

# FIJI NATIONAL ASSESSMENT REPORT

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## 1.0 SOCIO ECONOMIC CONTEXT: Key Characteristics, challenges and responses

### 1.1 Key Socio Economic Characteristics

#### 1.1.1 Demography

Fiji's population in 1996 was 775,077 (Table 1). The total population in Fiji in 2001 was estimated at 842,000, with the natural growth rate between 1986 and 1996 of 1.8% per annum.

While migration levels had stabilized over the 1990s, political turmoil in 1987 and 2000 have created upsurges in migration, primarily of educated, skilled citizens, and particularly of the Indian population, although it is estimated that between 1987 and 1998, 30,000 people took up residence in Fiji.

People aged over 65 years comprised 3.2% of the population in 1996, compared to 2.4% in 1976. Over the same period, the number of people aged less than 15 years had declined from 41% to 35%.

Over 60% of the population is rural dwelling, but urban drift is significant and increasing.

**Table 1 Socio Economic Indicators**

INDICATORS	1992	1997
Population	746,326(1991)	775,077(1996)
Growth rate (%)	2	0.8
Gross Domestic Product (F\$million)	2009.8	2616.4
GDP per Capita (F\$)	2692	3341
Life expectancy (yrs)	65	73
Literacy rate (%)	87	92.9

Bureau of Statistics, 1999

#### 1.1.2 Natural Resource Endowment

Fiji is an enormous archipelago with diverse landscapes and climate. More than 300 islands are scattered over 1.3 million square kilometers of the South Pacific Ocean, lying between latitudes of 12 degrees and 22 degrees South and between longitude 175 degrees East and 178 degrees West. The two largest islands are Viti Levu, where most of the population resides, and Vanua Levu to the North. Together, they comprise 87 per cent of the total land area. The islands are characterized by diverse ecosystems including significant areas of natural forest. Wide ranges of coastal and marine ecosystems exist, ranging from extensive areas of mangroves to various coral formations.

Fiji has a mild tropical climate with plentiful rain under prevailing conditions. It is, however, subject to potentially catastrophic climate events such as cyclones, flooding and multiple landslips that can have a major impact on the economy and infrastructure. The predicted climate change and sea level rise could have profound consequences for some urban centers, agriculture and coastal

development. Between 1995 and 1998 a total area of 106.2 hectares had been replanted with mangroves (Table 2).

**Table 2 Forests and Mangroves**

Land Use	1992 (ha)	2002 (ha)
Forest	878,600	897,298
Mangroves	18,400	na

Source: Forestry Department Annual Report, 1992

On the larger volcanic islands dominated by steep deeply incised mountainous terrain, a relative abundance of annual rainfall, perennial rivers, good surface drainage and numerous springs ensure that there is no fundamental problem in obtaining domestic water supplies. On the low-lying, smaller and outer islands, there are no such perennial streams. Fresh water is a much scarcer resource. In such situations, shortages are a common occurrence, but this is more due to the deficiencies in water collection and retention on the part of the islanders than as a consequence of the lack of rainfall.

Approximately 70% of the main island of Viti Levu is drained by three large river systems, one of which with the largest catchment area covering one third of the island. There are a total of 10 rivers with distances ranging from 21 miles to the longest 73 miles. Freshwater wetlands occupy 0.3% of Fiji's land area. There are 61 species of freshwater molluscs and crustaceans of which 11% are endemic, and 96 recorded species of Fijian freshwater and brackish water fish (FBSAP,1999). Fiji's total land mass is 1.8 million hectares, almost all forest cover is on communally owned native land, 13,960 ha on private freehold and 5,600ha on government lease land.

Two major dams have been constructed in Fiji. The smaller Vaturu Dam (168ha) provides water to dry western division of Viti Levu and the larger Monasavu dam (670ha) provides hydro-electricity. A smaller dam (80ha) has been built at the Wainikavika Creek to provide water for rice irrigation (Scot, Derek A ,1993).

### **1.1.3 Economic Development**

While household production remains important for many rural households, the majority of the population relies on some form of cash income to sustain living standards. Approximately 40% of the workforce are in wage and salary employment, while the remainder earn income from informal employment and sale of primary products.

The most notable change in the economy during the last decade has been the emergence of the garment industry as a major employer. The combination of low exchange rates, special tax exemptions, and special access to Australia and New Zealand markets provided the stimulus necessary to start the industry. Fish, agricultural products and tourism have developed into significant export industries as well. Notwithstanding the diversification, the sugar industry remains very important.

Fiji's economy suffered severely as a result of the political crises, firstly in 1987, when two military coups were staged within four months of each other, and then in 2000. The resultant deterioration in international and national confidence coupled with a sharp increase in skilled migration led to a decline in productivity.

The current Government moved swiftly to curb this, formulating a draft Strategic Development Plan 2003-2005 with a medium term goal to achieve for the country "sustainable economic growth, equitably distributed, (and) to create jobs and higher living standards for all". Despite the two political upheavals of 1987 and 2000, Fiji's economy is recovering due to growth in various sectors in particular the tourism sector.

GDP growth for 2003 is expected to be 5%. If all capital projects and expenditure commitments for 2003 are implemented, GDP growth is expected to be around 4.1% for 2004.

The Fiji dollar is pegged to a weighted basket of currencies of the five major trading partners, the United States dollar, the Euro, the Australian dollar, the New Zealand dollar, and the Japanese yen.

#### **1.1.4 Social Development**

Education and health remain a focus of Fiji governmental policy, recognizing that a healthy and well-educated population is an essential ingredient for positive economic growth. Social Justice and Affirmative Action programs are being implemented to assist disadvantaged sections of our community under the provisions of Social Justice Act 2001. The advancement of indigenous Fijians and Rotumans remains a key development issue, and so do the alleviation of poverty and job security for the 15,000 school leavers every year. There is also more emphasis on an integrated approach to rural development, where communities participate in the regional planning decision-making process. The mainstreaming of women's, children's and youth participation in the development process is also now reflected in government policies.

#### **1.1.5 Environmental Protection**

Fiji's environmental laws are many and varied, a relic of the colonial period when environmental problems were limited and clearly sectoral. At least 25 Acts have some important role in environmental management, administered by 14 different ministries or departments, statutory bodies or other agencies. Most of the laws are both old and ineffective in the modern context of environmental management, or suffer from the lack of regulatory enforcement through inadequate staffing, lack of technical resources and funding, and through administrative failures.

Significant elements of the national economy (agriculture, forestry, fisheries, mining and, to a large degree, tourism) depend on the exploitation of the natural resource base. This implies that planning for economic development cannot ignore the need to conserve and manage those resources in ways that are sustainable.

Fiji is party to a number of international conventions and treaties that relate to environmental issues, acceding to or ratifying many that place increased responsibilities at the national and international levels on the government. Fiji also actively participates in international discussions about such environmental issues as climate change and coastal management.

## **1.2 Key Socio-Economic Challenges and Responses**

### **1.2.1 Impacts of Globalisation and Trade Liberalisation**

Increasing globalisation and the erosion of trade preferences require Fiji to become more competitive and continuously increase market penetration in increasingly competitive environments. The economic policy shift from import substitution to export promotion stimulated the growth of Fiji's exports and imports. The large exchange rate devaluations in response to the crisis of 1987 and the subsequent economic revival provided a solid platform to launch a new policy framework. Fiji embraced a plan of action involving market friendly policies widely accepted as economically sensible, albeit politically difficult to implement.

Fiji's main export commodities have been generally on an upward trend except for sugar, which dipped by \$198million in 1997. Whilst sugar was the main export in much of the 1980s and early 1990s, garments has emerged as the leading export-earner since 1997, accounting for an average 26 percent of total exports in the period 1997 to 2001. The success of the garment industry in Fiji has been largely due to a combination of factors such as the Tax-Free Factory and Tax-Free Zone schemes, special tax exemptions, preferential access to overseas markets and competitive wage rates. However, with the erosion of preferential treatment under the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA) and the European Union (EU), the challenge for Government would be to develop strategies that would help keep the industry viable. The way forward is to produce for niche markets, such as corporate suits and women's wear, as these have been increasingly outsourced from the traditional manufacturers in Asia, particularly China, who prefer to engage in the volumes market.

Sugar continues to be a major export commodity, accounting for around 26 percent of total Exports in the period 1998-2000. However, the future of sugar exports and the sugar sector, as a whole is uncertain. The current industry structure is not viable and a restructure is essential to address the industry's problems. These include poor mill performance, high incidences of cane burning, poor cane transportation, low sugar quality and the gradual reduction of preferential treatment. It is also critical that Government quickly resolves land issues and put in place a tenure system that is seen to benefit all stakeholders. Other agricultural exports such as soft fruits and traditional root crops have grown rapidly. However, a lack of infrastructure, especially in rural areas, is constraining future growth.

Mineral water has shown the potential to be one of the leading foreign exchange earners for Fiji. In 2002, exports were valued at \$28.6 million, up from \$1.1

million when first exported in 1997. Currently, “Fiji Waters” enjoys a commendable second largest market share for imported bottled water in the US. The company is putting in place an additional \$9 million in investment to boost production capacity in line with its plan for further expansion in the US market and possibly enter targeted markets in Australasia, Asia and Europe.

## **1.2.2 Finance and Investments**

The domestic economy is currently characterized by low investment (currently 10% of GDP), which is below the average of 20 per cent in developing countries. There has been a persistent decline in investment as a proportion of the Gross Domestic Product (GDP), from 20 percent in 1985 to a low of 13.4 percent in 1988 following the 1987 coups to 10.6 percent in 1999.

This low level of investment is the main reason why economic growth has been sluggish and erratic. Relative to other developing countries, Fiji’s investment ratio is low. Of particular concern is the persistently low, and declining rate of private sector investment. As a proportion of GDP, this has fallen from 10.9 percent in 1987 to 7.5 in 1988 and to 4.6 percent in 1999.

The slow pace of investment in Fiji is a reflection of depressed investor confidence. There are indications of new projects coming on line in 2002. Many domestic and foreign investment projects have been put on hold since May 2000.

Moreover, foreign direct investment has been stagnantly low over the period reviewed with an average of 3 percent of GDP per annum. Domestic investment as reflected by import of machinery and construction equipment has also been on a low trend. This poses serious challenges for Fiji on how future growth will be financed once domestic capacity is fully utilised.

Raising private sector investment requires improvements in the business environment and in the provision of utility services by Government. The amount of “red tape” faced by businesses is acknowledged as a serious impediment to investment. Also necessary to improve the business environment is the ease of enforcement of private contracts, clear bankruptcy procedures and robust accounting standards. The reliability and consistency of the application of the law have been shown to be as important as the law itself. Domestic investment will not be sufficient to generate the growth Fiji needs. It is therefore imperative to attract foreign, as well as domestic investment.

The thirteen “Good Reasons to Invest in Fiji” such as preferential market access to Australia, New Zealand, European and other markets, easy repatriation of capital and profits, a well balanced package of financial and other incentives and good air and sea links with overseas markets to name a few, identified by the Fiji Islands Trade and Investment Bureau<sup>1</sup> will only hold true if supporting institutions and relevant government bodies are truly service oriented in facilitating the process.

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<sup>1</sup> Fiji Islands Trade and Investment Bureau “An Investor’s Guide”.

### **1.2.3 Urbanization**

The decline in rural population has led to the unsustainable high rate of urban migration at 2.6 percent per annum between 1986 and 1996. The indigenous community has had by far the highest rate of urban in-migration with a growth of 4% per year in the urban Fijian population. This has been mainly driven by the perceived prospects of jobs, limited income generating opportunities in the outer –island, the need for better access to medical facilities and treatment, the perception of better education opportunities in urban areas and to a certain extent problems of land access and extension of urban boundaries. Rapid urbanization has increased the demand for affordable housing, but this is being affected by the high cost of building materials and affordable loan finance arrangements, particularly for lower income earners.

The lack of an agreed Urban Sector Strategy has contributed to the poor performance of municipalities in addressing urban problems. Specific problems and opportunities in each urban area will be addressed through the development of strategic plans for each municipality as well as through the publication of Town Planning Schemes. There is also a need for better public accountability of town councils. More accountability and responsibility on locally elected officials can provide a spur to solve local problems and issues.

The challenge for Government in the medium term is to manage the causes of rural-urban drift, promote rural development, attend to expiry of land leases and address urban social problems such as poor housing, increased squatter population, poor sanitation, overcrowding, poor diet, congestion, pollution, the emergence of a beggar population and increasing crime.

### **1.2.4 Natural Resource Depletion**

The Fiji economy has a very narrow base, with its performance heavily dependent on the success of a few industries, namely tourism, sugar and garments. The economy has traditionally been dominated by primary industry productions, but this trend is slowly changing as other sectors of the economy develop. Agriculture, however, remains the mainstay and the largest sector of Fiji's economy. The increased demand being placed on the limited natural resources makes sustainable development imperative for Fiji.

#### **(a) Land use**

The total land area of Fiji is 18,253sq km (Table 3) comprising of native land (or lands owned by traditional land owning units) state land (formerly crown land); and freehold land.

**Table 3 Type of Land Tenure/Ownership in Fiji**

Tenure Type	Areas	Percent of Total Area
State Land	77,051.65 ac (31,195 ha)	1.70
Freehold	364,196.56ac (147,448 ha)	8.06
Native Land	4,067,630.5ac (1,646,814 ha)	90.0
Rotuman Communal Land	10,996.44ac (4452.0ha)	0.24
<b>Total</b>	<b>4,519,875 ac</b> <b>(1,829,909 ha)</b>	<b>100.0</b>

Land degradation results from various factors including climatic variations and human activities. Land degradation reduces soil fertility and soil structure, hence reducing its potential yielding capacity. Increases in Fiji's population over recent decades have placed pressure on the land, particularly marginal land, and this has resulted in significant land degradation and soil erosion.

About 60% of the population resides in the rural areas. The small farm size (60% are less than 3 ha) force farmers into intensive cultivation (often monocropping) for high output, short-term production without (or minimal) fallow periods. With competition and pressure for land, subsistence gardens are increasingly being forced into steeper slopes because of the expansion of cash cropping and grazing on flatter lands. Soil loss measurements indicate that the agricultural productive base in many sugar cane areas, and with ginger on slopes, is eroding at a rate that is higher than would be regarded as economically viable.

Pressures on land indicate an urgency to increase sustainable production per unit area. However, there is inadequate understanding throughout the agricultural sector about a much closer relationship between land use, crop type and land capability.

While over 60% of our total land area is suited to some form of agricultural activity, only about 29% are appropriate for arable farming. A study undertaken in 1965 on the soil resources of the Fiji Islands observed that most arable land was under occupation and that future development would be in hilly terrain. The area of land currently in use has increased substantially over the past 37 years, due to marginal and sloping lands being brought to use with the major aim of increasing productivity.

Table 4 shows the area of land-use type by division and province as documented in the 1991 National Agricultural Census. From the total area of 1,306, 601 ha, 591,407ha (45.3%) was estimated to be to be under farms and 715,194ha

(54.7%) was classified under non-farms – this comprises 453,603ha (63.4%) natural forest, 196,967 ha (27.6%) non-agricultural land, and 64,624 ha (9.0%) in planted forest.

**Table 4 Area of land-use type by division and province**

Division and Province	Agriculture	Planted Forest	Natural Forest	Non-agriculture	Total Land Area
<b>Central</b>	<b>76,719</b>	<b>3,492</b>	<b>130,532</b>	<b>17,376</b>	<b>228,150</b>
Naitasiri	30,502	1,117	47,730	5,766	85,115
Namosi	3,510	1,107	22,351	1,532	28,500
Rewa	5,588	471	10,653	2,511	19,223
Serua	7,567	38	17,604	4,112	29,321
Tailevu	29,552	759	32,225	3,455	65,991
<b>Western</b>	<b>269,743</b>	<b>41,773</b>	<b>120,332</b>	<b>131,566</b>	<b>563,414</b>
Ba	121,679	30,448	52,630	62,251	267,026
Nadroga/Navosa	101,817	9,349	25,702	49,815	186,683
Ra	46,229	1,976	42,000	19,500	109,705
<b>Northern</b>	<b>190,039</b>	<b>15,207</b>	<b>165,284</b>	<b>28,207</b>	<b>398,737</b>
Bua	34,170	12,707	52,789	9,818	109,484
Cakaudrove	69,467	1,379	74,862	6,597	152,305
Macuata	86402	1121	37633	11792	136948
Eastern	54,906	4,152	37,451	19,818	116,327
Kadavu	6,125	1,627	13,036	13,503	34,291
Lau	29,492	1,710	8,671	2,095	41,968
Lomaiviti	15,209	815	15,124	4,200	35,348
Rotuma	4,080	-	620	20	4,720
<b>TOTAL</b>	<b>591,407</b>	<b>64,624</b>	<b>453,603</b>	<b>196,967</b>	<b>1,306,601</b>

Agricultural practices such as intensive sloping land cultivation of sugar-cane, ginger and dalo; intensive flat land cultivation; commercial livestock farming without good pasture management; reclamation of large freshwater swamps for rice; and the reclamation of large mangrove islands for agriculture are not sustainable. Over the years, these practices have dramatically increased erosion resulting in the thinning of top-soils and the progressive siltation of rivers, deterioration of drainage on river flats and the frequent inundation of coastal areas. The inundation of coastal areas ultimately results in damage to infrastructure costing millions of dollars in rehabilitation, loss of life and the continuous expensive operations of dredging. In addition, it has had detrimental impacts on the water quality.

#### **(b) Forests**

The inventory of Fiji's forestry resource was completed in 1995 and results indicated that forests cover represented 47.5% (Table 5) of total land area.

**Table 5 Estimate of Fiji Forest Resource**

<b>Production Forestry</b>	<b>Hectares</b>	<b>%</b>
<b>(i) Indigenous forests</b>	<b>187,700</b>	<b>10.25</b>
State land	5,240	
Reserve land	940	
State lease	840	
Native land	167,340	
Freehold	13,340	
<b>(ii) Forest Plantations</b>	<b>112,490</b>	<b>6.14</b>
State land	5,180	
Reserve	6,080	
Hardwood plantation lease	49,850	
Fiji Pine Ltd. lease	43,680	
Private	7,700	
<b>(iii) Protection forests</b>	<b>260,330</b>	<b>14.22</b>
Protection forest	242,310	
Mangrove	18,020	
<b>Indigenous Logged Forest</b>	<b>309,940</b>	<b>16.93</b>
<b>Total Forest Area</b>	<b>870,460</b>	<b>47.56</b>
<b>Total Land Area</b>	<b>1,830,000</b>	<b>100.0</b>

The rate of conversion of natural forests into plantations needs to be contained, especially with the high value mahogany plantations maturing and speculations that a further 10,000 ha – 15,000ha is sought after by Fiji Hardwood Corporation Ltd, which was set up to coordinate Government's efforts to manage, harvest and market the mahogany resource.

Although exotic plantations (pine and hardwood) do not account for a large proportion of the total forest cover, any major increase must be balanced against a possible loss of biodiversity and the increased risk of loss from a new pest or disease. These plantations have had on balance, very positive environmental impacts. They are however resulting in the conversion of richly diverse forests into exotic monocultures with insufficient attention paid to the role of natural forest cover in the protection of watersheds, streams, and soil resources.

The rate of deforestation is modest and appears to be occurring at a rate of 0.5–0.8 percent per year and is continuing a more controlled regime following the introduction of the National Code of Logging Practice (NCOLP).

Some of the threats to forest resources includes the growing incidences of wild fires which destroys natural wild life habitats, the ease with which protection forests can be logged through the loophole of agricultural development, the disregarding of stream flow, soil erosion and ecological considerations when logging, and the inattention given in some logging operations to legally established reserve areas.

### (c) Marine and Water resources

The marine resource sector boasts a diverse range of resources which range from fin-fish products such as yellow fin, big-eye, albacore and skipjack tuna species to prawn, seaweed, giant clam and tilapia farming which are cultured at a semi-commercial and subsistence level. There is also an extensive system of mangrove and coral reefs and an important crustacean, shell, and beach-de-mer resource.

The existence of stocks of tuna in Fiji waters has been well known for many years. A 1994 South Pacific Applied Geoscience Commission (SOPAC) report on the assessment of Fiji's tuna resources confirmed the abundant tuna resource in Fiji waters almost all year round. However, it indicated that the Fiji waters comprise only a small part of the distribution of these migratory species and although, the catch in Fiji waters is increasing, it is representative of only a small fraction (about 1%) of the total catch of tuna in the Western Pacific, which is now around 1.3 million tonnes per year.

The total allowable tuna catch in Fiji waters is currently at 15,000 tonnes, and the number of licenses issued currently stands at 90 per annum, 20 more than the sustainable limit proposed by SPC. This has raised concerns within the industry regarding excessive fleet sizes and over fishing. Destructive fishing practices such as the use of dynamite and poison also pose a major threat to the sector, causing irreparable damage in some instances to coral and other sea life.

The impact on mangroves and coastal areas has also been detrimental over the years due to industrial developments. Mangroves have been cleared, resulting in the destruction of a diverse ecosystem on which a number of organisms and creatures depend and inhabit.

In addition, erosion resulting from inappropriate land use and land management practices in watersheds has led to progressive siltation of rivers resulting in deterioration of drainage and floodplains, frequent inundation and the formation of shallow bars across the river mouths, as is evident in Nadi and Ba river mouths. Dredging has become a very costly necessity.

Table 6 provides a quantitative soil loss data estimated for the Rewa, Ba, Sigatoka and Nadi watersheds. Figures for the relatively well-forested Rewa watershed in the wet zone contrast with the three dry zone watersheds with their smaller forested areas, extensive grasslands and cropping land. The total soil loss reflects the area of the respective catchments.

**Table 6 Soil loss in Rewa, Ba, Sigatoka and Nadi Watersheds**

Watershed	Soil loss (ton/ha/year)	Soil loss (mm/year)	Total Soil loss (million tonnes/year)
Rewa	32.2	2.2	9.3
Ba	69.0	4.6	6.4
Sigatoka	76.9	5.1	1.1
Nadi	81.4	5.4	4.2

Land degradation in watersheds causes peak flows in rivers during intensive storms. This results in downstream sedimentation and flooding with serious implications for settlements, domestic water supplies, infrastructure (roads and bridges) and vegetation.

The consequences of land degradation and inappropriate land use practices have the potential to negatively impact the tourism industry, considered the most promising industry for the country. Sectors of the industry already express concern about dirty rivers, frequency of flooding, water rationing and poor quality water, unsightly landscapes, pollution and visible waste. Environmentalists point to the vulnerability of the coral reefs to excessive sediment brought into the lagoons by flooded rivers from eroding watersheds.

The environmental impacts of uncontrolled urbanization combined with land degradation are seriously impacting on the quality of living and the sustainable income generating capacity of Fiji's natural resources.

Due to the generally poor adoption and application of land husbandry practices and the resultant degradation of land and water resources, the impact from natural disasters are becoming increasingly more acute, in particular vulnerability to droughts and flooding.

The loss of habitat through conversion to agriculture, plantations, grassland and secondary habitats caused by fires has posed serious threats to Fiji's biodiversity and ecosystems. Damaging harvesting practices like the use of dynamite, chemicals, small mesh nets and scuba and hookah diving also cause significant impact, resulting in the loss of traditional gathering and harvesting lands and coastal areas. Alien creatures like the mongoose, rats, goats and the cane toad have had devastating effects, and so have introduced plants like the African tulip and giant sensitive weed. Poorly planned developments, particularly in sensitive coastal and small island areas have also affected inshore marine communities. The release of industrial pollutants and inadequate waste management practices has posed challenges to natural resource management. Fiji has a number of principal resource management, conservation and biodiversity protection legislation pieces that adequately address natural resource management. One of the principal aims is the equitable sharing of benefits from resources.

### **1.2.5 Law and Order**

Reported crimes have gradually declined within the last decade. However, drugs, money laundering and prostitution, as well as sexual offences against women and children appear to have increased. Increasing number of pending cases (by 27 percent from 1993 to 61,847 in 1998) has delayed justice for many. Government has put in place various mechanisms to ensure the effective and efficient maintenance of law and order in Fiji. Since the May 2000 political crisis, law and order in Fiji has returned to normal, with the primary responsibility for the maintenance of law and order rests with the Fiji Police Force.

A major challenge for Government is to find the right prescriptions to address the causes of crime, which include unemployment, poverty, rural-urban drift, broken homes, substance abuse, violent movies and videos and illegal immigrants. In

addition, Government needs to strengthen relevant institutions through development of human resource skills to enable them to detect crimes effectively and efficiently.

### **1.2.6 Unemployment**

Only about one third of Fiji's labour force is engaged in formal sector paid employment. Paid employment has gradually increased from 81,082 in 1985 to 112,519 people in 1998.

However, job creation has not accelerated at a pace equal to or exceeding that of the growth in labour supply and has certainly been insufficient to provide jobs for the 17,000 or so job seekers looking for work each year. Unemployment was estimated to be around 5.8 percent of the total labour force in 1996. The 2002 Urban Household and Expenditure Survey indicates an unemployment rate of 14%.

Securing decent jobs for the estimated 17,000 job seekers is one of the major challenges for Government. This requires high economic growth. It is important to note that growth in output and hence employment, would have been higher if investment had remained at the levels pre 1987. Creating the right business environment for investment is clearly needed to secure jobs for school leavers.

In the labour market, a hindrance to job growth has been the inadequate functioning of the labour market. As a result skill shortages persist, especially on future skill demands. The recent initiative of the National Planning Office (NPO) to collate existing human resources information and data and post them on the web site, Computerised Human Resource Information System (CHRIS) will ensure that they are available to a wide audience of potential users. Greater involvement of the private sector in the National Strategic Human Resources Plan should address major issues confronting utilization and strengthening of human resources in Fiji in the short and medium term.

There is also a need for employment placement centers where job seekers can have access to job broadcasts and receive specific job interview training. A comprehensive accreditation system of qualifications of trained manpower, a vacuum that hinders employers assessing the capabilities of job seekers, as measured by local and international standards, is also needed. In addition, institutional wage setting should be replaced with market-determined rates of remuneration that are performance based and reflect the availability of skills.

The Reserve Bank's March 2002 survey of Job Advertisements, a partial indicator of labour market conditions, reported significant rise in recruitment intentions, mainly underpinned by firms in the community, social and personal services and wholesale/retail trade and hotels sectors. Furthermore, the results of Reserve Bank's Fiji Employers Federation Expectations Survey in first quarter 2002, revealed general optimism for employment prospects, indicating that around 74 percent of respondents compared with 73 percent in the December 2001 survey, expect employment to increase, with the rise expected to be broad-based.

### **1.2.7 Health**

The Ministry of health (MOH) is committed to provide quality health services for the people of Fiji through an integrated and decentralized health system to foster good health and well-being. In upholding its values and principles the MOH is customer focused, provides equity with quality outcomes and maintains integrity when providing the health services through its key result areas as identified in the 2003 MOH Corporate Plan. These are:

1. Public and Health promotion
2. Clinical Services
3. Reform of the health Systems
4. Human Resource management and Workforce development
5. Standards and Quality
6. Financial Management
7. Health management Information & Decision Support System
8. Health care Financing
9. Effective partnerships and Communication
10. Health facilities

Another Key result area that has been identified also as a priority and will be added to the MOH 2004 Corporate Plan is Rural health.

Fiji faces a number of Health challenges and emerging and re emerging issues. This includes the increasing prevalence of Non Communicable Diseases such as Diabetes, Hypertension, Cardiovascular diseases, Cancers and accidents & poisonings; Impact of Lifestyle and socio - behavioral problems such as: smoking, increasing STIs, HIV/AIDS, Drugs and Substance abuse, Mental health conditions – suicides; Childhood illnesses and Reproductive health issues; Environmental and oral health problems; Communicable diseases such as: STIs and HIV/AIDS, Dengue fever, Leptospirosis, Lymphatic Filariasis, Measles, Rubella and sexually related offences.

Community development, improvement of health infrastructure and facilities, strengthening human resource development are the other challenges.

### **1.2.8 Water and sanitation in rural and urban areas**

The proportion of Fiji's population with access to clean piped water is about 70 percent compared to 60 percent in the mid eighties. The proportion of the population having access to treated sewerage facilities is approximately 15 percent.

The Government through the Water and Sewerage Section of the Public Works Department (PWD) of the Ministry of Works and Energy is responsible for the construction operation and maintenance of water supplies and sewerage services.

The major constraint facing the sector is the low level of cost recovery in the provision of water and sewerage services resulting from the low level of water charges and inefficient operations. Government is committed to improving cost recovery through greater efficiency. To this end Government will corporatise

water and sewerage operations in the Suva-Nausori corridor. Priority will also be afforded to improving access to safe drinking water and sanitary waste disposal systems in the rural areas.

Government recognises the need for investment in upgrading and expanding services and has increased the Ministry of Works funding for this. It is widely acknowledged, both by the public and the Government, that the overall level of service around the major urban centres needs major improvement.

Government is continuing to implement the Suva/ Nausori Regional Water Supply Master Plan improvement and expansion programme. The Master Plan was revised and updated in 2000 and its full implementation requires substantial funding. The Government is seeking loan financing to implement the Plan. In 2001, work started on the installation of new pumps to increase water capacity in main distribution lines and the extension and refurbishment of the Waila Water Treatment Plant in Nausori.

Government continues to assist the provision of water supplies to rural maritime and mainland areas under the Self-Help Rural Water Supply Scheme and the Borehole Subsidy Scheme. The Self Help Rural Water Supply Scheme is mainly designed for rural communities, villages and schools and operates on a one third to two thirds costs sharing basis between the beneficiary and Government. Under the Borehole subsidy scheme, Government subsidises up to one thousand dollars per borehole for individuals or a collection of farmers living in scattered rural areas. The cost of drilling and developing a Borehole to be the water source for a Self Help Rural Water Supply Scheme is fully funded by Government and the community is only levied a one third contribution for the development and reticulation costs from the completed Borehole.

Future demand for sewerage services in the greater Suva area is being met by the extension of the treatment facility at Kinoya and the installation of special equipment. Works on the Kinoya Outfall, which commenced in 2001, will continue with European Union funding.

## **2.0. NATIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT (SD)**

### **2.1 Sustainable Development Planning and Decision Making Framework**

- 2.1.1 The National Framework for Sustainable Development illustrated in Appendix 1, shows the National Planning and Decision Making Machinery of Government. The Parliament is the ultimate forum where Government's policies, strategies and programmes are debated and approved. However, before a policy or legislation is presented to Parliament it is screened in various committees at various levels.
- 2.1.2 Any new legislation or amendment is reviewed and screened by Sector Standing Committees (SSC) before presentation to Parliament. The function of the SSC are to scrutinize Government Administration, examine Bills and subordinate legislation and such functions as are specified from time to time in the rules and order of the House of Representatives. At present there are six SSC:
- (i) Sector Standing Committee on Administrative Services;
  - (ii) Sector Standing Committee on Economic Services;
  - (iii) Sector Standing Committee on Social Services;
  - (iii) Sector Standing Committee on Natural Resources;
  - (iv) Sector Standing Committee on Justice, Law and Order; and
  - (v) Sector Standing Committee on Foreign Relations.
- 2.1.3 All policies and programmes relating to national development are reviewed by the Development Sub-Committee (DSC) prior to submission to a Cabinet Sub Committee or Cabinet. The DSC consists of all Permanent Secretaries and Heads of Department.
- 2.1.4 The Cabinet Sub-Committees that advise the Cabinet are:
- (i) Cabinet Sub-Committee on Investment (CSI);
  - (ii) Cabinet Sub-Committee on Budget (CSB);
  - (iii) Cabinet Sub-Committee on Sugar (CSS); and
  - (iv) Cabinet Sub-Committee on Poverty Alleviation (CSPA)
- 2.1.5 The other important committees are:
- (i) Macro Economic Committee (MEC);
  - (ii) Budget and Aid Coordinating Committee (BACC);
  - (iii) Commercialisation, Corporatisation and Privatisation Committee (CCPC); and
  - (iv) National Economic Development Council (NEDC).

## **2.2 Sustainable Development Policy Framework**

- 2.2.1 The Fiji Government launched in 1993 a planning document title “Opportunities for Growth” which marked a shift from a 5-year comprehensive long term plans to a much more short-term 3 years strategic approach. The approach differs from the traditional comprehensive approach to planning in that it emphasises the primacy of effective policy formation, review and the concentration on specific issues relating to the implementation of policy.
- 2.2.2 In 1997 Fiji Government issued the policy document titled “Development Strategy for Fiji” which built on the broad policy direction defined in the 1993 document and it identify key performance and accountability indicators over a given period within the framework of updated sectoral policy objectives. The approach was to ensure that the country’s scarce resources were directed to targeted priority areas for maximum benefit. Government emphasis throughout that period was for private sector to lead development with government playing key facilitating roles.
- 2.2.3 In 1999 Fiji Government produced the document titled “A Strategic Plan for the New Century – Sustainable Development of Fiji”. This document highlight the challenges to sustainable economic and social progress at the end of the 20<sup>th</sup> Century and points to the positive indicators for sustainable economic recovery which included macro-economic framework targeted to achieve general macro-economic and financial stability.
- 2.2.4 The focus was on effective financial management in the light of growing global financial instability, and creating an atmosphere of competitive price and cost structure conducive to attracting investments. Sectoral policies were realigned towards sustained natural resource utilisation, development of human resource based industries, provision of core social service of education, health and housing. Government during this period (1999 onwards) was to encourage other sectoral initiatives that would have addressed poverty alleviation, mainstreaming of women in development, law and order, rural and urban development, disaster management and the mainstreaming of indigenous Fijians in commerce.
- 2.2.5 The present Sustainable Development Strategy or the Strategic Development Plan (2003-2005) focuses on “ Rebuilding Confidence for Stability and Growth for a Peaceful, Prosperous Fiji”. The plan identifies the priorities that Government must concentrate on during the next three years. It consists of an integrated set of policies in the areas of Macroeconomic Management; Economic Development; Social and Community Development; and key cross sectoral issues, including environmental protection.
- 2.2.6 A National Economic Development Council (NEDC) was established early this year to facilitate the implementation of the plan. The NEDC is supported by nine Summit Working Groups (SWGs). The Plan and the NEDC are important mechanisms for integrating sustainable development into national planning and budgeting.
- 2.2.7 A Sustainable Development Bill is currently under review. Enactment of the Bill is targeted for 2004.

### **3.0. PROGRESS MADE & PROBLEMS ENCOUNTERED IN THE IMPLEMENTATION OF THE BPOA: Sectoral and Cross-Sectoral Areas**

#### **3.1 SECTORAL AREAS: Progress Made and Problems Encountered**

##### **3.1.1 Climate Change and Sea- Level Rise**

###### **3.1.1.1 Ratification of Framework Convention on Climate Change and Kyoto Protocol**

Fiji signed and ratified the *United Nations Framework Convention on Climate Change (UNFCCC)* in 1992. Fiji also signed and ratified the *Kyoto Protocol to the Climate Change Convention* in 1998.

###### **3.1.1.2 National and Sub-regional Projects on Climate Change and Adaptation and Key Constraints**

In regards to national projects, Fiji Government completed in 1997 its first Greenhouse Gas Inventory (GHG) and the report was submitted in November of that year. The report also highlights biodiversity issues, such as reduction of deforestation, establishment of conservation or protected areas for purpose of reducing greenhouse gas emissions in Fiji. These issues have been included in the Fiji Biodiversity Strategy and Action Plan (BSAP) document produced in 1999.

A Vulnerability and Adaptation Assessment for Fiji prepared by International Global Change Institute of the University of Waikato (NZ) in partnership with SPREP and the PICCAP Fiji Country Team was produced in 2000. In this report vulnerability and adaptation assessment for the island of Viti Levu was carried out under four sectors: agriculture, coastal resources, human health and water resources. Some of the practical actions suggested in the report to reduce impacts of climate change include the following:

- (a) Develop sustainable agro-forestry systems to raise and diversify production, improve soil fertility, prevent soil loss and environmental degradation, and reduce dependence on external inputs;
- (b) Intensive high-input agricultural systems on lowlands: Introduce short-duration cover-crops and legumes to improve soil fertility & structure, conserve moisture, reduce build-up of weeds and pests, reduce reliance on imported chemicals & fertiliser, minimise environmental degradation and increase green folder availability.

- (c) Farming system research: appraise socio-economic issues and feed information into cropping trials & extend technology to the farming community using a farmer to farmer approach;
- (d) For coastal adaptation measures, historical shoreline change and current spatial and temporal dynamics should be investigated. Detailed habitat mapping and assessments must be performed in conjunction with monitoring and instrumentation exercises. Improve protection capabilities of natural protection measures such as reducing mangrove logging and planting more seedlings, protecting coral reefs system by reducing coral extraction activities, siltation and pollution incidence;
- (e) Instituting the most appropriate and effective adaptation measures to the effects of climate change on human health such as the provision of an adequate and healthy standard of housing for all. Provision of safe and adequate water supply and improved sanitation especially for those in rural areas and in peri-urban areas, improved management of both liquid and solid waste, improved access to quality primary health care – especially in rural and peri-urban areas, protection and enhancement of ecological and land productivity that should help employment and alleviate poverty;
- (f) In regards to water resource, direct mitigation measures on flood control such as construction of engineering control measures to be looked into. These include, diversion channels, weir and retarding basin, flood control dams, river improvement such as widening of river channel, construction of dike and excavation of river bed;
- (g) In terms of drought alleviation options to be adopted to relieve severity of future droughts and water shortages in Fiji, initial focus on water resource management should be given more effort to improve the overall management of the supply and reducing unnecessary loses such as through leakages; and
- (h) Current water legislation should be reassessed in order to prevent the over-exploitation by large water users in times of extreme surface water scarcity and other abuses. Development of alternative water resources such as development of groundwater to relieve pressure on surface supply, use of rainwater tanks for household and schools, maintain and improve water retention and storage function of watersheds by increasing forest area, regulating land development, protecting land uses that retard flow, such as, natural wetlands, and maintaining river flow capacity through soil conservation to prevent siltation, limit development and urbanization in low-lying flood prone areas, promote flood-proof house design where necessary, improve social infrastructure and resilience through education programmes to liase community awareness of land and water conservation, better forecasting and communication of impending flood and drought hazards and continued support of existing disaster reduction programmes.

Fiji, as a signatory to the UNFCCC, has embarked on its first national communications, as part of PICCAP, since 1997. Fiji Climate Change National Communication completed in 2001/2002 identifies the best mitigation options to

be employed in relation to land degradation and saltwater intrusion as a result of sea-level rise. Several factors, including political problems; turnover of staff; lack of adequate capacity; lack of adequate methodology and tools for investigation and general unfamiliarity about the requirements has led to the delay in finalizing this. However, it is expected that the NC will be ready in time for the ninth Conference of Parties. The initial national communication provides a useful analysis of Fiji's national circumstances; inventory of greenhouse gas emissions; vulnerability of specific sectors; possible adaptation and mitigation options; and education, training and awareness activities. Fiji represents the Asia-Pacific region on the Consultative Group of Experts (CGE) for non Annex 1 National Communications. Fiji is expected to begin work in preparations for the second national communications once the procedures for expedited funding has been finalized, and focus on the key areas of adaptation.

The Canadian Government funded project now underway for the purpose of Capacity Building for the Development of Adaptation Measures for Pacific Island Countries (CBDAM PIC) intend to produce the following outputs:

- (a) awareness by Fiji's policy and decision makers on climate change vulnerabilities and adaptation options that could be put in place at national and community level;
- (b) mainstreaming climate change adaptation measures into national and sectoral policies;
- (c) increase awareness level of communities in Fiji of their vulnerabilities associated with climate change and adaptation options available to them; and
- (d) implementing pilot projects in 3 communities in Fiji aimed at reducing climate change related risks.

In achieving Output (C), 3 community workshops will be carried out in the selected pilot areas.

The first Community Vulnerability & Adaptation (CV & A) workshop has been completed at Tilivalevu village in the province of Nadroga / Navosa. Workshops are yet to be carried out at Volivoli (Rakiraki) and Tikina Wai (Nadroga / Navosa) province. These workshops are to be completed by the end of the year.

In assessing the communities' vulnerabilities and finding suitable adaptation options to Climate Change, outputs will then come into effect i.e. implementing the appropriate project to suit the degree of vulnerability of each community. Project implementation is to begin early next year, 2004.

As for Output A & B above, a draft Climate Change policy paper is about to be completed. Workshops will commence for policy and decision makers to increase their understanding as well as review this policy paper. This activity will have to be carried out by the end of this year (2003)

In accordance with the four project outputs above, two expected outcomes are:

- A) Climate Change Adaptation is mainstreamed into national and sectoral planning and budgeting processes; and
- B) Community adaptive capacity to climate related risks and vulnerabilities increased

### **Climate Change and Variability Scenario Generation/Modeling Project:**

Climate change is likely to have a substantial and widespread impacts in the Pacific Island Countries, including the Fiji Group, affecting sectors as varied as health, coastal infrastructure, water resources, agriculture, forestry and fisheries. In August, 1999 the South Pacific Regional Environment Program (SPREP) with the assistance of the International Global Change Institute (IGCI) (Waikato University, New Zealand ) produced a climate change computer modeling program known as the PACCLIM( Pacific Island Climate Change) proto-type model. The computer modeling is used to create scenarios to predict climate change and sea level rise in the Pacific.

IGCI, SPREP and the World Bank funded the creation of the FIJICLIM an offshoot of the PACCLIM, a computer modeling scenario generator to be used to predict climate changes and sea level rise in Fiji. But the modeling still needs to be further developed for Fiji to have any significant contribution to climate change mitigation.

In regards to the implementation of the *Vienna Convention and Montreal Protocol*, Fiji Government had enacted the Ozone Depleting Substances Act (ODS Act) in 1998 and Regulation in 2000. The intention was to establish an administrative framework for enforcement of controls to phase out completely by 2010 the import, use and storage of ozone depleting substances. The ODS Unit established in the Department of Environment monitors and enforces implementation of the ODS Act. The Unit has trained other enforcement agencies including 15 (Fiji Island Marine Safety Administration (FIMSA) officers, 3 Quarantine Officers, 9 Director of Public Prosecution (DPP) Legal Officers and a few from Police and Occupational Health & Safety (OHS) Officers. A further 98 Customs Officers had been trained since 2001 and 408 refrigeration technicians trained so far.

Two Recycling Centres have been established in Suva & Nadi within National Fire Authority compounds to store used ODS from refrigeration and air-conditioning sector. Enforcement of the ODS Act in 2003 saw the confiscation of HCFC refrigerant 22 from 38 companies due to non-compliance with the Act in terms of storage. As of June 2003, 75 companies were issued with Facility permit to store controlled substances (CFCs, HCFC's, Halons/BFC, Methyl chloroform, Methyl Bromide and Carbon Tetrachloride), 190 individual technicians have been issued with Licenses to handle controlled substances while importers of ODS remained at 13.

## **3.1.2 Natural and Environmental Disasters**

### **3.1.2.1 National framework for risk management and disaster preparedness**

The establishment of the National Disaster Management Office (NDMO) in 1991 by Government was based on the International Decade for Natural Disaster Reduction (IDNDR) framework of action, and the International Strategy for Disaster Reduction. The operations of the NDMO emphasizes the shift in paradigm of disaster management in Fiji from that of reactive in nature during emergencies to that of a holistic approach, where processes are implemented in totality integrating all facets of disasters from pre, during and post events.

Major projects that emanated from this shift were the establishment of the National Disaster Management Plan in 1995 and the establishment of the Natural Disaster Management Act in 1998.

### **3.1.2.2 Vulnerability Assessment**

There have been many small projects implemented on vulnerability assessment by the NDMO in collaboration with relevant agencies. Some of these are directly related to post disaster events like cyclones and flooding. Three major projects on vulnerability issues that emanated during the period under review are:

- (i) Watershed Management on the Four Major Rivers in Viti Levu (biggest island with area approx. 10,000sq km) with technical assistance provided by JICA in 1998. The project was to come up with a solution to prevent or mitigate the impacts of flooding within these rivers impacting vulnerable elements like local communities, agriculture, business, etc. along their floodplains right down to estuaries. Along these corridors are some of the major economic development sites for Fiji. This project has been shelved due to the expensive cost of implementation which is approximately F\$100million. In the meantime dredging of major rivers to prevent flooding, which started in 1981, is an ongoing programme of Government. A ten year Watershed Management Programme is under preparation.
- (ii) Suva Earthquake Risk Management Project (S.E.R.M.P): This risk/vulnerability project takes into consideration vulnerable elements within the capital city of Fiji, Suva and the possible repeat of a 1953 earthquake with intensity 6.8RS and a tsunami that floods its coastline and surrounding smaller islands. The project, which started in 1997, investigates major capital developments along the reclaimed Suva peninsula shorelines, identifies all vulnerable elements within the area, maps and zones them according to their levels of vulnerabilities. An earthquake fault is visible and runs through the project area. Earthquake syndicate exercises on high-rise buildings along this corridor are

an on-going program undertaken by the NDMO and all relevant stakeholders.

- (iii) Vulnerability and risk assessment on the Suva–Nadi Corridor: This European Union sponsored project will take a few years to complete. Taken into considerations are vulnerable elements along this corridor and the environmental risks to natural resources within coastal peripheries.

### **3.1.2.3. Early Warning Systems**

Early warning systems in the Fiji context is based on major natural hazards that impact the country like: tropical cyclones, flooding, earthquake and tsunamis, drought and landslide. For tropical cyclones and flooding, early warning systems are prescribed within the functions of the Fiji Meteorological Services (FMS) and the Hydrology Unit of the Works Ministry. For landslides, earthquakes and tsunami, the responsible agency is Mineral Resources Dept. FMS also monitors drought situation using EL Nino and prolonged dry spell as indicators. These functions are implemented through monitoring systems within these organizations. These agencies have limited capacity to do intensive scientific research and rely on international assistance to build their capacities. The NDMO coordinates activities of these agencies especially during period of emergencies, responses and rehabilitation.

### **3.1.2.4 National Mechanism for Disaster Management**

Partners in Community Development Fiji (PCDF), formerly Foundation for the Peoples of the South Pacific (FSP) Fiji, a local NGO, is working closely with Government (Ministry of Regional Development's NDMO) and SOPAC in community disaster preparedness and management. In 1994, with funding from NZAid, PCDF implemented a disaster preparedness programme with communities in the Mamanuca and Yasawa group of islands. Using innovate awareness tool like Drama, groups were formed and at present continue to dramatise issues of relevance in Fiji. Recent funding from AusAid has enabled this project to continue.

### **3.1.2.5 Sub-regional mechanisms for Disaster Management**

Fiji actively participates in the Annual Pacific Disaster Managers Meeting held at different countries from year to year. This forum is useful for networking of all disaster managers and trans-regional/international agencies like South Pacific Applied Commission (SOPAC), Forum Secretariat, Australia, New Zealand, the United Nations and many other international donors on disaster management in the region. This forum has been a useful machinery to gauge and guide disaster management activities and development within a country based on IDNDR principles.

Fiji, with other Pacific island countries has adopted the content, methodology and delivery of US-Office of Foreign Assistance (OFDA) disaster training courses and has successfully adapted these regional courses into the Fiji context. A group of

Fiji trainers are available to assist and deliver locally and also regionally to neighboring countries that need help for development and implementation of their own training programs. Some trainers have crossed beyond the region to help at the Caribbean of islands and South Africa.

### **3.1.2.5 Key constraints related to effective planning and implementation of disaster management strategies and risk assessments**

- (i) Limited capacities towards human resource development, resource/tools for work and funding for the NDMO;
- (ii) The location of the National Disaster Management Office (NDMO) within the administrative structure of the Ministry of Regional Development suppresses it and curbs full implementation of its functions and national responsibilities. This is captured clearly at the functional increase of the NDMO with additional staffing. However, this does not equate with the level of resources provided for proper implementation of activities/programs undertaken;
- (iii) Need to strengthen networking amongst all stakeholders. Many agencies in Government and outside incline on working sectorally and independently with little consultation with the NDMO;
- (iv) A dedicated budget to implement identified activities and work programs to facilitate provisions for response and rehabilitation;
- (v) Low priority within government, municipal and rural development planning on vulnerable and risk elements of society;
- (vi) Limited capacity within the NDMO to tackle sophisticated issues on risk management and researches; and
- (vii) Limited appreciation and acknowledgement by relevant stakeholders of inter-phase between natural and man-made disasters.

### **3.1.3 Management of Wastes**

#### **3.1.3.1. National and Sub-regional Projects on Management of wastes**

The Public Works Department develops facilities and is responsible for the disposal and treatment of sewage. There are ongoing efforts to put sewer lines in areas that are without them.

The major legislation that governs the collection and disposal of waste and sewage is the Public Health Act. It does not, however, cover sanitary landfills. The SDB includes provisions for waste minimization and pollution control, and identifies specific responsibilities for various bodies.

Government is in the process of establishing a proper sanitary landfill in Naboro that will cater for the Suva, Nausori, Nasinu, Lami and Navua areas. Public awareness of litter is being increased through the Department of Environment.

#### Innovative Waste Water Treatment

Partners in Community Development Fiji (PCDF), formerly Foundation for the Peoples of the South Pacific (FSP) Fiji, a local NGO, implemented an artificial wetlands (believed to be the first in the Pacific) at the Fijian Resort in partnership with (UK) Darwin Initiative, Cuvu Environment Komiti (Nadroga Province) and Government. This Project (referred to as Waibulabula or Living Waters) addresses the problem of nutrient loading negatively impacting coral reefs and marine ecosystems through innovative and appropriate technologies and, builds capacity in communities to manage and reduce wastes entering the marine environment through participatory awareness-raising workshops.

### **3.1.3.2 Key Constraints**

Refuse disposal and management of garbage dumps has become a national dilemma since not a single refuse dump is currently being managed to acceptable standards. A number of environment reports over the years have highlighted the growing concern about Fiji's poor management of waste. In 1992, the National State of the Environment Report said of the problem in Suva, "The Suva City Dump has exceeded normal capacity, and is now merely increasing in height". According to ADK Consulting Engineers (1998), around 60,000 tonnes of waste is dumped at Lami annually.

Much of the rubbish at all municipal dumps can be recycled. Like most cities governments in the developing world, Fiji's municipal governments lack the power, resources and trained personal to implement adequate waste management initiatives, especially with the current rural to urban drift. A Litter Decree was enacted by Parliament in 1992 to minimise the visual pollution around the country. However it lacks the manpower to police the proper implementation of the Litter Decree.

### **3.1.4. Coastal and Marine Resources, including coastal and marine biodiversity resources**

#### **3.1.4.1 Ratification of the Convention on Biological Diversity and Cartagena Protocol**

Fiji signed and ratified the *Convention on Biological Diversity* in 1992 and the *Cartagena Protocol on Biosafety* in 2001.

#### **3.1.4.2 National and Sub-Regional Projects**

The following projects have been completed since 1992:

- (i) Vulnerability and Adaptation Assessment. Coastal impact of sea-level change – Suva & Vicinity, Viti Levu, Fiji Islands, SOPAC (1996);
- (ii) Shoreline Change in Fiji. Ovalau/Moturiki Island Survey, Dept of Environment (1996);
- (iii) Provisional Environmental Impact Assessment for the Extraction of Coral Reef Products for the Marine Aquarium and Curio Trade in Fiji. Ed Lovell & Manasa Tumuri, (1999);
- (iv) Coastal Erosion Investigations at Yanuca island and Cuvu Harbour, Fiji (Satish Prasad) Mineral Resources Department (1999);
- (v) A status report on the collection of coral and other benthic reef organisms for the marine aquarium & curio trade in Fiji, Ed Lovell – WWF Report, (2001); and
- (vi) Fiji Biodiversity Strategy and Action Plan (BSAP) project, Department of Environment, 1999.

The Endangered and Protected Species Act was enacted in 2002 to regulate and control the international trade, possession and transportation of species protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and related matters.

The BSAP was considered by Fiji's Cabinet in January 2003. The document is currently under review. A workshop was held in April 2003 to allow stakeholders to inform Department of Environment what they have done; are doing or intend to do in regards to action identified in the BSAP. Another workshop is planned for 31/7/2003 to enable stakeholders to plan and prioritise projects that need funding in the new year.

The Persistent Organic Pollutants (POPS) project is currently underway. The following activities are in progress:

- (i) chemical inventory and development of a management structure; increase community awareness on POPS and chemicals in general;
- (ii) a detailed National Implementation Plan for Fiji to comply with the Convention's obligation; and
- (iii) development of a funding request package.

### **Integrated Coastal Resources Management Program:**

The Institute of Applied Science (IAS) of the University of the South Pacific based in Fiji, the University of Rhode Island Coastal Resources Center, USA and the Government of Fiji are working in partnership and have initiated a program known as the Integrated Coastal Management for Fiji which was launched after a National Workshop held in April, 2002.

The coastal areas are of vital importance to Fiji society and its national development. Most the urban centers and vast majority of villages are located on the shore, along with much of the population, agriculture, industry and commerce. Therefore as result of population increase, rapid coastal development and increasing utilisation of coastal resources these has resulted in various impacts on the coastal environment which includes; loss of habitat and biodiversity, inappropriate solid waste management, mismanagement of chemical wastes, pollution of air and water ways, land degradation etc.

The initiative includes the involvement of all government ministries such as the Ministry of National Planning, Ministry of Agriculture, Sugar and Land Resettlement, Ministries of Fisheries and Forests, Ministry of Fijian Affairs, Ministry of Lands and Mineral Resources, Ministry of Works and Energy, the Non Government Agencies like the Native Land Trust Board, National Trust, Ports Authority of Fiji, Civil Societies such as the World Wild Fund for Nature (WWF), Foundation of the People of the South Pacific ( FSP), University of the South Pacific( USP), resources owners and users. The programs have also identified the Coral Coast of Fiji as is pilot project area.

#### **3.1.4.3 Key Constraints**

Some major national constraints related to the Conventions objectives in the areas of coastal & marine resources:

*Legislation:* Most of Fiji's legislation and penalties are a relic of the Colonial era and are not effective in a modern conservation management context. There are legislative and institutional shortcomings for establishment of marine protected areas. There are no formally designated Marine Protected Area (MPA) although there are several local initiatives resulting in the protection for certain sites. Now Fiji is setting up community MPAs with the initiative of NGOs, local institution and some government departments such as the Fisheries Department.

*Finance:* Due to inadequate national funding, the NGOs with international connections and institutions are leading the way in the implementation of the conventions objectives in the areas of coastal and marine resources. MPAs are now well established in some communities in Fiji due to initiative of NGOs and institutions like the University of the South Pacific (USP).

*Destructive fishing practices:* Practises such as the use of poison from substance containing chemicals or chemical compounds or plant extracts are prohibited under Fisheries regulation. However, this is difficult to police. Fisheries regulations also limits size of marine resource to be harvested.

### **3.1.5 Freshwater Resources**

#### **3.1.5.1 National, Sub-regional and Regional Projects and Programs**

Freshwater resources are still to be protected under a single legislation. Cabinet in 2001 agreed to the development of a comprehensive National Water Policy and a working group has been set up to develop this policy with stakeholders.

Following on from this will be the development of a National Water Management Strategy and this will be a precursor to a National Water Legislation.

A draft National Water Legislation was formulated in 1975 (Professor Sandford D Clark – Water & Land Resources Management Legislation for Fiji Initial Report (1975) ; Sandford D. Clark – Discussion Paper on Draft Water Legislation – UNDP/FAO, March 1987.) but this legislation went into abeyance as Parliament was dissolved before it was adopted. Successive Governments then have failed to pick the issue up until 2001 when the Ministry of Lands and Mineral Resources took the issue to Cabinet for a decision on water issues. Hence the setting up of the Water Strategy Working Group referred to above.

The administration and conservation of Freshwater Resources is handled by a variety of Government Departments to date. This include the

- Public Works Department who look after freshwater for public water supply
- Mineral Resources Department who investigate and develop groundwater resources for consumption.
- The Land and Water Resources Management Division of the Ministry of Agriculture who administer watershed management issues and agricultural freshwater.
- The Ministry of Forest who declare water catchment areas to be no-logging areas under the Forests legislation

### **Watershed Management and Flood Control Program**

In August, 1996 the Japanese International Cooperation Agency (JICA) began a two year study on the watershed management and flood control for the four major river system namely; the Rewa, Ba, Nadi and the Sigatoka rivers. The study was carried out in order to formulate the basis of a Master Plan for the Watershed Management and Flood Control for all the major river system in Fiji. The study ended in October, 1998 with a coherent Watershed Master Plan for the country.

The Land Use Section of the Department of Land Resources Planning and Development while it carries out the awareness and training on the aspects of soil conservation and good land use practices on watershed, the Forestry Department of the Ministry of Fisheries and Forests advocates sustainable forestry management and the Division of Land and Water Resources Management of the Ministry of Agriculture, Sugar and Land Resettlement carries out dredging as an on going program in Fiji's main river systems.

### **Integrated Water Resource Management**

The concept of IWRM is not a new idea for Fiji, but is a difficult one to implement given the multitude of agencies that deal with water, the lack of overarching legislation dealing with water. There is very little if any coordination in terms of implemented projects with the national emphasis being on infrastructure

development and enabling the availability of water for all (for potable water that is).

Cabinet on a number of decisions over the period 1999 – 2001 recognised the need for overall legislation and a strategy and the development of this has received some measure of assistance from UNESCAP (development of IWRM, National Water Policy). An interim committee has been formed but requires some expert skills in the area. It is intended that a draft policy document be prepared by end 2003 for adoption in 2004. Discussions have been held with ADB who have significant inputs into infrastructure development but being a profit oriented company, one guesses that funding governance issues is the last thing on their minds (at the moment anyway). Support has been requested from SOPAC.

The issues of SIDS and their need to develop comprehensive water and Wastewater management strategies has been endorsed by regional ministers of the Pacific in preparation for the 3<sup>rd</sup> World Water Forum in Kyoto and tabled there in March 2003.

Other initiatives on water resource management are: Strategic Planning and Management of Water Resources - SOPAC/ESCAP (sub-regional); Pacific Freshwater Kit (SOPAC); World Water Day campaigns; Pacific Type II initiatives on sustainable water management (as part of WSSD); Sound technologies for Integrated management of Liquid and hazardous waste for SIDS in the Pacific Region (UNEP/SOPAC); Pacific Regional Action Plan on Sustainable Water Management (ADB/SOPAC/Pacific Water Association).

### **3.1.5.2. Key Constraints**

#### **Lack of legislation**

The main problem encountered in the management of Freshwater resources has been the lack of an overall legislation to govern this very important resource. In addition to this the multi-agency approach to piece-meal management of various sectors of the resource leaves a lot to be desired especially when various agencies pull their own weight. At present there is very little ownership of freshwater resources by any single Government Department.

The main challenge for Fiji is to develop a comprehensive water legislation that will ensure that the resource is owned by a single Government agency that will ensure its sustainable development. The main challenge in this development is to get existing water stakeholders to surrender some of their powers to enable the successful management of the resource.

Fiji is on the way to addressing these challenges through the working group. A strong political will is needed to ensure that current water stakeholders give up some of their interest to ensure that freshwater resources can be managed sustainably.

Government is now formulating a National Water Policy as a means of managing freshwater resources. The Watershed Management Proposal could not be fully implemented due to funding constraints.

## **Inappropriate Land Use in the Watersheds**

Erosion resulting from inappropriate land use and land management practices in the watersheds has led to progressive siltation of rivers resulting in deterioration of drainage on floodplains, frequent inundation and formation of shallow bars across the river mouths. Dredging of rivers has become a very costly necessity.

Land Degradation in the watershed causes peak flows in the rivers during high intensity storms. This results in downstream sedimentation and flooding with serious implication for settlements, domestic water supplies, infrastructure ( roads, bridges) and crops. There is a general lack of attention by loggers to erosion, stream flows and ecological considerations, similarly to legally established reserve forest areas.

The consequences of land degradation and inappropriate land use practices have the potential to impact negatively on the tourist industry. Sectors of the industry express concern about dirty rivers, frequency of flooding, water rationing and poor quality water, unsightly landscape., pollution and visible waste. Environmentalists point to the vulnerability of the coral reefs to excessive sediments brought into the lagoons by the flooded rivers from eroding watersheds.

### **3.1.6. Land Resources**

#### **3.1.6.1. Relevant National, Sub-regional and Regional Projects and Programs**

##### **A. Agricultural Resources**

#### **United Nation Convention to Combat Desertification**

Between 1997 and 1998, Fiji experienced the worst El Nino drought since 1942. Therefore to be able to access appropriate technical and financial assistance from developed countries as stipulated under Article 6 of the Convention, first of all Fiji had to ratify the Convention .

In August,1998, Fiji ratified the UNCCD and the Ministry of Agriculture Fisheries and Forest ( MAFF) was identified as the National Focal Point ( NFP) of the Convention.

After the September, 2001 General Election, MAFF was divided into two Ministries namely; the Ministry of Agriculture, Sugar and Land Resettlement( MASLR) and the Ministry of Fisheries and Forest (MFF) and the NFP remains with MASLR. The Ministry of Agriculture, Sugar and Land Resettlement created a new Department of Land Resources Planning and Development (DLRPD) and the government also formulated a Land Resources Development and Management Sector in National Development Strategies. The DLRPD is the UNCCD National Secretariat.

Fiji, after ratifying the UNCCD had submitted two UNCCD National Implementation Reports to the UNCCD Secretariat in April, 2000 and May, 2002. Under the Convention, Fiji has to produce a National Action Program (NAP) for the Implementation of the UNCCD. Fiji has yet to formulate its National Action Program. But several multinational, bilateral and nationally funded scientific and technical projects or initiatives which would create synergies when the NAP is formulated and implemented to combat desertification, in this case land degradation and drought mitigation. The activities and initiatives are as follows;

(a) Watershed Management and Flood Control Program  
[Refer to Freshwater resources for explanation]

(b) Mangrove Management Program :  
In 1985, a Mangrove Management Plan for Fiji was formulated. It contains a characterisation, policies and maps of the mangrove location, types and use zones for the main islands of Viti Levu, Vanua Levu, Ovalau, Gau and Kadavu. This document is still being used for decision making purposes on foreshore reclamation of mangrove areas by the Department of Land and Surveys.

An on going mangrove management program is in place to monitor the use and extent of mangrove areas.

(c) Soil Surveys and Soil Correlation Program

The program was carried out from 1981 to 2001. The New Zealand Overseas Development Assistance supported the National Soils Surveys which was completed by 1985 and the soils were classified according to the International Soil Taxonomy based on the USDA system which is currently being used as the international standards as the primary system with soil series. These have also been correlated with Fiji National Soil Classification System which is locally known as Twyford and Wright (1965).

After the soil surveys, the soil mapping exercise for Viti Levu, Vanua Levu, Taveuni, and several islands in the Lau Group were carried out and completed at the scale of 1: 50,000 beginning from 1986 to 2001. This information will be the basis for agro-technology transfer of research and scientific data, based on soil types regionally, sub-regionally or nationally, identification of soil types or series and its chemical components for fertiliser recommendation purposes, the land use capability classification and crop suitability assessment for the nation, where the matching of land use/ crop types and land capability is very important if productivity and sustainable land management goals are to be met.

(d) Soil and Crop Evaluation Project.

The Soil and Crop Evaluation Project was a five year project that had been jointly funded by Fiji, New Zealand and Australia. It began in June, 1993 with an overall objective to contribute to self sufficiency in Fiji of food crops, and an increase in export earnings by definition and demonstration of crop nutrient requirements on the soil suitable for sustainable cropping systems in Fiji.

To achieve its overall objectives the project had five sub-objectives, which are as follows;

- (i) To strengthen the capability of the Research Division to undertake appropriate farmer oriented research;
- (ii) To provide skills necessary for the Research Division and Extension Division of MAFF personnel to be better able to carry out their work;
- (iii) To undertake scientifically rigorous, high quality agronomic research which responds to the need of the farmer;
- (iv) To transfer appropriate technology from the research to the farmer by the most appropriate means;
- (v) To assist in the development of the MAFF Geographical Information Systems; and
- (vi) To direct and report on the Project to assure the achievement of the project goals.

The project ended in June, 1998 with varying degrees of success on its five sub-objectives and its overall objective.

(e) Geographical Information Systems Program

In 1994 with the assistance of the AUSAID of Australia, the NZODA of New Zealand and the Fiji Government through the Soil and Crop Evaluation Project, established the MAFF Geographical Information Systems and it was housed under the Land Use Planning Section of the Research Division and now of the Department of Land Resources Planning and Development. To date the Land Use Section have digitised and have stored the database of Taveuni Island and the two main island of Viti Levu and Vanua Levu and several small islands in the Lau Group.

The Land Use Section has also imported information such as the cadastral mapping systems, roads, river systems, native land mapping systems, forest inventory, geological information and other information from data custodians such as the Native Land Trust Board, Forestry Department. Fiji Land Information Systems and others. The stored database is retrieved, manipulated and analysed for different outputs according to the needs of the clients, to make informed quality decision for the sustainable uses of their resources.

(f) Proposed National Rural Land Use Policy and Plan Project

Fiji does not have a rural land use policy or a national land use plan. This is a major constraint to wise allocation and management of resources in the rural sector and is of critical importance as it covers all land based resources such as forest, agriculture, minerals, rivers and streams. The current administrative and institutional framework responsible for the resources allocation and management is highly sectoralised.

In November, 1998 a review of the rural land use in Fiji began with the assistance of the South Pacific Community/ Pacific German (GTZ) Forestry/Agroforestry Program. This resulted in the formulation of a coherent set of National Rural Land Use Policies which had been documented and yet to be endorsed by government. The National Rural Land Use Policy are as follows:

- (i) Increased public awareness that; the land resources, including soil, water and flora are interdependent and must be managed in an integrated way, and individual users and community have responsibility for preventing and mitigating land degradation;
- (ii) Increased public recognition of the values of trees and forests;
- (iii) A regulatory framework for the protection and sustainable development and management of rural land resources that recognises;
  - Sound land husbandry practices to maintain and improve soil qualities,
  - Planning process address causes of land degradation as well as symptoms,
  - Indigenous forests will be protected and managed for their biodiversity and conservation values,
  - Plantation forests both hardwoods and pine, will be considered in terms of sustaining site quality; and
  - Protection of the environmental and management of natural resources is carried out in an appropriate and ecologically sustainable manner;
- (iv) Appropriate mechanisms to protect farmlands and forests from fires, pest and pathogens;

- (v) Research, training and education to improve land assessment an evaluation, land husbandry practices, farm and forest productivity and values and land use planning;
- (vi) Institutional reform to support and enhance capabilities in all rural sector activities;
- (vii) Protection of water and soil values;
- (viii) Good governance strategies to expand and diversify sustainable economic activity, increase employment, add value to earnings and promote social development goals; and
- (ix) An effective Fiji involvement with and contribution to global issues and laws related to the environment, rural development, sustainable land management etc...

The Rural Land Use Policy document will be used as the guide for the formulation of the National Rural Land Use Plan or National Land Use Plan.

- (g) Participatory District / Tikina Based Land Use Plannning Program.

In late 1999 the Land Use Section of the Research Division and later on DLRPD took the initiative to establish a participatory land use planning approach as a pilot project in the Bemana District in the province of Nadroga, in collaboration with the Extension Division of MASLR, Native Land Trust Board, Ministry of Fijian Affairs, Ministry of Fisheries and Forests, civil societies such as the WWF and the Partners in Community Development (Fiji), formerly Foundation for the Peoples of the South Pacific Fiji, resources owners and other stakeholders

This would be the basis of future integrated or holistic approach to land resources planning, development and management programs. It emphasis the importance of a bottom up approach to land use planning and one of its main objective is to establish local land care groups, to empower communities to efficiently and effectively develop and manage their resources and create land stewardship amongst the resources owners and users.

- (h) Integrated Agriculture Development Program:

In early 2001 the integrated agriculture development program was endorsed by MASLR and carried out as a pilot project with assistance from Regional Development, Cooperative Dept, Health Dept., Native Land Trust Board, Fijian Affairs Board, Environment

Dept. and other stakeholders focusing on bottom up or participatory approach to land development and management.

A pilot project was carried out in the District/Tikina of Toga in the Province of Rewa, Central Division. The program was initiated by the MASLR and fully supported by the Commissioner Central who is the head of administration in the Division, thus the formation of the Central Division Integrated Development Team (CDIDT).

The members of the CDIDT are from the various government and non- government agencies in the Division, who shared the view that agricultural development needs to be planned, implemented and monitored in an integrated or multi-sectoral way. This is to ensure a more balanced approach to development as well as optimal using of available resources through the mobilising of both human and financial resources to be able to accomplish community development projects within the Division.

(i) Soil Loss Research and Development of Sustainable Land Management Technologies Project:

The International Board for Soil Research and Management (IBSRAM)/ Pacificland Network Program was established in 1991 to assist in the soil loss research as well as to develop and disseminate appropriate technologies for their sloping agricultural lands. The program was initially funded by the Asian Development Bank and in the later years by AUSAID. It ended in December, 1999, but continued with internal funding from the Fiji government.

The program is a joint effort between the Department of Land Resources Planning and Development, Extension and Research Division of MASLR, resources owners and users. The technologies identified were being assessed against the farmer's current practice, it includes vetiver grass strips, pineapple hedgerows and other crops such as kava or leguminous tree species, that were selected collaboratively by the researchers and farmers. For example soil loss rate on a ginger plot where no conservation is practiced yielded more than 50 tons per hectare per year compared to the soil loss index in the tropics of 13.5 ton per hectare per year. But in the ginger plot where the low cost sustainable land management technologies such as vetiver grass as hedge rows were practiced it yielded less than one(1) ton per hectare per year of soil loss.

(k) Pacific Regional Agriculture Program:

In 1993 the PRAP/ European Union Project 1- for Farming System in low lands assisted the Land Use Section of Research Division and now of DLRPD with the agroforestry research by using

*Erythrina subumbrans* as a fertility improvement species in collaboration with the SPC/GTZ Regional Forestry and Agroforestry Program. The research was carried out on acidic upland soils. The program also collated information on traditional agroforestry practices in Fiji.

One of the important contributions of the PRAP Project was the capacity building aspect of mainstreaming Participatory Rural Appraisal (PRA) into the agricultural program. PRA is a practical approach to creating a context where local people or communities can identify, discuss and solve their own problems. The involvement of communities or land users or resources owners from the planning to the implementation of the projects is very important if the projects are to be sustainable. Therefore the people's participation is crucial and this empowers them to make good informed decision on the balancing of resources development and conservation.

(l) Awareness and Training on Sustainable Land Management Program.

The Land Use Section of DLRPD, the Research and Extension Division of MAFF/MASLR, other Ministries, NGOs and civil society such as the Partners in Community Development (Fiji), formerly Foundation for the Peoples of the South Pacific Fiji, WWF and others have jointly carried out awareness and training on land degradation, disseminating information on sustainable development and transferring of low cost sustainable land management technologies for sloping land farmers as well as for the school children and other stakeholders. The long-term vision is to set up land husbandry/care groups in various communities in Fiji to empower communities to oversee the sustainable development and management of their natural resources.

(m) Transfer of Sustainable Land Management Technologies (SLMT) Program:

In 1997 when the Commodity Development Framework program was implemented, the result of the IBSRAM/ Pacificland and Agroforestry on farm research program were transferred to farmers field throughout the Central, Eastern, Western and Northern Division of Fiji. Recognizing the effectiveness of vetiver grass, pineapple with the inclusion of leguminous and nitrogen-fixing tree species such as calliandra, erythrina and gliricidia on contours to act as living barriers, nutrient pumps as well as hedgerows.

This program is similar to the Sloping Agriculture Land Technology (SALT) Program implemented in the Asian countries.

Altogether 300 farmers have adopted the low cost sustainable land management technologies all over Fiji and more have been waiting for technical assistance.

The program need the support of donor partners to assist in the dissemination and implementation of the SLMT program to reduce or minimise land degradation.

(n) Drought Mitigation Project

In 1998, Fiji experienced the worst drought since rainfall records began in 1942, it recorded low rainfall than usual in October to April wet season. Damages to agricultural crops was estimated at US\$10 million. Food and Agriculture Organisation assisted with planting material and inputs while the Government of Finland supported the drought mitigation and preparedness training and awareness program. The government of Fiji assisted the sugar cane farmers by providing US\$ 21 Million for crop rehabilitation program.

(o) Land Use Options in the Fiji Sugar Industry Project:

In light of the ongoing international trade reforms, Fiji faces major challenges as it addresses its obligation under the World Trade Organisation. The challenges are particularly acute in the face of current reforms in the European Union and USA agricultural sector and the expected loss of the preferential access for the Fiji sugar to these markets.

The AUSAID through the Australian Center for International Agricultural Research (ACIAR) funded a project beginning in January, 1999, with an overall goal to assist Fiji Government, the Fiji Sugar Industry and most importantly the small holder sugar cane farmers to better adjust to expected reduction and eventually loss in the preferential access to EU and USA markets. It also needs to prepare itself to compete with other sugar exporting countries in the world market.

Therefore the assessment of land currently under cane should be carried out to identify land most suitable for sustainable cane production and land unsuitable for cane but suitable for other land uses such as for crop diversification on crops such as pineapple, mangoes, paw paw, pigeon peas, floriculture, livestock grazing, forestry and other uses. In other words, using the land according to its capability for sustainable production.

This is also a strategy to encourage the Fiji Sugar Industry to improve its economic, social and environmental performance through voluntary initiatives, taking into account initiatives such as that is set by the International Organisation for the Standardisation (ISO) standards.

The program was shelved during the political impasse of May, 2000 but the program has resumed with low intensity.

(p) Farming Assistance Scheme and Land Resettlement Program:

The Department of Land Resources Planning and Development was established in August, 2000 to continue to advance the role of the Land Resettlement and Development Unit (LDRU), (a project which was created by the Government with an aim to resettle Agriculture Landlord and Tenants Act leaseholder, whose leases have expired and will not be renewed).

The Department also extended its terms of reference to also include the following;

- (i) the review, amendment and resolving the issues regarding the terms and conditions of the Agriculture Landlord and Tenants Act and the Native Land Trust Act legislation
- (ii) the coordination of sustainable land development and management of Fiji's land resources and the amendment of the Land Conservation and Improvement Act
- (iii) the Farming Assistance Program which was approved by the Fiji Government Cabinet in November, 2000. It is aimed at assisting the incoming landowner farmer and outgoing tenants of expired ALTA leases.

A total of 13,140 leases will expire between 1997 and 2028. The effect of the expiring of leases and non-renewal of it will affect thousands of people. There will be a mass exodus of people from the rural to urban areas, if the government does not find a solution to this effect. This will have a drastic effect on the already problematic infrastructure in Fiji's towns and cities and the creation of more new squatter settlements.

The government through the Ministry of Agriculture, Sugar and Land Resettlement have developed a Farming Assistance Scheme (FAS) and Resettlement Program to cater for the ex-ALTA leaseholders needs. The assistance is given in the form of grants of up to F\$10,000.00(US\$5,000.00). The FAS has five different forms of assistance which are as follows;

- Rural Residential Lease, where the government pays for the lease premium of not more than F\$10,000.00(US\$5,000.00) for the residential sites where the farmer had built his house, in the property he or she had leased for the past 30 years or so before the lease expires;

- Lease Renewal, where the farmer or ALTA tenant have been given an extension to his or her lease holding for another thirty years, the government pays for the premium of the lease of up to F\$10,000.00(US\$5,000.00);
- Replacement farmer, where the government gives assistance to the Fijian landowner farmer to develop the reverted property for sugar cane or for other crops;
- Resettled farmer, where the government gives assistance to ex-ALTA tenant farmer by providing alternative land through its resettlement program. The government has purchased freehold land and had developed infrastructure (roads, electricity and water supply) as well as subdividing the land for each tenant. The land is transferred the State.

To date the Department of Land Resources Planning and Development had bought six freehold properties and have a development lease for a Native Land. The blocks have been subdivided with a total of 278 blocks of land with an average size of 7.5 hectares for the cultivation of assorted crops.

Purchase of land, where an ex ALTA tenant wants to purchase a piece of freehold land or another lease, therefore the government through the FAS will assist him or her with a maximum contribution of F\$10,000.00(US \$5,000.00).

This program will continue until an amicable solution is derived, through the negotiation between the government and the main political parties in the country, to resolve the terms and conditions of the Agriculture Landlord and Tenants Act and the Native Land Trust Act which the government and interested parties hopes to resolve before the end of year 2003.

(q) Land Capability Classification Program:

In 1977 the Fiji Ministry of Agriculture Fisheries and Forest adopted a Land Use Capability Classification Guideline, which was adopted from the New Zealand version of the USDA Land Use Capability Guideline. Land use capability classification surveys are carried out by the Land Use Section, DLRPD for feasibility studies on land resources, to assess the capability of that land to sustain production for different uses.

Land use capability is a systematic arrangement of the different kinds of lands according to those properties that determine its capacity for permanent sustained production. The word "capability" is used in the sense of " suitability for productive use" after taking into account the physical limitations the land may have.

This capacity depends largely on the physical qualities of the soil and the environment, these are frequently far from ideal, and the difference between the ideal and the actual is regarded as limitations imposed by these soil qualities and the environment. These limitations affect the productivity of the land, the number and complexity of corrective practices needed and the type and intensity of the land use. The degree of limitations can be assessed from:

- (i) susceptibility to erosion,
  - (ii) steepness of slope,
  - (iii) liability to flooding, wetness, or drought,
  - (iv) salinity,
  - (v) depth of soil,
  - (vi) soil texture, structure and fertility,
  - (vii) stoniness, and
  - (viii) climate.
- (r) Development of integrated farming approaches for sustainable crop production in environmentally- constrained systems in the Pacific region (CROPPRO Project).

In November, 2001 the European Community CROPPRO three years funded project was launched in Suva, Fiji, with an overall objective to develop an integrated farming approaches for sustainable crop production in environmentally constrained systems in the South Pacific region, aiming at increasing crop productivity and decreasing land degradation. To address the project objective, seven sub-objectives have been identified as follows;

- (i) selection of representative agriculture watersheds and subsequent land inventory,
- (ii) execution of a farming system analysis to investigate current farming practices for major crop types,
- (iii) monitoring of water, soil, nutrient and pesticide flows within the watersheds,
- (iv) simulation of water, sediment and solute flows using a catchment-based, soil erosion and hydrological model, and identification of high loss (low sustainability) areas in the watersheds,
- (v) definition, testing and evaluation of prospective farming practices for these areas,
- (vi) preparation of guidelines with integrated farming approaches for major soil units, and
- (vii) establishment of close links between researchers and end users through the use of a participatory and culture sensitive training strategy for the various community groups living and/or working in the project areas

The research program is being carried out in three Pacific Island Countries namely Samoa, Tonga and Fiji. The Fiji component is being managed by the Department of Land Resources Planning and Development in collaboration with Eco-consultant (Fiji), MAF (Tonga), University of the South Pacific, Alafua Campus, Samoa and METI, Samoa, Alterra Green World Research Institute, the Netherlands, Hort-Research (NZ) and University of Louvain-Belgium.

## **B. Forestry Resources**

### **(a) Sustainable Forestry Management (SF M) and Agroforestry Program:**

The Fiji/German Project supported sustainable forestry management and agroforestry in Fiji under the German bilateral program from 1987- 1994 and continued on by the SPC/GTZ Forestry and Agroforestry. The program supported the research in Nakavu, Namosi and a pilot project on sustainable forestry management in Drawa, Wailevu, Cakaudrove. Forestry inventories are carried out and allowable timber volumes are selected and logged.

The project also focuses on the agroforestry practice with alley cropping and moved to regional multi-lateral program in 1995. The Agroforestry project was established within the MAFFA's Extension Division and then transferred to the Land Use Section of the Research Division and now of Department of Land Resources Planning and Development (DLRPD) in February, 1997 to assist clients to adopt the advocated agroforestry practices.

Regional organizations such as the German Technical Corporation (GTZ) and the Pacific Regional Agriculture Program (PRAP) assisted DLRPD on agroforestry research. The research on *Erythrina subumbrans* (*Drala*) and *calliandra* leguminous tree variety as a soil fertility improvement species was tested out on acid soils of the uplands of Fiji. Other research activities includes the surveys of traditional agroforestry practices in Fiji, of which information was gathered and documented to assist the DLRPD provide a range of technologies that could be adapted to meet the conservation and economic needs of the people.

The focus of the SPC/ GTZ Regional Program is Sustainable Forestry Management and Sustainable Land Management and it had assisted Fiji in the formulation of its National Rural Land Use Policy which will be used as a guide for the formulation and

implementation of a National Land Use Plan for the sustainable development and management of Fiji's land and water resources.

(b) Integration of Sustainable Land Management (SLM) and Sustainable Forestry Management (SFM) Program

In early 2000 The SPC/GTZ Regional Project for Forestry and Agroforestry in collaboration with the Department of Land Resources Planning and Development (MASLR) and the Forestry Department of Ministry of Fisheries and Forests (MFF) have integrated the sustainable land management (SLM) and the sustainable forestry management (SFM) technologies as a pilot project, in collaboration with the Extension Division of MASLR, Cooperative Department, Fijian Affairs Board (FAB), Native Land Trust Board (NLTB), Fiji Forest Industry (FFI), land owners and other stakeholders, by using Drawa Block, an area that consists of five (5) villages and covers more than 8,500 hectares of virgin forest in Vanua Levu (second largest island in Fiji).

The project has assisted in the formation of a Landowners Committee and a SFM/SLM Working Committee. The members comprises of senior members from; NLTB, FAB, MASLR, Forestry Dept., Cooperative Dept. FFI including the Chairman of the Landowners Committee. The Landowners Committee have began with the advocacy for the formation of Land Care groups within the project area.

The synergies derived from combining the sustainable land management and sustainable forestry management initiatives augers very well with the idea of integrating the UNCCD, UNCBD and the UNFCCC principles.

### **C. Mineral Resources**

(a). Mineral Resources Development

In mineral resources development the Fiji Government has taken the following initiatives.

- i. An Australian aid project to strengthen Institutional Capacity with the Mineral Resources Department was started in 1998 but was abandoned after the 2000 Coup when Australia withdrew all aid to the sector.
- ii. A compensation policy for the mineral sector is being developed and which Government hopes to implement by 2004
- iii. Fiji's mineral policy, which included a section on Sustainable Development) was adopted by Government in 1997
- iv. The Department has in place an internal environmental management policy to government mineral resource development in a climate where there is a specific lack of legislation on

- environmental protection. This is also written into Fiji's Mineral Policy (1997).
- v. In 1995 the Mineral Resources Department published a comprehensive report on the mineral resources in Fiji titled "Metallic Mineral Deposits of Fiji" (Colley H. And Flint D. J. (1995)).

### 3.1.6.2 Key Constraints for Sustainable Management of Land Resources

(a) Demographic Changes:

Increases in Fiji's population over recent decades have placed pressure on the land, particularly marginal land, and this has resulted in significant land degradation and soil erosion. For example the population of Fiji in December, 1996 was 772,655 and between 1956 and 1996 the population increased by 427,655(124%) and consequently the land used for agriculture increased from 178,259 hectares to 393,272 hectares, which clearly indicates that more people had turned to the land for their livelihood.

The amount of unused land suitable for development is quite small and land use competition is increasingly intense. The uneven distribution of arable land has resulted in some localised demographic imbalances. The environmental effects of uncontrolled urbanisation combined with land degradation are seriously impacting on the quality of living and the sustainable income-generating capacity of Fiji's natural resources.

Land availability and quality, land tenure, labour mobilisation, depopulation in some outer islands and sugar cane areas and, in the Fijian village context, a changing balance between subsistence and commercial agriculture are all factors contributing to fewer people being supported directly in primary production.

(b) Pressure on Production Base

The effect of competition and pressure on the land, has seen that subsistence and commercial farming are increasingly being located on steeper slopes because of the encroachment of first class arable for other commercial use such as for industrial, housing and other highly economic use.

Soil loss measurements clearly demonstrate that the agricultural productive base in many sugar cane areas, and with ginger on slopes, is eroding at a rate that is higher than would be regarded as economically acceptable. For example on an on farm soil loss research site on slopes exceeding 20 degrees, with ginger crop growing up and down the slope, with soil loss yielding, fifty (50) tonnes per hectare per year compared to the acceptable soil loss in the tropics of 13.5 tonnes per hectare per year.

(c) Use of Appropriate Technologies

Pressure on land indicates an urgency to increase substantial production per unit area. However, there is poor understanding throughout the agriculture sector about the closer matching between land use/ crop type and land capability, if productivity goals are to be met. There is also a low farmer participation in technology generation.

In the 1960's up to 140,000 hectares of Fiji's forests were converted to non- forest land use with loss of forest cover leading to serious soil degradation. This was particularly so where logged areas had no subsequent management. Here the incidence of mass movement and soil erosion is high. In many cases, forest logging practices have caused avoidable environmental damage ( National Code of Logging Practice has been adopted but its enforcement is often inadequate)

The unplanned alignment of mining and logging roads has both the onsite and off site effects on the environment with siltation of creeks and runoff surges during storm events. Due also to the predominantly poor adoption and application of land husbandry practices and the resultant degradation of land and water resources, the impacts from natural disasters are becoming increasingly more acute, in particular, vulnerability to droughts and flooding.

(d) Weak Institutional Infrastructure

There is serious under-resourcing by Government for the line ministries that have responsibility for agriculture, forestry and land use in general. The public sector commonly lacks effective funding, resources and trained technical staff to undertake environmental planning, management and enforcement.

Expertise in the areas of agricultural extension, soil conservation, land use planning and environmental planning, management and enforcement is below critical mass in the responsible line ministries. The resources devoted to soil conservation are inadequate for the implementation of significant measures, either in terms of providing information or incentives, and there is a reluctance by NLTB to exercise its legal rights with respect to bad land husbandry practices.

There is a poor awareness of the interdependence of conservation and development. There are widely held views in some influential ministries that conservation and environmental management are obstacles to development or, at best, irrelevant to it.

Sustainable land resources development and management is currently ineffective because there is no strong executive authority

in a coordinating role, nor is there close integration between government departments and other stakeholders, and there is an absence of any strong political will.

(e) Lack of appropriate physical infrastructure

Many rural areas have poor roading, utilities, transport (to market) and social services- all disincentives to follow anything other than a subsistence lifestyles.

(f) Inappropriate Land Use In the Coastal Margins

Large scale reclamation of mangroves for rice production in particular has proven to be economically not viable with significant net financial losses. This national loss is in addition to the loss of benefits for subsistence villagers from mangrove removal.

Removal of mangrove also leads to loss of bio-diversity especially in a highly diverse rich ecological area.

(g) Information

There is very poor understanding in the rural sector about the various legislation that pertains to land, land use practice and soil conservation. This situation results in part from the fact that the majority of government and corporate field officers responsible are themselves not conversant with various legislations.

Very little public awareness programs had been carried out to inform stakeholders about land husbandry provisions stated in these laws and also written into rural land leases.

The level and standard of technology transfer from officials to farmers is inadequate on matter of land use diversification and intensification, farming systems and development needs, new systems, costs of inputs and gross margins, post harvest support and marketing.

(h) Land Tenure

Over the period between 1997 to 2028 approximately 13,400 leases issued under Agriculture Landlords Tenants Act, 1976, will expire. While many leases will be renewed there will still be a number of farmers to be resettled. Noting the shortage of good land in suitable locations, the question arise as to where these displaced farmers will be settled and whether farmers will move to the areas identified.

A number of landowners are concerned at the provisions in ALTA for the minimum lease period of 30 years, which effectively removes for more than one generation any say in the use of their

land. Most tenants consider ALTA has served them well with 30 years lease s.

A number of landowners are concerned that the lease rental is based on the unimproved capital value of the land and not commercial value. A lease rent based on the market value would be more remunerative to the landowners.

(i) Poverty

Poverty can be seen in all communities. The impact of poverty is offset by the relatively high level of subsistence and food security, but 25 per cent of the population are living below the poverty line and this proportion has probably increased as a result of the impact on land use from the recent droughts and subsequent floods.

Clearly, rural incomes have been reduced (both for farmers and those on wages) and greater rural unemployment exists as a result of these climatic events. Rural poverty is greatest among those farming degraded and or marginal land for agriculture and among those without access to the land. The significant increase in rural to urban migration has reduced the food security buffer and traditional (rural) family support mechanisms.

(j) Poor Local Control, Responsibility and Incentive because of Central Government

Currently there is an over-centralisation in planning and current legislation does not allow for the segregation of national, divisional and local issues. Therefore desirable outcomes from national, divisional and local land use and rural sector development objectives cannot be realised without the; bottom up or participatory approach, change in current national centralisation of control, introduction of legislation that segregates national, divisional and local issues, integration of land capability and community needs with the absence of law and processes for the co-ordination of watershed management, land zoning, land use planning and sustainable natural resources management.

A major Imitation to sustainable rural development in Fiji is the lack of a National Land Use Plan and an institutional responsibility for land use planning to facilitate the national plan. Land resources are limited and finite. If demographic trends continue, there is an increasingly urgent need to match land systems, soil types and land uses in the most national way possible, to maximise sustainable production and meet the needs of society. Land use planning is fundamental to this process.

(k) Mining

The 2000 coup caused a lot of setback in the sustainable development of the mineral resources sector in Fiji. Australia withdrew its aid and a lot of professional staff left Fiji for other countries. All policy work was put on hold and was delayed. The departure of skilled staff further aggravated the problems.

The challenge for Fiji is to show that this is a sector where the income streams generated for Fiji can help alleviate poverty and ensure sustainable development in the country. Fiji has a large number of underexplored mineral deposits which all have the potential of being utilised economically.

The Fiji Government will internally fund the completion of a new mining legislation that was abandoned as Australia withdrew its aid following the coup of 2000. In addition to this new staff are being trained to replace those that departed following the 2000 coups. Some experts with relevant Fiji experiences are being brought in to fulfill certain specific tasks to ensure sustainable development in the sector. This has included a review of the Government's affirmative action policies and the updating of skills within Government on explosives handling and management.

### **3.1.7. Energy Resources**

#### **3.1.7.1. National, sub-regional and regional projects related to development and provision of sustainable energy resources and systems**

The Government in the last year has amongst other energy based concessions, approved the removal of duty on imported renewable energy equipment. It is expected that private owned renewable energy based companies will expand on the opportunities in implementing renewable energy based projects that will provide energy services renewable energy directly to the people and/or work with the Department of Energy in facilitating the access of energy services to mostly rural populace as part of the Department's rural electrification program through renewables.

At the end of 2002, electricity accounted for 3.7 percent of GDP. The census of 1996 revealed that 87% of the total number of urban households had access to electricity supply as compared to 75% in 1986. In terms of rural access 49% of the total number of rural households had access to electricity supply in 1996, compared to 31% in 1986.

Fiji has a major hydroelectric scheme (Monasavu) that serves the bulk of the population on the main island of Viti Levu. Bagasse, a by-product of sugarcane, is used for power generation in sugar manufacturing, and wood wastes are used in saw milling. Firewood remains the leading fuel for domestic cooking in rural areas. Thus, 73% of the energy supply is from domestic sources (2002) excluding transportation usage.

The Fiji Electricity Authority (FEA), a wholly Government-owned commercial statutory authority, is responsible for the generation, transmission and distribution of electricity in Fiji while the three oil companies Shell, Mobil and British Petroleum undertake the purchase, storage and distribution of petroleum products throughout the country. Government through the Department of Energy (DOE) is responsible for national energy policy and planning, promoting the development of renewable energy resources and renewable energy service companies (RESCOS), energy conservation and the coordination of rural electrification activities through the Rural Electrification Programme.

To minimize Fiji's reliance on petroleum products, Government has continued to focus on the development of renewable energy through the use of wind, solar, hydro, wave, biomass and geothermal resources. A number of assessment programs to explore and exploit these indigenous energy resources have been implemented and have proved to be successful (Hydropower, Solar Lighting, Solar Powered video & TV system, Wood Stoves, Solar Water Pump, Solar Water Heaters, Biogas Plant, Steam Co-generation Plant, Solar Hot Water System and Copra biofuel system). **Tables 1, 2 and 3 in Appendix 2** shows the renewable energy based electrification projects implemented over the last decade. The Government has also removed duty on the importation of renewable energy technologies; this should assist renewable energy companies to promote renewable energy technologies to the people and also attract other companies into the market. Some of the renewable energy resources currently being explored in the country are listed below;

**Hydro:** The Monasavu hydropower plant has the capacity to supply 70% of Fiji's electricity needs, but currently supplies much less and continues to diminish with the adverse weather condition/patterns. Demand for electricity is currently growing at 8% per annum. There are several additional sites at a scale of 5 to over 50MW, which have the potential to be major suppliers of electricity. With a potential resource of 300 MW, hydropower will likely to provide the bulk of increased generating capacity over the next several decades. Chinese and Korean funding has led to the development of several micro hydro sites.

**Biomass:** The biomass resource supplies approximately 64% of the energy consumed in Fiji. Rural households use firewood for domestic cooking. There is also some trade in firewood in urban areas. Coconut residues are also used for copra drying. The bulk of the bagasse (~93%) available at the sugar mills is used to produce the heat and electricity for internal use. In 1999, 3% of the electricity consumed in Fiji was produced using bagasse.

**Geothermal:** There is some evidence of geothermal resources (hot rocks) on the two major islands. Preliminary assessments by DOE indicate that there is potential for steam generation and electricity production at two sites in Labasa and Savusavu respectively.

**Wave:** Assessment for wave energy potential at Kadavu is being undertaken. Preliminary data analysis indicates resource potential of over 50 kW of wave energy can be harnessed. This can further be increased to 1MW depending upon the assessment feasibility studies. Other sites around Fiji are also planned to be assessed.

**Solar:** The solar resource can be estimated correlating solar-radiation-satellite data to ground data obtained with pyranometers. The total installed PV capacity in Fiji is about 80kW.

**Wind:** DOE in 2003 has pursued evaluation of wind resources in three locations. Unfortunately, the resource required for commercial development has not yet been identified. Wind regimes corresponding to annual averages of at least 7 m/s are required to produce electricity at rates that are competitive with those that are available through the national grid. A value of approximately 6 m/s is cost competitive for rural electrification in remote locations.

**Hybrid:** The Nabouwalu pilot hybrid system includes eight 6.7kW wind-turbine generators, 37.4 kW Solar Array system and 2 x 100 kW Diesel Generators. Nabouwalu has a total capacity of 720 kWh/day with renewables (wind and solar) providing 80% and diesel providing 20% of this total. The percentage values of renewables and diesel have varied over the years due to climatic conditions.

Government places emphasis on the importance of conserving energy through its **Energy Conservation Program** that entails energy assessment and implementation programs to identify possible areas of energy and financial savings and further ensures that these savings are realised. During the past decade, the Department has been able to include energy conservation topics in the Fiji schools curriculum, disseminate information on energy conservation via newsletters, stickers and posters, conduct energy audits of several government departments and hospitals. Advice on energy audits have also been provided to the private sector who undertake their own energy conservation programs. (See **Appendix 2 Table 4**).

The Department has also embarked on energy conservation and renewable energy initiatives/projects with the South Pacific Applied Geoscience Commission (SOPAC). These involve appliance labeling of electrical household appliances, earth day competitions for schools, wave and wind energy assessments, energy information and database expertise. Human resources development through training courses and advice/informational exchanges has also assisted both organizations. The Fiji Electricity Authority (FEA) has also been active with the Department in promoting and aggressively pursuing energy conservation programs such as energy for cash rebates and public awareness around Fiji through “customer awareness” campaigns.

The Department with funding from the Global Environmental Facility (GEF) through UNDP, established a new Unit “**Office for the Promotional of Renewable Energy Technology**” (OPRET), that has been active in establishing the framework for the participation of *renewable energy service companies* (RESCO’s) for the electrification of the rural sector. The objective of this project is to minimize barriers to the implementation of renewable energy systems for rural electrification. The GEF-RESCO model has also been accepted by the Cabinet and a Bill for RESCO’s is being developed.

The Department’s **Rural Electrification Unit (REU)** is tasked with the penetration of grid electrification powered by Fiji’s hydro resources into the rural

areas of the nation. In effect, the REU not only facilitates for the provision of electricity services through the FEA, but it also provides stand alone electricity services through implementing renewable energy projects such as, copra biofuel, biogas, solar and wind based systems. Rural populace are in fact given an option to choose the type of renewable energy based electrification system preferred however, the final decision on the type of system to be installed will depend upon the assessment and resources available at the Department and at the site. Funds received from the UNESCAP has enabled the review of the Department's Rural Electrification Policy that was last revised in 1993.

The Department has over the years worked with regional based organizations for the betterment of the energy sector. At the 2002 Regional Energy meeting in Cook Island, Fiji was a party to the endorsement of the Pacific Islands Energy Policy and Plan which was prepared by the Committee of Regional Organizations of the Pacific (CROP) – Energy Working Group.

The Pacific International Centre for High Technology Research (PICHTR), a Hawaii based organization has been active in the promotion and dissemination of renewable energy based technologies, facilitation of funds and human resource development of the Department's efforts in its expansion of rural based renewable energy projects. PICHTR and through its major sponsor, the Ministry of Foreign Affairs – Japan, provided assistance in the purchase and installations of solar home systems for over 250 rural homes to have electricity for the first time in their lives. **See Appendix 2 (Solar Home Systems).**

The Secretariat of the Pacific Community (SPC) has been active in energy projects and assisted the Department in the feasibility study and technical expertise in the development of alternative fuels for electricity generation. SPC with its partnership with the French Embassy and a French based research institution, CIRAD-FRANCE, provided assistance in acquiring biofuel generators and oil production technology for 2 villages to supply electricity to over 200 households.

The continuing need for training and specialists in the technical, management and planning areas of energy, is partly fulfilled by the graduate and postgraduate programmes offered by the USP. To this end, several targeted initiatives such as DANIDA funded capacity building on wind project (jointly between UNEP, SOPAC and USP); UNESCO's assistance towards school curriculum in energy and USP's efforts to host a Centre of Excellence in Rural Energy, are important ongoing activities.

UNESCAP, has conducted a training needs assessment of staff involved in renewable energy systems, yet there has not been any actual training programs developed. UNESCAP has however assisted with the review of the Department's collection, analysis and dissemination of energy data for its **Energy Statistics/Database Program.**

### **3.1.7.2 Key constraints related to the planning, production and distribution of sustainable energy resources and systems.**

**High Capital Costs** Programs conducted by the Department have proven that generating energy from a number of indigenous renewable resources are feasible options for application in Fiji. However, due to the high capital costs associated with renewable energy projects, the main constraints in the implementation phase is the funding of such projects.

Despite the initiatives for promotion of renewable energy undertaken by the Department and the energy sector as a whole, the level of uptake for such technologies have been rather limited because of the high costs. As such, locally the demand for such technologies has been limited to the rich in our society.

Another testimony to this predicament is the number of companies that are available locally that have ventured into the business of selling and servicing renewable energy technologies. Today at most three private companies have been able to put up the much needed capital and more importantly armed with backup services that have enabled them to survive in this industry.

In the past and to date, foreign aid has been the main source of funding for renewable energy projects. As aid assistance for the funding of renewable energy projects is insufficient, the Department is promoting the involvement of the private sector in the implementation of its various projects. The GEF projects aims to address this issue and the Department would assist more now that the duty on renewable energy equipment has been removed.

**Lack of Institutional Framework, Capacity and Capability:** There is no existing sustainable institutional framework in Fiji and which can operate rural electrification on a commercial basis and provide reliable service. The current institutional framework does not provide any incentive even for Government to operate rural electrification systems on a commercial and sustainable basis. Even at local community level, basic skills to manage renewable energy projects are lacking, and when trainings are provided, the commitment to adhere to its principles are weak. In essence, there is lack of local area leadership on guidance.

**Lack of definition regarding tariffs for rural electricity supply:** The current tariff is substantially lower than the full cost of electricity. True costs must be documented long with the tariff and subsidies established by the government.

**Lack of revenue collection technology:** Fee collection can create local disputes. It is usually difficult to collect service fees from villagers or to disconnect customers that do not pay their fees.

**Limited in-country expertise in design, installation, operation, and maintenance of renewable energy systems:** Because Fiji has limited experience with renewable energy there is a lack of in-country design experience as well as familiarity with state-of-art equipment and particularly their installation and maintenance.

Lack of information and awareness of the potential for renewable energy systems: Although the Rural Electrification Policy provides three options for electrification schemes, the villagers are not well informed of the costs and benefits of each scheme. The Department does not have the additional staff required to disseminate information and promote renewable energy.

Renewable energy is not considered a priority sector: While the Government is addressing the expansion of electrification into un-electrified areas, diesel fuel is still being used. Funding for renewable energy projects is a negligible amount when compared to diesel projects.

### **3.1.7.3 Key Responses**

The GEF/UNDP funded on Promoting Sustainability of Renewable Energy Technologies and RESCOs aims to address these issues. The Charter which provides the guidelines for the involvement of Renewable Energy Service Companies (RESCOs) was approved by Cabinet in March 2003. Cabinet also approved the development of a Bill for RESCOs. This will enable private companies to install and maintain rural energy based projects that the DOE previously maintained.

The Department would assist more now that the duty on renewable energy equipment has been removed. Private companies will now have opportunities to invest in renewable energy equipment and services that are in demand.

Some of the institutional workings of renewable based projects would be managed by the RESCO concept. With regards to local community management, strengthening programs for the community and project committees are being addressed through surveys to gauge assistance required of the community from the DOE, and thereon, programs are being devised for further sustainable management of the projects.

#### **What should be the role of the international community?**

The DOE has to follow project proposal formats set out by donors/funding agencies. The process of soliciting funds (from project concept and project approval) quite cumbersome.

Funding available from the international community is not suited to the needs of small island developing states. The international community has a bigger purse handout which the SIDS cannot utilize of due to the lack of capacity and capability. In essence, the international donors require SIDS to qualify to a certain standard of project to acquire a certain level of funding which at times is really beyond the management of the SIDS. The international community needs to be mindful of this and respect the needs of the SIDS instead of imposing conditions of funding.

The international community if it is sincere about its commitment to SIDS and funding projects, it needs to setup a collaborative agency for financing SIDS projects that are suited to the country needs, and in consideration of their unique

socio-economic and geographical status. One model suits all concepts will not work.

### **3.1.8 Tourism Resources**

#### **3.1.8.1 National and Sub-regional Projects**

The Fiji Tourism Development Plan 1998 – 2005 is the overall guiding policy document for the industry, and sets out the path aimed at sustainable tourism development. Current initiatives that advocate sustainable tourism development are:

- (i) National commitment towards Global Code of Ethics for Tourism;
- (ii) Empowering various Tourism Trade Association Code of Ethics;
- (iii) Institutional Strengthening & Capacity Building in Human Resources, and Community Development; and
- (iv) Cost effective target marketing through the Fiji Visitors Bureau and the tourism industry to achieve a sustainable balance on demand and supply.

#### **Strategic Environmental Analysis of the Fiji Tourism Development Plan 1998-2005**

The World Wide Fund for Nature - South Pacific Programme (WWF-SPP) and ADB formed a partnership agreement through a memorandum of understanding with the Ministry of Tourism to carry out a 'Strategic Environmental Assessment (SEA) of Fiji's Tourism Development Plan 1997 to 2005'. This case study was chosen because tourism is the fastest growing industry in Fiji with potentially significant impacts on its natural and social environment. Also, a mid-term review of Fiji's Tourism Development Plan (FTDP) is part of this process of SEA.

#### **Green Globe 21 – Best Practice and Benchmarking Program**

One of the approaches used by the Ministry of Tourism is through the introduction of *Green Globe 21 Best Practice and Benchmarking program*. **Green Globe is the global performance brand for sustainable Travel and Tourism. It is a global Benchmarking, Certification and improvement system for all types of travel and tourism. Green Globe is being supported in Fiji as it focuses on important global environmental issues relevant to tourism, energy efficiency and reduction of green house gas emissions, resource conservation, land use planning, water use, local community and cultural issues, waste water and waste minimisation.** The program aims to educate and convince resort owners, resource owners and other stakeholders in the tourism industry that protecting the environment through adhering to required environmental standards would benefit them now and also in the future. To date, six [6] tourism ventures have signed up for Green Globe. They are:

- (i) Bounty Island Sanctuary Resort [International Eco-tourism Standard & Benchmarking]
- (ii) Rivers Fiji [registered for International Eco-tourism standard].

- (iii) Sonaisali Resort –[registered for accommodation certification].
- (iv) Treasure Island Resort – [registered for accommodation benchmarking].
- (v) Hideaway Resort – [registered for accommodation benchmarking].
- (vi) Outrigger – [affiliated]

Tourism resource owners have often been neglected in tourism developments. The Fiji Tourism Resource Owners Association was established to create, facilitate and encourage a peaceful and harmonious business environment and linkage between resource owners and other stakeholders in the industry. Since they are now a recognized body in the industry their concerns and the concerns of other stakeholders on environmental issues can be discussed and addressed in national tourism forums.

#### **Fiji Coral Reef Conservation Project.**

Following the successful Coral Cay Conservation [CCC] pilot survey, a Memorandum of Agreement was signed by CCC and the Ministry of Tourism on 13<sup>th</sup> December 2001, in order to carry out a comprehensive and detailed survey programme for coral reefs in the Mamanuca Islands. The project started in March, 2002. The survey was to determine the current status of the coral reefs and threats to their integrity and suggest possible conservation initiatives. The support on conservation measures by many stakeholders in the Mamanuca islands indicate their desire to protect and preserve their fragile environment.

With the findings produced in the first Annual Report, FCRCP-CCC should be commended for the work done so far. NGOs need the full support from government as they are providing information and technical expertise needed for wise decision-making at national and local levels and at the same helping our people protect our environment.

Other regional reports under preparation in the sector include WTO-Fiji Tourism Investment Incentives Study Report, SPREP Pacific Regional Tourism Report, Social and Gender impact of tourism in Vanuatu, Samoa and Fiji; Pacific Sustainable Tourism Development Strategy and other existing regional plans such as the ESCAP Sustainable Tourism Development Plan.

### **3.1.8.2 Community-based initiatives on sustainable tourism**

#### **Strategic Partnership**

The Ministry of Tourism in trying to implement the *Environmental Conservation of the Fiji Tourism Development Plan 1997-2005* is currently working together in partnership with Integrated Coastal Management - (ICM) and Fiji Locally Managed Marine Area Network-(FLMMA). This Fiji FLMMA network was one of the top six recipients in the 2002 WSSD Equator Global Initiative Award.

Initiatives such as these in collaboration with other significant environmental NGOs, work with communities by assisting them in identifying their natural resources, their use of *qoliqolis* and through workshops and training programmes

to learn how they can better manage their resources through alternative income generating activities such as marine tourism and ecotourism. They also help communities by providing technical assistance [scientific research] that is needed. This is done in order to assist understanding on the part of both tourist operators and local communities of conservation measures, which allow for sustainable tourism development in harmony with the sustainable use of marine resources by the local community.

The Ministry of Tourism together with the Fiji Locally Managed Area Network (FLMMA) also organized two community workshops; one for Beqa Island which involved nine villagers and for the province of Naitasiri. Responses from participants and provincial leaders have been overwhelming. Other provinces have indicated interest in having similar workshops in their areas.

These initiatives were also presented at the National Tourism Council [NTC] meetings. Members of NTC consist of representatives from government ministries and major stakeholders in the tourism industry.

The Ecotourism & Village Based Tourism Policy and Strategy for Fiji defines Ecotourism as “ a form of nature based tourism which involves responsible travel to relatively undeveloped areas to foster an appreciation of nature and local cultures, while conserving the physical and social environment, respecting the aspirations and traditions of those who are visited, and improving the welfare of local communities.

Furthermore, it emphasizes the need to situate ecotourism and village based tourism within overall policy for the tourism development and the environment, and proposes institutional changes that will facilitate the expansion of rural tourism while preserving the essential natural and social environments on which its future success must be based. Eco-tourism in a way is the flag carrier for the concept of sustainable tourism.

An Ecotourism Grant Program was endorsed by Cabinet in 2001 for government to co-fund the projects and involve the active participation of landowners/indigenous Fijians in tourism projects. To date sixty projects are up and running. In general, eco-tourist ventures that are assisted by the eco-grant:

- (i) operate on a small scale and with relatively little capital;
- (ii) cater for tourists motivated by a desire to learn;
- (iii) owned and operated by local people;
- (iv) village based; and
- (v) protection of the environment[sustainable practices.

An ideal example of a successful eco- tourism project is the 'Natale-i-ra eco lodge. It is one of the village based projects which have benefited from government assistance and planning. It is a small-scale project, which augurs well with sustainable practices/principles. It is located in the remote area of Tailevu Province and the protection of the surrounding environment is paramount. Locals have come to realize the importance the environment plays as it is a product itself and not just a part of it.

Bouma Heritage Park located in the island of Taveuni is a community-based project that is aimed at the protection and conservation of their natural resources. This project is unique in the sense that it is able to incorporate most of the sustainable tourism practices and is still able to diversify their products. Pristine rainforest covers much of the island of Taveuni, and around 80% of this is protected by forest reserve and the park. An agreement in the 1980's between the four park communities of Waitabu, Vidawa, Korovou, and Lavena ensures the forests will be protected indefinitely. Instead of cutting down the forest, these communities have turned to tourism as a means of generating income. Park entry fees go towards maintaining the Park for all to enjoy.

The Bouma project has incorporated a coastal walk situated in Lavena, a waterfall in Tavoro, rainforest hike in Vidawa and also a Marine Protected Area. All these products aimed at sustaining the natural resources and at a same time improving the welfare of the local communities. The tradition and culture of the community is still intact and is showcased to tourists while on their tour to the island. The involvement of tourism has also been able to rejuvenate some of the forgotten traditional elements.

Partners in Community Development Fiji with partnership from Government, other NGOs and the private sector develop and implemented a community based marine management plan. With funding from NSAID, Shangri-La's Fijian Resort, USA MacArthur and Packard Foundations, PCDF worked with 7 villages in Cuvu District (Nadroga Province) on the project. The Cuvu Project model is recognized as a designated prestigious site for coral reef conservation under the United Nations Environment Programme's ICRAN (International Coral Reef Action Network). ([www.icran.org/SITES/spr.html](http://www.icran.org/SITES/spr.html) - refers). It is only one of 3 in the Pacific, the other two being Samoa and Marshall Islands, to have won this recognition. The Cuvu Project model was also included in FLMMMA when it won the Equator Initiative Award in the World Summit on Sustainable Development in Johannesburg in 2002. Recently, in partnership with the Asian Development Bank, this Project was documented and presented by BBC World News. ([mms.adb.org/MEDIA/Video/living\\_waters.wmv](http://mms.adb.org/MEDIA/Video/living_waters.wmv) – refers). PCDF while still working in Cuvu, has moved to Malolo in the Mamanuca Group, Moturiki Island in Lomaiviti Province and in partnership with the National Trust of Fiji and Government, to Yadua Taba in Bua Province and Tavuki District in Kadavu Province.

### **3.1.9 Biodiversity Resources**

#### **3.1.9.1. National, sub-regional and regional projects**

Fiji signed and ratified the Convention on Biological Diversity (CBD) in June, 1992. The formulation of the National Biodiversity Strategic Action Plan is a commitment to the CBD. Fiji also signed and ratified the Convention on Endangered Species (CITES) in 2000 and the Endangered Species Act was enacted in 2002. The Convention on Climate Change (UNFCCC) was ratified in June, 1992.

Fiji is finalising the formulation of the National Biodiversity Strategy Action Plan (BSAP) and a final round of consultation with stakeholders is in progress to review the final draft. There is a need to establish funding in order to implement the BSAP.

For conservation of biological biodiversity the Department of Environment is promoting community support through projects such as the International Waters Programme (IWP) and the National Environment Awareness Programme through the Environment Week and Arbor Day.

A national resource base inventory has been developed by the World Wide Fund For Nature (WWF) to conduct detailed inventories of existing flora, fauna and eco systems in order to provide basic data for the preservation of biodiversity.

The Intellectual Property Rights (IPR) legislation was enacted in 2003 to ensure that the ownership of IPR is adequately and effectively protected but there is a need to establish an effective enforcement system.

The following community based projects are being undertaken to support the involvement of non-governmental organizations, women, indigenous Fijians in the conservation and sustainable use of biodiversity and biotechnology:

- IWP;
- Adaptation projects in Climate Change;
- New projects in BSAP; and
- Representation in Project Steering Committees;

Fiji Government is now collaborating with SPREP and CROP agencies in developing training programmes, research programmes,

### **3.1.10 National Institutions and Administrative Capacity**

#### **3.1.10.1 National, Sub regional and regional initiatives.**

Some relevant initiatives are:

- (a) Ministry of Finance and National Planning is the focal point/coordinating agency for SD; It provides secretariat services to the National Steering Committee on Sustainable Development;
- (b) Convening of the National Economic Summit where it approved the National Strategic Development Plan (SDP) 2003-2005;
- (c) Establishment of National Economic Development Council and Summit Working Groups to monitor the implementation of the SDP 2003-2005;
- (d) Establishment of Taskforces on International Waters Project, Persistent Organic Pollutant Management Project, and Climate Change Project;

- (e) Enactment of CITES legislation in 2002, ODS Act in 1998, and IPR in 2003; and
- (f) Finalisation of the Sustainable Bill to be enacted by 2004.

[Specific regional initiatives have been covered under sector and cross sectoral areas]

### 3.1.10.2 Key Constraints

Some constraints are outlined below; others are included in the sector and cross sectoral areas.

*Disaster Management:* The NDMO needs to be upgraded with provision of additional staff and functions to cater for wider roles/capacity of disaster management in the country. Minimal implementation of the Comprehensive Hazard and Risk Management (C.H.A.R.M.) Program under the NDMO as a tool in national development planning and evaluation/appraisal of rural projects for the country needs to be implemented. Limitations within the Natural Disaster Management Act 1998 and National Disaster Management Plan 1995 to accommodate changing needs in technology and demands of people and governance.

*Energy:* The GEF project provides training for staff of the Department and renewable energy service companies as well as the FEA on technical and management training on the RESCO programs and in maintaining renewable energy projects. Thus all sectors involved in the renewable energy field are being equipped to manage projects in the renewable field, which has and had been lacking.

It is intended that once the draft RESCO bill is approved, it will lay the framework for more action and expansion of the Department's renewable energy projects as its sustainability would be ensured through the RESCO companies.

*Water & Sewerage:* Institutional capacity is constrained by the lack of local expertise and adequately qualified professional and sub professionals. Fragmented and out dated legislation for water resources development and management and the distribution of functions to different government ministries weakens a coherent and coordinated sustainable development.

*Lack of Coordination* The lack of strategies for coordinating the implementation by various sectors that address the Barbadoes Programme of Action. The lack of capacity to address more wholesomely all the United Nations outcome document, Programme and Plan of Actions, that came out of the Conferences. There were many common issues cutting across the whole of Government and each 'lead' Ministry for these conferences implementing, monitoring and evaluating their relevant Plan of Action. There is also lack of coordination between the national and regional level.

### **3.1.11 Regional Institutions and Technical Cooperation**

#### **3.1.11.1 National, Sub regional and regional initiatives.**

Fiji is a member to the Council of Regional Organisations of the Pacific (CROP) agencies with contributions submitted annually. CROP agencies have assisted Fiji in developing technical assistance programmes to promote inter-and intra-regional cooperation on sustainable development.

South Pacific Regional Environment Program (SPREP) has also been instrumental in providing technical support particularly on drafts and advice on the draft Sustainable Development Bill, marine pollution, etc. The University of the South Pacific has been used to facilitate technical support on research and training programmes on the areas on sustainable development.

#### **3.1.11.2 Key Constraints**

Fiji is faced with shortage of human resources in the areas of environmental laws. There is a need to prepare environmental law training manuals for both lawyers and others working in the environmental fields.

There is less awareness on environmental subjects. There is a need to develop more public, regional and in-country workshops on environmental laws, including environmental conventions, environmental impact assessment, heritage, pollution, civil enforcement, prosecution and environmental mediation.

### **3.1.12 Transport and Communication**

#### **3.1.12.1 National, Sub regional projects and programs .**

The Fiji National Transport Sector Plan (FNTSP) is government's blueprint for the management, development and operation of the transport sector. Government has completed a comprehensive review of the policy aspects of the above FNTSP.

Government approved the introduction of domestic subsidy scheme to strengthen transport services to the outer island communities uneconomic routes via Interisland Franchise Scheme (SFS) and Air Transport Subsidy Scheme (ATSS).

Government is committed to improving and upgrading Fiji's transport infrastructure (ports, jetties, roads, airports) through FRUP III for roads, normal national budget for jetties and roads and non-commercial airports, and through its subsidiary arm of government i.e. MPAF for ports and AFL for commercial airports. Fiji also established the following The establishment of the Land

Transport Authority and FRSAP II was to strengthen safety of road/land transport. The reformed CAAFI was made as an independent regulatory authority for aviation safety. ADB's Technical Assistance (TA) on the port sector, road sector and airport sector are currently in progress.

The Pacific Forum Secretariat plays a pivotal role in fostering cooperation and collaboration among Forum island countries in the further development of the region's transport sector. Pacific Island Air Services Agreement (PIASA) an initiative of the Forum Secretariat to create an open sky policy for the South Pacific region. Establishment of Pacific Aviation Safety Organisation (PASO) to oversee aviation safety in the region. Australian Government agreed to a Study on Pacific Regional Transport (PRTS) on aviation and shipping services.

On the communications sector, Fiji has over 100,000 fixed telephone subscribers, over 100,000 cellular mobile users and over 8,000 dial-up Internet access users. The Existing backbone telecommunications infrastructure is 100 % digital. Modern public communications facilities that are now in use include GSM mobile telephone and Internet access.

Fiji is now an integral component in the state of the art Southern Cross Cable Network (SCCN), the only Pacific Island nation that has direct link to such a network. Fiji is strategically at a very vantage point. It should capitalise on this aspect and work towards making it become a communications hub for the Pacific Island countries.

As a member of the Asia Pacific Telecommunity and the Pacific Islands Telecommunications Association, Fiji does collaborate with other countries in the region on specific issues of common interest. Fiji is also a member of the International Telecommunications Union. Fintel is currently proposing the development of a Pacific islands marine fibre optic network to be hubbed in Fiji. This will enable direct connectivity of these Pacific Islands to the SCCN. An issue that is being discussed amongst the PICs is telecommunications pricing.

ICT has been identified as a critical component in this area. The major components in this development are e-Community, e-Business and e-Government. These areas will cover practically all communities in our society. A proposed draft ICT Development Policy has been completed and will be submitted to the Cabinet Sub-Committee on Investment before presentation in Cabinet. Internet access is already positively impacting the way people communicate and transact.

### **3.1.12.2 Key Constraints and Responses**

Lack of service to rural areas is an issue. We are a maritime nation comprising over 300 volcanic islands 100 of which are inhabited, and our geography and tropical climate are unfriendly. The target set for the provision of access to rural and remote communities is connection for at least 400 more unserved communities by 2005.

There are about 700 villages that are unconnected to date. It is a challenge to develop rural telecommunications in Fiji. A satellite based system is an option

that is now under construction to facilitate quick roll out in rural telecommunications development.

### **3.1.13 Science and Technology**

#### **3.1.13.1 National, Sub regional projects and programs .**

Education is to be seen as an important partner in the realization of any national policies on science and technology when looking at sustainable development programmes. Educational curriculum is prepared to ensure that students are aware of the reality of life. The need to produce more for self-reliance not only at the family level but moreso at the national level.

Science and Technology as a cross-cutting issue transcends many disciplines and sectors. It is difficult to be comprehensive about all the strategies undertaken by different sections/departments. But it is recognized that development and adoption of better, more efficient and affordable technology is a basic underlying principle of all development.

Fiji as a signatory to UNFCCC, UNCCD, UNCBD, Montreal Protocol etc has continued to support regional and international efforts in technology transfer. The issues have centred around creating the right environment for technology transfer, removing barriers, north-south, south-south collaborations, linkage with the private sector and traditional technology. The regional institutions such as USP, UPNG, NUS, FIT etc have been identified as potential centers of excellence for R&D, information dissemination and enhancement of the general level of awareness about science and technology issues.

The UNFCCC has set up an Expert Group on Technology Transfer that has representation from SIDS. This is mainly related to the climate change convention. Other initiatives such as those promoted by ICSU, Science Council of Japan are worth pursuing.

Initiatives in the ocean area such as those promoted by GCOS (Global Climate Observing System), incorporating GOOS are underway, aimed at providing much needed data on the relatively unmonitored Pacific Ocean. Many of the regional countries are part of this network. The USP offers a degree course (bachelors) in technology education. Many experts working in environmental issues are indirectly involved in such networks aimed at improving the quality of observed meteorological data, strategies for disaster preparedness and awareness.

Science and technology is part of the existing science curricula in Fiji. eg for physics, chemistry, computing etc. Technology is offered as an option at Form 7/Foundation level. The development of technology in education is to better prepare students for a technological environment that they are going to live in. However, there is scope for greater coverage of Science and Technology issues at lower forms. In addition, teachers and the community need to be enlightened about such issues.

The Departments of Environment, Energy, Meteorology, Information and other technical sections are acutely aware of the need for new, modern and more efficient technology. Various programmes within these sections such as for energy efficiency, control of ozone depleting substances etc attempt to embrace the latest available and affordable technology. The problem is related to information, costs and the knowledge to use these. The issues of public awareness, education and training are parallel issues that are being considered as part of the agenda on science and technology. The Fiji Institute of Technology provides a variety of vocational, certificate and diploma level training in many selected areas. Many secondary schools also provide vocational training in workshop techniques, appropriate technology etc. Clearly there is scope for more, and greater inter-departmental coordination to identify the demands and possible interventions.

Successful traditional technology should be identified and, where necessary adopted, for the modern society. Schools and curricula should give more emphasis on this. For example in the climate change adaptation debate, many of the traditional practices such as mangrove replanting etc are proving some of the most sensible options.

There is very little usage and appreciation of biodegradable materials in society. The use of local biological degradable materials should be encouraged and illustrated for their value in providing equally comfortable environment eg in buildings and houses.

There is insufficient information on EST. It is vital to maintain a database of ESTs, and have the ability to adopt the ones most relevant to the needs in the local context. There is a need to avoid being used as a dumping ground for failed technology, or those which are clearly unsustainable given their O&M costs.

The number of women taking science and engineering is very low. This should become an agenda for the many NGOs and other groups promoting the cause of women. There is need for more encouragement, identification of career paths, and promotion of these subjects at schools. The constraint is the availability of resources, and the lack of initiatives from the 'top'. Organisations like the South Pacific Physics Society, SPPS, are actively promoting these amongst schools.

### **3.1.14 Human Resource Development**

#### **3.1.14.1 National, Sub regional projects and programs .**

Education is a basic right for all children and Fiji is attempting to provide this basic right to all children through its programmes. Issues of sustainable development are part of the national curriculum running across all curriculum areas. Environmental education has been developed and part of a multi-sectoral approach with other government departments. It has been taken up in the Fiji school curriculum and has been spread throughout the national curriculum. Fiji has participated in Regional efforts on the development of environmental education and sustainable developments discussions.

Family Life Programs has become part of the national curriculum as part of the core curriculum at the secondary level. Population issues and family issues form an integral part of the curriculum.

Community awareness is a major campaign by the Ministry of Education to promote community involvement in education. Vocational programs are being designed to provide skill training for in and out of school children to help them gain useful employment in the formal and informal sectors of the labour market. By providing skill training youths can get employment and lift families and individuals out of the poverty status.

Distance education is currently being pursued by the Ministry of Education in consultation with Telecom and other government departments as a means of reaching out to the rural areas through the establishment of Telecentres. Currently the use of radio and printed matter is the only means of reaching out to the rural communities and dissemination of educational information.

Urbanisation is an important consideration for Fiji and the impacts of urbanisation on education, health and other social issues such as housing. Government has set up consultative forums to look at how best to tackle the problems of urbanisation and keep an accurate database of urbanisation indicators.

#### **3.1.14.2. Key Constraints and Responses**

The Social Justice Act provides educational programs to serve and assist disadvantaged students and schools in the urban areas. Compulsory education is an attempt to provide basic education from Class 1 to Form 4 for all children in Fiji. Once complete implementation is achieved, all children should be accessing similar levels of education to Form 4 level. The basic constraint has been the level of funding provided by Government towards Compulsory Education. Currently the extension of Compulsory education is going up to Form 4 with trial being conducted in 2003.

NGOs are being encouraged to provide educational training in sustainable development programmes, however assistance in terms of funding is a problem. Some NGOs and private organisations have secured their own funding and assistance is being given in terms of personnel. Partnerships are important here as most NGOs have programmes that are in line with their objectives and government need to support them.

The TVET Section has designed a new approach to TVE in the country through the 6Ts of Technology with industry linkages for a better training strategy in technical education. Basic education development also encourages the introduction of Life Skills Programme in the primary schools through Compulsory Education. Labour market linkages through the 6Ts of Technology is an improvement to labour market linkages. Labour market linkages is important to match training with market skill needs. There needs to be more constant consultation with work places in terms of developing programmes in education.

Public awareness programs have been conducted by way of brochures and printed materials to better inform the public on environmental issues and for their

participation. Constraints of personnel and resources have hindered the follow-up on awareness campaigns.

### **3.1.15 Implementation, Monitoring and Review**

#### **3.1.15.1 National Actions on areas of implementation, monitoring and review of sustainable development programmes/plans**

Fiji's National Strategies for sustainable development are contained in the National Strategic Development Plan (SDP) 2003-2005. The formulation of the SDP 2003-2005 emanated from a series of Taskforces meetings and consultations. 13 taskforces were established in 2000/2001 to deliberate on National Sustainable Development Issues and put together strategies for addressing these issues. Membership of taskforces include representatives from government, non-government and civil society organizations. These series of taskforce meetings culminated in the convening of the National Economic Summit where representatives of the community came together to further deliberate on issues and approved the National Strategic Development Plan 2003-2005.

The SDP 2003 – 2005 focusses on “Rebuilding Confidence for Stability and Growth for a Peaceful, Prosperous Fiji” and identifies priorities for Government to focus on during the next three years. These priorities consist of an integrated set of policies in the areas of Macroeconomic Management; Economic Development; Social and Community Development; and key cross sectoral issues, including land resource development and management, and environmental protection.

A National Economic Development Council (NEDC) was established early this year to facilitate the monitoring of the implementation of the plan. The NEDC is supported by nine Summit Working Groups (SWGs) who meet quarterly to discuss the implementation of the Plan. The Plan and the NEDC are important mechanisms for integrating sustainable development into national planning and budgeting.

Apart from the SDP 2003-2005, sectoral plans and strategies are contained in the organisational's strategic and corporate plans addressing sustainable development issues across the various sectors. Examples of such plans include:

- Ministry of Local Government's Sustainable Development Bill and National Biodiversity Strategy and Action Plan; and
- Ministry of Health's National HIV/AIDS Strategic Plan 2004-2006.

#### **3.1.15.2 Key Constraints**

Most implementing agencies are constrained with funding when it comes to implementing national objectives. Monitoring mechanism for implementing national strategic development issues was lacking in previous national strategic development plans, so the establishment of the NEDC this year should address such problem. Concerted efforts in partnership and more consultation are required to achieve the set targets stated in the National Strategic Development Plan and other sectoral plans.

## **3.2 CROSS-SECTORAL AREAS**

### **3.2.1 Financing and Investment for SD**

#### **3.2.1.1 National, subregional and regional initiatives in the areas of financing and investment for sustainable development**

The Government has established the following national initiatives in the areas of financing and investment for sustainable development:-

##### **(a) National Micro Finance**

The National Micro Finance Unit was setup by Government with the objectives to:

- (i) Encourage cash generating and employment creating economic activities in the informal sector, in both the urban and rural areas;
- (ii) Provide financial services to the underprivileged; and
- (iii) Assist in poverty alleviation, in helping the poor and disadvantaged to better help themselves, within a wider framework of anti poverty strategies.

The National microfinance project is coming towards the end of its pilot phase in December 2003 but since it's inception in the year 2000 it has continued to identify and outreach to targeted communities within the perimeter of the partner microfinance institutions.

There are six (6) MFI's working in partnership with government in executing microfinance services. These are FCOSS in Suva (Fiji Council of Social Services, which has to the end of last quarter disbursed a total of 832 loans at a value of F\$191,169. Aglow Lautoka with its sub branches in Ba and Nadi disbursing a total of 1,843 loans at a value of F\$25,240, Aglow Labasa which was currently on a savings mobilization drive before opening its credit facility in June 20<sup>th</sup> 2003.

For the rural projects, a village banking methodology was pilot tested in a Tikina in Ra. The Tikina namely Nakuilava is composed of five (5) villages: Dama, Toki, Savulotu, Bucalevu and Tobu. The other a village concept is being implemented in Burenitu village. These Rural Village Bank methodologies start with savings first and then introduce credit facilities for eligible savers.

In the maritime islands, Tikina Tavuki in Kadavu was selected and is implementing the village banking methodology similar to the Ra projects on a savings first mobilization.

##### **(b) Foreign Investment Corporation**

The Fiji Investment Corporation was established by Government to make investments in strategic areas in partnership with the private sector to stimulate

the economy. This is to meet Government's objective of improving Fiji's medium to long-term economic growth prospect. Fiji's private sector investment and economic growth over the last 10-15 years has been comparatively lower than other medium income countries.

The Corporation provides funding in the form of:-

- (i) Seed capital – for start up ventures;
- (ii) Development capital – for ventures requiring additional;  
and
- (iii) Capital to continue or assist in the development stage.

The FIC appraises investment projects requesting government funding. The Fiji Investment Corporation did not commence operations until early 2003, following its first board meeting in November 2002. Funds from government were only received on the 18th December 2002.

The FIC has since acquired the GPH site, following successful negotiations between Government and the Nauru Phosphate Royalties Trust (NRPT).

### **(c) Department of Cooperatives: Cooperatives Programme**

The Ministry in conjunction with other government agencies has taken the initiative to promote business activities that can generate employment opportunities through the Integrated Human Resources Development Programme for Employment Promotion, which began in 2000. As part of the Co-operative sub-programme, the Department of Co-operatives through its network is required to identify successful Co-operatives that have potential for generating employment to be used as models for replication in other parts of the country. Positive results have been achieved in the number of jobs created during the last three years since the implementation of this programme.

The decline in the number of Co-operatives over the last decade has seen a proportionate increase in the number of individuals setting up their own small business enterprises. The Ministry recognises the significance of this trend and its economic and social impact on those seeking self employment. The Ministry will continue to provide the relevant training programmes and business consultancy service for those small entrepreneurs wishing to start their own business.

The need for increasing private sector savings is crucial to the national economy. In recognition of this, the Ministry has taken the initiative to promote a voluntary savings programme amongst co-operative members and non- members in the urban and rural areas. By fostering savings among its members, co-operatives are playing an important role in helping Fiji in promoting investments. The Department continues to promote a regular savings programme to instill a savings mentality especially amongst indigenous Fijians.

#### **(d) National Centre for Small Micro Enterprise Development**

The National Centre for Small and Micro-Enterprises Development (NCSMED) has begun co-ordinating and consolidating activities which support and promote small and micro-enterprises (SMEs). One of the 22 fundamental principles of the Centre, set out in its 10-year Strategic Plan, is to begin its operations by consolidating SME support activities and investing in research and development. Then, progressively, it will expand its capacities to innovate and propose new products, methods and ideas.

The Centre has introduced an examination component in the training of business trainers, to address a need for upgrading standards. It contracts Trainers in other organisations to conduct Start Your Business (SYB) workshops, for efficient use of resources. It subsidises training courses held in rural areas, in pursuit of the Centre's mission, which is to foster the emergence and development of a strong and national movement based on SMEs. It is preparing a register of training providers so that people are aware of available services and how these can be accessed.

The Centre is working with the National Micro-Finance Unit (NMFU) in the preparation of lending guidelines for micro-finance institutions (MFIs) in the delivery of micro-finance services. Working with the Unit and MFIs is part a strategy and commitment to reach out to urban and rural SMEs by using existing institutions and making efficient use of limited resources. The Centre is also conducting a survey of lending activities for SMEs and the need for financial advice among SME support institutions.

The Centre supports a Committee for the Development of Enterprise (CDE) for representatives of the Fiji Development Bank and Government and non-government agencies engaged in the SME subsector. The Committee meets regularly for sharing of information, concerns and for co-ordination of effort, to make services more supportive of SMEs.

#### **Major Programmes for July to December 2003**

The Small Business Advisory Unit in the Ministry will be absorbed by the Centre before the end of 2003. This will allow the Centre to benefit from 10 years experience in the of the Start Your Business (SYB) joint project of the Ministry and the International Labour Organisation (ILO). Consisting of 10 modules, the SYB package provides an introduction to business principles and skills training in the preparation of a business plan.

The Centre is making arrangements with local representatives of the German organisation, GTZ, for assistance in the training of business trainers, to draw on the organisation's international experience in this field. It is proposed to hold a training of trainers in the 4<sup>th</sup> quarter of 2003, to introduce a new business training package to Fiji. Particular attention will be given to preparing trainers so they can provide experiential learning for the benefit of people who have limited formal education.

The Centre plans to hold a national gathering for SME service providers and stakeholders in Suva in August 2003. The aim of this National SME Forum is to promote the development of SMEs through a strong network of public and private sector organisations. One objective of the Forum is to collect information and views for a proposal to develop a national SME strategic plan.

The Centre will begin a review of Government and municipal laws and regulations, which affect SMEs, as proposed in the national Strategic Plan 2003-2005. A pilot study is proposed for a municipal council.

The Centre will assist the Soqosoqo Vakamarama in the development of a pilot project for the cultivation and marketing of *masi*, from the bark of the paper mulberry tree. The feasibility of developing a national *masi* industry has been shown in several studies. The Centre plans to help take this macro-level finding to the project phase, linking the village and the market. Project development assistance is proposed also for AGLOW, to provide institutional support for the work which AGLOW does with the National Micro-Finance Unit in Western Viti Levu.

### **3.2.1.2 Key problems and constraints encountered in securing financing/investment for SD at the national level**

- (i) Competing demands for national resources, resulting in the lack of financial capital provided to engage sustainable development programmes for other geographical areas currently not serviced.
- (ii) Slow release of funds held by the Ministry of Finance (under request to incur expenditure category) to ensure the efficient delivery of sustainable development programmes.
  - (iii) Inadequate financial resources available at non-commercial rates to finance sustainable development projects for the poor and under-privileged sections of the community.
- (iii) Lack of insurance to underwrite country risks, thus preventing investment capital inflows for the production of goods and services needed for sustainable development.

## **3.2.2 Institutional Capacity and Coordination**

### **3.2.2.1 National, sub-regional and regional initiatives in the areas of institutional capacity and coordination of SD**

Some relevant initiatives are:

- Ministry of Finance and National Planning is the focal point/coordinating agency for SD; It provides secretariat services to the National Steering Committee on Sustainable Development;
- Approved National Strategic Development Plan 2003-2005;

- Establishment of National Economic Development Council and Summit Working Groups; and
- Sustainable Bill to be enacted by 2004.

[Specific regional initiatives have been covered under sector and cross sectoral areas]

### **3.2.2.2 Key Constraints encountered in the areas of Institutional capacity and coordination**

Some constraints are outlined below; others are included in the sector and cross sectoral areas.

(i) **Disaster Management:** The NDMO needs to be upgraded with provision of additional staff and functions to cater for wider roles/capacity of disaster management in the country. The Comprehensive Hazard and Risk Management (C.H.A.R.M.) Program under the NDMO as a tool in national development planning and evaluation/appraisal of rural projects for the country needs to be implemented. Limitations within the Natural Disaster Management Act 1998 and National Disaster Management Plan 1995 to accommodate changing needs in technology and demands of people and governance.

(ii) **Energy:** The GEF project provides training for staff of the Department and renewable energy service companies as well as the FEA on technical and management training on the RESCO programs and in maintaining renewable energy projects. Thus all sectors involved in the renewable energy field are being equipped to manage projects in the renewable field which has and had been lacking.

It is intended that once the draft RESCO bill is approved, it will lay the framework for more action and expansion of the Department's renewable energy projects as its sustainability would be ensured through the RESCO companies.

(iii) **Water & Sewerage** Institutional capacity is constrained by the lack of local expertise and adequately qualified professional and sub professionals. Fragmented and out dated legislation for water resources development and management and the distribution of functions to different government ministries weakens a coherent and coordinated sustainable development.

(iv) **Lack of Coordination :**The lack of coordination of work implemented by various sectors that address the Barbadoes Programme of Action. The lack of capacity to address more wholesomely all the United Nations outcome document,

Programme and Plan of Actions, that came out of the Conferences. There were many common issues cutting across the whole of Government and each 'lead' Ministry for these conferences implementing, monitoring and evaluating their relevant Plan of Action. There is also lack of coordination between the national and regional level.

### **3.2.3 Human Resources (Capacity) Development for Sustainable Development**

#### **3.2.3.1 National and sub-regional initiatives**

The key strategy that Government has adopted to address the jobs deficit is to promote economic growth and assist those who cannot get formal sector jobs to find productive work in the informal sector, for example, in agricultural and non-agricultural cooperatives and small and micro-enterprises (SMEs). The job creation strategies and other human resources issues are contained in the Government's National Human Resources Plan 2002 – 2007.

#### **3.2.3.2 Key Problems and Constraints**

*Persistence of Skill Shortages* A major factor impeding faster economic growth has been the persistent shortage of professional, skilled and semi-skilled workers, a problem exacerbated further by out-migration. Such shortages retard economic growth and further intensify the gap between the number of new job openings and additional job seekers. When skilled workers are replaced by those more recently trained, there is usually a reduction in productivity.

*Lack of Labour Market Information* There is a void of information on labour market conditions that is required by job seekers and employers. Job seekers need information to make rational decisions on choice of occupation and the education/training required to gain the necessary qualifications. Employers need information on incentives they must offer to attract candidates to fill current and future vacancies.

*Low levels of Productivity* Overall economic growth is constrained by the low levels of productivity in the formal and informal sectors of the economy. The small size of the internal market is restrictive of the kinds of technology that can be introduced and the extent to which scale economies can be realised. Productivity and Quality programmes should be enhanced in Fiji.

*Wage setting and Industrial Relations:* The current system of wage setting does not reflect the actual circumstances of individual employers. A system of wage bargaining based on the individual enterprise is to be preferred. The current industrial relations and labour standards need to be reviewed to internationally accepted standards and consistent with expectations of Fiji's trading partners and the International Labour Organisation.

## 4. 0. TRADE AND INVESTMENT

### 4.1. Trade

#### 4.1.1. Bilateral Trade Agreements

Fiji has signed full reciprocal Bilateral Trading Agreements (BTAs) with Australia, Papua New Guinea and Vanuatu. There are also non-reciprocal BTAs with Tuvalu, Tonga and the Cook Islands. Negotiations for BTAs are continuing with New Zealand, Solomon Islands, Kiribati and New Caledonia.

- *Papua New Guinea* - Fiji-Papua New Guinea Bilateral Trade Agreement was signed in 1996.
- *Vanuatu* - The signing of the Fiji-Vanuatu Bilateral Trade Agreement took place in Sigatoka on 23<sup>rd</sup> July 1998 during the 12<sup>th</sup> MSG Summit. This is a reciprocal trade agreement.
- *Tonga* - Fiji-Tonga Bilateral Trade Agreement was signed on 15<sup>th</sup> September, 1995. The Fiji-Tonga Bilateral Trade Agreement is a non-reciprocal agreement whereby goods included in the Product Schedule are accorded duty free fiscal entry into Fiji.
- *Cook Islands & Tuvalu* - Fiji's Bilateral Trade Agreements with Tuvalu and the Cook Islands were signed on 1<sup>st</sup> October in Funafuti and on 23<sup>rd</sup> October 1998 in Suva respectively. Both BTAs are non reciprocal in nature whereby goods included in the respective Product Schedules are accorded the zero rated (Free) entry into Fiji.
- *Solomon Islands (Proposal) & Kiribati (Proposal)* - Bilateral Trade Arrangements have been mooted with the Governments of the Solomon Islands and Kiribati; there have not been any recent signs of concluding BTAs with these nations.
- *Australia* - The Fiji/Australia Trade and Economic Cooperation Agreement (FATERA) was signed on the 11<sup>th</sup> March 1999 in Canberra, Australia, setting the framework for better bilateral trade between the two countries in the long term. Australia is Fiji's biggest trading partner (about 60% of Fiji's total trade is with Australia).

At the Fiji/Australia High Level Talks in December 2001, an undertaking was given by Minister Downer for the continuation of FATERA beyond 2004 and the immediate formation of 'working groups' to examine the Agreement and identify provisions that can be engaged and enhanced towards the benefit of both countries.

- *New Zealand* - Negotiations on a Fiji/NZ BTA along similar lines as FATERA are also progressing with NZ government.

- *USA* - Fiji signed the current Bilateral Textile Agreement (BTA) with the USA in 1992 which allows Fiji to export four merged categories of garments to the USA under quota system. The Agreement became effective in 1993 and has been renewed twice upon expiry in December 1995 and 1997.

Fiji, over the past few years, has been trying to gain better (wider and more extensive) access on garments in the US (especially on categories deemed sensitive by the USA) for the following reasons:

- (a) we are small country that is vulnerable to regular occurrences of disasters;
- (b) we are dependent on textile exports;
- (c) our total export is less than 1% of the market share and will not cause any dent in the total imports; and
- (d) our political development has now developed to the extent that it will promote the development of free market.

Currently, efforts are focused on initiating discussions on the feasibility of a bilateral/regional non-reciprocal trade agreement with USA modeled along the lines of African Growth and Opportunity Act (AGOA). The objective remains the same, that is, to get greater access of Fiji garments into USA market.

- *China* - Bilateral Trade Agreement between the People's Republic of China and Fiji was signed in December 1997, after Cabinet had endorsed the agreement in March 1997. Under the Agreement, both Fiji and China will offer "Most-Favored Nation" treatment in the importation and exportation of goods. Fiji will benefit from lower preferential tariffs that China will offer for Fiji's export commodities such as sugar, timber and fisheries produce.
- *United Kingdom* - The balance of trade between Fiji and the United Kingdom has consistently been in Fiji's favour, governed primarily by the preferential market access granted to Fiji by the Sugar Protocol and the Lomé Convention. The United Kingdom has been the main destination of Fiji's exports to the European Union, the trade preference given under Lomé has been crucial to Fiji in the stability of its economy. The United Kingdom has traditionally been the second most important market for Fiji's exports, behind Australia. The trade arrangements allow guaranteed access into the EU markets at prices higher than the world prices.

Fiji will push for the preservation of the preferences accorded by the Sugar Protocol of the Cotonou Agreement, in continuing formal negotiations with the European Union, on the new partnership agreements.

## **4.1.2 Regional Trade Arrangements**

### **4.1.2.1 MSG Trade Agreement**

The MSG Trade Agreement entered into effect on 22 July 1993 through the efforts of PNG, Vanuatu and Solomon Islands. In the 6th Melanesian Spearhead Group (MSG) Trade and Economic Officials' Meeting on 16 April 1997 in Honiara, the Fiji delegation indicated its willingness to accede to the MSG Trade Agreement. This initiative was endorsed in the 1997 MSG Leaders Summit. Fiji became a formal member of the MSG Trade Agreement on 14 April 1998.

Significant development in the MSG Trade Agreement have included the expansion of the tariff headings in the Schedule of Concessions from four (4) digit to six (6) digits in March 2000, thereby facilitating MSG trade by removing the ambiguity in product identification at Customs points of entry. The MSG Countries have the potential to trade in over 200 products free of fiscal duty, on a positive list basis.

At the 1999 MSG Summit, the MSG Leaders had also endorsed the proposal of moving the MSG towards a Free Trade Area by phasing in a "Negative List" approach for the MSG Trade Agreement, by 2003 for developing members (PNG & Fiji) and 2005 for least developed members (Vanuatu & Solomons).

Unfortunately, this initiative has suffered set backs due to the then economic and political climate of the Region. At the 10<sup>th</sup> MSG Trade and Economic Officials Meeting in July 2001, negative list approach was endorsed however the timeframe was delayed with the process of tariff elimination beginning from 2003 for developing members and 2005 for Least Developed Members and achieving Free Trade by 2010 and 2012 respectively.

Signs of serious problems with the MSG Trade Agreement (MSG TA) were evident as far back as year 2000 when the MSG Region was experiencing a spate of political, social and economic crisis. Least Developed (LDC) members of the MSG, namely, Vanuatu and Solomon Islands, as expected, were less inept in dealing with these problems and recovering from these shocks.

At the 11<sup>th</sup> MSG Trade & Economic Officials Committee Meeting, on the 16-17 October 2002, in PNG, a temporary relief measure on selected products in the MSG Product List was agreed to, whereby a injury tariff rate of 40% for Vanuatu and 20% - 5% for Solomon Islands, to be phased out over 3 years. This was proposed to assist Vanuatu and Solomons. This has meant that the initiative of moving the MSG TA towards a free trade area and negative listing has suffered a further setback.

At the 2003 MSG Summit, initial impressions are that progress on MSG Trade has now taken a positive outlook and has made a U turn. The 12<sup>th</sup> MSG Trade & Economic Officials Meeting decided that members will convene a special meeting of Officials to investigate modalities of moving the MSG Trade Agreement towards Negative Listing by 2005 and increase the current coverage of the MSG Product List in the interim. Apart from this, members reaffirmed their commitments on phasing injury tariffs and temporary relief measures. Other

initiatives such as “Review of the MSG Trade Agreement”, “MSG Permanent Secretariat”, “MSG Handbook” and “MSG Business Council Certificate” were also firmed up.

#### **4.1.2.2 South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA)**

SPARTECA was signed in 1981 between Australia, New Zealand and countries of the South Pacific Forum. It allows duty free access for the products of Forum Island Countries (FICs) to the markets of Australia and New Zealand, subject to “Rules of Origin” regulations. The aim is to redress the unequal trade relationships between the two groups. The Textiles, Clothing and Footwear (TCF) industry has been a major beneficiary of SPARTECA through the preferential access to Australian and New Zealand markets.

The local Textiles, Clothing & Footwear (TCF) industry has grown over the last 12 years and is now one of the major industries in Fiji. In 2001, the TCF industry accounted for 36% of Fiji’s total domestic exports; it contributed to some 6.1% of GDP and provided employment for about 18,000 people that account for 16% of those in total paid employment. The rapid expansion of the Fiji TCF industry has been attributed to the removal of TCF quotas by the Australian Government in 1987 which allowed quota free and duty free access under SPARTECA, the introduction of the Tax Free Factory/Zone (TFF/TFZ) Scheme in 1988 and the Australian Import Credit Scheme (ICS).

#### **4.1.2.3 Import Credit Scheme (ICS)**

The Australian Import Credit Scheme (ICS) commenced in July 1991 as part of a larger package of tariff and other industrial reforms in Australia. It was introduced as a temporary measure to encourage Australian TCF exports and was terminated on 30 June 2000 due to the Scheme’s inconsistency with WTO rules, except in the case of Fiji, where an extension had been granted to October 2000.

Given the Australian and Fiji Governments’ commitment to developing a WTO-friendly arrangement in place of the ICS, the SPARTECA (TCF Provisions) Scheme was developed. SPARTECA (TCF) provisions concept complements the existing SPARTECA treaty and provides for a change in the way local area content (LAC) is calculated for TCF products (goods) entering Australia from Forum Island Countries (FICs). Under the existing SPARTECA arrangements, goods can enter Australia duty free where the Allowable Factory Cost is greater than or equal to 50% of the total ex-factory cost of manufacturing the goods. These arrangements continue to stand.

#### **4.1.2.4 SPARTECA - TCF Provision**

The SPARTECA - TCF Provision Scheme, introduced as a successor to the Import Credit Scheme enables companies to utilise Excess Local Area Content from certain SPARTECA qualifying TCF goods to help meet the 50% content requirement in otherwise non-qualifying Eligible Goods to enter Australia duty free.

The eligibility is derived from the utilisation of “excess content” from Fiji manufactured garments that have more than 70% Local Area Content. This “excess” can only be achieved through the use of Australian fabrics. However, to qualify, eligible goods need to have at least 35% Minimum Local Area Content (MLAC). Any goods that has between 35% and 50% of LAC would be deemed to have 35% LAC, thereby needing at least 15% of ELAC. In essence, the Scheme provides Fiji the flexibility to use third country fabrics to produce garments for the Australian market, but the benefit can only be derived by first having utilised Australian fabrics.

The intention of the Scheme was for it to help stop the fall off in Fiji/Australia trade that was expected with the demise of the Import Credit Scheme. Unfortunately, the incentive provided by the SPARTECA-TCF Scheme is only a fraction of the former scheme and Australia/Fiji trade is now running at levels around two thirds of those existing 18 months ago.

#### **4.1.2.5 Review of SPARTECA -TCF Scheme**

The duration of the SPARTECA -TCF Scheme is from 1<sup>st</sup> March 2001 to 31 December 2004 (with certain retrospectively to October 2000). A review of the Scheme by the Australian Department of Industry, Science, & Resources was undertaken in September 2001, where a number of recommendations were made by the Fiji Government to make the Scheme more effective. These recommendations, we were advised, would be given closer attention by the Australian Government at the second review of the Scheme scheduled for September 2002.

Fiji position has not changed since the first Review, a joint Submission by the TCF Council and MCB&I was submitted to the Australian Government on 27 Jun 2002. The ‘Submission for the 2nd Review’ mirrors that of the first because it was felt that Australian Government and TCF&L Industry in Australia had inadequately countered Fiji’s very credible arguments.

Therefore, as a matter of priority Fiji’s Submission to the 2<sup>nd</sup> Review pushed for:

- (i) Extending coverage of the Scheme to include wool products,
- (ii) Reducing the MLAC thresholds to 25% for all products,
- (iii) Eliminating the Deeming provision.

Since then a number of diplomatic and High Level approaches have been made with Australia with little success achieved in terms of securing changes to the Scheme favoring the Fiji Industry. Some breakthrough was achieved when experts and representatives of the respective TCF industries from Australia and Fiji met in Sydney on 10<sup>th</sup> April 2003 and decided on a program to redeem excess ELAC points for grant by Australian Government linked to efficiency gains and development purpose.

However the Australian Officials and the Australian Government rejected this proposal as unworkable. Now there are plans underway to conduct a study as to investigate how Australia could assist the Fiji Garment Industry to remain viable in the Future

#### **4.1.2.6 PACER and PICTA**

##### **(a) PACER**

The Pacific Agreement on Closer Economic Relations (PACER) entered into force on 3 October 2002 after the minimum seven ratification's were received from Forum Members. There are currently ten Parties to PACER namely, Australia, Cook Islands, Fiji, Kiribati, Nauru, New Zealand, Niue, Samoa, Solomon Islands and Tonga.

PACER is an economic co-operation agreement amongst Forum Members whereby Australia and New Zealand provide financial and technical assistance to the Forum Island Countries (FICs) for the effective implementation of PICTA in a number of areas.

The PACER also provides for the future negotiations of free trade areas amongst all Forum Members eight years after PICTA enters into force, or earlier if triggered by the FICs' negotiations of free trade agreements with other developed countries.

##### **(b) PICTA**

The Pacific Island Countries Trade Agreement (PICTA) entered into force on 13 April 2003 after the minimum six ratification's were received from the FICs. There are currently eight Parties to PICTA namely, Cook Islands, Fiji, Kiribati, Nauru, Niue, Samoa, Solomon Islands and Tonga.

Obligations for tariff standardisation and reduction begin this year for the two developing FICs, namely, Fiji and Tonga. The remaining six FICs namely, Niue, Nauru, Cook Islands, Kiribati, Samoa and the Solomon Islands will commence reductions from 1 January 2005 in accordance with their commitments as either Least Developing Countries (LDC) or Small Island States (SIS).

#### **4.1.3 Multilateral Trade Arrangements**

##### **4.1.3.1 COTONOU Agreement**

There is an ongoing negotiation between the ACP and EU on the Economic Partnership Agreements (EPA) under the Cotonou Agreement.

The reason for these negotiations is to allow for the ACP group to enter into new trading arrangements fulfilling the overall global objectives of integration into the world economy.

Of paramount interest to Fiji is the export of our sugar to the EU under the previous four (4) Lome Conventions and the current Cotonou Agreement.

##### **4.1.3.2 World Trade Organisation**

Fiji became a signatory to **General Agreement on Tariffs and Trade (GATT)** in 1993 and with the subsequent inception of the **World Trade Organisation**

(WTO) as the successor to GATT, became a signatory to the WTO in 1996. The aim of the WTO is to help trade flow as freely as possible and offer greater assurance and accountability in the trading relations of member countries. The regulations of the WTO are more wide ranging than just the physical goods covered under GATT and include trade in services (GATS), Intellectual property rights (TRIPS) and a number of other measures aimed at increasing the free flow of trade.

The Ministry of Foreign Affairs and External Trade is working to improve Trade with bilateral and multilateral partners. With Australia, discussion at the political level and technical level to improve trade through market access and ease of entry of products of export interest to Fiji. Negotiations are on going to improve the SPARTECA TCF scheme in the garment sector is part of this initiative. Impact studies on TCF are being undertaken so as to quantify the loss of trade opportunities in that sector.

The Government's Look North as part of the Foreign Policy continues to strengthen trade initiatives with trading partners including China, Japan, Korea and the opening up of trade links with Taiwan, our new Embassy in India are all part of opening up of trade opportunities.

Maintaining and improving terms of trade with traditional partners, Australia and New Zealand. Reopening of the consular services in Sydney to facilitate efforts potential investors and traders with Fiji. A Trade Development Committee has been formed nationally, including various subcommittees [codex, Quarantine, Standards, Trade Facilitation] to link up with the requirements of the regional and international trading arrangement.

Fiji continues to engage with multilateral missions of the United Nations and the European Union in securing trade and sustainable development initiatives. The Mission in Brussels continues to capture the attention of the European Union to realize the importance of trade preference on sugar and to as far as possible maintain the preference which is fast eroding. Negotiations in accordance with the Cotonou Agreement is underway, particularly at the all ACP level, Regional level and the National level towards the formation of the Economic Partnership Agreement between the EU and ACP.

Fiji became a member of the Economic and Social Council of the UN from 2000 to 2002 and also a current member the Commission on Sustainable Development. These memberships both attempt to profile the importance of Sustainable Development for SIDS, as programmed in the Barbados document.

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The regulations of the WTO cover more than just the physical goods as covered under GATT and include trade in services (GATS), Intellectual property rights

(TRIPS) and a number of other measures aimed at increasing the free flow of trade.

Towards this end, MFA&ET, represented by the Fiji Embassy (Brussels), actively participated in numerous meetings and negotiations mandated by the DDA, in Geneva this year. Apart from Implementation Issues, other Agreements that are of special interest to Fiji, and that MFA&ET have actively addressed, are the Agreement on Agriculture and the Agreement on Services.

On the Agreement on Agriculture of the WTO, Members were required to establish modalities for further commitments including area of Special and Differential Treatment, by 31 March 2003. MFA&ET has strongly defended Fiji's position for the preservation of our preferential market access to the European Union, as sugar remains the major agricultural export commodity for Fiji whose survival depends on the maintenance of preferences. In general, Fiji's position has been to associate with a formula/modality that favours the maintenance of preferences; provides effective access to non-EC markets; provides the flexibility to progressively develop our agriculture sector and sufficiently take into account our non-trade concerns.

Likewise on the Agreement on Services, Members were required to submit Specific Commitments by 30 June 2002 and make initial offers by 31 March 2003. When joining the WTO in 1996, Fiji only made Specific Commitments in the tourism sector, committing itself to open up only hotels and restaurants, although in reality, the service sector is rather liberal and foreign investor friendly. Since July 2002, Fiji has received requests for specific commitments in the services sector from our five major trading partners; Australia, New Zealand, Japan, the USA and the EU. MFA&ET, together with the Ministry of Commerce, Business Development & Investment, have been actively involved in consultations with the stakeholder Ministries and private sector in formulating negotiating positions. Towards this end, Fiji has been applauded by the WTO for being one of the few developing countries out of the 30 WTO members (from a membership of 146) to have presented an initial offer to these requests by the agreed deadline. MFA&ET is presently also occupied in coordinating bilateral consultations with requesting members to finalise our offers for trade in services.

#### **4.1.4 Key Constraints**

**4.1.4.1.** The main constraints to Trade includes among others the following:-

- (i) Economies of Scale
- (ii) Smallness
- (iii) Distance from International Markets
- (iv) High Costs of Transportation by Land, Sea and Air
- (v) Supply Side Difficulty
- (vi) Market Access Difficulty
- (vii) Human Capital Availability to Skillfully Negotiate Alternative Trading Arrangement
- (viii) Capacity Constraints in Trade Advocacy
- (ix) Narrow Economic Base [Single Commodity Producer]

- (x) High Costs of Adjustment to the new International Trading Arrangement
- (xi) Erosion of Trade Preferences on Sugar

#### **4.1.4.2 PICTA**

Fiji is ready to comply with its obligation requirements and participate fully under the general provisions of PICTA. For Fiji (and Tonga) the obligations for tariff standardization and reduction began with the coming into force of PICTA. However, the application of preferential rates could commence vis-à-vis other implementation requirements, including;

- (i) Firmed up Rules of Origin (ROO) for PICTA by the Rules of Origin Committee. And also other aspects of ROO, in particular, agreed derogation procedures, certificate of origin, designated authority, dispute resolution.
- (ii) Adoption of the resolutions of the PICTA Rules of Origin Committee by the PICTA member states.
- (iii) Steady progress on the implementation of PICTA in other member states.
- (iv) Assistance provided by the Forum Secretariat to facilitate smooth implementation of PICTA, in addition to facilitating consultations among member states on issues such as Negative Lists.

Once these issues are addressed only then trade under the Agreement could commence and implementation efforts by individual member states would be meaningful.

#### **4.1.4.3 Cotonou Agreement**

Sugar has been the driver export through the successful trade arrangements between the ACP and EU. The new world trade regime under the WTO, the evolution of issues within the EU together with the challenge of Australia, Brazil and Thailand on the EU sugar regime has and will quickly erode the trade preferences on Fiji sugar. This has far reaching implications on the implementation of internationally agreed goals such as the Millennium development goals, WSSD and the Barbados Programme of Action. National objectives together with these commitments need to be supplemented from donors and more effective trading arrangements.

The ACP/EU negotiation on EPA was launched in September 2002 in Brussels. The first phase is still being negotiated as there is a divergence of views in Phase 1 particularly on the principles and objectives. These are cross-cutting issues that needs to be settled e.g. poverty alleviation. The ACP is not yet ready to go into second phase before these are finalized.

It is important to note that EPA should be viewed as an instrument of development rather than an end in itself. The second phase of negotiations should have begun this month i.e. September 2003. However, due to the wide diversity of development needs within the group and the urgency to complete the negotiations, the ACP Council has given the liberty to those who are ready to go ahead with the negotiations in the second phase. The ACP group is very cautious in maintaining its solidarity in the group.

The outcome of the WTO Ministerial Conference in Cancun is high on the ACP Agenda with a view to push for more flexible rules governing Regional Trading Arrangements (RTA's) so that development oriented EPA's are achieved and at the same time WTO compatible.

Fiji was the most recent chair of the Committee of Ambassadors at the ACP-wide level in Brussels. We deal directly with the counterparts on EPA, WTO and other ACP issues and are heavily involved in the various stages of negotiations on such issues. Fiji is the lead negotiator of the Services Group.

#### **4.1.5 Key Responses**

The Ministry of Foreign Affairs and External Trade is working to improve Trade with bilateral and multilateral partners. With Australia, discussion at the political level and technical level to improve trade through market access and ease of entry of products of export interest to Fiji. Negotiations are on going to improve the SPARTECA TCF scheme in the garment sector is part of this initiative. Impact studies on TCF are being undertaken so as to quantify the loss of trade opportunities in that sector.

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## 4.2 Investment

### 4.2.1 Progress in Investment

Fiji adopted a liberal investment regime in 1989 as part of the broad economic strategy to move towards outward looking policies and to arrest the declining private investment levels in the late 80's and early 90's. In 1992, the Fiji government invited the Foreign Advisory Services (FIAS) to carry out a study on the investment environment in Fiji. FIAS in its report recommended the formulation of an investment legislation as part of a wide set of measures to improve the investment climate in Fiji. Other measures included establishing the Fiji Trade & Investment Board as an effective one-stop shop for investors and improving the investment promotion strategies of FTIB.

In 1996, Government approved Fiji's investment Policy which focused on three principles:

- (i) increasing investment into generally all areas of the economy and from all sources;
- (ii) investment is to be market driven as opposed to government directed and any encouragement from Government should preferably be through facilitation rather regulations; and
- (iii) where regulations are necessary for legal safeguards or social reasons, they should be administered in the most transparent manner possible.

In 1999, Government approved the Foreign Investment Act (FIA) which regulates the entry of foreign investment into Fiji through establishing transparent and simple procedures for the faster approvals of foreign investments. The FIA also clearly defines those sectors or areas which foreign investment can enter except those prescribed under the Reserved or Restricted Lists and that they comply with all other domestic legislation such as the Immigration Act, the Companies Act. The FIA also requires a foreign investor to hold a valid Foreign Investment Certificate issued by the FTIB in order to operate in Fiji. This process would protect certain sectors from foreign participation and promote foreign investments in those sectors where foreign participation is required. For investment guarantees, a foreign investor has the same protection under Section 40 of the *Fiji Constitution* against compulsory acquisition of property.

Investment in the public and private sector has been growing steadily, although been hampered by Political and natural shocks over the last 10 years since Barbados in 1994. A number of ambitious investment project are underway in both the public and private sector and is expected to spread over a few years.

The need to encourage local investment in order to induce foreign investment. Increased local investment will give confidence to and encourage international investors.

In the tourism sector the outlook for 2003 has been optimistic despite the crisis in other parts of the world ie. Iraq, Bali bombing, SARS etc.

The industry also emphasized the importance of encouraging locals to invest in the tourism sector. Potential foreign investors tend to observe existing investors, particularly locals, on what they are doing “on the ground”. Hence, it is important for the authorities to provide incentives and create an ideal environment, conducive for local investors.

Presently the economy is investing in important sectors including Sugar, Manufacturing [Textile, Clothing and Footwear (TCF)], Agriculture, Fisheries and Forestry, Mineral Water Production, Construction, Whole Sale and Retail, Land Transport.

There is a substantial number of investment project worth close to 13% of GDP to be created in 2003 and will spread over a few years. Growth areas include forestry, garments, information and communication technology, audio video technology, small and micro enterprises.

Potential area of growth is likely to be the automotive assembly industry. A turnover of \$100 million in the construction sector is an increase of 66% from 2002. This implies additional employment in the sector.

#### **4.2.2 Key Constraints**

The need to improve Fiji’s infrastructure particularly in potential growth areas. Insufficient allocation for repairs and maintenance and delays in installing new/additional investment was beginning to take its toll. With deteriorating and inadequate public infrastructure, some private sector projects may be delayed.

Data constraints/limitations and the difficulty in getting appropriate economic statistics for business purposes. Examples included labour market information, disaggregated trade data and statistics to measure the contributions of various sectors and industries etc.

Under-skilled and inexperienced workers (as a result of brain drain) in certain categories of the labour market.

General frustration was also expressed about bureaucracy in various government departments and agencies. Through numerous forums, the private sector highlights those problems it encounters in doing business and often makes suggestions to rectify and/or minimize them. There was a general view that “more action” was required to address private sector concerns”.

#### **4.2.3 Key Responses**

Governance is an over riding factor in providing conducive climate for investment in Fiji. The Government is working quickly towards resolving the Multi Party issue so that it clears the issue for potential investors who have been waiting to go ahead with their business.

## 5.0. MILLENIUM DEVELOPMENT GOALS (MDG's) & SD IN SIDS

### 5.1 Poverty Eradication

#### 5.1.1 National efforts and initiatives related to the eradication of poverty

Poverty alleviation programs focusing on providing income-earning opportunities, capacity building and providing safety nets for those in greater need are being undertaken both by government and NGOs. Income generating activities are assisted through the Poverty Alleviation grant of the DSW, and through the Micro-finance loan scheme and Agricultural Diversification Program of the Ministry of Agriculture. Capacity building and training is provided through the Small Business Advisory Unit of the Ministry of Commerce, Business Development and Investment, Women's Social and Economic Development (WOSED) scheme of the Ministry of Women and some NGOs such as FCOSS. Social safety net is provided through the Family Assistance Allowance, and various NGOs such as Fiji Red Cross Society, Bayly Trust, and Religious Organizations.

A Cabinet Subcommittee on Poverty Eradication has been established to formulate a 'National Policy and Implementation Framework on Poverty'. The Household Income and Expenditure Survey, presently being conducted, will provide valuable information to guide Government policy

According to the 1997 Fiji Poverty Report, 25.5% of the households lived below the poverty line, equivalent to an income of \$5,500 per annum for a family of five consisting of two adults and three children (Table 7).

**Table 7 Poverty Statistics 1997**

	<b>Basic Needs Each Week (minimum gross weekly income)</b>	<b>Number of households under poverty line</b>	<b>Percent of households under Poverty Line</b>
Fijian	92.63	17,760	27.7
Indo-Fijian	97.34	22,150	31.0
Others	92.63	1,370	27.6
National	83.00	34,600	25.5

Indications are that poverty has increased significantly over the last five years, particularly since May 2000. As a result of increasing poverty, the number of Family Assistance Allowance recipients has increased significantly (Table 8). Assistance offered by NGOs has also increased significantly over the last few years. Other visible signs of rising poverty include increased numbers of street people such as beggars, street kids, wheel barrow boys and prostitutes, and squatters squatting in urban and peri-urban areas.

**Table 8 Family Assistance Allowance Recipients and Expenditure**

	1995	1996	1997	1998	1999	2000
No. Of recipients	9245	10070	10785	11680	11813	13443
F\$ million distributed	3.5	3.5	5.0	5.1	6.0	6.03
Av. allowance per year (\$)	377.28	347.57	463.61	436.64	507.92	449.0
Av allowance per week (\$)	7.25	6.68	8.92	8.40	9.77	8.63

The major categories of the poor include the working poor, single parent headed households, the unemployed and the disabled. Approximately 83 percent of heads of poor households work. They are poor because the type of work they do pay such low wages, and that the whole household is dependent on them. One in seven of the poor households are headed by single parents.

The Government in conjunction with ADB has prepared a National Poverty Assessment Report. This report is expected to be finalised when the results of the HIES are available later this year.

### **5.1.2 Key Constraints**

Poverty alleviation efforts are constrained by the lack of job opportunities due to slow growth of the economy, and the inadequate capacity of the poor to take advantage of existing opportunities due to lack of basic skills. In addition, more people are seeking welfare assistance, particularly the elderly, as a result of the weakening of the traditional support system. International experience, however, shows that merely increasing welfare payments to combat poverty serves to further weaken existing support structures in the community.

The scarcity of poverty related data is a major concern. Currently, comprehensive statistics on poverty are available every ten years either through the Population Census or the Household and Income Expenditure Surveys (HIES).

## **5.2 Universal Primary Education**

### **5.2.1. National Initiatives on achieving universal primary education**

The Ministry of Education through its Education For All (EFA) Action Plan is targeting universal primary education (UPE). UPE in Fiji is almost achieved with a net enrolment ratio in primary education of about 99%. Efforts are continuing through the introduction of compulsory education in primary in 1997 and continuing to secondary in 2001. The target of compulsory education is to have every child in Fiji to complete 10 years of basic education.

The Ministry is currently undertaking a Fiji Education Sector Review with AusAID on how to strengthen the Ministry's various sections and functions in order to improve the efficiency of the Ministry in carrying out its functions.

Regional cooperations are being coordinated with organizations such as UNESCO on implementing some programmes such as 'Education of All' and

other Regional initiatives. Curriculum development is also an area where sustainable development is being addressed in terms of teaching the children in schools on issues pertinent to sustainable development programmes. Manpower development is a key function of the Ministry of Education and the development of the full potential of all children in Fiji is a prime focus of our programmes.

## **5.2.2 Key Constraint**

The major constraint in this area is the lack of funding being provided in the budget for the development of infrastructure and programmes in schools. In addition an appropriate number of teachers are needed to implement the programmes effectively.

## **5.3 Child Mortality**

### **5.3.1. National Initiatives on reducing child mortality**

Child mortality rates have declined over the last decade. Fiji's Infant Mortality Rate is 16.18 for every 1000 live births (LB) and the Child Mortality Rate is 1.18/1000. Other statistics include Early neonatal Mortality: 6.91/1000 LB; Neonatal Mortality: 8.29/1000 LB; Late neonatal Mortality: 7.89/1000 LB; Immunization Coverage: 90% First Year of Life; 98% of all deliveries in Fiji are done in health facilities or by health professionals;

Hospital Admission for Morbidity vs. Mortality data 1998-2000 for children less than 5 years:

- i. Acute Respiratory Infections: 40% vs. 30% [GOPD: 40%];
- ii. Communicable Diarrhoeal Diseases: 25% vs. 10% [GOPD: 5%];
- iii. Malnutrition: 4% vs. 6%;
- iv. Meningitis 4% vs. 4%;
- v. Asthma: 25% vs. 4% [GOPD: 5%];
- vi. Rheum. Heart Disease: 2% vs. 8% [GOPD: 10%]; and 25% of children have malnutrition.

[Note: GOPD – General Out Patients Department]

Several programmes are ongoing as Fiji progresses in reducing child mortality. These include:

- (a) Expanded Programme of Immunisation (EPI) in the prevention of 10 immunisable diseases;
- (b) Elimination of Polio in the Western Pacific Region since 2001;
- (c) Promotion of Baby Friendly Hospitals (BFHI) and Breast feeding activities;
- (d) Integrated Management of Childhood Illness (IMCI) strategy for children less than 5 years was launched in Aug 2003 & is currently piloted. This is to be reviewed in Aug 2004 & be nationalized by Dec 2004;
- (e) Malnutrition and Infant Feeding Program. Includes the improvement of micronutrients- fortification of flour with iron to prevent anemia;
- (f) Milk Supplement program;

- (g) Child protection: in terms of child abuse, exploitation; & violence, sexual exploitation & child labour;
- (h) Health Promoting and community participation development;
- (i) Strengthen capacity building; and
- (j) Develop Information & surveillance system, Research, Monitoring & evaluation.

UNICEF/WHO provides technical advice & funding assistance for BFHI & IMCI Programmes. Fiji is one of the 4 countries in the region that has taken up this strategy on board. Vit A is routinely given & 95% use iodized salts.

Children issues are addressed through the multiagency forum like the CCC and appropriate legislations with other child issues in accordance with the spirit & principles of CRC and a World Fit for Children and the recent Bali Declaration of May 2003

### **5.3.2 Key Constraints**

Previously UNICEF/WHO provided technical advice & funding assistance for BFHI & IMCI Programmes but Fiji is no longer a priority country and Fiji Government now funds its own vaccine supply with limited budgetary allocation of \$700,000 annually since 2001.

The huge burden of malnutrition in limiting human potential and undermining national productivity as that good nutrition is the cornerstone of child growth and development.

Malnutrition is not simply due to lack of food but is a result of a number of processes including the amount of quality care that young children receive, lack of access to safe water and sanitation

## **5.4 Maternal Health**

### **5.4.1. National Initiatives on improving maternal health**

Maternal health has improved in the last decade. The Maternal Mortality Rate is 38 for every 1000 LB. Other statistics include Child Bearing Age: 176,939; CPR: 44%; Crude Birth Rate: 20.3/1000; Crude Death Rate: 6.94/1000; 98% deliveries done by Health Workers and 2% done by Traditional Birth Attendants.

Several programmes are ongoing in improving maternal health. This includes:

- (a) Adolescent Reproductive Health (ARH) - ARH Programmes commenced in Fiji in 2000 with peer education, establishing 5 ARH clinics to date & strengthening collaboration with Ministry of Education, Ministry of Youth & NGOs in addressing the young people's needs.
- (b) Family Planning Programmes - Fiji has included some modern contraceptives in the last 5 years in its Family Planning Program & Reproductive Health (RH);

- (c) RH Information System;
- (d) Strengthen RH Policies;
- (e) Improve Obstetric Management Protocols & Manuals developed;
- (f) Continuing Medical Education for service providers;
- (g) Improve access to & quality of RH services & care;
- (h) Promote men's understanding of their roles & responsibilities;
- (i) Empower women through better education,

Fiji government is working towards elimination of maternal & neonatal tetanus. HIV Pos Pregnant Mothers are also addressed in the prevention of Mother to child transmission of the HIV and are currently given anti retroviral drugs.

Teenage pregnant mothers are also dealt with separately as they have special needs.

#### **5.4.2. Key Constraints**

Fiji's Contraceptive Prevalence Rate (CPR) is 44 % and this is quite a low achievement because of cultural & religious barriers; access, availability & affordability of contraceptives; limited obstetric care, knowledge & skills; and geographical isolation.

These challenges have been addressed through continuous integrated community capacity building approaches in community education & awareness on reproductive health issues; capacity building for service providers; and engagement of Community Based Distributors of Family Planning.

## **5.5 Gender equality and empowerment of women**

### **5.5.1 Current national efforts and initiatives related to gender equality and the empowerment of women**

Fiji Government's Strategic Development Plan 2003 – 2005 and the Women's Plan of Action 1999 – 2008 identify five specific areas of concerns for women. The areas of concern contained in the SDP and the WPA covers all the areas contained in the Rio Declaration; Agenda 21, the Beijing Declaration and Platform for Action for Women and the Social Summit goals.

Ministry of Women has implemented programmes that covers all the areas contained in the Rio Declaration; Agenda 21, the Beijing Declaration and Platform for Action for Women and the Social Summit Goals.

The areas specified in the Women's Plan of Action are the mainstreaming of women and gender concerns in all planning process and all policy areas. Seven strategic objectives in this area are:

- strengthening enabling environment for women and gender mainstreaming;
- develop and strengthen government process to be gender responsive;
- enhance sectoral and system wide commitment to mainstreaming women and gender;
- strengthen the institutional capacity of the Ministry of Women for women and gender policy advocacy and monitoring.
- effective consultations of government bodies with civil societies; and
- integrate gender training in educational and national training institutions.

The following programmes have been implemented:

- Gender training for all sector of Governments;
- A gender audit in the Ministry of Agriculture and Health;
- Database on women;
- Gender advocacy all levels of development committees;
- Engendering of health and agricultural policies; and
- Community – based programmes – integrated gender development in health, Agriculture, Fisheries.

The review of laws that are discriminatory to women. Seven objectives are identified for action:

- the law making process;
- access to law;
- equal participation in political life;
- women and labour;
- Family law;
- Women and health; and
- Women and education.

The programmes that have been implemented are:

- EEO policy of Government developed;
- Review of legislation on Divorce, Maintenance, Affiliation etc. – Family law;
- Review of Industrial Relations laws - IRB;
- Review of Mental Health Act;
- Review of Penal code– Sexual Offences Act; and
- Community level : Legal literacy training, social and political empowerment.

Microenterprise development for women. This has four main objectives:

- Build on supportive policy environment;
- Expand access to micro– credit, particularly for women;
- Improve women’s access to formal credit through affirmative action; and
- Link credit facilities with enterprise development.

Programmes implemented are:

- Government has established a National Centre for Small and Micro Enterprise;
- There is now a Micro Finance Unit providing credit facilities; and
- The Ministry of Women has facilitated a small micro-credit facility for women and the programme empowers women both socially and economically.

Balancing gender in decision making. This has four strategic objectives:

- promote balanced gender representation in Boards, Committees, Councils, Commissions and Tribunals;
- strengthen women's accessibility to and full participation in power structures and decision making;
- create an enabling environment to equal opportunities in training, promotions, recruitment and appointments in the Public Service and encourage the same in the private sector; and
- create an enabling educational and social environment where equal rights of girls and boys, men and women are recognised and all, including special groups such as the disabled and immigrant women, are encouraged to achieve full potential.

Programmes implemented are:

- EEO policy of Government;
- Monitoring of decision making bodies of government; and
- Advocacy for women in decision making.

At the community level – social and political empowerment.

Violence against women. This has one strategic objective:

- to educate the community and law enforcement agencies to prevent and elimination of violence against women and children.

Programmes implemented are:

- Media campaign to create awareness on violence against women;
- Training of male advocates for the elimination of violence against women;
- Economic cost of VAW;
- Domestic violence reference – legislation; and
- Community education.

### **5.5.2 Key Constraints**

The implementation of programmes on gender equality and women's empowerment has been greatly challenged by the gender blindness that is

prevalent with some planners and policy makers. The lack of skills and understanding of gender concepts has been the greatest obstacles to the implementation of SD gender issues.

The lack of human and financial resources continue to constrain work in gender equality and women's empowerment.

## **5.6 HIV/ AIDS, Malaria and other diseases**

### **5.6.1 National, Regional and Sub-Regional Efforts to combat HIV/AIDS, Malaria and other vector borne diseases**

#### **HIV/AIDS**

The response to HIV/AIDS has been shared amongst government Agencies, Non- Government Agencies, Religious Institutions, Educational institutions and Aid and technical support agencies such as UNAIDS, UNFPA, WHO AND SPC.

The urgent task of significantly reinforcing and sustaining programmes to prevent HIV and Sexual Transmitted Infections in Fiji is also undertaken through the Family Health and Reproductive Unit of the Ministry of Health and National Advisory Committee on AIDS.

Fiji has a Strategic Plan 2001-2003 for combating this HIV/AIDS threat. The overall goal is 'to prevent and control the spread and impact of HIV/AIDS and STI's in the Fiji Islands. The guiding principles for the plan are based on the rights of the individuals to information, free voluntary screening, appropriate care and full community support and care for HIV/AIDS cases, without judgement.

Fiji's National Strategic Plan for combating HIV/AIDS has seven priority areas needing attention over the next three years. The priority issues are:

- Preventing people becoming infected with HIV;
- Care and Support of people living with HIV/AIDS;
- Prevention and Control of Sexually Transmitted Infections (STI's);
- Safe Blood Supply;
- HIV Testing;
- Human Rights and HIV; and
- Coordinating the Multisectoral response.

At present there are about 129 confirmed cases in Fiji. Significant increase is noticed in the last three years. Refer to Appendix 3 for distribution of HIV/AIDS confirmed cases and trends.

There are number of initiatives that are currently being undertaken by the ministry and these include:

*Awareness programmes* A cross-section of the communities in Fiji are being targeted namely, Members of Parliament, Great Council of Chiefs, Schools, Media, and Religious Groups.

*Training* Training programmes are also in place and the target groups are: Service Providers – doctors, nurses and other allied health workers; Community Leaders; Religious Organisations; Journalists; Youth Leaders – in schools, communities, religious groups; and Peer Educators.

*Printing and distribution of Information/Education/Communication Materials* (Pamphlets, Posters, Stickers etc) to schools, communities etc.

*Dissemination of Information* through other media outlets – Radio, Television and Daily Newspapers.

## **Dengue Fever**

Dengue has occurred in Fiji from time to time in recent years. These outbreaks in the past, were isolated occurrences, never with intensive effect until the outbreaks of 1975, 1979-80 and 1997-98 when most of the urban and rural dwellers were affected.

The goal is to prevent the reoccurrence of dengue epidemic as a public health problem. The key strategies for dengue prevention are:

- Develop diagnostic procedures to enable confirmatory tests of dengue fever;
- Develop dengue clinical management of cases by general public in rudimentary early case management and in health clinics;
- Vector Surveillance and control;
- Mobilization of communities for source reduction from church groups, woman & youth groups etc.;
- Development & wide distribution of Information/Education/Communication Materials to the public at large pertaining to dengue prevention;
- Capacity building and training in entomological, surveillance and vector control with all health workers; and
- Develop an improved anti-mosquito surveillance and control program in cities, towns and rural local authority.

Dengue control demands household level interventions and behavioural modifications that people need to remove refuse and carefully protect essential water containers and other household items that can provide ideal breeding sites for *Aedes Aegypti* mosquitoes.

## **5.7 Environmental Sustainability**

### **5.7.1. National, Sub-regional and Regional Efforts to Environmental Sustainability**

To address Fiji's environmental problems, Government has drafted a Bill to provide the framework for the management of our environment and ultimately to address various environmental issues and concerns. The bill will provide policing of activities that bring about depletion of the natural environment.

Fiji is a signatory to numerous international environmental and resource conventions that place considerable responsibility on the Government at national and international levels with regard to environmental issues. The ratification of these conventions has enabled Government to undertake numerous projects and programmes at the national level with relevant technical assistance being provided by various international and regional organisations.

### **5.7.2. Key Constraints**

Fiji's main environmental problems are: land degradation, air and water pollution, refuse disposal, climate change and sea level rise. Expansion of agricultural lands is the principle cause of land degradation.

## **5.8 Global Partnership for Development**

### **5.8.1. National Initiatives on global partnership for development**

Global partnership comes in the form of assistance through foreign aids. Aids are directed towards broad areas of policy development identified in the National Strategic Development Plan 2003-2005, which tried to address the set of sustainable development priorities listed under the BPOA and the Pacific Type II Initiatives.

Grant in Aid basically come in two forms for sustainable development, either as a cash grant or aid-in-kind. Grants from donors have increased during the last three years. The table below indicates that in 2001, cash grants of \$0.5 million dollars were received, \$0.3 million were received for 2002, and \$3.19 million dollars was forecasted for 2003. More grants are expected for 2004.

<b>Donor</b>	<b>2001 Actual \$m</b>	<b>2002 Actual \$m</b>	<b>2003 Revised \$m</b>
Australia	4.56	6.8	15.65
Canada	0.28	0.25	0.25
China	6.25	2.75	6.00
EU	3.31	12.84	23.58
Japan	4.00	4.80	8.22
Korea	0.20	0.20	0.20
New Zealand	0.62	0.86	3.43
UNDP	2.12	0.25	0.98
Others	0.80	1.60	2.69
<b>Total</b>	<b>22.14</b>	<b>30.35</b>	<b>61.00</b>
<b>Comprising</b>			
<i>Cash</i>	<b>0.46</b>	<b>0.27</b>	<b>3.19</b>
<i>Aid-in-Kind</i>	<b>21.68</b>	<b>30.08</b>	<b>57.81</b>

*Source: Ministry of Finance and National Planning*

Overseas Government's development cooperation program in the last 3 years focused on Social and Community Development with particular emphasis on Health and Education, Social Infrastructure, Human Resources Development, Information and Communication Technology, Management of Wastes and Cyclone Rehabilitation programme especially for 2002 and 2003. Projects that are expected to receive funding for 2004 and beyond will be based on the priorities areas of government as stipulated in the National Strategic Development Plan 2003-2005.

### **5.8.2. Key Constraints**

The monitoring aspects of aided projects is an issue that need to be properly addressed particularly when implementing ministries and departments override aid procedures. Lack of dialogue and consultation between concerned parties led to an unknown track of aid allocation and expenditure.

Other constraints that hindered the implementation of aid funded projects include:

- Delays in the implementation of aid projects, in accordance with contract, work programmes, etc;
- Lack of manpower and appropriate technical expertise in managing aided projects at ministerial/departmental level due to 'brain drain' and other factors;
- Non consideration of risk factors in particular environmental and land issues and their management; and
- Consultation process with donor countries is time consuming as they refer most of their decisions to their respective head offices overseas.

## 6.0 EMERGING CONCERNS AND SPECIAL NEEDS

### Introduction

The lack of awareness of the Barbados Programme of Action over the past near decade, has in itself created a special need and is now a concern in regard to promoting the sustainable development paradigm, as a new way of doing business in Fiji. Working together in multistakeholder groups within and across the 3 pillars of sustainable development provides a new opportunity to work on a more integrated and holistic approach to decision making. We must ensure that in the lead up to the BPOA Review and beyond, as part of new initiatives we secure this new opportunity.

The following issues are identified as emerging concerns that require special attention, as they were not identified 10 years ago in Barbados.

### 6.1 HIV/AIDS

HIV/AIDS continues to be a major socio-economic crisis that affects all sectors globally today. This epidemic is a serious threat to Fiji's social & economic development with detrimental & direct implications on the people of Fiji with potential devastating impact.

In 1989, the first HIV positive case was confirmed in Fiji. This led to the formation of National Advisory Committee (NACA) as a Cabinet decision chaired by the Hon Minister for health. There were some Short Term Plans formulated: 1989 – 91 and 3 year Medium Term Plans (MTP) implemented from: MTP1: 1992 –94, MTP 2: 1995 – 97 and MTP 3: 1998 – 2000. A National Multisectorial Strategic Plan 2001 – 03 was formulated in 2000, which had identified seven priority areas as, listed in 5.6.1.

The new National HIV/AIDS Strategic Plan 2004-6 has been formulated -to be endorsed by NACA in end Oct 03 and this has eight priority areas which are:

1. Preventing people becoming infected with HIV – including safe blood supply, vulnerable groups, general community
2. Prevention of HIV/AIDS in Young people People Living with HIV/AIDS Voluntary Counseling and HIV Testing. Clinical management and Treatment of HIV/AIDS HIV/AIDS Surveillance and Research, and
3. Human Rights & HIV/AIDS Coordinating the Multisectorial Response

The cumulative Tot No of HIV/AIDS from 1999 to Sep 2003 is 129 – refer to table 1 of Appendix 3 attached. Of these:

- 85%: had HIV by heterosexual transmission, 7% - MTCT, 6% - through Homosexual mode
- 52% in 20-29 yrs, 26% in 30-39 yrs and 11% in 40-49 yrs age category
- 85% are Fij, 13% Ind, 2% Others
- 63% are males & 37% females

Indicators and Statistics available reveal that there is high sexual activity going on amongst the young people – especially the Fijian males.

HIV/AIDS threat is compounded by other factors: high prevalence of STI, teenage pregnancies, alcohol consumption, drugs & substance abuse and breakdown of family values & cultural norms.

### **Progress**

Multisectorial Approaches & multifaceted collaboration through NACA, other Government Departments, Great Council of Chiefs, media and NGOs implementing awareness programs and activities at all levels through Health Promoting methodologies & strategies. Other Innovative Strategies include the: Fiji ARH Project, Condom Social Marketing, Strengthen Collaboration with MOE, MOY, MNP & Finance.

Work on HIV/AIDS Legislation in looking at an Appropriate Legal Framework with HIV/AIDS Policy Formulation are currently undertaken by the Ministry of health. These processes include the Legalizing of NACA, reviewing the Existing Acts & Laws such as the Public Health Act and taking into account the Legal implications such as Confidentiality, Human Rights, willful transmission, mandatory testing and other related issues.

HIV/AIDS, ARV/Oppportunistic Infections Treatment Protocols are also in place. Currently government is providing antiretroviral drugs for PMTCT and Needle Stick Injuries for health providers. Intellectual Property Rights, legislation, TRIPS and other trade concerns of procurement of anti retroviral drugs are currently being addressed.

Other issues and concerns related to PLWHA are being addressed by government and other stakeholders at various levels. There is also ongoing Continuing medical Education program for MOH staff, managers & service providers being implemented to update their knowledge and skills on HIV/AIDS. Government is also working in close collaboration with the Churches, Religious Groups, Media and the Great Council of Chiefs and '*vanua*' with other major stakeholders to effectively address the HIV AIDS Issues.

Since HIV/AIDS is not a stand alone issue, other socio behavioural compounding actors & ARH concerns are addressed together through various strategies and approaches as a package. These issues are: STIs, Teenage pregnancies, drugs, alcohol & substance abuse and suicidal tendencies.

Government has allocated specific budget line for HIV/AIDS programme and activities for the first time: \$FJ150, 000 in 2002; \$FJ150, 000 in 2003 and expect 100% increase for 2004 budget. Other sources of funds for HIV/AIDS also come from WHO, UNFPA, UNAID Global Funding Approval for 11 PIC should be received before the end of 2003. These funds would be specifically for:

- Strengthen laboratory-testing facilities in Mataika House and CWM Hosp
- Procurement of ARV & OI Drugs for PLWHA
- Capacity building for health workers in pre and post graduate trainings

NGOs get their HIV/AIDS funding from other agencies such as: FRC – EU, ATFF - AusAID

HIV/AIDS Threat will continue to escalate in Fiji. We have passed the slow burning stage of the disease and are currently in the proliferative explosive phase of the HIV/AIDS trend as seen in the other AIDS devastated countries 10 to 12 years ago. If the HIV infection rate continues to increase in the current rate and trend, it is projected using the WHO calculations that by 2015, an estimated cumulative number of 6500 people will have HIV/AIDS in Fiji – refer to graphs 2 & 3 of Appendix 3.

Education is still the main strategy to use in the absence of a cure and vaccine. The ARH rule of ABC still prevails: Abstinence is still the healthiest choice for the young unmarried person or adolescent, Be Faithful to one partner and if need be, use condom exclusively.

Funds for ARVs and Opportunistic infections will unavoidably become the government's responsibility. Govt is fully committed from the highest level: Prime Minister & Cabinet, First Lady & Presidential Office, Speaker of House, GCC & other august institutions in the Prevention, Management & control of HIV/AIDS.

Ministry of Health cannot fight this crisis alone as this is a socio-behavioral lifestyle problem & cuts across all dimensions of health, affecting all walks of life – bringing to threads the very social, economical & moral fabric of our society. All of us have a part to play in the prevention, control and management of this HIV/AIDS threat in Fiji. Let's do it together as ***“combating HIV/AIDS is now Everyone's Business.”***

## 6.2 Non Communicable Diseases (NCDs)

Non Communicable Diseases includes Diabetes, cardiovascular conditions such as Heart Diseases and Hypertension, Cancers, Smoking, Mental Health and Motor Vehicle Accidents. NCDs continue to be a major Public Health challenge especially for the working class population in Fiji.

The changing unhealthy lifestyles and diet, obesity, declining physical activity, increasing tobacco consumption in smoking and chewing in males and females and in adolescents, drugs and substance abuse, mental health problems and unhealthy sexual behavior are some of the main concerns that increases the risks and causes of NCDs in the region.

Increases in bed occupancy rates and hospital utilizations for hospital admissions are due to NCD complications and the GOPD services for their continuing care in the region. Sixty percent (60%) of National Health budgets are also given to NCD Management for the procurement of drugs and the provision of appropriate health care services.

Many strategies are now in place to address these NCD issues in Fiji include:

- (i) Lifestyle intervention
- (ii) Effective tobacco legislation and the commitment of the Inter Governmental Negotiating (INB6) in which the Framework Convention of Tobacco Control with currently Fiji the first

country in the Western Pacific region & the third country in the world to ratify this.

- (iii) Weight reduction through combination of activities
- (iv) The WHO NCD stepwise framework for Prevention and Control is to be adopted
- (v) Strengthen Governments commitment to increase resource allocation to NCD Programme and formulation of National NCD Plan

Diabetes and its numerous and devastating complications such as blindness, kidney failure and heart disease are imposing a huge burden on the individual and on society. It is estimated that a person with diabetes spends \$450- \$800 per year on diabetes related expenses. In addition to the obvious costs to the individual in terms of health, it is estimated that diabetes accounts to 5 to 10% of our nation's health budget. With the rise of diabetes, these costs to our health care systems threaten to be overwhelming.

Recent data from CWM Hospital shows that at least 50% of the people suffering with diabetes have diabetic retinopathy, and 33% of those with this retinopathy are already visually impaired.

31% of the total Diabetics seen in Lautoka Hospital in 2002 had laser treatment, 15% had cataract operations.

Fiji has a high incidence of Diabetes and Diabetic Retinopathy is the leading cause of blindness in people under the age of 60. One of the main challenges facing health care professionals in Fiji today is how to discover the thousands of people with diabetes who may have this disease developing within their eyes but who see well and think they do not need an eye examination. However, with early detection and timely treatment, up to 98% of this significant vision loss can be prevented.

### **6.3 Youth**

Young people's issues will continue to be a growing challenge in Fiji as our population structure is broad based with 60% of the population are young people.

Adolescents and young people are in a most vulnerable position as they are still in that transition stage in their life: being dependent on their parents and simultaneously wanting independence, that they are neither children nor adult. They must learn and understand their own sexuality better, be informed and provided with life skills capacity building, promote and recognize high self esteem and be empowered to make the correct and responsible decisions in their life – especially the main ARH concerns that have been identified affecting our young people today in Fiji. These adolescents need supportive relationships and respect and whether they are in rural or urban areas, the ARH concerns they face are the same.

The main ARH concerns affecting the young people today are:

- (i) High Prevalence of STI/HIV-AIDS – 60% of those that have STI are young people;

- (ii) Increased Teenage pregnancies;
- (iii) Increased Drug & substance abuse; and
- (iv) Suicidal Tendencies – the commonest cause of death in young people in Fiji is suicide

Fiji's unemployment rate stood at 5.8 % in 1996 and the recent HIES for the urban households indicated that unemployment rate is 14.1%. Unemployed youths is an issue. Analysis of the 1996 census revealed that for both male and female youths aged 15-24, the rates of unemployment rise as level of education increases, with the higher rates for those with post-secondary studies. Thus the problem of unemployment is not only one of youth unemployment, but of educated youth unemployment.

## **6.4 Care of the Aged, Elderly and the Handicapped.**

Fiji's population is not only getting bigger, it's getting older, a pattern similar to developed countries. The twin forces driving population ageing are rising life expectancies at older ages and falling fertility. The life expectancy of males is 65 years and females is 68 years and we continue to see a high number of widows. Total fertility rate dropped from 3.51 in 1986 to 3.26 in 1996. The elderly represents 5.1 % of the total population in 1996 showing an increase from 4.9 % in 1998 census.

The continuing care of the Aged and the Elderly together with the Handicapped, will be a challenge as the government will bear costs and related disease burdens and addressing their health needs for this sector of the population.

Programs in place include:

- (i) Promoting care of handicapped, healthy ageing and provides a supportive environment for older persons;
- (ii) Advocacy on Health promoting programmes on health care of the elderly and the handicapped;
- (iii) Provision of Home & Care for handicapped & elderly; and
- (iv) Community support in care of elderly & handicapped– only 1 community in Fiji in Nairai Island has built a Day Care center for the elderly and the young people take turns in providing care to them.

## **6.5 Vector Borne Diseases**

### **6.5.1. Dengue Fever**

Mosquito borne diseases such as dengue fever are of international/economical significance as the travel implications/restrictions posed by international organizations in response to outbreak can harm our fragile tourism industry.

In the past two decades, 4 dengue fever outbreaks occurred in Fiji with the 1997/1998 outbreaks being the worst. Over 50,000 affected individuals and 50 individuals have already died as result of dengue fever. In 1983 more than 230

dengue cases were reported nationwide with no known deaths documented. In 1989/1990 close to 4,000 cases were reported and 30 died as a direct result of dengue hemorrhagic fever and dengue shock syndrome.

The worst dengue outbreak in 1997/1998 with more than 24,000 cases reported, hundreds of patients hospitalized and 13 deaths. It was estimated that costs for treating dengue outbreaks was around \$6.5 million.

To effectively combat the dengue epidemic under the present circumstance when neither cure nor reliable vaccine is available, effective strategies for the prevention of transmission, better patient management, and effective environmental interventions must be central to Government's response.

### **6.5.2. Filariasis**

For the elimination of Filariasis, the Ministry of Health organized a mass drug administration programme targeting all households in Fiji in 2001. This was in partnership with WHO. At present the ministry is evaluating the programme by taking random blood samples throughout Fiji.

### **6.5.3. Malaria**

Fiji does not have mosquitoes that carry the vector that causes Malaria. Imported cases of Malaria is a health concern in Fiji.

## **6.6 Urban Water Supply and Sewerage Systems**

Fiji's urban water supply and sewerage systems, which were well developed in the 1970s and 1980s, have not kept pace with demand and have suffered from deferred maintenance. Below are some of the causes of reductions in levels of water supply and sewerage services in the main urban centers:

The Suva-Nausori corridor experienced an urban growth during the last intercensal period. Although about 254,000 persons, or 97% of the population of the Suva-Nausori area, have some form of access to piped water supplies, many obtain their drinking water from neighbors, and a significant proportion depend upon wells and streams. Piped water treatment capacity exceeds demand. However, high physical losses have resulted in disruptions of water supplies to consumers and are at the heart of the region's water problems.

During the early 1990s, disruptions occurred during "*drought*" years. By the mid-1990s disruptions became frequent during the drier periods of each year. Disruptions now occur during all periods of the year. Provision of water by tank truck, with storage in plastic tanks, which is expensive, is becoming increasingly common.

Unaccounted-for water (UFW) has increased from about 30% of water supplied in the early 1990s to 60% of water supplied in 2002.

During 1995-2000 more than 10,000 cases of diarrhea were reported in the Suva-Nausori area, most among infants and children and in areas where piped water is not available or the quality of piped water is compromised.

About 57,000 persons, or about 22% of the population of the Suva-Nausori area, have access to a sewerage system. Most of the remainder are connected to septic tanks and some lack sewerage altogether. Sewerage effluent flows to streams and coastal waters. High density development is banned in areas without sewers, causing development to spread out, and increasing the demand for water.

Levels of indicator bacteria in streams and coastal waters demonstrate that many waters are unsuitable for contact activities. These waters are used for fishing, and shellfish gathering. They are a potential health risk.

Most of Suva's 71 sewage pumping stations overflow frequently, due to inflow of groundwater to sewers, together with blocked sewers, broken exposed mains and sewage pump breakdowns.

## **6.7 Threat to the Sugar Protocol**

The WTO trade rules requires that trade preferences will have to phase out gradually after 2007 and the new outcome of the negotiations of the economic partnership agreement will have to be operational as required under the COTONOU agreement.

This is compounded by the current challenge by Australia, Brazil and Thailand on the EU trade regime and has undermined the preferential trade advantages Fiji has for its sugar under the Sugar Protocol. The EU enlargement and the introduction of the Everything But Arms Initiative, allowing the Least Developing Countries to sell to the EU, which will also affect the market share of sugar suppliers to the EU, particularly the Special Preferential Sugar (SPS) Agreement.

There is a likelihood of a decline in the earning of the Clothing, Textile and Footwear Industries if the outcome of the review of the TCF industries is not in Fiji's favour.

## **6.8 Migration**

Fiji is becoming increasingly urbanized as internal migration continues. The urban population has growth at 2.6% per year in the last decade and the rural population has been shrinking by 0.5% per year. The indigenous community has had by far the highest rate of urban in-migration with a growth of 4% per year in the urban Fijian population. Rural-urban drift is a challenge for government in terms of increasing illegal squatter settlement in urban areas, additional stress on urban public infrastructure including water, housing, education and health as well as general increase in unemployment in urban areas (14.1%).

A significant loss of Fiji's human resources has been experienced in the last decade caused by rapid overseas migration following the political crises of 1987 and 2000. Between 1987 and 2000 FIBOS data on declared migrants indicates that almost 60 thousand persons left the country, over 10 thousand of whom were professional, technical and managerial workers. Most of these highly skilled personnel were Indo-Fijians and they represent a loss of a significant proportion of the stock of professional and technical workers.

## **6.9 Poverty**

The 1996 Fiji Poverty Report stated that approximately 25 % of Fiji's population was living in poverty and another 25% were on the brink of falling into poverty. However, ADB has recently assisted the Government of Fiji in conducting a Participatory Assessment on Poverty and Hardship, through its regional technical assistance programme.

Preliminary findings from the Qualitative Assessment indicated that most of Fiji's communities faced varying degrees of "hardships" based on lack of access to opportunities. The Quantitative Assessment also indicates an increase in poverty levels in Fiji due to increases in the cost of living - about 40% since 1990. However, these figures will be confirmed once the Household Income and Expenditure Survey conducted by the Bureau of Statistics are released in early 2004.

Applications for Government's Family Assistance Scheme has increased over the years. The overall Budget for the scheme is \$F12 million, assisting approximately 20, 000 families, with pending applications awaiting funding.

## **6.10. Capacity building, training and education**

As an important cross-cutting issue that is germane to all sectors, the need for continued emphasis in providing a cadre of individuals with the qualifications and skills to undertake the various activities cannot be over emphasized. The USP, FSM, FIT, FCAE etc as tertiary institutions with the mandate for meeting the Human Resource Development of Fiji and the region generally, should continue to strengthen their offerings at all levels, and provide the necessary programmes in the key areas. New innovations and strategies such as the distance and flexible learning programmes offered by the USP, the ICT and USPNET has the potential to reach out to the rural and remote communities of the region.

## **6.11. Information and Communication Technology Services**

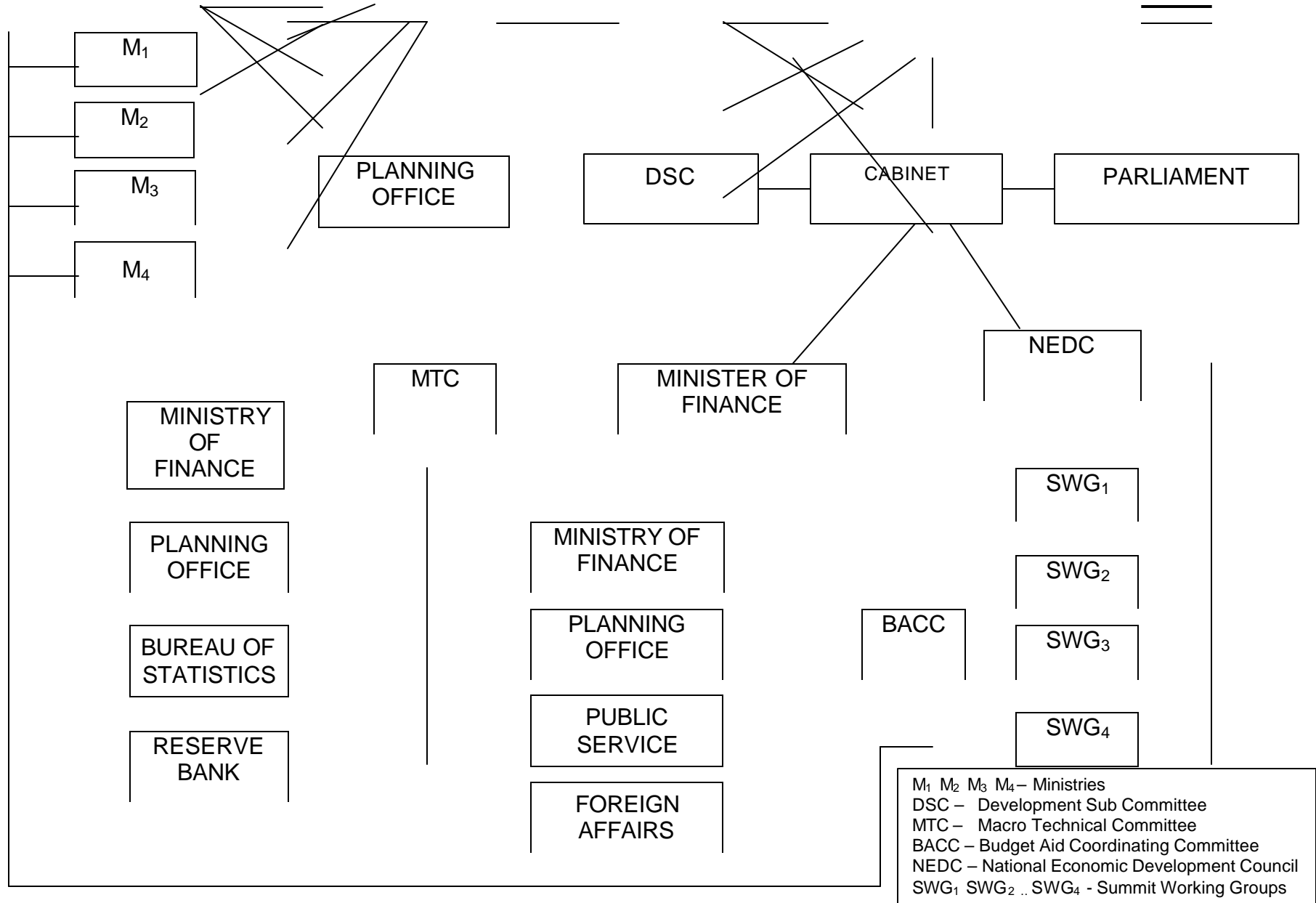
Telecommunications and associated activities is an industry that has immense potential for growth in Fiji. Realizing the potential of the sector requires much widespread use of phones, data and the Internet. Easy access to information through ICT will strengthen cooperation between stakeholders to ensure good

governance, to develop the private sector and to improve service delivery. The high cost of these services is restraining future growth.

## **6.12. Good Governance**

Government is working towards strengthening good governance at all levels. The legislature, Judiciary and Public Service have withstood the test of various disruptions caused by political upheavals over the years. The SDP 2003-2005 indicated that Government will place a high priority on the basic elements of good governance: *Accountability* to the public; *Participation* of all sectors of the community and stakeholders in policy formulation and development; and *Predictability and Transparency* in policy implementation.

**APPENDIX 1 DECISION MAKING MACHINERY OF GOVERNMENT**



## APPENDIX 2 RENEWABLE-BASED PROJECTS (1993-2002)

**Table 1: Renewable-based Electrification Projects**

Village	Province	Type <sup>1</sup>	Install date	Consumers
Vatukarasa	Naitasiri	Hydro (3kW)	1993	150
Kadavu Koro	Kadavu	Hydro (20kW)	1994	250
Namara	Kadavu	Individual Solar lighting	1994	70
Nabouwalu	Bua	Solar/wind/diesel hybrid	1998	100
Muana	Cakaudrove	Hydro (30kW)	1999	136
Moala	Lau	Individual Solar lighting	1999	170
Vunivau(1)	Bua	Individual Solar lighting	2000	58
Vunivau(2)	Bua	Individual Solar lighting	2002	83
Nasuva	Bua	Individual Solar lighting	2002	56
Vosasivo	Cakaudrove	Individual Solar lighting	2002	42
OneLake	Cakaudrove	Individual Solar lighting	2002	10

Note: All the above projects have lights for individual houses

**Table 2: Focal Point Solar Lighting Schemes**

Village	Province	Install Date
Ovea	Tailevu	1993
Namara	Kadavu	1994
Mouta	Macuata	1994
Kiuva	Tailevu	1994
Lawaki	Kadavu	1995
Komo	Lau	1995
Nacereyaga	Macuata	1995
Vunaniu	Serua	1995
Vutuna	Nairai	1995
Nasegai	Kadavu	1995
Mabula	Cicia (Lau)	1996
Naqara	Ono (Kadavu)	1996
Malake Islands	Rakiraki	1996
Tiliva	Kadavu	1997

Note: For focal point lighting schemes – lights are only provided to community facilities such as in church and community hall.

**Table 3: Other Renewable Based Projects**

<b>PROJECT TYPE</b>	<b>PLACE/PROVINCE</b>	<b>YEAR</b>	<b>DESCRIPTION</b>
Solar Powered Video and TV system	Naqarawai, Namosi	1991 - 1996	Solar powered video installed and monitored as alternate power source to diesel generators.
Wood stoves	Tutu Training School & Bucalevu School, Taveuni  Fiji-wide	1993  1994 - 1997	Construction of woodstove with the assistance of a USP Technology student. Two stoves constructed for Tutu Training School, Taveuni and Bucalevu School.  Training of KANA workers and construction of 20 woodstoves as funded by Forum Secretariat.
Solar Water Pump	Fiji-wide	1993 - 1998	Assisted PWD Rural Water Supply in providing training on installation, operation and maintenance of twelve PV water pumps.
Solar Water Heaters	FIT, Suva	1997	A solar hot water heater was fabricated and operated by FIT students.
Biogas plant	Waidalice, Tailevu  Waila, Naitasiri Natabua, Ba	1997  1998	A pilot 15.3 m <sup>3</sup> biogas plant installed at Hari Ram Lakhan's farm.  Another 2 biogas plants were installed in Waila and Natabua.
Steam co-generation plant	Navakawau, Cakaudrove	1987 - 1999	Installation of plant to provide lighting for villagers and heat for drying copra and yaqona. General overhaul undertaken in 1996 and the plant is to be relocated to a new site in 1999.
Solar Hot Water system	Suva/Nadi	1998	Installation of four solar hot water monitoring equipment – two in Suva and two in Nadi.
Copra biofuel system	Lomaloma, Lau  Welagi, Taveuni	2000  2001	Installation of copra biofuel system that utilises coconut oil to provide lighting to three villages and two schools in Vanuabalavu  Installation of copra biofuel system that utilises coconut oil to provide lighting to Welagi, Taveuni.

**Table 4: Energy Conservation Projects (1993 – 2002)**

<b>PROJECT TYPE</b>	<b>MINISTRY/ DEPARTMENT</b>	<b>YEAR</b>	<b>FUNDS</b>	<b>DESCRIPTION</b>
Gas fridges	Ministry of Health	1991	SOPAC	Purchase of two gas powered vaccine fridges for rural health centres to replace kerosene-powered units.
Boiler	Labasa Hospital	1991	DOE	Installation of new boilers running on marine fuel oil (MFO) instead of industrial distillate oil.  Savings of 50,000 annually.
Boiler	Lautoka Hospital	1991	DOE	Conversion of boiler to run on MFO. Savings of 130,680 annually.
Computerised Load System	CWM Hospital	1991	DOE	Computerised Load Controller System (Honeywell W700) installed with link to PWD computers.  Savings of 17,000 annually.
Energy Management System	Govt. Building New Wind	1991	DOE	An Energy Management System (Honeywell W7505) was installed by PWD. Savings of 15,000 annually.
Gas cookers	Lautoka Hospital	1993	DOE	Installation of three 6-burner gas stoves and 12 open cast iron burners. Savings of 12,000 annually.
Steam pipe replacement	CWM Hospital	1994-1998	DOE	Boiler efficiency audit by Sinclair Knight in 1994. Steampipe replacement work commenced in 1994 by CR Engineering at the Boiler House and the Laundry. Works completed. Fuel savings of about 30,000 annually. The steam reticulation system was upgraded in 1998 at the CWM's Old Hospital, New Wing and Maternity Annex.
Lighting system	Lautoka Hospital	1995	DOE	System upgraded. Savings of 27,000 annually.
Lighting and air-conditioning system	Lautoka Teacher College Fiji College of Advance Education Fiji School of Nursing	1996	DOE	Audits conducted. Lighting system upgraded. Annual savings: LTC - 14,676, FSN - 10,000 and FCAE - 4,284.
Boiler	Twomey Hospital, Tamavua	1996	DOE	Replacement of old boilers. Savings of 22,000 annually.
Boiler efficiency		1996	DOE/Pacific Regional Energy Programme PREP	Questionnaires sent out to institutions using boilers. The information gathered was used to prepare a one-day training workshop for Fiji's Boiler Operators.
Boiler	Labasa Hospital	1997	DOE	Replacement works commenced late in the year and was completed in 1998, which saw the installation of a new boiler system.
Energy Audit	Koronivia Research Station & Commissioner Central's	1999	DOE	Audit of lighting and air conditioning systems.

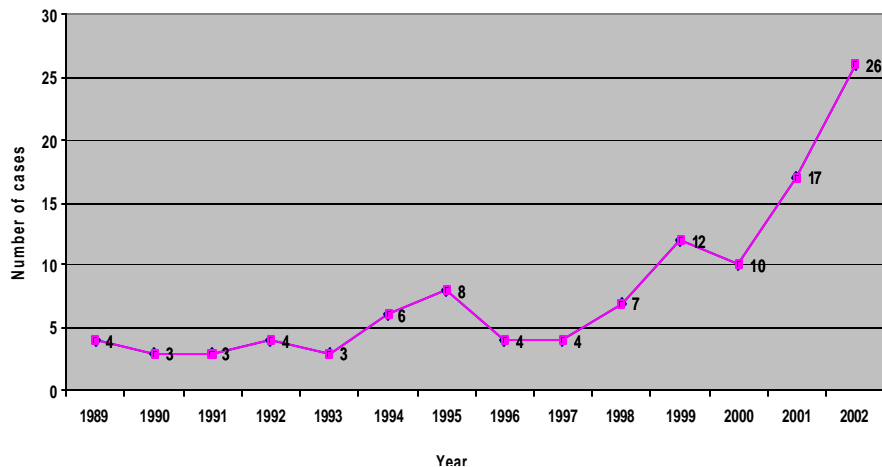
<b>PROJECT TYPE</b>	<b>MINISTRY/ DEPARTMENT</b>	<b>YEAR</b>	<b>FUNDS</b>	<b>DESCRIPTION</b>
Steampipe reticulation system	Lautoka Hospital	1999	DOE DOE	Audit of steam reticulation system.  The upgrading of the existing steampipes commenced in 1999 and will be completed in 2000.
Energy Audit	Fiji Museum	2001	DOE	Audit of lighting and air-conditioning systems
Calorifier Installation	CWM Hospital	2001	DOE	Relocation of calorifier and its replacement
Lighting and air-conditioning system	Fiji Museum	2002	DOE	Upgrading of air-conditioning and lighting systems to incur savings of \$3,000 annually.
Energy Audit	Labasa Hospital Nasilivata House (PWD H/Q)	2002	DOE	Audit of steam reticulation system. Audit of lighting and air conditioning systems.

HIV/AIDS Updated Statistics

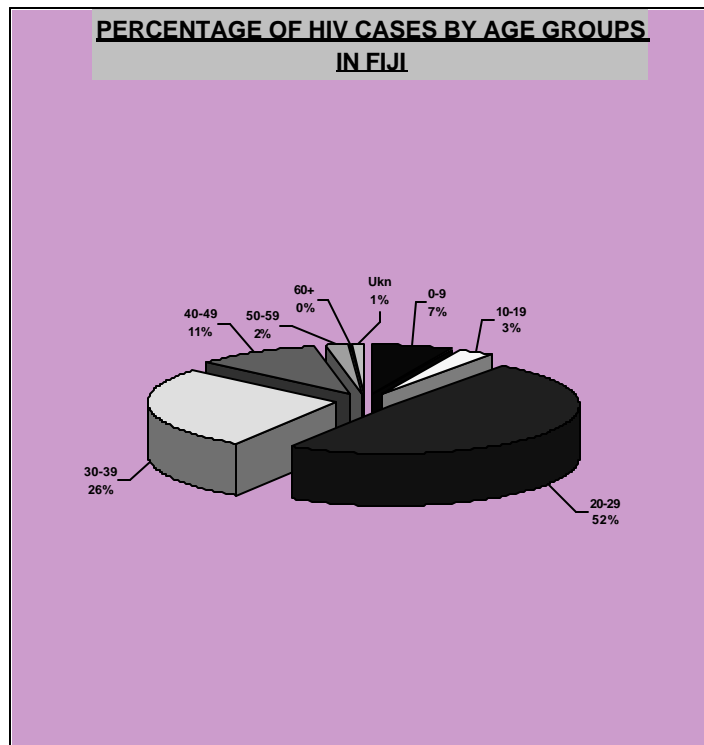
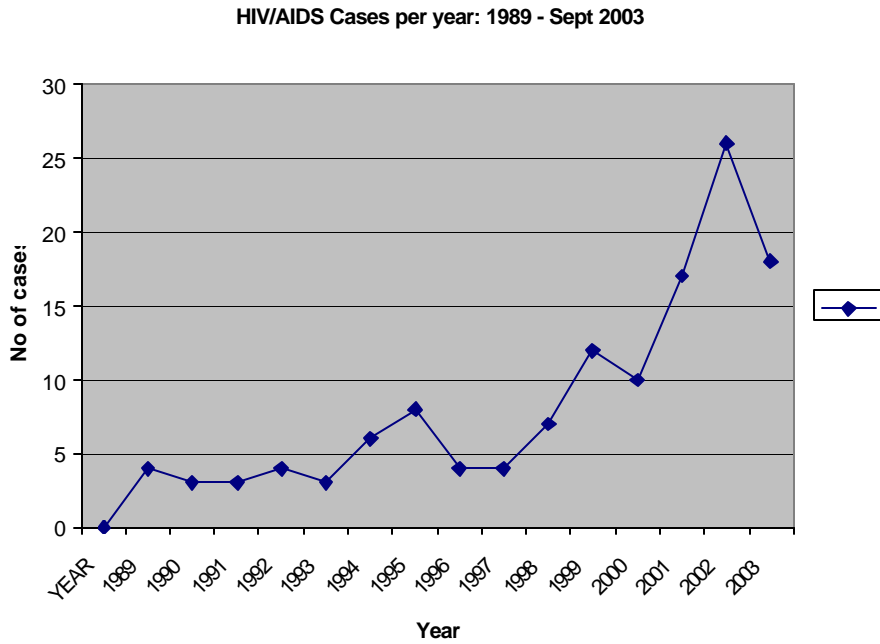
1. Current HIV/AIDS Statistics: 1989 to Sep 2003

Year	Total	SEX		RACE				MODE OF TRANSMISSION					AGE GROUPS							
		M	F	Fij	Ind	Oth	Ukn	Hetro	Homo	Trans	IV Drug	Peri	Ukn	0-9	10-19	20-29	30-39	40-49	50-59	60+
1989	4	3	1	1	3	0	0	3	0	1	0	0	0	0	0	2	1	0	1	0
1990	3	3	0	2	1	0	0	3	0	0	0	0	0	0	1	2	0	0	0	0
1991	3	2	1	1	2	0	0	1	1	0	0	1	0	1	0	0	2	0	0	0
1992	4	2	2	1	2	1	0	2	2	0	0	0	0	0	2	1	1	0	0	
1993	3	2	1	3	0	0	0	1	2	0	0	0	0	0	2	1	0	0	0	
1994	6	5	1	4	1	1	0	3	2	0	1	0	0	0	2	2	2	0	0	
1995	8	6	2	7	1	0	0	8	0	0	0	0	0	0	3	3	2	0	0	
1996	4	2	2	4	0	0	0	3	0	0	0	1	0	1	2	1	0	0	0	
1997	4	4	0	3	1	0	0	3	0	0	0	0	1	0	2	2	0	0	0	
1998	7	4	3	5	2	0	0	7	0	0	0	0	0	0	4	0	2	1	0	
1999	12	8	4	9	1	2	0	8	0	0	0	3	1	3	5	3	1	0	0	
2000	10	5	5	10	0	0	0	9	0	0	0	1	0	1	3	4	2	0	0	
2001	17	9	8	14	1	2	0	17	0	0	0	0	0	1	9	7	0	0	0	
2002	26	15	11	24	1	1	0	25	0	0	0	1	0	1	20	2	1	0	0	
TOTAL	18	11	7	17	1	0	0	16	0	0	0	2	0	2	9	4	3	0	0	
1989 - 2002	129	81	48	105	17	7	0	109	7	1	1	9	2	9	3	67	33	14	2	0

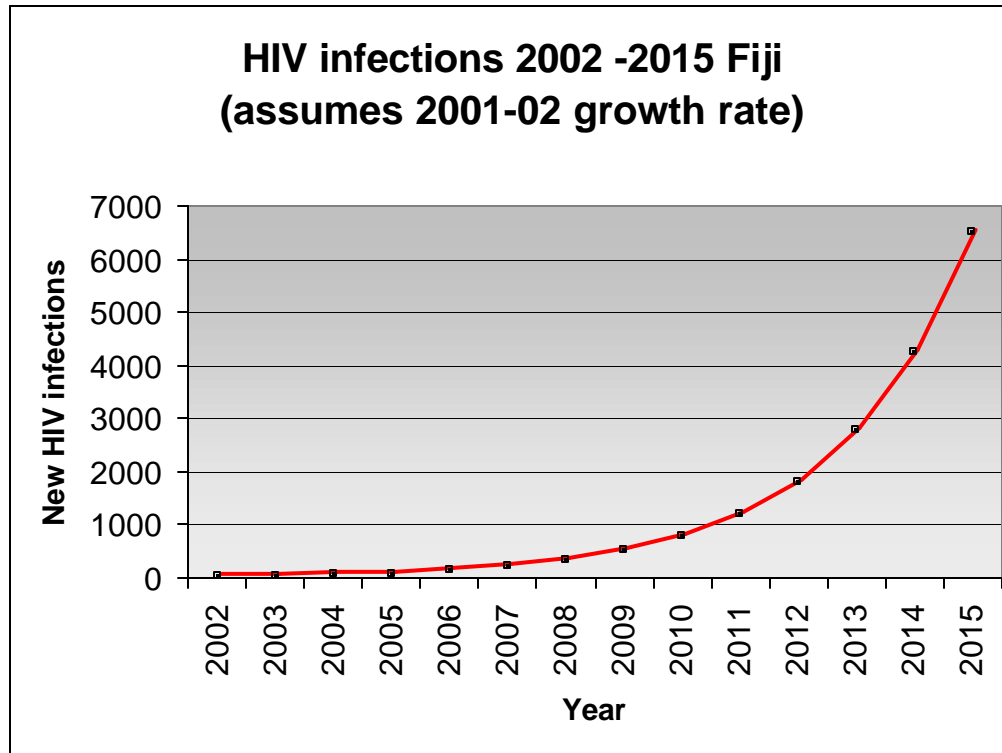
2. Tot No of HIV Infection: 1989 - 2002




3. Tot No of HIV Infection: 1989 - Sept 2003  
Pie chart above 4.



4. Pie chart above shows the percentage of HIV +ve by age group



#### 5. Projections: WHO Calcn.

 This projection is based on the HIV infection rate of 2001-2 and the WHO estimates that for every confirmed HIV positive, there are 5 to 30 other unconfirmed HIV positive persons walking around the streets in the community. If we take 10 as our average number, we are just seeing 10% of the HIV positive people in Fiji. Hence, the current estimates is we have more than 1000 PLWHA. The projection than: if we continue this trend, there would be a cumulative figure around 6500 PLWHAs in Fiji by 2015.