



Hon. Josaia Voreqe Bainimarama, CF(Mil), OSt.J, MSD, jssc, psc

Prime Minister of Fiji and Minister for iTaukei Affairs and Sugar Industry

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### Written Question Response No. 199 of 2019

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SUVA

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Hon. Inosi Kuridrani to ask the Prime Minister and Minister for iTaukei Affairs and Sugar Industry – Can the Prime Minister inform Parliament of the follow up mechanisms in place to monitor the progress made by cane-farmers who receive assistance from the Ministry”.

#### RESPONSE:

Mister Speaker, I am pleased to submit my response to the question being raised by Hon. Inosi Kuridrani.

Mister Speaker, the Ministry of Sugar Industry ('Ministry') will again implement 10 Capital Programs in 2019/2020 financial year that consist of 8 existing programs; Sugarcane Development and Farmers Program ('CPG'), Cane Access Roads (CAR), Fertiliser Subsidy, Weedicide Subsidy, Cane Cartage Program, Farm Mechanisation, Sugarcane Individual Small Grants Program ('SGS'), New Farmers Program (NFA), and two new programs; Sugar Stabilisation Fund, Procurement of Trucks.

Mister Speaker, let me enlighten this house with a brief explanation on the role of the Ministry. The Ministry coordinates activities and functions of the 'six' institutions that make up the sugarcane industry with the aim to ensure that Government's commitment to revive the industry is achieved through reforms. These institutions are Sugar Industry Tribunal (SIT), Fiji Sugar Corporation (FSC), Sugarcane Growers Council (SCGC), Sugarcane Growers Fund (SCGF), Sugar Research Institute of Fiji (SRIF), and South Pacific Fertilisers Ltd (SPFL).

Where budgetary resources for these institutions are provided by Government, the Ministry ensures that these funds are disbursed in a timely manner such that programmes are effectively implemented without due delay.

Mister Speaker, while the Ministry's role is to develop and ensure implementation of policies through annual budgetary allocations for the industry, these 'six' institutions have various roles in the Industry. These ranges from registering of cane growers, supplying inputs, conducting research and transferring technology, farm inspection, financing growers, providing extension services, co-ordinating and facilitating transportation, milling and harvesting of cane, attending to complaints and resolving disputes as well as selling of sugar and making payments to growers.

Mister Speaker, the Ministry initially implemented 3 Capital projects with a budget of \$6.7 million dollars during the first 2 years of its establishment.

Over the years, the Government's commitment to create sustainability in the Sugar Industry led to increase in budget for the Ministry. The total budget for the Ministry increased to \$17.35 million dollars in 2014 for 5 Capital projects, \$56.7 million dollars in 2017/2018 for 10 Capital projects and now \$65.1 million dollars in 2019/2020 for 10 capital projects.

Mister Speaker, the Ministry has a well-established system of program implementation and monitoring of budget utilisation. Let me enlighten this House of the processes undertaken by the Ministry to ensure efficient, effective and successful implementation of programs of the Sugar Industry for which the funding are allocated to the Ministry annually.

Mister Speaker, before any program is rolled out, its implementation plans, policies as well as the monitoring frameworks are drawn up by the Ministry in collaboration with the Heads and senior officials of all 'six' institutions that

are members of the National Steering Committee (NSC) of the Industry.

Based on their functions, capacity, and institutional structure, the Ministry has engaged FSC to administer, implement and monitor the CAR, CPG, and Cane Cartage Program; SCGF implements the NFA program, Fertiliser and Weedicide Subsidy programs are managed by SPFL while the Farm Mechanisation and SGS programs are implemented by the Ministry. All the six institutions including the Ministry have a role to play in the implementation of these programs.

Mister Speaker, the Ministry disburses funds to the implementing institutions after Grant Agreements are signed with them. To ensure good governance, transparency and efficient utilisation of funds, these Grant Agreements clearly spells out the implementation plans, policies, monitoring mechanisms and reporting requirements from each institution.

Once the plans are drawn, the Ministry together with the industry institutions carry out awareness to growers, sector officers, and other stakeholders through face to face communication, media publications and talkback shows to share all relevant information on the Government Programs.

Mister Speaker, the implementing institutions abide by the plans and policies while implementing the programs to ensure no abuse and mismanagement of funds. For instance, FSC makes the first half of the CPG payments to the growers only after verification and confirmation of proper land preparation and another 50 per cent is released after successful germination of the cane.

The monitoring is well structured. In fact, it is carried out at three levels; at first the monitoring is conducted by the FSC sector team leaders and SCGC senior executive managers on daily basis, followed by monthly monitoring by FSC Farm Advisory Managers on at least 10 per cent of the payments

made and third level of quarterly monitoring is carried out collectively by the SCGC, FSC, and Ministry. In addition, the implementing institutions are required to submit detailed quarterly project progress reports and audited financial statements annually.

Mister Speaker, our data speaks for itself. With great monitoring mechanism in place, we can conclude that these grant assistance provided to the growers is well utilised and bearing fruits. This is reflected in our key statistics such as cane production, cane harvesting, cane cartage, fertiliser and weedicide supply. For instance, cane production increased from 1,386,309 tonnes in 2016 to 1,697,370 tonnes in 2018 season through CPG assistance provided to 5,259 growers in 2017 planting season. A total of 3,502 kilometres of cane access roads were upgraded with 3,860 culverts and 54 Irish crossings constructed in 2017/2018. The 35 Co-operatives assisted with Mechanical harvesters harvested 304,089 tonnes of cane in 2018.

A total of 1,088 tonnes of Blend A, 4,696 tonnes of Blend B and 21,178 tonnes of Blend C were delivered to cane farmers while 70,599 kg of Diuron, 132,150 litres of Amine, 128,140 litres of Glyphosate and 16,342 kg of Valpar was supplied in 2017/2018 under Fertiliser and Weedicide Subsidy programs in respectively. In 2018, 143,661 tonnes of cane was transferred from Penang to Rarawai Mill with support of Cane Cartage Program.

Despite the stringent monitoring process in place, Mister Speaker, some of them were still able to beat the system but were not spared at the end. There were officers and growers who colluded and manipulated details on area of cane planted just to claim more payments from CPG. Similarly, there were farmers that used substandard machineries to prepare land and planted cane but took the grant funds only to abandon their farms later because of poor germination. As such, they failed to deliver cane to the mills.



Some contractors were also caught cheating by using sub-quality of road materials but charging higher price. Serious actions were taken by FSC from non-payment to these contractors, blacklisting these growers as far as terminating officers that were caught stealing. For some cases, they have also been forwarded to FICAC for further actions.

Mister Speaker, the Ministry continues to strengthen the monitoring process and have put in place much better control now to leave no room for any abuse of public funds. Unlike before, all payments are centralised and only paid from FSC Head Office after the team have visited and verified work on the field for growers and contractors especially for those that are above a certain threshold before payments are made.

Mister Speaker, further measures will be taken in this new financial year to improve governance, transparency and accountability for every dollar spent in the Sugar Industry.  
Thank you, Mister Speaker.

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