



STANDING COMMITTEE ON PUBLIC ACCOUNTS

Review of the COP23 Presidency Trust Fund: Third Semi-Annual Report for the period 1 May - 31 October, 2018



**PARLIAMENT OF THE REPUBLIC OF FIJI
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TABLE OF CONTENTS

CHAIRPERSON'S FOREWORD 3

COMMITTEE MEMBERS 5

LIST OF ACRONYMS 6

INTRODUCTION 7

BACKGROUND 8

COMMITTEE FINDINGS 9

COMMITTEE RECOMMENDATIONS 13

CONCLUSION..... 14

APPENDIX 15

CHAIRPERSON'S FOREWORD



I am pleased to present the Public Accounts Committee ('PAC') review report on the COP23 Presidency Trust Fund: Third Semi Annual Report for the period 1 May 2018 to 31 October, 2018.

The COP 23 Presidency Trust Fund was established to manage donor funds intended to support the successful execution of Fiji's COP23 Presidency. The Fund was guided by the COP 23 Presidency Trust Fund Act 2017 for the period of the Semi Annual Report and the COP23 Presidency Secretariat was responsible for the administration of the Trust Fund.

In scrutinising the Third Semi Annual Report, the PAC noted that a total of F\$847,996 was received as contributions to the Trust Fund during the audit period and major contributors were the Children's Investment Fund Foundation UK (F\$409,089), France (F\$222,102) and Israel (F\$210,805). The Committee further noted that expenditure by the Trust Fund for the period amounted to approximately F\$6.5 million leaving a balance of just over F\$10.5 million, prior to payments for COP24, the 3rd Climate Action Pacific Partnership Conference, advisory services, legacy initiatives and residual costs.

The PAC acknowledges the feedback given by the Ministry of Economy to its queries regarding the Third Semi Annual Report and provides six key recommendations for consideration by Parliament. In particular, it is suggested that only annual audited accounts of the COP23 Presidency Trust Fund are presented to the PAC while the Semi Annual Report be directly tabled to Parliament just for member's information. The PAC also chooses to highly commend the work of the Fiji Rural Electrification Fund and suggests certain improvements to the services it provides to better leverage on its transformational potential.

The PAC notes that on 16 May 2019, the Trust was renamed the Climate Action Trust Fund by the COP 23 Presidency Trust Fund (Amendment) Act 2019 thereby broadening the scope of utilisation for the Trust Fund. In this regard, the PAC recommends that more innovative on ground projects be financed through the COP, particularly in the area of disaster risk insurance and broader disaster risk management.

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.

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

With those few words, I commend this report to the Parliament.

A handwritten signature in blue ink, appearing to be 'Alvick', written over a dotted line.

Hon. Alvick Maharaj
Chairperson

COMMITTEE MEMBERS

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



**Hon. Alvick Avikirit Maharaj
(Chairperson)**

Assistant Minister - Employment Productivity, Industrial Relation, Youth & Sports



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



**Hon. Aseri Masivou Radrodoro
(Opposition Member)**



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



**Hon. Vijendra Prakash
(Government Member)**

LIST OF ACRONYMS

| | | |
|--------|---|--|
| COP 23 | - | 23 rd Conference of Parties |
| KPMG | - | Klynveld Peat Marwick Goerdeler. |
| MoE | - | Ministry of Economy |
| PSE | - | Permanent Secretary Economy |
| PwC | - | PricewaterhouseCoopers |
| UNFCCC | - | United National Framework Convention on Climate Change |

INTRODUCTION

The COP23 Presidency Trust Fund Third Semi-Annual Report was tabled in Parliament during the May 2019 sitting and referred to the Standing Committee on Public Accounts, for its scrutiny.

Standing Order (SO) 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 Order 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.*

PERFORMANCE AUDIT

As part of its scrutiny of the report, the PAC undertook a performance audit to Vio Island on 8th October, 2019. The purpose of the site visitation is to verify the post implementation of the first legacy project on the Solar Energy Rural Electrification project which was funded by the Leonardo DiCaprio Foundation.

COMMITTEE PROCEDURE

We met on the 13 September 2019 to conduct a review of the COP23 Presidency Trust Fund: Third Semi Annual Report for the period 1 May 2018 to 31 October 2018. We received evidence from the COP 23 Presidency Secretariat which was represented by the following officials:

- | | |
|-----------------------|---|
| 1. Mr. Nilesh Prakash | - Head of Climate Change and International Co-operation |
| 2. Ms. Akeneta Temo | - Senior Accounts Officer |
| 3. Mr. Krish Singh | - Senior Development Finance Analyst |
| 4. Mr. Vineil Narayan | - Climate Finance Specialist |

COMMITTEE MEMBERS

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

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

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 of a Senior Accountant 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 1 May to 31 October 2018. Subsequently, MoE has assumed the entire accounting responsibilities via the appointment of Manager Finance to the COP23 Secretariat in June 2018.

COMMITTEE FINDINGS

Listed below are some of the findings of the review made on COP23 Presidency Trust Fund Third Semi-Annual Report:

1. Fund Utilisation

- In **Section 3** of the COP23 Presidency Trust Fund Act 2017 ('Fund') establishes the funds that are to be received into the Trust Fund and **Section 4**, provides the purpose of the Fund for receipt and disbursement of funds as specifying the areas that the funds are to be utilized for, but not limited to hosting and attending events associated with COP23. These includes the;
 - Support on International Diplomacy by the Government to advance the priorities of the COP23 Presidency;
 - Training and development of the COP 23 Presidency team and COP 23 Presidency Office staff
 - the provision of a COP 23 Presidency Office and specialist advisors to support the COP 23 Presidency;
 - to provide funding to assist programmes, projects and activities associated with or arising out of the COP 23 Presidency and which may include addressing climate change mitigation and adaptation activities under the Paris Agreement; and
 - any other climate change related purpose approved by the Minister
- **Section 5**, establishes the 'Application of the Fund' which the Ministry of Economy must only expend for the purposes as above and the Permanent Secretary for Economy is required to authorize all payments from the Fund for its purpose.
- It was noted that the Secretariat of the Presidency like any other Government procurement regulations and procedures in place, prepares a minute addressing to the Permanent Secretary (PS) for Economy for the payments needed.
- Also found that prior to this, the Secretariat ensures that all intended procurement is undertaken in accordance with the Procurement regulations in place (Quotations for request for payments less than \$50K, Tenders for procurements of more than \$50,000 or through waiver of tenders as per the procurement regulations).

2. Progress and the status of implementation of the legacy projects for Fiji and the Pacific

The Committee was informed of the following updates:

(i) FREF: Vio Update

- It was noted that FREF has successfully completed its Phase 1 of its electrification plan which saw the successful installation of a mini-grid solar system on Vio Island of the coast of Lautoka which was launched by the Honourable Prime Minister on 2 May 2019.
- The electrification capital works began in June 2018 which saw all 47 households on Vio getting access to clean, affordable and reliable electricity.

- The total system capacity is 14.5 kilowatts per day allowing each household to use 315 watt hours of electricity per day.
- Also noted that prior to FREF electrification, the 47 households on Vio Island had no access to electricity and relied entirely on benzene and kerosene lanterns and battery operated lights with one or two household owning diesel gen-sets that were not only loud and created harmful carbon emissions but were also expensive to fuel and maintain.
- The Committee were informed that after a year of system tests, improvements and community capacity building were undertaken. Also noted that FREF has begun to charge \$18 per month per household to access the solar electricity which has been duly agreed to by the Vio community.

(ii) Engagement of Viti Renewables Private Limited

- For the implementation of its electrification works, FREF has engaged Viti Renewables Private Limited, a subsidiary of Energy Fiji Limited and Sunergise, to be the technical implementing partners through an Engineer, to Procure and Construct ('EPC') Master Agreement which includes project level schedules for each community electrified by Viti Renewables.
- The Master Agreement between FREF and Viti Renewables was signed last year in August 2018 and has since guided capital works for the Vio Village mini solar grid project.

(iii) Engagement of Fiji Locally Managed Marine Area Network (FLMMA)

- FREF has also engaged the Fiji Locally Managed Marine Area Network (FLMMA) as the community engagement partner through a Master Agreement being tasked to facilitate community understanding of FREF electrification and to ensure community grievances are clearly communicated back to FREF for prompt redress.
- Also pleased to note that several community consultations have been conducted on Vio by FREF and FLMMA to develop community awareness on energy savings, create a power committee to enable better ownership of the micro-grid system and facilitate tariff payment procedures through the development of a holistic community development plan and standard operating procedures.

(iv) Phase 2 of FREF

- Also noted that after a comprehensive financial modelling it was decided by the FREF Board of Trustees to electrify 10 new communities for electrification through phase 2. This was possible following a series of Advisory Committee meetings led by the FREF Chairman (Permanent Secretary for Infrastructure and Transport), 20 sites have been chosen using the Site Selection Criteria developed by the Committee. These sites reflect equal divisional distribution of communities throughout Fiji's maritime islands having a balanced mix of brownfield and Greenfield sites. Preliminary site details have been sourced through respective Divisional Commissioners and verified via mobile conversations between FLMMA and community focal points.
- The Committee noted that the list of the 20 proposed sites is now with the FREF Board of Trustees for their approval and prioritisation of the top 10 sites.

3. Drua Incubator

(i) Luxembourg Grant Agreement:

- It was advised that a Grant Agreement between the Fijian Government and the Government of Luxembourg was executed on 7 May 2019 which gives access to funding of EURO 1 million to institutionalise the Drua Incubator ('DI').

(ii) WRI Feasibility Study:

- It was noted that to better ascertain the mechanics and immediate next steps of the DI, the Ministry of Economy had secured technical assistance from the World Resource Institute ('WRI'). A WRI finance advisor was engaged for 2 months to conduct the study which included various stakeholder meetings and research analysis. It was confirmed that a feasibility study was finalised on 21 June, 2019 giving focused direction on how the DI should be operationalised.

4. Commonwealth Climate Finance Action Hub

- The Committee was informed that this was part of the CommonSensing project being funded by the UK Government and the Bill and Melinda Gates Foundation. At this stage, the Ministry of Economy was in the process of securing a long term embedded climate finance advisor by mid-September 2019 who will be tasked to develop a detailed work plan for the DI, establish Key Performance Indicators and establish a partner strategy to enable the Incubator to tap into existing regional repositories for Hazard, Exposure and Loss Data.

5. Detailed Market Assessment, Gap Report and Options Paper

- The Committee notes that the Commonwealth Climate Finance Advisor will assist in the hiring of consultant to conduct a detailed market assessment of the insurance market based on recommendations of the WRI Feasibility Study. In particular, the consultant will be tasked to identify feasible options for comprehensive insurance products that could be implemented through the DI by first week of November 2019. This will be followed up with a series of stakeholder consultations to validate the work of the consultant in mid-November 2019. The consultant will be hired using funding from the Government of Luxembourg.

6. Regional Pacific NDC Hub:

- The Committee was advised that the Regional Pacific NDC Hub that was launched at COP 23 is to provide country and sector specific technical assistance to Pacific Island Countries for NDC Implementation, enhancement and financing has been established and is operational now. Fiji as the host country of the Hub is the permanent member of the NDC Hub Steering Committee. The Hub had received first round of requests from PICs and had mobilized resources to assist the Pacific countries in advancing NDC implementation. For example, the technical assistance to Fiji is for the

development of NDC investment plans. The Hub had conducted the interviews for the Hub Manager and should have already announced the appointment.

7. COP 23 Presidency Trust Fund: Financial Report for the year ended 31 July, 2018

- The Committee notes that the Statement of Receipts and Payments reflects a payment of USD\$1.4m to Qorvis listed under External Professional Services.
- The Committee was informed that Qorvis was responsible for the Logistical and communications support for the COP23 Presidency in Fiji at International events. These include:
 - Maintaining close strategic and communications liaison with the COP Secretariat and the COP consultants and providing guidance on communications.
 - Maintaining communications liaison with the staff of the United Nations Framework Convention on Climate Change, organizers of the conference, in Germany, the COP Secretariat.
 - Assisting with conference arrangements, exhibitions and logistics,
 - Providing on-the ground support for the COP President and other officials at international meetings on climate change and oceans, including drafting and collaboration with the COP Secretariat.
 - Covering travel and subsistence expenses for Qorvis consultants to carry out these functions.
- The Committee notes that the Statement of Receipts and Payments reflects a payment listed as others under External Professional Services of \$108,563.
- The Committee was advised that these included key resource people from overseas universities who had provided their services during pre-COP and COP23 meetings in Bonn, in 2017.
- There is a refund of \$128,356 to the UNFCCC under Note 4 of the Financial Statements. The Committee was informed that as agreed with the UNFCCC and the COP23 Secretariat, expenses were paid from the COP23 Trust Fund, for the Bonn inter-sessional meeting in May 2017. UNFCCC refunded the cost in the 2018 financial year.

COMMITTEE RECOMMENDATIONS

Listed below are the Committee recommendations for Parliament consideration:

- 1. The progressive six monthly financial reports not to be referred to the Public Accounts Committee for scrutiny but tabled in Parliament just for information purposes for the Members of Parliament and the general public. However, the Committee strongly recommends that the annual audited accounts to be submitted to the Committee for further scrutiny.**
- 2. The Report should continuously highlight information relating to the insurance resilience in particular loss and damage initiatives and pertinent information such as risk management, risk diversification and the role of the private sector.**
- 3. The COP23 Secretariat needs to conduct a follow up review on the post implementation of all the projects on the Fiji Rural Electrification Fund commencing with Vio Island project which was completed during this reporting period.**
- 4. The Secretariat need to review and revised the existing electricity provision to each household. Currently, each household in Vio Island a supplied with a standard of 315 watts of electricity maximum per day. The Secretariat need to consider revising this electricity supply to 500 watts per day.**
- 5. The COP23 Secretariat strongly follows the processes outlined in the Financial Management Act 2004.**
- 6. The Secretariat needs to indicate other future projects undertaken from the remaining Fund of the COP23.**

CONCLUSION

The Standing Committee on Public Accounts noted that the purpose of the COP 23 Presidency Trust Fund: Third Semi-Annual Report is to provide information on key activities and expenditure incurred through the third six months of expenditure from the COP 23 Presidency Trust Fund from the period 1 May to 31 October, 2018.

Most importantly, the Committee had conducted a site visit to Vio Island as part of its consultations and the sole purpose of this is to verify and validate information provided by the COP23 Presidency Secretariat Office on FREF projects. As a result, the Committee found that there is a need to review and revised the existing electricity provision to each household on the island. Currently, each household in Vio Island is supplied with a standard of 315 watts of electricity maximum per day. The Presidency Trust Fund Secretariat need to consider revising this electricity supply to 500 watts per day to meet the electricity demand for each household in Vio Island as it is also a request from village members during the site visitation.

The review of the COP 23 Presidency Trust Fund Third Semi Annual Report was conducted in a very insightful manner and in a bipartisan approach. This Committee report was compiled without any dissenting views from both sides and consensus were reached from all Members during the formulation of recommendations and the finalisation of this report.

Finally, the Committee recommends that Parliament take note of its report.

APPENDIX

WRITTEN SUBMISSION BY COP23 PRESIDENCY SECRETARIAT

PUBLIC ACCOUNTS COMMITTEE

COP 23 Presidency Secretariat

QUESTIONS

COP23 Presidency Trust Fund: Third Semi-Annual Report for the period 1 May 2018 to 31 October 2018.

1.0 Purpose

- 1.1 In your view, what role does the Public Accounts Standing Committee really have in reviewing and scrutinizing the COP23 Presidency Trust Fund Semi Annual Reports?

The review and critique of COP23 Presidency Trust Fund by the Public Accounts Committee is critical especially as various donors have entrusted the Fijian Government through the COP23 Secretariat to use funding for certain purposes. Thus the review and scrutiny of the Trust Fund will enhance transparency and accountability in the usage of funds and this will ultimately strengthen the trust in the Secretariat.

- 1.2 What is the progress of the COP Secretariat incorporating the new Act passed in Parliament 15 May 2019 – *COP 23 Presidency Trust Fund (Amendment) Act 2019* in its operations?

As was highlighted in the introductory remarks, the COP23 Presidency Trust Fund Act 2017 was renamed to Climate Action Trust Fund Act 2017. This was done as Fiji had handed over the COP Presidency to Poland in December 2018. The purpose of the Fund was also amended to include Financing Climate Action and facilitating the States participation in hosting and attending training and events related to climate action.

With the disbandment of the COP Secretariat, the administration of the Climate Action Trust Fund is undertaken by the Climate Change and International Cooperation Division (CCICD) of the Ministry of Economy. Some of the climate initiatives funded or are in the process of getting funded include Renewable Energy Projects and alternative eco-friendly packaging initiatives.

In the transition phase, the CCICD will prepare the Fourth Semi-Annual report for the Trust Fund before moving onto annual report according the new Act passed in Parliament in June.

2.0 Background

- 2.1 Please advise who was managing the Fund from 1 February to 31 May, 2018 before the Finance Manager was appointed in June 2018?

The Management of the Trust Fund continued to remain with the COP23 Executive Director. Prior to the appointment of the new Finance Manager on 22 June 2018, the fund's accounting services were provided by the Treasury Division within the Ministry of Economy and also by an accounting firm. KPMG was consulted on short term basis during this period and also had a

is forwarded to the Permanent Secretary for Economy for her approval.

On the approval of the Permanent Secretary for the procurement is provided, the payments are facilitated. Should there be any clarifications needed prior to the approval of the Permanent Secretary, the minute is returned to the Secretariat to explain and revert.

Prior to making the payments, compliance with rules of Treasury as per the regulations of the Fijian Government is checked ensuring that the documentation on which the approval is given is in order to facilitate the payments including any matters related to tax laws of the country.

These process are applied for both local and international procurements.

3.2 Please explain what is the progress and the status of implementation of the legacy projects for Fiji and the Pacific as outlined in (xi) (a-c)?

a) FREF:

Vio Update

FREF has successfully completed Phase 1 of its electrification plan which saw the successful installation of a mini-grid solar system on Vio Island of the coast of Lautoka which was launched by the Honourable Prime Minister on 2 May 2019. The electrification capital works began in June 2018 which saw all 47 households on Vio getting access to clean, affordable and reliable electricity. The total system capacity is 14.5 kilowatts per day allowing each household to use 315 watt hours of electricity per day. Prior to FREF electrification, the 47 households on Vio Island had no access to electricity and relied entirely on benzene and kerosene lanterns and battery operated lights with one or two household owning diesel gen-sets that were not only loud and created harmful carbon emissions but were also expensive to fuel and maintain. Following an year of system tests, improvements and community capacity building, FREF will begin to charge \$18 per month per household to access the solar electricity which has been duly agreed to by the Vio community.

Engagement of Viti Renewables Private Limited

To implement its electrification works, FREF has engaged Viti Renewables Private Limited, a subsidiary of Energy Fiji Limited and Sunergise, as technical implementing partners through an Engineer, Procure and Construct ('EPC') Master Agreement which includes project level schedules for each community electrified by Viti Renewables. The Master Agreement between FREF and Viti Renewables was signed in August 2018 and has since guided capital works for the Vio Village mini solar grid project.

Engagement of Fiji Locally Managed Marine Area Network (FLMMA)

FREF has also engaged the Fiji Locally Managed Marine Area Network (FLMMA) as the community engagement partner through a Master Agreement being tasked to facilitate community understanding of FREF electrification and to ensure community grievances are clearly communicated back to FREF for prompt redress. Several community consultations have been conducted on Vio by FREF and FLMMA to develop community awareness on energy savings, create a power committee to enable better ownership of the micro-grid

c) Regional Pacific NDC Hub:

The Regional Pacific NDC Hub that was launched at COP 23 to provide country and sector specific technical assistance to Pacific Island Countries for NDC Implementation, enhancement and financing has been established and is operational now. Fiji as the host country of the Hub is the permanent member of the NDC Hub Steering Committee. The Hub has received first round of requests from PICs and has mobilized resources to assist the Pacific countries in advancing NDC implementation. For example, the technical assistance to Fiji is for the development of NDC investment plans. The Hub has conducted the interviews for the Hub Manager and will be announcing the appointment in the next couple of days.

4.0 COP 23 Presidency Trust Fund: Financial Report for the year ended 31 July 2018

4.1 What was the justification for the payment of USD\$1.4m to Qorvis as listed under External Professional Services?

Qorvis was responsible for the Logistical and Communications support for the COP23 Presidency in Fiji at International events.

- Maintaining close strategic and communications liaison with the COP Secretariat and the COP consultants and providing guidance on communications.
- Maintaining communications liaison with the staff of the United Nations Framework Convention on Climate Change, organizers of the conference, in Germany, the COP Secretariat.
- Assisting with conference arrangements, exhibitions and logistics,
- Providing on-the ground support for the COP President and other officials at international meetings on climate change and oceans, including drafting and collaboration with the COP Secretariat.
- Covering travel and subsistence expenses for Qorvis consultants to carry out these functions.

4.1.1 Please explain what is Public relations and communication services of \$2.3m and the payments made to Qorvis amounting to USD\$1.4m and the total contract value of USD\$2.2m?

Public Relations and Communications Services relate to maintaining and providing content for digital platforms, including websites and social media to disseminate information about the Conference and information of general educational and scientific interest on climate change and its effects and to support and promote Fiji's COP23 Presidency. This required relating information in written, photographic, audio and video forms. Activities also relate to media events such as news, conferences, interviews, radio appearances and placement of op-eds as necessary for the Secretariat.

- 4.5 Please explain the arrangement of payments made to Qorvis who was engaged to provide public relations and communications services to the Fiji COP 23 Presidency. Why is the total contract value of USD\$2.2m differ from the actual payment of USD\$1.1m?

QUESTION ALREADY ADDRESSED IN 4.1.1.

- 4.6 For the Staff Related Costs of the Audited Financial Statement, was the rate of payment equated to the civil service salary or international based rate? Please advice and confirm.

A major component of this staff cost relates to the Ocean Consultants salary, which was based on international rate. Other consultants charges were equated to the civil service based rates. KPMG was paid a discounted rate for seconding a Finance Manager.

- 4.7 Confirm if there was any contribution made by the Fijian Government to the COP 23? If so, how much?

There were non-financial contributions made by the Fijian Government to the COP23 Secretariat, such as:

- Provision of an office space for the Secretariat**
- Senior civil servants from the Office of the Prime Minister were seconded to the Secretariat to provide assistance to the Secretariat**
- Accounting services provided by Treasury**

- 4.8 On page 9 Note 2 (e) Donor Funds, advice how many and how much of the Donor Funding Agreements have not been fully utilized and their reasons? Whether those under the Agreement supposed to be refunded have been addressed, if not and why not?

We should be able to provide a confirmed figure in the next semi-annual report, as we are currently undergoing verification and reconciliation process of total actual expenses as of today, with the various donor requirements.

There are 9 Donor Funding Agreements of this 5 have been addressed while the remaining 4, whose activity dates recently expired on 30th June 2019 and those that will be expiring on 31st July 2019, are currently undergoing verification process. We will be able to provide a confirmed figure once the verification process with the Donors are completed.

- 4.9 Please explain why the refund amount of \$128,747 appears twice in the **unaudited** statement of receipts and payments for the period 1 May - 31 October, 2018 and again in the **audited** financial statements for the period ending 31 July, 2018 under note 4 amounting to \$128,356?

The unaudited statement period from 1st May 2018 to 31st October 2018 is for the 6 month period (semi-annual report) and the audited annual statement is for the period 1st August 2017 -



MINISTRY OF ECONOMY

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Ro Lalabalavu House, 370 Victoria Parade, Suva

14 November 2019

By E-Mail: savenaca.koro@govnet.gov.fj

Honourable Alvick Maharaj
The Chairperson
Public Accounts Committee
Parliament of Fiji
Government Buildings
Suva

Dear Chair

COP23 Presidency Trust Fund: Third Semi-Annual Report for the period 1 May 2018 to 31 October 2018

We refer to your letter dated 18 September 2019 in relation to the above and provide our responses on the issues raised as follows:

1. Engagement of Baker & McKenzie

Following Fiji's nomination and appointment as the President of the 23rd Conference of Parties (COP23), the immediate challenge was to mobilise local, regional and international support to ensure a successful Presidency of COP23. Fiji had never held Presidency for the COP and it was necessary to appoint a consultant with experience and technical expertise in managing the COP and advising Fiji on international climate negotiations, especially on the work relating to the Paris Rulebook. Baker & McKenzie had previously advised the Moroccan Government for COP22 on technical negotiation areas and Fiji needed the institutional knowledge and continuity during its term as the COP23 President. The type of service and experience which Baker & McKenzie offered was unique and highly specialised.

2. Waiver under the Fiji Procurement Regulations 2010

It was "impractical" to call for tenders as the legal consultancy services on climate change was not available locally and was highly specialised. The services needed from Baker and Mckenzie was more legal in nature as it required to deal with treaty-based negotiations and attend to various legal documentations for donor funding requests.

3. Office Space Usage by COP23 Secretariat

It is noted that there were non-financial contributions made by the Fijian Government which were in the form of secondment of staff to provide assistance in the operations of the COP23 Secretariat, provisions of in-kind contributions (such as use of office utilities) for operational activities and accounting and finance services. The COP23 secretariat

STANDING COMMITTEE ON
PUBLIC ACCOUNTS

[Verbatim Report of Meeting]

HELD IN THE

COMMITTEE ROOM (EAST WING)

ON

FRIDAY, 13TH SEPTEMBER, 2019

VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD AT THE BIG COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON FRIDAY, 13TH SEPTEMBER, 2019 AT 12.04 P.M.

Interviewee/Submittee: COP23 Secretariat (Ministry of Economy)

In Attendance:

1. Mr. Nilesh Prakash - Head of Climate Change and International
2. Ms. Akeneta Temo - Senior Accounts Officer
3. Mr. Krish Singh - Senior Development Finance Analyst
4. Mr. Vineel Narayan - Climate Finance Specialist

DEPUTY CHAIRPERSON.- Good afternoon everyone. On behalf of the Chairman of the Public Accounts Committee Honourable, Alvick Maharaj, I welcome you all to our Public Accounts Committee hearing on the COP23 Presidency Trust Fund – Third Semi-Annual Report for the period 1st May, 2018 to 31st October, 2018.

Just to remind Honourable Members, there is a live recording done so when you speak please, switch on your microphone. Before we move further, I would also like to welcome the members of the media fraternity and the public at large.

We would also like to introduce our Honourable Public Accounts Committee Members.

(Introduction of Committee Members by Deputy Chairperson)

Before we move further, I request the team from the Ministry of Economy to introduce themselves to the Committee. Thank you.

MR. N. PRAKASH.- Thank you very much, Deputy Chairperson, and Honourable Members of the Public Accounts Committee. We thank you very much for the opportunity to appear before you to present on the COP23 Presidency Trust Fund: Third Semi-Annual Report.

(Introduction of Team)

DEPUTY CHAIRPERSON.- Thank you very much team from the Ministry of Economy. While you are deliberating, you may be interpreted from time to time by Honourable Members and you are expected to give your answers. Should any given point in time if you feel that you want to give a written response later, you may do so. Without further ado, I think we should move on to the proceedings, and you can begin now.

MR. N. PRAKASH.- Thank you very much, Deputy Chairperson. By way of background, the COP23 Presidency Secretariat was, indeed, set up to allow Fiji to take charge of the global negotiations on climate change. So there was a dedicated Secretariat set up for that purpose and to drive the functions and really to deliver on all that was charged with the Secretariat to deliver.

There was a COP23 Presidency Trust Fund which was established by an Act of Parliament. The function of that Trust Fund was to finance all the deliverables of the COP23 Presidency which are

In terms of the adherence to the procurement regulations, yes, this is in compliance. The Secretariat does comply with the Procurement Guidelines. Utilisation of the funds for procurement is in accordance with the Procurement Regulations 2010. Further, our Financial Policy Guideline consistent with the Financial Management Act 2004 and the Finance Instructions 2010 has been developed for the Fund and, indeed, has been used over this period.

The Ministry of Economy also assists with the accounting functions of the Fund. But, as I said, now with the disbandment of the Secretariat ...

DEPUTY CHAIRPERSON.- Can you just hold on, there is a question by the Honourable Member. Yes, Honourable Lalabalavu, you can ask your question.

HON. RATU N.T. LALABALAVU.- Thank you, Honourable Deputy Chair. Sorry to interrupt the trend that you were going on, going back to the first question, your reply and the comments that you have made and answering the second question as well, on how you are coming into force with the legislation and pretty soon you will be providing annual reports, again, the first question stresses on the role that we play here, in the Public Accounts Committee. I hope that everyone fully understands that we cannot really flex our wings as this particular role that we play here, given that someone else audits the accounts. If it is produced for us to comment on. Do you see the issue that I am trying to raise here?

You are about to bring in annual reports, yet those reports are subjected to audit by another entity, apart from the Office of the AG, yet we are being asked to scrutinise it. That is the whole crux of the first question. How do you see that? You do not have any comments on that?

MR. N. PRAKASH.- I do, Honourable Member.

HON. RATU N.T. LALABALAVU.- Thank you.

MR. N. PRAKASH.- So, thank you very much for that. I think the important role that a Parliamentary oversight committee, such as the Public Accounts Committee plays, is very important and as I have highlighted in my response, it is about the transparency and accountability. But I think with due processes in place, the accounts of the Trust Fund are audited by an independent accounting firm and that is the process that we need to follow. Then, thereafter, once the final audit report is submitted to us, we then submit that to Parliament for further consideration. So, that is the process in place.

DEPUTY CHAIRPERSON.- Yes, Honourable Ratu Lalabalavu,

HON. RATU N.T. LALABALAVU.- Can you expand a bit more on what you have just stated because that will need another amendment of the legislation to get the Annual Report to be scrutinised by the Office of the Auditor-General (OAG), apart from the one that is already in the present legislation that is done by another entity, KPMG. Are you saying that something is being looked at in that particular manner, is there going to be another amendment of the legislation?

MR. N. PRAKASH.- Honourable Member, I am not implying that there will be any further amendment but the point I that I made is that, the accounts of the COP23 Presidency Trust Fund have not been audited by the OAG, it has been done so by the independent accounting firm. And in this case, the Report which is before us was done by PricewaterhouseCoopers (PwC).

DEPUTY CHAIRPERSON.- Yes, Honourable Member.

So, prior to making the payments, compliance with the rules of Treasury as per the regulations of the Fijian Government is checked, ensuring that the documentation on which the approval is given is in order to facilitate the payments, including any matters related to tax laws of the country. These processes are applied for both, local and international procurements.

In terms of the progress and the implementation of some of the....

HON. A.M. RADRODRO.- Deputy Chairperson, just a clarification on the use of Fiji Procurement Regulation 2010, you have reconfirmed that COP23 Presidency is complying to this Fiji Procurement Regulation 2010. But straight after that answer you have stated that there was no tender invited for the Baker McKenzie, which is not in accordance with the Fiji Procurement Regulations 2010. I think this is some of the things that we have always been raising in previous COP23 Semi-Annual Reports. Can you just advise the Committee the basis on why the tenders were not called and why were they approved by Cabinet? According to the Fiji Procurement Regulations 2010, the tenders should be called.

MR. N. PRAKASH.- Thank you very much for that question. So, as I had mentioned in my presentation, the appointment of Baker McKenzie was approved by the Fijian Cabinet. There was a reason why this Cabinet decision was made, and this is on the history of that company. It is an international consulting firm and when the Fijian Prime Minister attended COP 22 which was in Morocco in 2016, this company was providing advice to the Moroccan Presidency.

It was Baker McKenzie and they had a sub-contractor which is called Systemiq, so they were collectively providing advice to the Moroccan Presidency, and they were working in various other jurisdictions, particularly in terms of providing advisory services. So, this came in, highly recommended, and we have got one of the recommendations from Mr. Howard Bamsey, he was the former Executive Director of the Green Climate Fund which is one of the financing mechanisms of the United Nations Framework Convention on Climate Change (UNFCCC).

This company came in highly recommended and obviously with that kind of specialist services that we needed to require and, of course, the fact that the Fijian Government had never done this sort of thing and, of course, we had to make our presence felt in the international space with top quality advice and really taking charge of the global negotiations on climate change, we had to go with a reputable company that could advance climate negotiations and help us do that, which is why there was a waiver sought for the recruitment of Baker McKenzie.

DEPUTY CHAIRPERSON.- Any other questions?

HON. A.M. RADRODRO.- Deputy Chairperson, just a supplementary question to that. Thank you for your comprehensive answer in terms of the question.

The issue here is the adherence to the Fiji Procurement Regulation 2010 and there is a purpose behind everything that needs to be followed according to the Fiji Procurement Regulation 2010. We understand what you have said which was because of experience, but when you do not call for tender as per the Fiji Procurement Regulations 2010, you are violating the necessary requirements of the Fiji Procurement Regulations. You seem to compromise the suppliers, they would do probably better jobs than what was being recommended. I know that you agree that these are the consequences of not following the procurement regulations. You compromised the best service that needs to be given, the best value for money, and that is the basis of the question that has been asked.

MR. N. PRAKASH.- It was indeed a policy decision, so we acted on the Cabinet Decision and sought the waiver.

DEPUTY CHAIRPERSON.- Thank you. Any other supplementary question?

HON. A.M. RADRODRO.- Just a question, your very comprehensive answer in terms of the questions regarding the adherence and the waiver, it still does not take away what I have highlighted about the issue of best value for money. You are saying that because you did not follow the financial regulation as per the requirements of Procurement Regulations 2010. But then again, the amount involved, in terms of requesting this, I think it is about US\$3 million or US\$3.2 million? That is quite a big amount to ask for waiver of tender.

DEPUTY CHAIRPERSON.- Nilesh, if you are a bit hesitant to answer that question, maybe you not have much information, you can come back later on because the Committee is seeking that answer.

MR. N. PRAKASH.- Thank you very much, Deputy Chairperson. We wish to make a written submission to the Secretariat on this. Thank you.

DEPUTY CHAIRPERSON.- Thank you.

HON. A.M. RADRODRO.- What is the maximum limit that the Financial Regulations can provide, should there be a waiver?

DEPUTY CHAIRPERSON.- So you will come back to us. Thank you. You may proceed.

MR. N. PRAKASH.- Thank you very much, Deputy Chairperson. If I may continue with the presentation, in terms of the Fund utilisation, I have obviously articulated the processes in which we undertake to use the funds from the Trust Fund.

Question 3.2 in terms of the progress and the implementation of some of the legacy projects for Fiji and the Pacific as outlined in the Audited Financial Statement; in terms of the Fiji Rural Electrification Fund (FREF), it has successfully completed Phase 1 of its electrification plan which saw the successful installation of a mini grid solar system on Vio Island, off the coast of Lautoka, which was launched by the Honourable Prime Minister on 2nd May, 2019.

The Electrification Capital Works began in June 2018 which saw all the 47 households on Vio getting access to clean, affordable and reliable electricity. The total capacity is 14.5 kilowatts per day, allowing each household to use 350-watt hours of electricity per day.

Prior to the FREF electrification, the 47 households on Vio Island had no access to electricity and relied entirely on benzene and kerosene lanterns, and battery-operated lights with one or two households owning diesel gen-sets, that were not only loud and created harmful carbon emissions, but were also expensive to maintain when it comes to fuel usage. Following a year of system tests, improvements and community capacity building, FREF will begin to charge \$18 per month per household to access the solar electricity which has been duly agreed by the Vio community.

There was, of course, an engagement of a private sector, the Viti Renewables Limited, to implement its electrification works. FREF engaged Viti Renewables Private Limited, a subsidiary of Energy Fiji Limited and Sunergise, as technical implementing partners through an Engineer, Procure

In terms of payment and how the payment is collected, Sir, the FLMMA Network has been engaging with the villagers on a constant basis. They have helped to develop a Standard Operating Procedure (SOP) that basically is translated into *iTaukei* language as well to make things very clear for the villagers to understand how the payment will be done.

As part of the SOP, FREF has mandated FLMMA to help the village create or establish their own bank account, so the village has a bank account. This was decided following a community training that has happened two weeks ago. So by the 20th of each month, the community collects their tariff amount through the power committee. The power committee is made up of all community members and the power committee goes around and collects this \$18, and there is a designated representative from the power committee who deposits this money into the village bank account.

The bank in which the village bank account is held, has been instructed that before the end of each month, the money from the village bank account collected will be transferred into the Fiji Rural Electrification Trust Account which is held at the HFC Bank. Before each month, the money is transferred and FREF, through its operating and maintenance provider which is Viti Renewables, remotely top up the accounts for these villagers. So, each of the village households have a smart metre system connected to their households.

You could picture that there is a mini grid solar system in the middle of the village and each of these households have a smart metre connected to them. Basically, we can monitor their usage remotely from here. Sitting right now, we would be able to tell how much each household is using and what would be their tariff balance and we could also top up their tariff balance. Through our operator we collect the money, we top up the account and each month the community has renewed their electrification quota so that is how it is collected.

DEPUTY CHAIRPERSON.- Thank you very much. Any other supplementary question. Yes, Honourable Prakash.

HON. V. PRAKASH.- Deputy Chairperson, through you, I think this is a unique project for Vio Island and it is almost over a year now. What is the current status? Are they happy with the supply of clean energy, whether it has been disrupted or it continues? What is the success rate of that?

MR. V. NARAYAN.- Thank you, Sir. Based on the various community consultations that we have undertaken and records from community consultation meetings that had been facilitated by FLMMA, the community has been extremely happy with the services that has been provided to them. They have said that this is a major step up, in comparison to having no electricity at all. The island, like I said, had zero electricity and only some households had access to generator sets. They said that it was expensive for them to go from the island to the mainland to get the fuel and top it up. So generally, of course, they are very happy with the services that has been provided and so far, there has been no issues raised in terms of any disagreement on anything of that sort. All things are sailing smoothly at the moment.

HON. V. PRAKASH.-(inaudible)... does this solar installation is able to provide that or it is to some limitation?

MR. V. NARAYAN.- Thank you for that question, Sir. The current tariff determination by the FCCC states that we can only charge \$18 with no quota, so unlimited power supply. But the system itself is limited by the storage capacity it has, so I reaffirm that it is a solar home system or solar project, and the solar energy is stored in the battery and the battery has limited capacity.

HON. V. PRAKASH.- Though I am very happy with the project but my concern is that, can the system be fully self-sufficient with the clean energy that is from the solar energy? Now, there is a backup diesel thing.

In overseas I have seen big buildings are fully sufficient. Is there any way that in later stages, that diesel engine will be phased out so that the unique village is fully self-sufficient with their power needs by a solar system?

MR. V. NARAYAN.- Sir, the FREF is planning to have a minimum of 10 diesel gen-sets. Those will be circulated around the 300 communities as we begin to construct. If, for example, a community is electrified tomorrow, the plan is that for, at least, three to six months, we will have the generator set to sort of help the community transition towards using solar energy and help to manage their electricity usage. After the three to six months period, that gen-set will be taken out and put into a new community for next phase of work. So, that three to six months would be, sort of, a transition period where the community is made familiar to the solar power that they have. At times, when communities do not have power and eventually all of a sudden when they do, then there is obviously going to be certain level of excess usage and we have seen that happening. On Vio Island, the diesel gen-set has been triggered quite a few times but over the past six months, we have seen that the usage has actually declined significantly because we have been ...

(Honourable Member interjected)

MR. V. NARAYAN.- Yes, they have adopted to that. They have transitioned well because through FLAMMA, again, we have been undertaking various community exercises where we give them energy saving tips. We also help them to coordinate amongst each other, for example, certain households will use washing machines one day and then certain households would use washing machines on the other day, so everyone does not use it at the same time and overloads the system. So basically just careful management of community expectations.

DEPUTY CHAIRPERSON.- Thank you very much for your response. Any other question.

HON. A.M. RADRODRO.- Deputy Chairperson, a supplementary question in regard households that have been electrified, does this also include churches, halls and schools?

MR. V. NARAYAN.- Yes, Sir. The plan is to electrify all buildings in any community that is there. On Vio, yes, there is a church and a village hall that had been electrified as well, so they are part of the 47. We categorise them as households but we could they are part of the 47 buildings.

DEPUTY CHAIRPERSON.- Thank you very much. Yes, Honourable Member.

HON. A.M. RADRODRO.- Just another supplementary question in terms of the funding that you described earlier. You mentioned that all these funds that had been collected will go to a trust fund account in HFC Bank. Who is responsible for this funding, whether it is the Government, or with the renewable energy or is it the COP23 Unit, Climate Action Trust Fund? Could you just elaborate on who is responsible for this HFC Trust Fund Account?

MR. V. NARAYAN.- Sir, the FREF has a constitution of its own. It is a trust constitution and as per the trust constitution, it has a Board of Trustees and the Board of Trustees is made up of the Permanent Secretary (PS) for Economy, the PS for Infrastructure and Transport and the Solicitor-General.

will be high in using, as I said, the funding support we have from the Government of UK, so it is very technical in nature. We are still very much into the processes of developing this initiative further.

Third Regional Pacific Nationally Determined Contributions (NDC) and the Hub: This was launched at COP23 to provide country and sector specific technical assistance to Pacific Island Countries for NDC implementation, enhancement and financing has been established, so this has now been established and is operational.

Fiji, as the host country of the hub, is a permanent member of the NDC Hub Steering Committee. The hub has received the first round of requests from Pacific Island countries and has mobilized resources to assist Pacific countries and advancing NDC implementation. These NDCs are commitments that countries have made under the Paris agreement.

So, in terms of the request that Fiji made through the NDC Hub, we obviously wanted the hub to develop NDC Investment Plans and this work is currently underway between the Climate Change Division and the NDC Hub. So, the hub has also conducted interviews for a Hub Manager, a local person, and this appointment should be announced in the next couple of days to steer the work of the Regional Pacific NDC Hub, considering that the Hub is Suva-based and will be co-located with the GIZ - German development agency, and SPC. So, in terms of the financial report for the year ended

DEPUTY CHAIRPERSON.- Yes, Honourable Radrodro, you may ask your question.

HON. A.M. RADRODRO.- A supplementary question: Probably, if you can just elaborate more or advise the Committee more on this Common Sensing Project?

MR. N. PRAKASH.- Thank you, Deputy Chairperson, the Common Sensing Project is one which looks at all sorts of data for decision-making and this is looking largely at all the remote sensing and the geospatial data which can be used for decision-making in Government and to generate this sort of data, I mean, of course, it is very dependent on the technology, the manpower we have, which is why through the Common Sensing Project (which is a multimillion dollar project), there are three beneficiaries in the Pacific: Fiji, Solomon Islands and there is a third Pacific Island country, which is benefiting from this regional project.

The Government of UK is the prime funding agency but then we do have the other consortium of partners who are actually experts in developing remote sensing and geospatial data. It is a data heavy project and this is going to, for example, help us. We have a number of communities who are affected by sea level rise, so to arrive at a scientific understanding of how sea level rise is affecting these communities, we need to understand;

- What is the salinity level in these communities?
- How much of sea level rise has affected them?
- What is the quality of the soil which they have?
- What is the forecasted sea level rise which the community can expect going forward?

These are again some of the variables which can be answered with good data and this is what the Common Sensing Project will seek to achieve and the Ministry of Economy, again the Climate Change Division is steering this project. We have the Project Coordinator sitting in my Office and we are now looking at secondments from other Government ministries where we will, through the project, build capacity of other officials in the Ministry of Lands and Mineral Resources and in the Ministry of Agriculture, et cetera.

million and this covered the maintenance for digital platforms, media coverage, technical, logistical and communications support for the COP23 Presidency.

DEPUTY CHAIRPERSON.- Yes Honourable Radrodro, you may ask your question.

HON. A.M. RADRODRO.- Deputy Chairperson, again this amount that has been given to Qorvis, can you just advise the Committee in terms of good governance whether the appointment of Qorvis undergoes the tender process, and if it is not, can you just advise the Committee why was it not put on ?

MR. N. PRAKASH.- Thank you very much Honourable Member for that question. Prior to Fiji assuming the COP23 Presidency, Qorvis was already in the picture, they were engaged by the Fiji Government. It was a team of experts who provided communication support, they were who were working very closely with the Fijian Prime Minister and they continued to provide these services. So, it is unrelated to COP23 Presidency but they pretty much assumed that role when we assumed the COP Presidency.

HON. A.M. RADRODRO.- (Inaudible) Are you confirming there?

MR. N. PRAKASH.- No, tender processes were

HON. A.M. RADRODRO.- That is the Financial Management Procurement Regulations.

MR. N. PRAKASH.- Like I said Honourable Member, the company was already in the space, they were engaged by the Fijian Government and they continued to deliver their services when we assumed the Presidency.

HON. A.M. RADRODRO.- You are confirming that, that is not in accordance with the Financial Management Regulations?

MR. N. PRAKASH.- What I can confirm is that, no tender processes were issued for the procurement of services from Qorvis.

DEPUTY CHAIRPERSON.- Thank you, you may move on further.

MR. N. PRAKASH.- Thank you Deputy Chairperson, in terms of explaining the others amounting to \$108,000 as listed under External Professional Services on page 10 of the audited Financial Statement, these included key resource people from overseas universities who had provided their services during the pre-COP and the COP23 meetings in Bonn in 2017. This was needed because, this is again an international space where we needed a lot of intelligence, in terms of how the negotiations are moving, which is why we needed the experts in the various jurisdictions.

In terms of the initial payment under Note 4 of the audited Financial Statements, so, as agreed, with the United Nations Framework Climate Change Conference (UNFCCC) and the COP23 Secretariat, expenses were paid from the COP23 Trust Fund for the Bonn inter-sessional meetings in May 2017 and so when the refund was done by UNFCCC, this was reflected in the 2018 financial year and this is again on the cash basis accounting that is used in Government.

In terms of the Conference achieving its intended objectives, yes, the deliverables were achieved and as contained in the decisions of the subsidiary bodies, and these are all publicly available on the UNFCCC website, especially the deliberations on the various subsidiary bodies at the 46th session.

In terms of the rate, this is on Question 4.4, how the USD \$4.5 million payment was determined. The original contract was with Baker McKenzie, with a firm Systemiq which was subcontracted by Baker McKenzie. The second retainer was simply with Baker McKenzie but one Systemiq staff was included in the Baker McKenzie team.

HON. A.M. RADRODRO.- ... with Financial Management Regulations 2010?

MR. N. PRAKASH.- Deputy Chair, if I may come back to the Committee with a written response on this?

DEPUTY CHAIRPERSON.- Yes. We are anticipating that response.

MR. N. PRAKASH.- Deputy Chair on Question 4.8 in terms of the donor funds and how many have been fully utilised and their reasons. We should be able to provide the Committee on a confirmed figure in the next semi-annual report as we are currently undergoing verification and reconciliation processes of total actual expenses as of today with the various donor requirements.

There are nine Donor Funding Agreements, of these five have been addressed while the remaining four whose activity dates recently expired in June and those that expired on 31st July are currently undergoing verification process. We will be able to provide a confirmed figure once the verification process with the donors are completed.

This is the last question, in terms of the refund amount of \$127,000 and it appearing twice in the unaudited and of course in audited statements, the unaudited statement period from 1st May, 2018 to 31st October, 2018, is for the first six-month period (semi-annual report period) and the audited Annual Statement is for the period 1st August, 2017 to 31st July, 2018.

The refund referred to is not the same in both these periods. This is due to the overlapping reporting periods for the semi-annual period and the annual audited period. The refund of \$128,356 had occurred in May, 2018 which is why it was reported in both reports.

Thank you very much Honourable Deputy Chairman, that concludes my presentation.

DEPUTY CHAIRPERSON.- Thank you very much for your presentation. Are there any other questions from our Honourable Members? Yes, Honourable Lalabalavu, you may ask your question.

HON. RATU N.T. LALABALAVU.- First of all I thank you, Sir, for the great work undertaken. (Inaudible) your tenure here has been a testing one for you because we have tested you well here, you even had people from the House of Commons with the mock run that we had here. I thank you for that. The question that I would like to raise is based on an interview we had this year probably with your predecessor, Mr. John Connor back in February 2019. I hope you have the copy of the verbatim there. The question that we raised was, especially we are now into the cyclone period again; loss and damage.

This issue of insurance resilience, we were promised by Mr. Connor that he would come back to us and give us an explanation as to how far and what sort of initiatives have we undertaken in Fiji. I understand US\$150 million is a global loan. The Fiji aspect of it, what sort of initiatives have we undertaken, especially for loss and damage? That is the picture that we get when you talk about climate and the effects of climate change, et cetera. When it comes to effects of the climate like cyclones, how is this addressed in COP23? We have told that insurance resilience is something that is being introduced and I do not know how far have we gone. I only ask is, how far have we gone? What sort of initiatives have we taken to take care of loss and damage? Thank you.

MR. N. PRAKASH.- Thank you very much Honourable Member for that question. I think a very important issue on loss and damage and I think those who have followed the Treaty based conversations under the UNFCCC, the issue of loss and damage has been tossed around for quite some time. I think the whole principle behind the issue of loss and damage is that the polluters pay. So big

with Fiji Care and a couple of other insurance companies, especially in terms of them administering the insurance products once they are developed.

DEPUTY CHAIRPERSON.- Yes, Honourable Prakash, you may ask your question.

HON. V. PRAKASH.- Deputy Chairperson, the success of COP23 Presidency is globally recognised and proudly, it has put Fiji in the eyes of the global communities of which we are all proud of. As you have suggested, now the success of the COP23 Presidency is what we can achieve for our people in Fiji and so far, I am proud of the work that you did for Vio Island and other necessary engagements that have taken place to try and see that we are able to protect our climate, we are able to keep Fiji clean and the message is quite well taken.

But the real success is like the project on Vio Island and your other future planning endeavours. What are your targets for the next few years, that you will try to have such projects or any other important projects implemented so that the grassroots people is able to benefit as a result? They are out of risk and also, they are able to have the basic needs which we enjoy in the urban centres and many parts of Fiji that has not gone to other members of our community, especially in the remote and maritime areas. I just want to have a reflection because it is very exciting like Fiji is all over the globe. People know Fiji, not only because of the games but through COP Presidency, we have been on the global stage. We have reached there, but I want to know locally, through your planning, where will we be in the next few years? Thank you, Deputy Chairperson.

DEPUTY CHAIRPERSON.- Thank you, Honourable Prakash.

MR. N. PRAKASH.- Thank you, Deputy Chairperson. Honourable Member, thank you very much for that question. It is an excellent question in terms of what is next.

I think you are quite right in saying that the Presidency has, indeed, put Fiji on the global map which is, indeed, the case. In terms of translating that into how ordinary Fijians see this and the benefits that ordinary Fijians see out of this global leadership, I think that is very important.

One particular case is, of course, the work that has been done on Vio Island. Obviously this community has never had any form of electricity but now, they are having access to clean energy. I think with these sort of things, I mean, and as also alluded to in my presentation, that we are looking at funding other initiatives, for example, we have already announced the ban on single-use plastics. How do the communities and municipal markets access ecologically-friendly packaging? Perhaps, women-led organisations or women-led centres can manufacture this, sort of, eco-friendly packaging options. So these are some of the initiatives that we want to fund.

But I think importantly, as you had also asked, Honourable Member, what our plans are, the COP23 Presidency, in fact, did open up that wide, sort of, space where we could advance our own domestic policy, for example, things that we want to do under renewable energy and energy efficiency, things that we want to do in the adaptation space and climate resilience space. So, at the technical level, we have been able to advance and these policy documents, for example, the Low Emission Development Strategy and the National Adaptation Plan, will be the fundamental strategies or the policy plans, if you like, on the basis of which we will be able to secure more funding and do some of the climate resilient projects or climate mitigation projects for that matter.

We have obviously handed over the Presidency. We have got our policy documents. I also mentioned that we are doing our investment plans and we also want to move a lot in the adaptation and resilience space because that is what we need.

DEPUTY CHAIRPERSON.- Thank you, Honourable Member. Honourable Prakash.

HON. V. PRAKSH.- Deputy Chairperson, through you, thank you very much, especially to the young team, except one but I think your expertise will really energise this young team that you have got.

Madam, thank you so much. We hope that in your team, and we always talked about gender balance so while you will be having some new people in your team that gender balance should be there in future. We could see that you are able to accommodate other issues related to like you have got a lot challenges and I think you are in a very dynamic field which the country will benefit.

We would like to wish you all the best and keep trying and be prepared for more harder questions that will be coming in future when you appear before us, but at the end of the day, I think it is the people and the nation when they benefit we are able to take our country one step ahead with the mistakes that human beings have made, correct them and move on, I think that is what will be something for other countries to follow. You have a very good future and I wish you all the best. May God be with you in all your future endeavours, thank you.

DEPUTY CHAIRPERSON.- Thank you, Honourable Prakash. I give the opportunity to the members of your team should you wish to make any concluding remarks.

MR. N. PRAKASH.- Thank you very much, Deputy Chairperson. Perhaps, on behalf of the Ministry of Economy Team, thank you very much for allowing us to appear before your Committee. Indeed, we have enjoyed the session, especially in responding to the questions that were fielded by the secretariat. Indeed, we will provide written responses to some of the questions that were mentioned that we would facilitate more information on, so we hope to do that in the next couple of days. Thank you very much, Sir.

DEPUTY CHAIRPERSON.- Thank you very much, Mr. Nilesh. On behalf of our Chairman, Honourable Members and the secretariat, thank you very much for being in attendance and providing those valuable responses. We also anticipate written responses in a fortnight's time probably, so we anticipate that.

Thank you very much team secretariat, members of the media, Una from Hansard and anyone. Once again, have a blessed weekend and God bless you all.

The Committee adjourned at 1.30 p.m.