

STANDING COMMITTEE ON PUBLIC ACCOUNTS

REPORT ON THE COP23 PRESIDENCY TRUST FUND: SECOND SEMI-ANNUAL REPORT FOR THE PERIOD OF 1 NOVEMBER 2017 – 30 APRIL 2018



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CHAIR'S FOREWORD

I am pleased to present the first report of the Public Accounts Committee under my leadership as Chairperson. This report reviews the COP23 Presidency Trust Fund: Second Semi Annual Report for the period 1 November 2017 to 30 April 2018. This report is intended to summarize the work of the Committee on the COP23 Presidency Trust Fund: Second Semi-Annual Report. The Committee scrutinizes the information provided in the report in terms of the key activities and expenditure incurred through the second six months period of expenditure from the COP23 Presidency Trust Fund.

The Parliament of the Republic of Fiji's authority pursuant to Standing Order (SO) 110 (1) (c) and as directed by the Speaker of the House for the Standing Committee on Public Accounts to examine and thereafter submit the findings to Parliament of the COP23 Presidency Trust Fund: Second Semi Annual Report.

The Annual Report content was thoroughly examined by the Committee. The COP23 Secretariat was invited to explain to the Public Accounts Committee, on the 12 questions that were raised during the deliberation of **COP23 Presidency Trust Fund Second Semi Annual Report**. The responses from the COP 23 Secretariat were exceptionally positive.

On Monday 4th February 2019, the COP23 Presidency Secretariat Executive Director and Trustee, Mr. John Connor and the Finance Manager, Ms Letila Tuiyalani appeared to the Committee and clarified the functions and details of the Fund, particularly on the donations received, initiatives/outcomes and expenditure with the implementation aspects of it. The documents were compiled and agreed to by the Committee following the review of the Annual Reports.

The financial statements reflected in this Second-Semi Annual Report is an audited statement of receipts and payments that was prepared by the Pricewaterhouse Coopers Chartered Accountants which are presented in accordance with the COP 23 Presidency Trust Fund Act 2017, Procurement Regulations 2010, section 58 (4) of the Finance Instructions 2010 of the Republic of Fiji issued under the Financial Management Act 2004. This is the second six monthly accounts (from 1 November 2017 – 30 April 2018) of the Fund since its commencement.

The Committee commended the work of the COP23 Presidency Trust Fund Secretariat and recommends that Government take the lead role and ownership of the initiatives and projects from the COP23 Secretariat and consider expanding its insurance risk cover for the low income households.

I wish to extend my appreciation to all the Honourable Members of the Committee who were part of the successful compilation of the bipartisan report namely the Hon. Joseph Nand, Hon. Vijendra Prakash, Hon. Aseri Radrodoro, and Hon. Ratu Naiqama Lalabalavu. Further, pursuant to Standing Order 115 (5), the Hon. Dr. Salik Govind Ram stood in as an alternate member to Hon. Joseph Nand in one of the Committee meeting.

On behalf of the Committee I also extend my appreciation to the Secretariat Staff for their timely research, compilation and submission of this Report. I now commend this report to the Parliament.


.....
Hon. Alvick Avhikrit Maharaj
Chairperson

LIST OF ACRONYMS

COP 23	-	23 rd Conference of Parties
FJD	-	Fijian Dollar
KPMG	-	Klynveld Peat Marwick Goerdeler.
MoE	-	Ministry of Economy
PSE	-	Permanent Secretary Economy
PWC	-	PricewaterhouseCoopers
SO	-	Standing Orders of the Parliament of the Republic of Fiji
UNFCCC	-	United National Framework Convention on Climate Change
UK	-	United Kingdom

RECOMMENDATION

The Standing Committee on Public Accounts has conducted a review of the COP 23 Presidency Trust Fund: Second Semi-Annual Report for the period of 1 November 2017 – 30 April 2018 and has a few recommendations to bring to the attention of the House before Parliament take note of its report.

Recommendation 1

Government to take a lead role and ownership of the initiatives and projects from the COP23 Secretariat.

Recommendation 2

The Fijian Government considers expanding insurance from Agriculture to Housing sector for low income households.

Recommendation 3

That the COP 23 Secretariat through Ministry of Economy develops a policy guideline and conditions that complies with relevant legislation for accepting contribution from anonymous donors.

1.0 INTRODUCTION

The COP23 Presidency Trust Fund: Second Semi-Annual Report was tabled in Parliament during the November 2018 sitting and referred to the Standing Committee on Public Accounts, for its scrutiny.

Standing Orders 109(2) (d) allows Standing Committee on Public Accounts to examine the accounts of the Government of the Republic of Fiji in respect of each financial year and reports of the Auditor-General, and for any other matter relating to the expenditures of the Government of the Republic of Fiji or any related body or activity (whether directly or indirectly) that the committee sees fit to review.

Standing Orders 110(1)(c) authorises the Standing Committee to *scrutinise the government departments with responsibility within the committee's subject area, including by investigating, inquiring into, and making recommendations relating to any aspect of such a department's administration, legislation or proposed legislative program, budget, rationalisation, restructuring, functioning, organisation, structure and policy formulation.*

1.1 COMMITTEE PROCEDURE

We met on the 28th of January 2019 to conduct a review of the COP23 Presidency Trust Fund: Second Semi Annual Report for the period 1 November, 2017 to 30 April, 2018. We heard evidence from the COP 23 Presidency Secretariat which was represented by the following officials:

- Mr John Connor, Executive Director and Trustee of COP 23 Presidency Trust Fund
- Ms Letila Tuiyalani, Manager Finance (COP23 Presidency Secretariat, Ministry of Economy)

1.2 COMMITTEE MEMBERS

The substantive members of the Standing Committee on Public Accounts are:

1. Hon. Alvick Avhikrit Maharaj (Chairperson)
2. Hon. Joseph Nitya Nand (Deputy Chairperson)
3. Hon. Vijendra Prakash (Member)
4. Hon. Aseri Radrodro (Member)
5. Hon. Ratu Naiqama Lalabalavu (Member)

During a Committee meeting, the following membership arose pursuant to Standing Order 115(5):

1. Hon. Dr. Salik Govind Ram (Alternate Member for Hon. Joseph Nitya Nand)

CHAPTER ONE - BACKGROUND

The Standing Committee noted that pursuant to section 8(1) of the COP23 Presidency Trust Fund Act 2017, the Ministry responsible for finance must prepare a report every six (6) months on the activities and expenditure of the COP 23 Presidency Trust Fund, including financial statements for the Fund, and submit the report to Cabinet within six (6) months from the end of the six-month period to which the report relates.

The COP 23 Presidency Secretariat was established in March 2017 to oversee and manage the operations of the Fund. Utilisation of the Fund for procurement is in accordance with the Procurement Regulations 2010. Further, a Financial Policy Guideline consistent with the Financial Management Act 2004 and Finance Instructions 2010 has been developed for the Fund. The Ministry of Economy (MoE) also assisted with the accounting function of the Fund.

In addition, COP 23 Presidency partner KPMG assisted with seconding a senior accounting personnel to the Fund who was engaged as the Manager Finance for the Secretariat for a reduced fee for a six (6) month period commencing from 31 July 2017 to 31 January 2018. Subsequently, MoE has assumed the accounting responsibilities and a Finance Manager being appointed in June 2018.

CHAPTER TWO – COP23 PRESIDENCY TRUST FUND: SECOND SEMI-ANNUAL REPORT

BACKGROUND OF THE COP 23 PRESIDENCY TRUST FUND – BILATERAL & MULTILATERAL FUNDING SUPPORT

The COP23 Presidency Trust Fund Secretariat Office within the six (6) months of the reporting period, a total sum of over FJD\$11 million was received as donations to the Fund. The major donor countries and organisations comprised of,

1. Germany (FJD\$4.1 million);
2. UK (FJD\$1.9 million and further FJD\$2 million pledged)
3. Russia (FJD\$1.6 million)
4. Asian Development Bank (FJD\$2 million) and
5. Delai Naron Trust contributed (FJD\$500)
6. Significantly some other donations were also received from Belgium, Estonia, Korea, Spain, Qatar and the Australia and New Zealand Bank for support of the PreCOP Blue Ocean event.
7. Philanthropic foundations Climate Works and European Climate Foundation had also contributed to the Fund.

Apart from the list of donors above, the USA, Norway, Switzerland, Italy (part) and the European Commission (part) which opted to make their contributions through a COP23 Project Fund in the United Nations Framework Convention on Climate Change (UNFCCC) Trust Account. New Zealand provided a secondment to assist with the scheduling and management of the Fiji Pavilion at COP23. Canada has also contributed through the United Nations Development Programme (UNDP).

The COP23 Presidency Secretariat office is now based at Ro Lalabalavu House, Suva. Currently, there is 8 staff managed by Executive Director, John Connor. The expenditure recorded for the six (6) months period amounted to over FJD\$8.6 million leaving a surplus fund of just over FJD\$16 million prior to the payment of:

- a) Bonn and Bangkok intersessional meetings,
- b) Handing over cost of COP23 to COP24 in Poland
- c) COP24 legacy initiatives and residual costs.

COP23 Presidency Trust Fund Utilisation

The Funds utilised for the period leading up to the COP23 includes;

- (i) Management and operations of the Secretariat Office
- (ii) Support for the COP23 Presidency leadership personnel
- (iii) Fielding of the team in Bonn for the November COP23 and the funding of the Fijian Pavilion and its associated site events and cultural programs

- (iv) Supporting engagement by membership of the COP23 Presidency leadership at key international UNFCCC or related events including the One Planet Summit in Paris and meetings in Bangkok and Tokyo;
- (v) Global Climate Action Agenda which promotes greater pre-2020 action under the leadership of the COP23 High Level Champion, Hon. Minister Inia Seruiratu;
- (vi) Maintenance of extensive communication program including the COP23 website, traditional and social media outreach, drafting and event management;
- (vii) Training and building capacity of the Fijian National Team and the Fijian Presidency Team. Additional training support also came from UNDP contributions and secondment;
- (viii) Further partnership with Governor Brown of California COP23 Special Envoy for States and Regions as part of building a Grand Coalition of non-State actors for climate action. COP23 President Prime Minister Frank Bainimarama spoke at the “America’s Pledge” Pavilion managed by Governor Brown and former New York Mayor Michael Bloomberg;
- (ix) Further the relationship with private sector finance through the Talanoa dialogue and initiatives such as the Frontier Fund and investment in the forestry and transport sector;
- (x) Progress numerous legacy projects for Fiji and the Pacific including:
 - a. A focus on renewable energy innovation and the establishment of the Fijian Rural Electrification Fund as a Charitable Trust, with initial support from the Leonardo Di Caprio Foundation;
 - b. Increasing regional implementation of the Paris Agreement through the development and launch of a regional Hub, conceived of at the July 2017 CAPP Conference;
 - c. The launch and work of the Climate Finance and Insurance “Drua” Incubator developing or supporting renewable energy and climate insurance concepts capable of application to Fiji and the Pacific;
 - d. The listing of the Fijian Sovereign Green Bond, launched at PreCOP in October 2017, on the London Stock Exchange. The Bond raised FJD\$100 million to strengthened Fiji’s resilience and emission reduction projects and inspired similar initiatives in the developing world.
- (xi) In keeping with past COP hosts experience, a Fijian team member was posted in Bonn as UNFCCC liaison officer;
- (xii) Developing of an extensive Cultural and Communication Plan, include numerous activities across the COP23 Bula (negotiation) zone, the COP23 Bonn (non-State actors) zone and the city of Bonn and this includes the preparation and planning, logistics for the Fijian pavilion with the development of a Pacific focussed schedule of events. In addition, the Secretariat worked with the German government and non-government organisations on the design and schedule for an NGO “Talanoa Space” in the Bonn Zone, and
- (xiii) Other Presidency support services including strategic advice, negotiations support, assistance with fundraising, capacity building, logistical support, communication and documenting drafting.

CHAPTER THREE – COMMITTEE DELIBERATION AND ANALYSIS ON THE COP23 PRESIDENCY TRUST FUND SECOND SEMI ANNUAL REPORT FOR THE PERIOD ENDING 30 APRIL 2018

Outcomes of the COP23 Bonn, Germany

The report also covered the outcomes of the COP23 Bonn, Germany in which Fiji worked closely with the co-hosts Germany and staged a successful COP that brought to the fore both the human challenges and innovations of the Pacific response to climate challenge and the Bula spirit of warmth and inclusiveness and this includes key 2017 and COP23 outcomes as outlined below:

- (I) **Talanoa Dialogue:** it was an inclusive process which was agreed to share stories and showcase best practices in order to urgently raise ambition in nationally determined contributions (NDCs). Fiji and Poland are to co-chair a final Ministerial level Talanoa at COP24.
- (II) **Financing for vulnerable nations:** This initiative was still significant shortfalls in financing commitments and focus, the Adaptation Fund was replenished and linked to the Paris Agreement, the Global InsuResilience partnership grew with over US\$150 million backing, the Fiji Clearing House for Risk Transfer was launched and a Suva Dialogue on Loss and Damage set for early 2018.
- (III) **Inclusive processes:** These are agreements that were reached to include traditionally marginalised voices of gender; local communities and indigenous peoples, a pioneering “Open Dialogue” was held between parties and non-party stakeholders.
- (IV) **Koronivia Joint work on Agriculture:** This is an overcoming long held differences, a joint work plan was agreed to progress new strategies for adaptation and mitigation within its vital sector.
- (V) **Oceans Pathway Partnership launch:** This was to be co-chaired by Fiji and Sweden this multi-national partnership was established to better integrate climate and ocean considerations in UNFCCC by 2020 and to accelerate action on ocean health vital for a safer climate.
- (VI) **Grand Coalition for Climate Action:** the Presidency has helped to galvanised coalitions to accelerate climate action before 2020 and beyond between civil society, the scientific community, the private sector and all levels of government, including cities and regions. At COP23 numerous events including the “America’s Pledge” event co-hosted by COP23 Special Envoy Governor Jerry Brown highlighted significant actions and innovations underway in US cities and states. Fiji’s High Level Champion vigorously engaged with stakeholders and technical processes championing greater Pacific engagement, the Champions’ Global Climate Action 2017 Yearbook highlighted actions from coalitions covering over a billion people.
- (VII) **Fiji/Pacific outcomes:** These were the number of reports or initiatives that were launched including: the Pacific Regional NDC Hub; the Pacific Climate Finance and Insurance “Drua” Incubator; the 5 and 20 years National Development Plan; the National Adaptation Plan Framework, and the NDC Roadmap for Energy.

CONCLUSION

The Standing Committee on Public Accounts noted that the purpose of the COP 23 Presidency Trust Fund: Second Semi-Annual Report is to provide information on key activities and expenditure incurred through the first six month of expenditure from the COP 23 Presidency Trust Fund from November 2017 to April 2018.

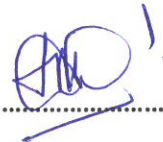
The review of the COP 23 Presidency Trust Fund Second Semi Annual Report was conducted in a very insightful manner.

Furthermore, the Committee recommends that Parliament take note of its recommendations.

We, the Members of the Standing Committee on Public Accounts agree with the contents of this report:



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Hon. Alvick Maharaj
(Chairperson)



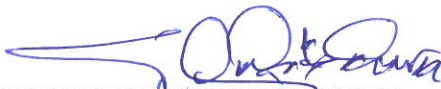
.....
Hon. Joseph Nand
(Deputy Chairperson)



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Hon. Vijendra Prakash
(Member)



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Hon. Aseri Radrodro
(Member)



.....
Hon. Ratu Naiqama Lalabalavu
(Member)

APPENDICES

**APPENDIX 1: SUBMISSION BY COP23 PRESIDENCY
SECRETARIAT**