



The Fijian Government Climate Change Related Initiatives 2017-2018 Budget Highlights

Climate change represents the single greatest risk to Fiji's national security and national development given the catastrophic potential of rising seas, severe weather events and other climate-related impacts. Climate change is expected to cause more frequent and more severe tropical cyclones around the world, and threatens the very existence of many vulnerable, low-lying nations due to rising sea levels.

Fiji is currently leading the global effort to reduce the harmful carbon emissions that are resulting in climate change, as Prime Minister Voreqe Bainimarama serves as President of ongoing United Nations climate negotiations, COP23. As President of COP23, Fiji is seeking the full implementation of the Paris Agreement on Climate Change and to preserve the multilateral consensus for decisive action to address the underlying causes of climate change.

Domestically, the Fijian Government has engrained climate resilience into every level of national development, and the 2017-2018 Budget contains a wide-range of allocations designed to adapt the Fijian economy to the reality of climate change and carry out life-saving work to prepare Fiji for the more severe climate effects that are predicted to impact the country. While Fiji's own contribution to the global carbon footprint remains low, the 2017-2018 Budget also contains numerous provisions that will ensure Fiji does its part to reduce carbon emissions and preserve our natural environment.

The total allocation towards climate related projects in 2017-2018 is **\$319,859,394** with 36 projects designated as climate adaptation and 13 as climate mitigation. Allocations detailed in this flyer are already accounted for in Ministerial budgets and do not represent any additional expenditures.

Policy Initiatives

- Plastic Bag Tax: globally, plastic bags are a major source of pollution and require vast amounts of fossil fuels and water to manufacture and ship throughout the world. Under the

plastic bag tax, ten cents will be charged per bag used in order to reduce plastic waste and usage in Fiji. As an alternative, the Ministry of Industry, Trade and Tourism will introduce reusable bags for shoppers through the Fijian-Made Campaign.

- Environment and Climate Adaptation Levy: the levy directly funds environmental protection and climate resilience programmes. The levy is designed to apply mainly to visitors to Fiji that come to experience Fiji's natural environment, luxury accommodation and recreational activities.
 - a special fund will be established to better utilise funds generated by the levy to finance environment and climate change related projects. The fund will bring greater visibility to the progress of projects that preserve Fiji's natural environment and adapt to climate change; and
 - the 12.5 per cent tax on the charter of super-yachts has been removed and replaced with the environment and climate adaptation levy. The levy has been increased to ten per cent.
- Social Responsibility Tax Reapportionment: the social responsibility tax is imposed on any individual that has a chargeable income of over FJD 270,000.00. Ten per cent of the tax revenue is now reapportioned to the environment and climate adaptation levy fund to increase the amount available to fund environmental protection and climate-related initiatives.
- Issuance of Green Bonds: Government has partnered with the International Finance Corporation and the Reserve Bank of Fiji to issue \$100 million in "Green Bonds" that will raise capital to fund projects that have environmental benefits, including in renewable energy, low carbon transport and forestry projects. The bonds are scheduled to be launched prior to Fiji's Presidency of COP23 in November 2017.

Major Allocations for Climate-Related Expenditure

- Ministry of Waterways: the new ministry has been established to undertake the systematic coordination of drainage maintenance, management and construction in order to mitigate issues related to storm water management and flood mitigation. The ministry's work will

extend to rural and urban areas to improve water management infrastructure to reduce the negative impact that severe rains and flooding have on public safety and economic productivity (\$19,223,798).

- Through the Ministry of Economy, Government in partnership with the Insurance Council of Fiji and Fiji Institution of Engineers will work to develop affordable cyclone insurance cover for homes with technical support from the World Bank. Government has allocated \$1,000,000 to subsidise the insurance premiums for low income households.
- Department of Energy: funds for renewable energy development, including energy conservation and bio-diesel and bio-gas development, in rural areas to reduce dependence on traditional fossil fuels (\$17,570,817).
- Water Authority of Fiji: funds for the distribution of free waters tanks to areas at-risk for drought due to changing weather patterns and the subsidisation of rainwater harvesting systems for households in drought-prone regions (\$8,875,000).
- Fiji Roads Authority: funds for the construction of roading infrastructure that is built to a standard that can withstand the severe effects of climate change and the upgrading and replacement of bridges and jetties to adapt to climate-related effects. Funds also cover extensive restoration and rehabilitation works to recover from TC Winston (\$64,310,000).
- Nadi Flood Alleviation Project: carries out the project design for the widening of the Nadi River. Funds will cover capacity development initiatives, geotechnical investigations, topographic models, surveys and a project management consultancy (\$10,000,000).
- Ministry of Forestry: funds for the Reducing Emissions from Deforestation and Forest Degradation (REDD+) programme, a global mechanism for reducing emissions from deforestation and forest degradation, and other reforestation projects, given that forests can mitigate the effects of climate change by absorbing carbon dioxide in the atmosphere (\$1,250,000).

- Ministry of Local Government: funds the improvement of waste management, mainly in the Central Division. The construction of Stage 2 Cell 2 of Naboro landfill will begin this budget cycle and, once completed, the landfill will reduce Fiji's carbon emissions by properly bounding and storing carbon in the soil. The ministry will also continue to phase out ozone depleting substances (\$3,987,129).
- Ministry of Fisheries: construction of fisheries institutional buildings (\$1,600,000).
- Ministry of Agriculture: cyclone rehabilitation for institutional buildings and quarters (\$1,610,000).
- Ministry of Education: funds for repair works on schools that sustained damage in TC Winston (\$180,758,115).
- Ministry of Health and Medical Services: funds for repair works on health facilities that sustained damage in TC Winston (\$1,000,000).
- Ministry of Disaster Management and Meteorological Services: funds to improve the forecasting and reporting of weather events in order to make preparations for natural disasters as effective as possible. Funds will go towards the upgrade of outer islands stations, construction a new Labasa weather office, upgrade of the Nadi radar antenna and the supply and installation of water level and rainfall telemetry equipment, including at the two international airports. The Ministry also covers the provisions of immediate relief and rehabilitation in the aftermath of a natural disaster and funds towards the Disaster Risk and Climate Adaptation Fund to construct and upgrade evacuation centres and sea walls in low lying areas, provide water tanks and rain water harvesters to homes in rural and maritime areas and relocate villages and settlements in extreme cases (\$6,965,535).
- Fiji Corrections Service: funds for repair works on the Ba Corrections Centre mess hall and kitchen that sustained damage in TC Winston (\$400,000).
- Fiji Police Force: funds for repair works on police facilities that sustained damage in TC Winston and for the purchase and installation of solar power equipment in rural police stations (\$1,309,000).