders to discuss complex topics instantaneously, while also providing the option to submit audio visual resources.





ANNEX VII: SUMMARY OF PREVIOUS AND POTENTIAL CLIMATE RESILIENCE DONORS AND PARTNERSHIPS WITH FIJI

CLIMATE FINANCIERS

Adaptation Fund

Green Climate Fund

Global Environment Facility

Multilateral Fund for the Implementation of the Montreal Protocol

MULTILATERAL ORGANISATIONS

Asian Development Bank

European Investment Bank

United Nations Office of Coordination of Humanitarian Affairs

Food and Agriculture Organization

International Office on Migration

International Fund for Agriculture Development

United Nations Development Programme

United Nations Educational, Scientific and Cultural Organization

United Nations Environment Programme

United Nations International Childrens Emergency Fund

United Nations Office of Disaster Risk Resilience

United Nations Women

World Bank

World Food Programme

World Health Organization

International Union for the Conservation of Nature

BILATERAL DONORS

Australian Department of Foreign Affairs and Trade

Australian Government and Bureau of Metrology

European Union in the Pacific

Export Import Bank of China

Export Import Bank of Malaysia

French Development Agency

French Global Environmental Facility



German Federal Ministry of Economic Cooperation and Development

German Federal Ministry of Nature Conservation, Environment, Building and Nuclear Safety

Government of Canada

Government of Italy

Government of Japan

Government of Luxembourg

Government of Switzerland

United States Agency for International Development

Japanese International Cooperation Agency (JICA)

Korea International Cooperation Agency (KOICA)

Kuwait Fund for Arab Economic Development

New Zealand Ministry of Foreign Affairs & Trade

Principality of Monaco

Peoples Republic of China

FOUNDATIONS AND NGOS

Australian Centre for International Agricultural Research

David & Lucille Packard Foundation

Duke of Edinburgh

Fiji Water Foundation

Foundation for Rural Integrated Enterprises & Development (FRIEND Fiji)

Live and Learn Fiji

Community Centered Conservation Fiji

Global Green Growth Institute

Gordon and Betty Moore Foundation

Institute of Environmental Science and Research Limited

International Atomic Energy Agency

International Tropical Timber Organisation

Leonardo DiCaprio Foundation

Waitt Foundation

Pacific Community (SPC)

Secretariat of the Pacific Regional Environment Programme (SPREP)

The Energy and Resources Institute

Wildlife Conservation Society

Conservation International

Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE)



ANNEX VIII: OVERVIEW OF HOW FIJI ACCESSES CLIMATE RESILIENCE FUNDS FOR INFRASTRUCTURE AND OTHER COUNTRY PROJECTS

AUSTRALIA, CANADA, EU, GERMANY, NEW ZEALAND, JAPAN, KOREA, USA ect

GREEN CLIMATE
FUND

GLOBAL
ENVIRONMENT
FACILITY

CLIMATE
INVESTMENT
FUNDS

ADAPTATION
FUND

WORLD BANK, ASIAN DEVELOPMENT BANK, UNITED NATIONS, INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT ect

FIJIAN GOVERNMENT, FIJI DEVELOPMENT BANK, REGIONAL ENTITIES, NON GOVERNMENT ORGANISATIONS AND PRIVATE SECTOR

Notes:











Mapping of Fiji's Private Sector Resilience Building Initiatives and Enhancing Public Private Sector Engagement in Climate Change Finance