

COP23 Presidency Trust Fund: Second Semi-Annual Report

1.0 PURPOSE

- 1.1 The purpose of this Report is to provide information on key activities and expenditure incurred through the second six months of expenditure from the COP23 Presidency Trust Fund from 1 November 2017 to 30 April 2018 (the period).

2.0 BACKGROUND

- 2.1 Pursuant to section 8(1) of the COP23 Presidency Trust Fund Act 2017 (Act), the Ministry responsible for finance must prepare a report every six months on the activities and expenditure of the COP23 Presidency Trust Fund (Fund), including financial statements for the Fund, and submit the report to Cabinet within six months from the end of the six-month period to which the report relates.
- 2.2 The COP 23 Presidency Secretariat (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 assists with the accounting function of the Fund.
- 2.3 In addition, COP23 Presidency partner KPMG assisted with seconding a senior accounting officer to the Fund who was engaged as the Manager Finance for the Secretariat for a reduced fee for a six month period commencing from 31 July 2017 to 31 January 2018. Subsequently, MoE assumed accounting responsibilities with an extra Finance Manager being appointed in June 2018.

3.0 BILATERAL AND MULTILATERAL FUNDING SUPPORT

For the period a total sum of over F\$11 million was received in the form of “donations” to the Fund. The major donors comprised of Germany (F\$4.1 million), UK (F\$1.9 million and further over F\$2 million pledged) and Russia (F\$1.6 million). Significant 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. The Asian Development Bank contributed (F\$2 million) and philanthropic foundations ClimateWorks and European Climate Foundation also contributed. A much appreciated donation was received from the Delai Naronu Trust from the gate takings of their COP23 Rugby Sevens tournament in Tavuni, Fiji. All donations detail are in the six monthly financial report which is attached as Annex 1.

- 3.1 Expenditure of the Fund over the period amounted to over F\$8.5 million leaving a balance of just over F\$16 million, prior to the payment of Bonn and Bangkok intersessional meetings, the 2nd Climate Action Pacific Partnership Conference, COP24 and other legacy initiatives and residual costs. The ensuing discussion highlights how the funds were defrayed.
- 3.2 It should be noted that the Fund is not the only vehicle for financing COP23 Presidency activities. A number of donor nations, in keeping with their own domestic requirements, have chosen separate funding vehicles. This included 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 contributed through the United Nations Development Programme (UNDP).
- 3.3 The historic co-hosting of the 23rd Convention of the Parties in Bonn, Germany, would not have been possible without the significant contributions of the German Government in the construction and management of facilities adjacent to the UNFCCC Secretariat. This is in addition to their already substantial direct, noted above, and indirect support. The latter included BMZ funded and GIZ managed budget in 2017 and 2018 of almost F\$2.5 million which has helped resource the establishment and operation of the Secretariat and supported the activities of the High-Level Champion and his Special Adviser Christine Fung. This support included crucial logistical and transport support for the Climate Action Pacific Partnership Conferences in both 2017 and 2018.
- 3.4 Fiji understands the Trust Account with the UNFCCC has received almost F\$7 million in contributions. Some of the COP23 Presidency related expenditure that has been funded by the UNFCCC includes:
- (i) travel, accommodation and per diems of the majority of the Fijian delegations to UNFCCC meetings;
 - (ii) support for other eligible countries' participation in the Heads of Delegation meeting in Rabat, Morocco, the Pre-COP and COP23 meeting and
 - (iii) F\$400 000 contribution to assist the recent Bangkok intersessional meeting, and;
 - (iv) travel expenses of the Chief Negotiator and Chief of Staff.

The UNFCCC Secretariat also provided significant and much appreciated logistical and advisory support over the period. A Fijian team member was posted in Bonn as UNFCCC liaison officer until the end of the COP23 meeting.

4.0 FUND UTILISATION

4.1 Outlined below are key activities that were either wholly or partially supported through the Fund in the relevant period:

- (i) Management and operation of the Secretariat in Suva, Level 9 of Suvavou House;
- (ii) support of the COP23 Presidency leadership personnel which included:
 - (a) COP23 President – the Hon. Prime Minister J. V. Bainimarama
 - (b) COP23 High-Level Champion – the Hon. Minister Inia Seruiratu;
 - (c) COP23 Chief Negotiators – Ambassador Nazhat Shameem-Khan and Ambassador Daunivalu;
 - (d) Climate Ambassador – Deo Saran; and
 - (e) Special Adviser, Oceans Pathway - Taholo Kami
 - (f) the Pacific Special Representatives – Amena Yauvoli and Roving Ambassador Tui Cavuilati. Australian funding specifically supported the activities of the Pacific Special Representative and, more broadly, engagement with Pacific countries;
- (iii) fielding a successful team in Bonn for the November COP23 and the funding of the Fijian Pavilion and its associated side event and cultural program (see outcomes below);
- (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) materially advancing the Global Climate Action Agenda promoting greater pre-2020 action under the leadership of the High-Level Champion, Hon. Minister 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 secondments;
- (viii) furthering the 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) furthering 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) progressing 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 Pacific Nationally Determined Contribution Implementation Hub, conceived of at the July 2017 CAPP Conference, and;
 - (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, on the London Stock Exchange. The Bond raised FJ\$100 million for strengthening Fijian 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) an extensive Cultural and Communications Plan was developed for COP23 including numerous activities across the COP23 Bula (negotiation) zone, the COP23 Bonn (non-State actors) zone and the City of Bonn. This included the extensive planning and logistical preparations 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 documentation drafting.

5.0 Outcomes COP23 Bonn, Germany

5.1 Working with generous co-hosts Germany, Fiji 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. Key 2017 and COP23 outcomes included:

- (i) **Talanoa Dialogue:** an inclusive process 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) **Fiji momentum for implementation decision:** after progress on Paris Agreement implementation guidelines this decision of the parties made clear the guidelines should be concluded at COP24 alongside the Talanoa Dialogue and a stocktake of pre-2020 action.
- (iii) **Financing for vulnerable nations:** While there is 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.
- (iv) **Inclusive processes:** agreements 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.
- (v) **Koronivia Joint work on Agriculture:** overcoming long held differences, a joint work plan was agreed to progress new strategies for adaptation and mitigation within this vital sector.
- (vi) **Oceans Pathway Partnership launch:** 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.
- (vii) **Grand Coalition for Climate Action:** the Presidency has helped to galvanise 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.
- (viii) **Fiji/Pacific outcomes:** A number of reports or initiatives were launched including: the Pacific Regional NDC Hub; the Pacific Climate Finance and Insurance “Drua” Incubator; the 5 and 20 year National Development Plan; the National Adaptation Plan Framework, and; the NDC Roadmap for Energy.

6.0 EXTERNAL AUDIT

6.1 PricewaterhouseCoopers has concluded its audit of the Fijian 16/17 financial year (1 August 2017 to 31 July 2018), concluding in their opinion:

- the financial report presents fairly, in all material respects, the actual payments and donations received for the purpose of the Fund in accordance with the accounting policies set out in Note 2 to the financial report; and
- the Fund payments provided by Donors have, in all material aspects been used in compliance with the Act, the Guidelines, the Procurement Regulations 2010 and in conformity with the applicable conditions in the Funding Agreements with the Donors.

A copy of the audited accounts is attached as Annex 2. PricewaterhouseCoopers has commenced audit of the 17/18 financial year.

7.0 CONCLUSION

The COP23 Presidency Trust Fund is managed in a very sound manner. To ensure proper accountability and transparency, progressive six-monthly financial reports will be published on a periodic basis and the audited financial statements on a 12-monthly basis. Consistent with funding arrangements and agreements the Presidency also publishes quarterly updates. All finalised documents are published on the COP23 website.

OCTOBER, 2018