



## STRAIGHT TO THE POINT

- » Fiji has set a goal of 100 percent renewable energy by 2030. It also set an indicative target to reduce 10 percent of CO<sub>2</sub> emissions through energy efficiency improvements economy-wide.
- » Vulnerabilities to extreme weather events and external shocks are high and hinder progress toward achieving climate and sustainable development goals.
- » Fiji's Ministry of Economy is a critical player and the NDC is linked to economic plans through the Green Growth Framework. Climate targets are also in the process of being linked more directly to development plans, including the climate sensitization of sectoral plans and policies.
- » The NDC Partnership can support Fiji to enhance its existing NDC, lay out roadmaps for NDC implementation, and support efforts to finance NDC investments.
- » The proposal for a Regional Pacific NDC Hub will further promote NDC enhancement and implementation in Pacific Island Countries. As the President of COP23, Fiji can play a convening role with support from the NDC Partnership.

## BACKGROUND

### FIJI ON THE FRONTLINE OF CLIMATE CHANGE

Fiji is facing the impacts of climate change more severely than most countries. This is due in combination to being an island state and the country's challenges to economically prevent and cope with climate change's effects. Only contributing 0.04 percent to global greenhouse gas (GHG) emissions<sup>1</sup>, the country is focused on adaptation and resilience-building efforts.

The country is classified as an upper middle-income economy per the World Bank<sup>2</sup>, with extremely volatile growth resulting from internal and external shocks. While varying from year-to-year, Fiji's annual GDP growth has been steadily increasing over the last seven years making it the longest period of positive economic growth since independence in 1970.<sup>3</sup> Tourism is the country's largest source of foreign exchange. Given the dependence of the industry on natural resources and existing infrastructure, climate change and climate-induced natural disasters pose significant threats to the tourism industry, in addition to the agriculture and sugar industries, which contribute significantly to Fiji's GDP.

Extreme weather events have been particularly severe in their negative impact of the country's economic capacity. Expected annual long-term losses from earthquakes and tropical cyclones are estimated at USD 85 million.<sup>4</sup> Specifically, Fiji has experienced climate change impacts such as eroding shorelines and riverbanks, water shortages, depleted fisheries, reduced food production, sea level rise, and an increase in the outbreak of vector-borne diseases.

In February 2016, Cyclone Winston ravaged Fiji, taking the lives of 44 Fijians, destroying homes, uprooting families, and inflicting severe damage on the nation's sugar crops, a foundation of the Fijian economy.

<sup>1</sup> [http://www4.unfccc.int/submissions/INDC/Published%20Documents/Fiji/1/FIJI\\_iNDC\\_Final\\_051115.pdf](http://www4.unfccc.int/submissions/INDC/Published%20Documents/Fiji/1/FIJI_iNDC_Final_051115.pdf)

<sup>2</sup> [http://databank.worldbank.org/data/Views/Reports/ReportWidgetCustom.aspx?Report\\_Name=CountryProfile&Id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=FIJ](http://databank.worldbank.org/data/Views/Reports/ReportWidgetCustom.aspx?Report_Name=CountryProfile&Id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=FIJ)

<sup>3</sup> <http://www.imf.org/external/pubs/ft/weo/2017/01/weodata/weorept.aspx>

<sup>4</sup> <https://www.gfdr.org/sites/gfdr/files/publication/Country-Note-Fiji.pdf>

As a result of the cyclone, the Prime Minister declared a 30-day state of emergency. With winds recorded at 185 miles per hour and gusts up to 200 miles per hour, Cyclone Winston took its place as Fiji's worst recorded natural disaster and the strongest storm to ever to make landfall in the Southern Hemisphere. Damages from the storm totaled an estimated USD 1.4 billion, which represents more than a third of Fiji's GDP. Previous cyclones (2009, 2010, 2012) in addition to severe flooding (2012) have prevented Fiji from progressing on a steadier growth trajectory. In this sense, Fiji's economic and climate conditions are closely intertwined.

In 2012, residents of Vunidogoloa, a village on the shoreline of Fiji's second-largest island, Vanua Levu, became the nation's first community to relocate due to climate change. The village's 26 homes sat mere meters from the coast, but with four decades of a higher tide and heavier rainfall, Vunidogoloa—its homes, gardens, crops, and trees—found itself at the mercy of relentlessly encroaching seawater. Migrating to higher ground was the only remaining option for the community. The Fijian Government is also developing a guideline for relocation activities as several communities have been identified for relocation.

## COUNTRY AMBITION

### TRANSFORMING THE ISLAND BY ADDRESSING CLIMATE AND DEVELOPMENT

Fiji has ambitious targets to move its renewable energy share in electricity generation toward 100 percent by 2030 from around 60 percent in 2013. Furthermore, Fiji is aiming for a ten percent reduction in carbon dioxide (CO<sub>2</sub>) emissions by 2030 from energy efficiency improvements economy-wide. Overall, it has outlined in its Nationally Determined Contribution (NDC) to mitigating climate change through a 30 percent emission reduction target against a business-as-usual scenario, ten percent of which will be achieved through implementation of the Green Growth Framework, with the remaining target conditional on external funding of USD 500 million. This pledge is aligned with the Sustainable Energy for All (SE4ALL) initiative of the United Nations to unlock finance to achieve universal access to sustainable energy.<sup>5</sup>

Fiji intends to use market-based mechanisms to meet its commitments through a combination of global market mechanisms and direct aid transfers. To achieve its commitments, Fiji has identified that it requires substantial funding including fully functional bilateral, regional, and international market mechanisms such as the Clean Development Mechanism (CDM).

The country's specific focuses in adaptation—its priority—and mitigation actions include:

**Adaptation //** Fiji is focusing on reducing vulnerability and enhancing resilience of communities to climate change and natural disaster. Fiji is proactively creating and refining its policies, institutions, and budgetary systems to mobilize resources focused on disaster risk management and climate change activities.<sup>6</sup>

**Mitigation //** The energy sector is Fiji's main opportunity to take mitigation actions and tackle its major development challenge.

<sup>5</sup> <http://www.se4all.org/>

<sup>6</sup> [http://www4.unfccc.int/ndcregistry/PublishedDocuments/Fiji\\_percent20First/FLJI\\_iNDC\\_Final\\_051115.pdf](http://www4.unfccc.int/ndcregistry/PublishedDocuments/Fiji_percent20First/FLJI_iNDC_Final_051115.pdf)

» **Electricity** - Aiming to transfer most of its electricity generation to renewable options, there has been relatively high installed capacity of hydro and trialed wind options with mixed results. The country is also considering large-scale biomass production (mostly by Fiji Sugar Corporation (FSC) and timber producers) and small-scale biomass. There is potential in geothermal, but the technology has not progressed to large scale implementation so that Fiji considers this source irrelevant considering the timeline of climate change. Wave and ocean energy have been investigated but are not close to implementation. The most promising is large scale hydro both as a source and storage mechanism for solar power, especially as photovoltaic (PV) prices drop and solar becomes more economical.

» **Energy Efficiency** - Energy efficiency measures are a relatively easily implemented option, but have not been seriously implemented because of financial constraints.

» **Transport** - With an increasing number of cars and other motor vehicles, infrastructure needed to accommodate them has been a strain on natural resources. Building infrastructure specifically for conventional motor vehicles risks locking in Fiji to this transportation type. This would make mitigation efforts in this sector a challenge as it would constrain the country to fuel-switching approaches rather than improving public transit systems.

## PATHWAYS TO SUSTAINABLE GROWTH

Fiji has committed to pursuing the Sustainable Development Goals (SDGs) and integrating them into national planning. During the 2015 United Nations Sustainable Development Summit, Fiji affirmed its focus on Sustainable Development Goal 14 on the conservation and sustainable management of oceans and seas.<sup>7</sup> As part of its development agenda, Fiji has also made clear its commitment to increasing its standard of living.<sup>8</sup>

As a SIDS, Fiji is following the SAMOA Pathway, the outcome document of the Third International Conference on SIDS, which has provided new perspectives on future cooperation with the private sector and catalyzing inclusive and sustainable growth.<sup>9</sup>

The country has several national development plans that provide insight into Fiji's development priorities and interests. A recent version, the National Development Plan (NDP) for 2017-2037, is currently being developed by Fiji to be released later in 2017. The NDP espouses transformative actions for a forward looking, low carbon, and climate-resilient Fiji.

Fiji's 2014 Green Growth Framework highlights three key pillars that the country will need to address to achieve its development targets<sup>10</sup>:

» **Environmental:** Building resilience to climate change and disasters; waste management; and sustainable island and ocean resources.

» **Economic:** Energy security; sustainable transportation; technology and innovation; and greening tourism and manufacturing industries.

» **Social:** Inclusive social development; food security; and freshwater resources and sanitation management.

<sup>7</sup> <https://sustainabledevelopment.un.org/content/documents/20718fiji.pdf>  
<sup>8</sup> [http://www4.unfccc.int/ndcregistry/PublishedDocuments/Fiji%20First/FLJI\\_iNDC\\_Final\\_051115.pdf](http://www4.unfccc.int/ndcregistry/PublishedDocuments/Fiji%20First/FLJI_iNDC_Final_051115.pdf)  
<sup>9</sup> <http://enb.iisd.org/volo8/enb0857e.html>  
<sup>10</sup> [http://prdrse4all.spc.int/system/files/green\\_growth\\_framework\\_for\\_fiji\\_16\\_sept\\_2014\\_lowres\\_1.pdf](http://prdrse4all.spc.int/system/files/green_growth_framework_for_fiji_16_sept_2014_lowres_1.pdf)

## STATE OF PLAY

### TAKING A LEADERSHIP ROLE IN NDC IMPLEMENTATION AND COLLABORATION

Fiji, in its capacity as President of COP23, is an example of galvanizing commitment to NDC implementation, of which its Ministry of Economy is a crucial player. The Ministry of Economy is already playing a significant role in advancing Fiji's climate agenda, is heavily involved in the country's Green Growth Strategy development and implementation, and serves as the focal point for the Green Climate Fund.<sup>11</sup>

The country has demonstrated its enthusiasm for the Paris Agreement by setting ambitious targets. Fiji's approach to mitigation and adaptation covers a wide range of sectors, with support and programs coming from many different areas. Different plans, policies, and objectives are ongoing to achieve the country's climate and sustainable development goals. Overall, the country recognizes the need for financing, institutionalized policies, on-the-ground action, and technological application.

To develop the country's NDC implementation roadmap, the Fijian Government partnered with the Global Green Growth Institute. The draft Roadmap identifies actions that can be undertaken to achieve almost 100 percent renewable energy by 2030.

The Fijian Government is focused on two major sectors within ongoing adaptation efforts<sup>12</sup>:

- » **Extreme weather event protection** // The government has begun conducting Vulnerability and Adaptation assessments for all of Fiji, and has invested in cleaning out river mouths; constructing inland retention dams, sea walls, and cyclone proof homes; moving vulnerable communities to higher grounds; and improving early warning systems.
- » **Agriculture and forestry** // Planting endemic tree and root crops is one way to minimize soil erosion, land degradation, desertification; planting mangroves aims to minimize impacts along shorelines.

Another initiative, established in 2009, is the Fiji National REDD+ Program, focused on tackling the drivers of deforestation and forest degradation, and promoting forest expansion and conservation to build up forest-based carbon sinks.<sup>13</sup> The three main drivers of forest degradation have been identified as burning, firewood collection, and destructive logging. The REDD+ Program is promoting actions such as improved land use planning and management; providing positive incentives to refrain from engaging in activities that damage forests; and promoting policy interventions and enforcement of legislation. To manage forests for the long-term benefit of society, the REDD+ Program emphasizes alternative income generating activities involvement of communities and sustainable forest management, which can support economic development and mitigation goals.

Regional support has come from Australia, which has a large presence in Fiji, providing most of its external aid.<sup>14</sup> Australia's development assistance is focused on three main areas, which include: 1) increased private sector development to stimulate growth; 2) improved human development to equitably distribute the benefits of economic growth by improving access to health and education services; and 3) supporting recovery from Tropical Cyclone Winston (2016) by reconstructing schools and health facilities and resorting water and sanitation services. Other support comes among others from Germany's BMZ, through the €27 million program on "Coping with Climate Change in the Pacific Island Region"

<sup>11</sup> <http://www.greengrowthknowledge.org/project/gggi-fiji-implementation-green-growth-framework>

<sup>12</sup> [http://www4.unfccc.int/ndcregistry/PublishedDocuments/Fiji\\_percent20First/FIJI\\_iNDC\\_Final\\_051115.pdf](http://www4.unfccc.int/ndcregistry/PublishedDocuments/Fiji_percent20First/FIJI_iNDC_Final_051115.pdf)

<sup>13</sup> <http://www.fiji-reddplus.org/fiji-national-redd-programme>

<sup>14</sup> <http://dfat.gov.au/geo/fiji/development-assistance/Pages/development-assistance-in-fiji.aspx>

Fiji's government has several national policies in the areas of agriculture, land use, forestry, fisheries and water, and sustainable management of natural resources. The government is also establishing appropriate institutional arrangements for effective implementation and monitoring. These include the Green Growth Framework 2014, Draft Energy Policy 2013, Draft Energy Strategic Action Plan 2013, SE4ALL Global Report, and the Fiji Electricity Authority Draft Power Development Plan.

In recognition of the financial burdens of unpreparedness, Fiji has prepared a finance manual for post-disaster budget execution. In addition, Fiji has made Disaster Risk Financing and Insurance (DRFI) instruments available to facilitate disaster response. These include the National Disaster Relief and Rehabilitation Fund (NDRF) and the Rehabilitation Fund.<sup>15</sup>

The Fijian government has tried other innovative approaches to raise finances to cope with the effects of climate change. One example is a tax concession to encourage donations to deal with the impacts of Tropical Cyclone Evan to cover recovery costs.<sup>16</sup> Additionally, there is a general, non-life insurance market that is the second largest within the Pacific Island community.<sup>17</sup>

Fiji is considering hosting The Regional Pacific NDC Hub—to be launched at COP23 in November 2017—to serve the needs of Pacific Island states. The objectives of the Hub include providing advisory and technical support to enhance and implement countries' NDCs and providing support with the review of NDC implementation. Services that the Hub will provide include stocktaking of NDCs; providing country and sector-specific advice and technical support; providing training and capacity building in the two aforementioned services; conducting regional and sub-regional workshops on policy and technical issues; supporting national reporting requirements to the UNFCCC; promoting dialogue among Partnership members, the UNFCCC, and national partners; developing and disseminating publication and informational materials on lessons-learned; and promoting the Pacific NDCs at the global level to foster international support.

## NDC PARTNERSHIP ENGAGEMENT

### BRINGING EVERYONE TOGETHER TO OPERATIONALIZE COLLECTIVE IMPACT

The short-term outcomes for NDC Partnership have been confirmed and key focus of its engagement in Fiji will evolve around NDC enhancement. Key Development and Implementing Partners have been convened to work together on NDC enhancement and an initial common understanding has been reached.

The Fiji Climate Change Unit within the Fijian Ministry of Economy called for a meeting with the aforementioned Partners to discuss the review and enhancement of Fiji's NDC, in which partners shared their potential contributions to this process, and started their work already. The government of Fiji will coordinate the process and work with the Partners on different sectors and topics.

In addition, there is a close connection to the progress regarding the Regional Pacific NDC Hub, which aims to assist Pacific Island Countries (PICs) in enhancing and implementing their NDCs. Fiji as COP23 President and the COP23 Secretariat are bringing together PIC political leaders to further develop the idea of the NDC Hub. A technical side event is also planned for the day before the start of the Pre-COP.

<sup>15</sup> <https://www.gfdrr.org/sites/gfdrr/files/publication/Country-Note-Fiji.pdf>  
<sup>16</sup> <https://openknowledge.worldbank.org/handle/10986/21696>  
<sup>17</sup> <https://www.gfdrr.org/sites/gfdrr/files/publication/Country-Note-Fiji.pdf>

## OPPORTUNITIES FOR PARTNERSHIP

### NDC ENHANCEMENT, INVESTMENT, AND SECTORIAL ROADMAPS

The key opportunities for Fiji can be considered as follows:

- » **NDC enhancement** // The Partnership can provide support for the development of an enhanced NDC for submission to the UNFCCC in 2018.
- » **Financing for NDC investments** // The Partnership can support Fiji in rethinking and clarifying its Investment Framework, to help the country use market mechanisms to achieve its goals, including climate and sustainable development objectives.
- » **NDC implementation roadmaps** // Various sectors could be tackled by different Partners:
  - Transport – World Bank and Asian Development Bank
  - Energy – Global Green Growth Institute
  - Forestry and Agriculture – GIZ on behalf of BMZ
  - Adaptation (National Adaptation Plan) – Global Network

### SUPPORT FOR COOPERATION AND INTEGRATION, SEIZING WHOLE-OF-GOVERNMENT

The Partnership could provide support to develop legislation that would create a climate to build more resilient infrastructure, such as by changing building codes, and capacity building for vulnerable communities through workshops and trainings. Additionally, the Partnership could facilitate cooperation between local actors, include civil society, NGOs, the private sector, and local and subnational governments to uncover which actors hold the comparative advantage within each area of concern. However, these actions must be supplemented with those that encompass a longer-term vision that will give Fiji the tools to push its climate and sustainable development agenda forward independently.

Fiji will need to integrate its efforts at the national and subnational level to achieve a unified and cohesive strategy. Already, Fiji has engaged its Ministries of Economy and Planning, but more can be done at the level of each of the country's four divisions. Identifying the comparative advantages again here would help actors within Fiji and external partners to understand where to most efficiently allocate their limited resources.

The country has had several national development plans that outlined in detail its interests and objectives. As Fiji is in the process of developing a new development plan, this is an opportunity for the Partnership to assist in aligning the country's climate and sustainable development goals to avoid duplicative efforts. Tying in climate goals with its development plan will also be good for reinforcing the existing relationships with the Ministries of Economy and Planning. This whole-of-government approach is particularly important in Fiji, as the country has outlined in its NDC that it will do its best to mitigate but not at the expense of raises in the standard of living.<sup>18</sup> Ensuring that climate and sustainable development are one in the same from the start is a promising opportunity for Partnership support and involvement to keep Fiji's climate ambitions on track.

<sup>18</sup> [http://www.unfccc.int/ndcregistry/PublishedDocuments/Fiji%20First/FLJI\\_iNDC\\_Final\\_051115.pdf](http://www.unfccc.int/ndcregistry/PublishedDocuments/Fiji%20First/FLJI_iNDC_Final_051115.pdf)

Furthermore, the Partnership can play a role in supporting Fiji to enhance the ambition of its mitigation targets and adaptation actions in the NDC for 2018. These enhanced mitigation targets and adaptation actions will be aligned with priorities set out in Fiji's medium- and long-term National Development Plan.

### INVESTMENT SUPPORT: ACCESSING ASSISTANCE

Fiji's overarching constraint is that the country's NDC covers a broad range of issues, but without more refined priorities the country's aggressive plans will stretch available resources and capacity too thin. The upside of this is that the Fijian government has already outlined clear and specific challenges across several sectors, which would make it easier to connect financing and technical assistance to relevant initiatives as these resources become available.

Finance and external assistance would come easier if the country developed a stronger investment environment that created the fiscal space for the government to act and to further private sector involvement. Without a strategy to attract investment, it will be difficult for Fiji to find the financing for its planned infrastructure projects. Such a strategy would need to be accompanied by consistent and clear regulation on outside investment, as well as assurance of a stable regime. This is an area for potential NDC Partnership engagement to help the country use market mechanisms to achieve its goals.

Potential adaptation plans will involve engaging financing mechanisms as well. There is a need for expertise to develop these systems, complemented with the necessary funding to realize them. Given the country's known climate risks and vulnerability to cyclones, insurance markets that help the country and individuals better respond following unexpected events would help the country get back on its feet quicker than usual and serve as one type of adaptation tool. However, such insurance markets might need to be designed as part of a larger market so that providers are not bankrupted by events that affect their entire client base. A first easy step in this direction would be to identify and insure critical public assets that affect the broader economic activity of the country.

### SECTORAL SUPPORT: SUSTAINABLY RENEWING TRANSPORTATION, REALIZING 100 PERCENT RENEWABLES

A particularly promising and impactful area for engagement would be the transportation sector. Fiji is on the verge of being locked in to a vehicle-focused transportation sector. Intervening would be an opportunity to mitigate future emissions by both supporting economic stimulation and emission reduction goals by investing in a robust public transport system. Local Fijians would be less vulnerable to external price shocks if they depended less on imported goods for transportation. This would simultaneously benefit the country's tourism sector—an increasingly important contribution to national GDP—by making the country more accessible to tourists. This would be a financially demanding initiative, but keeping the door open to other transportation methods in the future would benefit the country's long-term development growth.

Another area of meaningful engagement would be the renewables sector. Fiji's ambition of reaching 100 percent renewables in the electricity sector by 2030 would be a shining example of the potential of renewables. Such a success could be shared as proof-of-concept, particularly in other SIDS countries, who aim to decrease dependence on outside energy sources. However, Fiji is lacking sufficient investment in this endeavor. Providing the necessary financing and connecting Fiji with innovative financing mechanisms would add fuel to the fire of Fiji's already ambitious goal of reaching 100 percent renewable energy. Doing so would both reduce emissions and support a new and growing industry. Furthermore, the Partnership could provide support to help Fiji think about a longer-term energy strategy.

### SOUTH-SOUTH EXCHANGE: INTEGRATING MINISTRIES

In terms of good practices, as other countries seek out opportunities to align their Ministries of Finance and Environment, they should look to Fiji who has made the Ministry of Economy (previously Ministry of Finance) and integral part of its climate objectives. For example, development of the country's Green Growth Framework has been led by several ministries; demonstrating consensus on these efforts throughout the government. Specific actors include the Department of Strategic Planning within the Ministry of Economy; the Department of Energy and the Transport Planning Unit within the Ministry of Infrastructure and transport; and the Fiji Electricity Authority.<sup>19</sup> Engaging these actors has provided Fiji with the foundation to move its climate goals forward as a coherent part of the country's larger development strategy.

<sup>19</sup> <http://gggi.org/wp-content/uploads/2012/12/Fact-Sheet-Fiji.pdf>



NDC Country Outlook

FIJI

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*The NDC Partnership is guided by its partners and assisted by a Support Unit hosted by the World Resources Institute (WRI). The Partnership is co-chaired by the Governments of Germany and Morocco.*

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