WORLD BANK GROUP
COUNTRY PARTNERSHIP FRAMEWORK
2021 - 2024

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The date of the last Country Engagement Note was March 11, 2015.

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FJD 2.14 = US$1.00

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ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
ASA	Advisory Services and Analytics
Cat-	Catastrophe Deferred Drawdown
DDO	Option
CPF	Country Partnership Framework
CVA	Climate Vulnerability Assessment
DPO	Development Policy Operation
EFL	Energy Fiji Limited
FBoS	Fiji Bureau of Statistics
FY	Fiscal year
GDP	Gross domestic product
HCI	Human Capital Index
HIES	Household Income and Expenditure Surveys
IBRD	International Bank for Reconstruction and Development
ICT	Information and communication technology
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund
IPP	Independent Power Producers
MIGA	Multilateral Investment Guarantee Agency
NDCs	Nationally Determined Contributions
NDP	National Development Program
PCGI	Pacific Corporate Governance Institute
PEFA	Public Expenditure and Financial Accountability
PFM	Public financial management
PLR	Performance and Learning Review
PPP	Public-private partnership
RBF	Reserve Bank of Fiji
SCD	Systematic Country Diagnostic
SDG	Sustainable Development Goal
SMEs	Small and medium enterprises
SOE	State-owned enterprise
SPC	Pacific Community
SPX	South Pacific Stock Exchange
TC	Tropical cyclone
UNDP	United Nations Development Programme
WBG	World Bank Group

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CONTENTS

I. INTRODUCTION **6**

II. COUNTRY CONTEXT AND DEVELOPMENT AGENDA **10**
2.1. SOCIAL AND POLITICAL CONTEXT 10
2.2. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK 15
2.3. POVERTY AND INEQUALITY PROFILE 18
2.4. DRIVERS OF POVERTY REDUCTION AND SHARED PROSPERITY ENHANCEMENT 19

III. WORLD BANK GROUP PARTNERSHIP FRAMEWORK **22**
3.1. GOVERNMENT PROGRAM AND MEDIUM-TERM STRATEGY 22
3.2. PROPOSED WBG COUNTRY PARTNERSHIP FRAMEWORK 23
Lessons from Existing Portfolio and Stakeholder Consultations *23*
Overview of the World Bank Group Strategy *25*
3.3. OBJECTIVES SUPPORTED BY THE WBG PROGRAM 29
Focus Area 1: Fostering Private Sector-led Growth and Inclusive Economic Opportunities *30*
Focus Area 2: Building Resilience *36*
Cross-Cutting Theme: Strengthening governance and gender equality *40*
3.4. IMPLEMENTING THE FY2021–24 COUNTRY PARTNERSHIP FRAMEWORK 41
Expected Financial Envelope and Program Summary *41*
Brief Assessment of Country Financial Management and Procurement Systems *44*
Partnerships and Donor Coordination *45*
Monitoring and Evaluation *46*

IV. MANAGING RISKS TO THE CPF PROGRAM **48**

REFERENCES **50**

ANNEXES **51**
ANNEX 1. RESULTS MATRIX FOR THE REPUBLIC OF FIJI COUNTRY PARTNERSHIP FRAMEWORK 51
ANNEX 2. SELECTED INDICATORS OF WORLD BANK GROUP PORTFOLIO PERFORMANCE AND MANAGEMENT, REPUBLIC OF FIJI 60
ANNEX 3. OPERATIONS PORTFOLIO (IBRD/IDA AND GRANTS), REPUBLIC OF FIJI 61
ANNEX 4. STATEMENT OF IFC HELD AND DISBURSED PORTFOLIO, REPUBLIC OF FIJI 62
ANNEX 5. FIJI COUNTRY GENDER ACTION PLAN SUMMARY 63
ANNEX 6. ALIGNMENT OF FIJI'S NATIONAL DEVELOPMENT PRIORITIES WITH THE SUSTAINABLE DEVELOPMENT GOALS 64
ANNEX 7. THE FIJI PROGRESS WHEEL FOR THE UNITED NATIONS DEVELOPMENT PROGRAMME 2018 PACIFIC SUSTAINABLE DEVELOPMENT GOALS 65
ANNEX 8. DONOR COORDINATION MATRIX 66
ANNEX 9. MAP OF THE REPUBLIC OF FIJI 67

TABLES
TABLE 1: KEY MACROECONOMIC INDICATORS FOR THE REPUBLIC OF FIJI, 2015–25 17
TABLE 2: FOCUS AREAS AND OBJECTIVES OF THE FIJI CPF FY2021–24 SUPPORTED BY THE WBG PROGRAM 29
TABLE 3: INDICATIVE WORLD BANK LENDING PROGRAM 43
TABLE 4: INDICATIVE WORLD BANK ADVISORY SERVICES AND ANALYTICS PROGRAM, FY2021–24 43
TABLE 5: INDICATIVE IFC ADVISORY PROGRAM, FY2021-24 43
TABLE 6: RISKS TO FIJI CPF OBJECTIVES 48

FIGURES
FIGURE 1: NATIONAL CONSUMPTION-BASED POVERTY, 2019/20 (%) 18
FIGURE 2: TIKINA-LEVEL POVERTY MAP, 2013/14 18
FIGURE 3: NUMBER OF JOBS CREATED, FIJI, 2000–14 20
FIGURE 4: OVERSEAS AND DOMESTIC REMITTANCE RECEIPTS BY CONSUMPTION QUINTILE (% OF POPULATION) 20
FIGURE 5: THREE PATHWAYS TOWARD POVERTY REDUCTION AND SHARED PROSPERITY IN FIJI 20
FIGURE 6: SYSTEMATIC COUNTRY DIAGNOSTIC PRIORITIES AND COUNTRY PARTNERSHIP FRAMEWORK OBJECTIVES 26
FIGURE 7: ALIGNMENT WITH WBG COVID-19 CRISIS RESPONSE PILLARS 27
FIGURE 7.1: FIJI PROGRESS WHEEL FOR THE UNITED NATIONS DEVELOPMENT PROGRAMME 2018 PACIFIC SUSTAINABLE DEVELOPMENT GOALS 27

BOXES
BOX 1: THE BUSINESS CASE FOR A WORKPLACE RESPONSE TO DOMESTIC AND SEXUAL VIOLENCE IN FIJI 12
BOX 2: ADVOCATING AND PLANNING FOR A MORE RESILIENT FUTURE 14
BOX 3: FIJI'S UPPER-MIDDLE-INCOME, SERVICE-DRIVEN ECONOMY 15
BOX 4: KEY GAPS IN FIJI'S INFRASTRUCTURE 35
BOX 5: CHANNELING FUNDS FOR DISASTER RECOVERY THROUGH SOCIAL ASSISTANCE PROGRAMS 39
BOX 6: FUTURE PASIFIKA 46

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I. INTRODUCTION

1. **For Fiji, the coronavirus pandemic (COVID-19) amounts to an unprecedented economic shock.** Mitigation efforts, including lockdowns and a domestic and international travel ban, have largely saved the country from the direct health impacts of the pandemic, and very few cases have been recorded to date.[1] But the economic damage to Fiji—the second largest economy in the Pacific after Papua New Guinea—has been devastating, worse even than that inflicted in 2016 by category 5 Tropical Cyclone (TC) Winston, the most severe ever to strike the country. Fiji's mainstay tourism sector is nearly at a standstill and related industries are under severe stress: job losses since March 2020 have cut off formerly reliable incomes for around a third of Fiji's workforce and gross domestic product (GDP) is projected to have contracted by nearly 20 percent. The COVID-19 pandemic has reversed years of development progress; it is an historical episode of such unusual and profound scale for Fiji that a unique coordinated policy response is required. Central to its transition to economic recovery, and a brighter post- pandemic future, will be protection of the poor and vulnerable, and a diversification of the economy, with sustainable business-led growth that creates more and better jobs. Recovery will likewise hinge on strengthened policies and institutions, with investments for resilience—to rebuild better.

2. **COVID-19 compounds Fiji's existing development challenges, as a small, remote country that is vulnerable to natural disasters.** While home to some of the region's largest companies, and academic institutions, as well as regional organizations, this South Pacific island nation is both remote and small. It encompasses 18,000 square kilometers, spanning 330 islands, of which 110 are inhabited, and its population of 880,000 is concentrated on the two large islands, the main island, Viti Levu, and the next largest, Vanua Levu. Fiji is also more exposed to natural disasters (cyclones, floods, earthquakes, and tsunamis) than most countries, incurring losses of about two percent of GDP on average each year. Damage from TC Winston in 2016 was equivalent to 20 percent of GDP. Alongside the onset of COVID-19, in April 2020 Fiji was hit by TC Harold, a category 4 cyclone, that caused extensive flooding and damage in coastal areas, impacting 20 percent of the population.

3. **To recover from the economic damage caused by COVID-19, Fiji must nurture new and emerging growth sectors.** In the short run, the recovery of tourism must be supported, but over the medium to longer term, the key will be promoting economic diversification, including within the tourism sector itself as well as leveraging Fiji's geographic location and natural endowments to promote the Blue Economy; [2] from ecosystem and natural resource management to sustainable development and infrastructure. This will entail strengthening linkages, such as between coastal and marine tourism and infrastructure, as well as accelerated progress along an inclusive socioeconomic development path, while consolidating Fiji's role as a modern hub of the South Pacific, connecting smaller island states to each other and major trading partners. The Government's vision for "Transforming Fiji" outlined in its five-year and 20-Year National Development Plan (NDP) launched in 2017 remains relevant as Fiji seeks to establish a sustainable growth path out of its current economic and social troubles. The NDP's ambitious objectives include more than doubling real GDP per capita by 2036, and providing universal access

[1] As at December 14, 2020, Fiji has recorded 46 confirmed cases and two deaths.
[2] The Blue Economy is an approach which focuses on the sustainable and coordinated use of ocean resources while preserving the health of ocean ecosystems for economic growth, improved livelihoods and jobs, and socioeconomic resilience.

to all services, including housing, electricity, clean and safe water and sanitation, high-quality education, and healthcare. These objectives can be achieved by boosting private and public investment, creating a stronger national business environment, unlocking new export opportunities, creating more productive employment, and opening up new opportunities for entrepreneurs and growth industries. Such initiatives must in turn be underpinned by coordinated efforts to reduce inequality, redress rural-urban imbalances, and strengthen climate resilience. While the objective of the NDP is still relevant, Government of Fiji has identified the importance of reassessing current strategies and creating innovative ways to rejuvenate growth.

4. **This World Bank Group (WBG) Country Partnership Framework (CPF) is the first standalone country strategy for Fiji and comes at a time when COVID-19 is leaving a deep scar on the country's economy.** Covering the fiscal years (FYs) from 2021 to 2024, this CPF reflects Fiji's eligibility as of July 1, 2019 to borrow from both the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA), instead of borrowing only from IBRD, following its reclassification as an IDA-eligible country, as a result of revisions to the Small Islands Economies Exception. The WBG resumed IBRD lending to Fiji following the democratic elections of September 2014. The initial WBG program, starting with the two-year Country Engagement Note endorsed by the WBG Board in March 2015 and the approval of the $50m IBRD-financed Transport Infrastructure Investment Project (TIIP), focused on strengthening inclusive private sector-led growth and protecting vulnerable populations. The IDA and IBRD portfolio for Fiji now [3] stands at US$152.05 million, comprising TIIP, a COVID-19 Emergency Response Project approved in June 2020 (US$5.5m from the IDA Fast Track Facility for COVID-19, US$0.9m from IDA18, with a US$0.95 million Pandemic Financing Facility), an Information and Communication Technology (ICT) Cable Project linking Vanua Levu to the Samoa-Fiji submarine cable (US$5.95 million, IBRD), the second of two Development Policy Operations (DPOs— US$58.00 million, IDA; US$6.00 million, IBRD) and three recipient executed trust fund financed projects: the Sustainable Energy Finance Program (US$8.45 million Global Environment Facility), the Forest Carbon Partnership Facility (FCPF) Implementation Support grant (US$3.8 million FCPF), and the Fiji Carbon Fund Emissions Reduction Program (US$12.5 million).

5. **The International Finance Corporation (IFC) 3.0 strategy is aligned to this CPF.** Given Fiji's severely constrained fiscal space, private sector solutions will be essential to help stimulate the economy. As for most other developing economies, the Government of Fiji does not have the capacity to offset the economic damage of COVID-19 alone. A more dynamic private sector will therefore be central to Fiji's recovery as its borders reopen. During this CPF period, IFC will focus on revitalizing sustainable tourism, while also reducing Fiji's reliance on that sector through economic diversification, aided by accelerating the development of sustainable infrastructure. This focus will help restore and create jobs in the short term and put Fiji's economy on a stronger footing in the longer term. In addition, IFC will also pilot several projects to create markets in affordable housing, healthcare and clean energy by channeling resources at a larger scale, catalyzing public-private partnerships (PPPs) and private sector resources. To help drive more private sector solutions and investment, IFC will pursue upstream activities—pre-investment work that

[3] Active operations at November 20, 2020. Closed operations initiated since 2015 include the Fiji Post Cyclone Winston Emergency DPO (US$50 million, IBRD) approved in July 2016 and closed in June 2017; and the Fiscal Sustainability and Climate Resilience DPO (US$15 million, IBRD) approved in April 2018 and closed June 2019.

lays the foundation for future transactions - and where possible use the IDA Private Sector Window to help offset risks and other impediments, the better to support private sector investment. Through the 'Fiji Partnership', supported by the governments of Australia and New Zealand, IFC is able to accelerate the realization of specific investment opportunities through upstream engagement. Since 2015, IFC has engaged in a range of upstream advisory activities designed to develop a long-term pipeline of transactions, as well as improve the national business enabling environment. There have been two investments in retail and renewable energy.

6. **The Multilateral Investment Guarantee Agency (MIGA) will work closely with IFC to support mobilization of cross-border investments for a sustainable recovery and to boost job creation.** MIGA will explore opportunities to support foreign private investors, in particular in infrastructure, renewable energy and sustainable tourism, through political risk insurance instruments. MIGA will leverage whenever possible IFC's upstream work as well as the recently approved access to the IDA Private Sector Window for projects supported by MIGA.

7. **In response to the COVID-19 crisis, and Fiji's development priorities, this CPF comprises two focus areas and two cross-cutting themes which align with the pillars of the WBG COVID-19 Crisis Response Approach Paper.**[4] Given Fiji's small size, its level of institutional and human development, its infrastructure and natural endowments, and its central position in the South Pacific, Fiji can aspire to consolidate its role as a regional hub, and as an engine of economic development in the region. At the same time, like other Pacific Islands countries, Fiji faces challenges as it endeavors to provide adequate services to dispersed populations and enhance its resilience to natural disasters and economic shocks (not least those caused by pandemics). The CPF will support Fiji as it seeks to take advantage of these opportunities and address these challenges. Focus Area 1 aims to foster private sector-led growth and inclusive economic opportunities by helping to dismantle barriers to private sector development. This will involve accelerated development of the kind of resilient infrastructure on which private sector development will depend, particularly outside the main island of Viti Levu. This CPF focus area is strongly aligned to the WBG COVID-19 Crisis Response Approach Paper Pillar 3, 'Ensuring Sustainable Business Growth and Job Creation', and Pillar 4, 'Strengthening Policies, Institutions and Investments for Rebuilding Better'. Meanwhile, the CPF Focus Area 2 aims to help Fiji become more climate and disaster resilient, more environmentally sustainable, as well as fiscally and socially resilient to disasters, shocks and crises. This focus area is aligned with Pillar 1, 'Saving Lives', and Pillar 2, 'Protecting Poor and Vulnerable People', as well as the aforementioned Pillars 3 and 4 of the WBG COVID-19 Crisis Response Approach Paper. Cutting across both these focus areas is the need to strengthen governance and increase gender equality. Consequently, interventions to help strengthen governance, improve women's economic opportunities, and address gender-based violence will be prioritized across the portfolio. The WBG program will also ensure that interventions take due account of citizen engagement and support environmental sustainability, including management of the renewable natural resources so important to Fiji's sustainable economic development.

[4] World Bank (2020b).

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II. COUNTRY CONTEXT AND DEVELOPMENT AGENDA

2.1. Social and Political Context

8. **Fiji is a multi-ethnic, democratic nation whose recent history has been punctuated by a series of coup d'états.** Since independence in 1970, Fiji has experienced four coup d'états (two in 1987, one in 2000 and one in 2006). In the 2014 democratic elections, strong cross-ethnic support gave the Fiji First party led by Josaia Voreqe Bainimarama a clear majority. This served to increase business confidence, spurred economic growth, and saw the Government re-engage with the international community. It also led the Commonwealth and the Pacific Islands Forum to reinstate Fiji as a full member. The November 2018 elections delivered a second four-year term for the Bainimarama-led government.

9. **According to the 2020 Human Capital Index (HCI) a child born in Fiji today will be 51 percent as productive when she grows up as she might be, were she to enjoy complete education and full health.** This is lower than the average for the East Asia & Pacific region, and upper middle-income countries.[5] The HCI index incorporates measures of different dimensions of human capital: health (child survival, stunting and adult survival rates); and education (the quantity and quality of schooling). Between 1990 and 2018, Fijians experienced increases in life expectancy at birth (2 years), mean years of schooling (2.5 years), expected years of schooling (2.3 years), and gross national income per capita (an increase of about 60.3 percent). Fiji has achieved universal primary education and gender parity in school enrollment. Net enrollment in primary education is 100 percent (since 2015), well above the Pacific average of 86.4 percent.[6] Almost all students enter secondary school (97.3 percent of females, 91.4 percent of males).[7] However, while the number of female students enrolling over the past decade has been broadly stable, the number of male students has fallen slightly, resulting in a slowly widening gender gap.[8] In 2018, the secondary school completion rate for female students was 92.3 percent, compared to 73 percent for males,[9] (a trend which remained relatively consistent from 2015 to 2018).[10] The youth literacy rate of 99.5 percent surpasses the average for upper-middle-income countries as well as for the East Asia and Pacific Region.

10. **At the tertiary level, female students show consistently greater enrollment, and markedly higher graduation rates, with these discrepancies increasing still further.** Females consistently outnumbered males in university enrollment in 2014-2018, and the gap is growing.[11] This gap is driven simultaneously by a decrease in male enrollment and an increase in female enrollment.[12] Between 2014 and 2018, higher education institutions saw highly volatile gender ratios, with female enrollment in four out of five years outnumbering male enrollment.[13] Completion rates paint an even

[5] The Human Capital Index (HCI) offers a comprehensive view of Fiji's human capital, defined as the amount of human capital that a child born in Fiji today can expect to achieve given prevailing risks of poor health and poor education.
[6] World Bank (2015, 2016a).
[7] ADB and ILO (2015).
[8] Fiji Public Expenditure Review 2020.
[9] Looking at 12th grade as this is the last compulsory grade.
[10] Fiji Public Expenditure Review 2020.
[12] In 2014 there were 17,554 male and 20,418 female students, by 2018 these numbers were 16,067 males and 21,280 females. While the number of female students increased the number of male students decreased bringing the gender gap from 2,864 to almost double at 5,213. Male students are down by 28 percent.
[13] In contrast, no differences in enrollment rates between men and women could be observed in any of the three HIES periods (2002-03, 2008-09 and 2013-14), which could suggest that this is a trend that started to measurably increase in the last years.

more unequal picture, with almost 1.5 females per male student graduating in 2018 (up from about 1.1 females per male graduating in 2014).

11. **Despite almost universal female enrollment in education, and improved attainment, women's untapped productive potential remains a key area of inequality.** In 2017 Fiji ranked 79th of 160 countries on the UNDP Gender Inequality Index, but with respect to economic participation and opportunities for women, it ranked 112th. Women are a growing majority in higher education, while at the same time female labor force participation is considerably lower than that of males, at 44.4 percent compared to 80.5 percent. This gap is considerably wider than that observed in neighboring Pacific island countries and in other countries with similar levels of GDP per capita (where female labor force participation averages 50 percent). A large share of females have informal jobs, leaving them more vulnerable to exogenous shocks. Data from the 2016 Employment and Unemployment Survey reveals that 71 percent of women in Fiji cited household work (including care) as the main reason why they did not participate in the labor force (compared to only 4.6 percent of men outside of the labor force).[14] Reducing women's care responsibilities, through better access to dependable childcare services, could significantly increase their participation in paid employment in Fiji. Conversely, the lack of such services entails a considerable cost to employers, public and private, in terms of lost productivity, high absenteeism and turnover rates, and challenges in recruiting skilled employees.[15]

12. **The Government recognizes that limited access to Early Childhood Care and Education (ECCE) remains a significant barrier for working parents**. In partnership with IFC and the private sector, the Government is helping to increase the quality and supply of ECCE services in response to increasing demand from working parents. This includes setting up a National Taskforce on Early Childhood Care and Education under the National Coordinating Committee for Children, chaired by the Ministry for Women, Children and Poverty Alleviation charged with developing a policy and regulatory framework, and identifying and implementing strategies that bring together the public and private sector to expand the supply of childcare services across Fiji. IFC is also working with Fiji's Human Resources Institute to scale up adoption of family friendly workplace policies, including support for childcare.

13. **Addressing high rates of gender-based violence (GBV) is critical for Fiji, in the light of evidence suggesting rates of GBV have increased since the onset of the COVID-19 crisis.** GBV limits women's enjoyment of fundamental human rights and is a direct negation of women's agency and freedom. It also has a direct impact on women's access to economic opportunities, particularly participation in the labor force. In a 2011 survey of women involved in intimate relationships, the Fiji Women's Crisis Centre found that two out of every three women (64 percent) had experienced physical or sexual violence by a husband or an intimate partner, and more than two-thirds (69 percent) were subjected to controlling behavior by a husband or partner.[16] These figures are admittedly nearly a decade old, but there is no indication that rates had diminished prior to COVID-19. According to a 2016 survey conducted by the Fiji Women's Rights Movement, 20 percent of working women in Fiji have experienced sexual

[14] Fiji Bureau of Statistics (2016).

[15] IFC Study Tackling Childcare: The Business Case for Employer-Supported Childcare in Fiji (2019) found that employers, both private and public sector, lose an average of 12.7 days of work per year from parents due to unreliable childcare.

[16] Fiji Women's Crisis Centre. (2013); Fulu. (2019).

harassment in their place of work.[17] Prior to COVID-19, the Government launched the process for developing a National Action Plan to Prevent Violence Against Women and Girls (2020-2025), led by the Ministry of Women, Children and Poverty Alleviation, and completed a Public Expenditure and Financial Accountability Gender Responsive Public Financial Management Assessment. In June 2020, recognizing the importance of eliminating violence and harassment in the world of work, Fiji was the second country in the world to ratify the International Labor Organization Violence and Harassment Convention (No. 190). Furthermore, there is evidence to suggest that rates of GBV have increased since the onset of the COVID-19 crisis. Two thirds of companies in Fiji who were surveyed by IFC and the Fiji Human Resources Institute (FHRI) on the impact of COVID-19 believe the pandemic has increased employees' experiences of domestic and sexual violence. Fifteen companies surveyed as part of an IFC and FHRI webinar series 'Rakorako: Building a Safe and Resilient Business' found that COVID-19 had sharpened the relevance of the need for employer supported childcare and workplace responses to domestic and sexual violence. The survey also found that businesses were not prepared for the more complicated scenarios caused by COVID-19, such as an increase in childcare demands due to school closures, and increased domestic and sexual violence. The survey found that businesses needed support for mental health programs for employees, wage subsidies and financial support. These findings build on those of two IFC reports released last year, on the Business Case for Employer Supported Childcare in Fiji, and the Business Case for Workplace Responses to Domestic and Sexual Violence, which highlighted the observation that rates of domestic and sexual violence reduced productivity by nearly 10 working days per employee each year (see Box 1).

[17] Fiji Women's Rights Movement (2016).

Box 1: The business case for a workplace response to domestic and sexual violence in Fiji

An IFC study of three companies in Fiji with 1,701 employees demonstrates the need for a workplace response to domestic and sexual violence:

- One in three employees surveyed - including nearly half of ever-partnered women - had experienced domestic or sexual violence in their lifetime.
- One in five women and nearly one in ten men had experienced violence in the last 12 months.
- Three-quarters of individuals with direct experience of domestic or sexual violence said that it had adversely affected their work.
- Violence represents a significant cost to these businesses, and Fiji's economy. Each year, irrespective of whether they have personally experienced violence, every employee loses on average nearly 10 workdays because of feeling tired, unwell, or distracted, being late for work or absent, or helping others respond to domestic and sexual violence.

Source: IFC 2019a.

14. **Prior to COVID-19, Fiji had moderate overall unemployment, with markedly higher youth unemployment, but the pandemic has now created an employment crisis.** An estimated 115,000 Fijians are unemployed or on reduced hours because of COVID-19. This represents 13 percent of the population, or almost a third of the labor force, with the majority of those affected concentrated in the tourism sector. Over 20 percent of households have at least one member working in the tourism sector. Were it not for the disruption caused to the agricultural sector by tropical cyclone Harold in April 2020, that sector would probably have

served as a shock absorber for many workers displaced from the tourism sector.

15. **Young people in Fiji are hit hardest by Fiji's COVID-19 employment crisis.** Fiji has a young, growing labor force. Creating more youth employment opportunities is the top priority of the Government's employment policy. In 2017, 63 percent of the population was of working age and young workers (15–24) accounted for nearly a quarter of the workforce. However, even prior to COVID-19, the country was yet to fully harness the demographic dividend so as to increase productivity and thereby put the economy on a sustainable growth path. The labor force participation rate decreased from 64.9 percent in 2010–11 to 58.3 percent in 2015–16, despite increasing GDP per capita. While furloughed or dismissed workers may well exit the labor force permanently as a result of COVID-19, and others miss out on professional development opportunities during a period of unemployment, those arguably liable to lose the most are Fiji's recent graduates, who face the daunting prospect of obtaining a job in the first place. Prior to COVID-19, youth unemployment has been persistently high, at 18 percent compared to the national unemployment rate of five percent in 2015. The female youth unemployment rate is significantly higher than that for young men (22.4 percent versus 11.9 percent in 2016). The economic impacts of COVID-19 heighten concerns about long-term labor market scarring from prolonged youth unemployment.

16. **Fiji responded quickly and effectively to contain the COVID-19 virus, but a resurgence would strain the health system.** Advances in healthcare are counterbalanced by high rates of noncommunicable diseases (NCDs). Fiji has among the lowest rates of infant and maternal mortality in the Pacific,[18] with skilled attendants at almost all births. Access to healthcare services, however, remains a concern, not only in remote villages and settlements but in specialized areas of care. Fiji has a national ratio of 2.05 hospital beds per 1,000 citizens, but there is considerable variation across the country. NCDs are now the leading cause of morbidity and mortality, accounting for 76 percent of the loss of Disability Adjusted Life Years.[19] These diseases sharply increase vulnerability to severe COVID-19, and its potential consequences (as well as to other infections).

17. **Fiji is notable among Pacific island countries in having a reasonably well developed social protection system, which has been central to the country's COVID-19 response.** The safety net includes poverty targeted benefits, elderly and child benefits, and other social assistance programs which cover a diversity of risks and target groups not covered in any other Pacific country. The social assistance system has already been put to good effect as part of disaster response efforts, for instance after TC Winston in 2016, when Fiji became the first Pacific Island to use existing databases and banking arrangements to electronically deliver cash assistance to the target population. In addition, the Fiji National Provident Fund provides for financial protection in old age to those in the formal sector.

18. **Fiji's unique environment and renewable natural resources help deliver almost half of its economic growth, setting it apart from many other middle-income countries and generating strong advocacy for promoting the Blue Economy, environmental sustainability and climate and disaster resilience.** There are opportunities for investing in the Blue Economy to support the sustainable use of ocean resources to create

[18] Infant mortality is 13.7 per 1,000 live births; maternal mortality is 19.1 per 100,000 live births; see 2015 Pacific Regional MDGs Tracking Report.

[19] Disability Adjusted Life Years are the sum of years of potential life lost due to premature mortality and the years of productive life lost due to disability.

economic growth, prosperity and jobs whilst ensuring the health of the ocean's ecosystem. The country's largest industry, tourism, for example, depends not only on Fiji's unique culture and hospitality but also on its tropical rainforests, white sandy beaches, coral reefs, marine life, and clear blue waters. Similarly, through commercial and subsistence agriculture, forestry, and fisheries, Fiji's renewable natural resources directly support nearly half of the rural population,[20] and help bolster community resilience. Healthy mangrove and coral reef ecosystems provide habitats for animals and fish, and shield coastal communities from cyclones, while forests in healthy watersheds mitigate floods, erosion and siltation. The fate of these resources, communities, and the country as a whole is inseparable from the increasing impacts of climate change, an issue that Fiji has brought to the fore on the international and national stage (Box 2). However, Fiji currently experiences significant economic, social, and environmental losses of its renewable natural resources; for example, the annual deforestation rate of 1.1 percent is equivalent to losing about 10,000 hectares of forests per year.

Box 2: Advocating and planning for a more resilient future

Fiji has focused international attention on the impacts of climate change in small island states. It was the first country to formally ratify the Paris Agreement of the Convention of the Parties to the United Nations Framework Convention on Climate Change, in 2016. In 2017, Fiji provided leadership and voice for climate action with the Presidency of the Conference of Parties 23. It was also the chair of the Oceans Conference in 2017. In 2019 Fiji assumed the two-year chair of the Small States Forum.

Domestically, Fiji has sought to minimize the impacts of climate change and natural hazards. The National Climate Change Policy (2012) improved disaster preparedness. The World Bank supported an innovative Climate Vulnerability Assessment in 2017 which examined overlaid assessments of physical and social vulnerability to identify those who might need most support to recover from natural disasters.[a] In 2017, Fiji also developed and launched a sovereign green bond—the first emerging economy to do so. IFC and the World Bank helped Fiji develop this bond, incorporating a second party opinion provider to ensure transparency and consistency with international green bond principles[b] as well as a green bond policy framework and a sustainable finance roadmap.

a World Bank 2017, Climate Vulnerability Assessment: Making Fiji Climate Resilient
b The WBG's work on Fiji's sovereign green bond was financed by the Australian Government under its Fiji Partnership with IFC that supports, among other activities, capital market development.

[20] About 48 percent of the population still lives in rural areas, and 38 percent of them live below the basic needs poverty line. The rural bottom 40 percent derives 40 percent of their incomes from subsistence or commercial agriculture.

2.2. Recent Economic Developments and Outlook

19. **Fiji's economic growth in recent years was underpinned by robust tourism, rising household consumption and extensive reconstruction after TC Winston (Box 3).** Average growth from 2014 to 2018 was 4.3 percent (3.9 percent in per capita terms), compared to 1.5 percent (0.9 percent in per capita terms) from 2007 to 2013. Fiji's estimated potential growth rate is three percent. In 2019, the economy contracted by 0.4 percent owing to the synchronized downswing of the main trading partners, lower government spending, tighter domestic financial conditions and weak investor sentiment. The economy was projected to make a modest recovery in 2020 but this has been derailed by the COVID-19 pandemic and TC Harold (April 2020).

Box 3: Fiji's upper-middle-income, service-driven economy

Fiji is an upper middle-income country (gross national income per capita was US$5,860 in 2018) where, prior to COVID-19, services accounted for 70 percent of the economy and provided employment for nearly 40 percent of Fijians. Prior to COVID-19, tourism—the main driver of the economy and a major source of foreign exchange—contributed nearly 40 percent of GDP, with over 894,000 visitor arrivals in 2019, an increase of 2.8 percent over the comparable figure for 2018. In recent years, Fijian exports have shifted somewhat from agricultural commodities toward manufactured goods. Agriculture remains the main source of livelihood for nearly half of rural Fijians, although it contributed roughly 8 percent of GDP prior to COVID-19.

20. **For Fiji, the dual shocks of COVID-19 and TC Harold represented an economic crisis of unprecedented scale, with an expected GDP contraction of 19 percent in 2020.** The Government's success in the fight against COVID-19 largely spared the population its direct impact on health,[21] but the economic impact has been devastating. This resulted in unanticipated public financing needs of nearly US$800 million, which it is expected will be covered by external as well as domestic financing. International travel restrictions have brought the tourism sector (40 percent of output; 30 percent of jobs) to a virtual standstill. This has had a ripple effect on all segments of the economy and negative spillover to related industries such as retail trade, transport and finance. Declining remittances are negatively affecting consumption, finance and investment. On the domestic front, economic activity is impaired by the strict health measures introduced to contain the outbreak.

21. **The dual shocks strained fiscal buffers and upended short-term fiscal policy goals.** Prior to the dual shocks, the ratio of tax revenue to GDP averaged 24 percent in 2016—2019: higher than that of many of Fiji's peers and indeed higher than the average for East Asia and the Pacific. The Government had been committed to an expenditure-based fiscal consolidation; stabilizing capital spending at pre-TC Winston levels, tightening control over current spending and charting a downward trajectory for public debt. The dual shocks have reversed these trends. At the end of 2020, total revenues are expected to decline by 24 percent, pushing the net deficit to 14.3 percent of GDP. In 2021, the fiscal deficit is expected to be 11.3 percent of GDP, which will be financed from concessional sources from multilateral and bilateral partners as well as domestic borrowing.

[21] As of December 14, 2020, Fiji has recorded 46 confirmed cases of COVID-19 and two deaths.

22. **Public debt is sustainable, but the medium-term path is vulnerable to significant risks**. The public debt-to-GDP ratio is expected to rise sharply in 2020 to 75.9 percent of GDP because of borrowing to counter the impact of the COVID-19 pandemic and contraction in GDP. In 2021, widening of the general government balance to -11.3 percent is expected to further increase the debt-to-GDP ratio to 80.9 percent.

23. **Monetary policy was further eased to counter the impact of COVID-19. The Reserve Bank of Fiji's (RBF) twin monetary policy objectives are price stability and adequate foreign reserves.** The RBF's strategy has been to keep the policy rate low while inflation is anchored, and to use the statutory reserve deposit requirement as a more active tool to manage liquidity in the banking system. Fiji operates a fixed exchange regime, with the currency pegged to a basket of currencies as one of the tools to implement monetary policy and manage foreign reserves. The RBF has taken several measures to support the economy during the pandemic including: (i) reducing the overnight policy rate to 0.25 percent in March 2020; (ii) supplementing funds in the Disaster Rehabilitation and Containment and the Import Substitution and Export Finance Facility; and (iii) purchasing FJ$300 million (US$144 million) of Government bonds to assist in financing the deficit. Reserves remained stable at US$1,099 million at the end of September 2020. Inflation has been negative since October 2019 and was -2.9 percent at the end of October 2020, largely attributable to lower prices for food, alcohol and diesel oil, as well as the slowdown of the domestic economy.

24. **Fiji had persistent current account deficits in recent years due to a decline in the country's traditional exports of sugar and garments while imports of capital goods and machinery to support the construction industry surged.** The deficit widened in the aftermath of TC Winston owing to large capital equipment imports for reconstruction and higher oil prices. In 2019, the current account deficit widened to 12.7 percent of GDP, due mainly to increased capital equipment needs and the purchase of two aircraft. The current account deficit is projected to be 16.4 percent of GDP in 2020, owing to a contraction in tourism receipts far outweighing savings on the trade account from the reduction in imports.

25. **The dual shocks have dramatically altered near-term projections.** The recovery of the Fijian economy is anticipated to be gradual due to uncertainty surrounding the post-COVID-19 environment and the resulting new norm. Central to the pace of recovery is the duration of travel restrictions imposed in response to the pandemic in both Fiji and key source market countries. Underpinning the baseline scenario is the assumption that borders will remain closed for commercial tourism until August 2021, and that a gradual easing of travel restrictions will result in a recovery of international arrivals to pre-crisis levels by 2023. This will result in moderate growth levels in the medium term as businesses and key sectors of the economy progressively recover (taking into consideration disaster vulnerability). The fiscal deficit is expected to gradually decline to 4.1 percent of GDP in 2022, and 3.2 percent of GDP in 2023, as the shocks subside. This scenario reflects the Government's commitment to revert as quickly as possible to its fiscal consolidation path without further undermining the country's growth potential and development outcomes. This will involve a combination of targeted, time-bound revenue and expenditure measures, alongside continued efforts to secure highly concessional financing to cover the deficits in the medium term. Public debt is projected to stabilize, and then slowly improve owing to effective fiscal consolidation, a sound medium-term debt management strategy—

and improved growth. The risks of an unsustainable debt burden materializing are mitigated by prudent debt management policies. Most new borrowing is on concessional terms, and Fiji refinanced the US$200 million global bond on October 2, 2020, using the funds that were set aside in an offshore sinking fund. On the external front, the current account deficit is projected to improve from 6.6 percent of GDP in 2022 to 1.9 percent of GDP in 2025 as tourism inflows start to rebound, alongside earnings from new export ventures which the Government intends to support.

26. **The Fijian economy faces significant risks in the near future.** Fiji's economic recovery is dependent on the length of the COVID-19 crisis and the possibility of Fiji's inclusion in a 'regional travel bubble' allowing tourist arrivals from neighboring countries where COVID-19 has been contained. Over the longer term, downside risks stem from slower growth of its main trading partners, high oil prices, natural disasters and delays in structural reforms to mobilize private investment. All these are compounded by disaster risks that further cripple growth prospects given Fiji's high vulnerability to tropical cyclones and a hurricane season that lasts for 6 months of the year. On the upside, more stable oil prices would benefit inflation, imports, and foreign reserves. Table 1 summarizes past and projected macroeconomic indicators for Fiji, assuming that the recovery will start in 2021 with the opening of the borders, accompanied by the recovery of the tourism sector and progressive moderate growth as the economy heals and adapts to the new norm.

Table 1: Key macroeconomics indicators for the Republic of Fiji, 2015-25

	2015	2016	2017	2018	2019 Est.	2020 Proj.	2021 Proj.	2022 Proj.	2023 Proj	2024 Proj.	2025 Proj.	
Real Economy					Annual percentage change, unless otherwise indicated							
GDP (nominal FJ$, mn)	9,822	10,327	11,065	11,651	11,874	9,491	9,568	10,662	11,906	12,977	14,080	
Real GDP	4.5	2.4	5.4	3.8	-0.4	-19.0	2.6	8.2	6.9	5.0	4.5	
Per Capita GDP (in current US$)	5,218	5,479	6,095	6,147	6,246	4,573	4,721	5,261	5,874	6,403	6,947	
GDP deflator	2.5	2.7	1.8	1.5	3.6	-2.4	-1.6	3.0	4.7	2.0	2.0	2.0
Consumer price inflation, period average	1.4	3.9	3.3	4.1	1.8	-3.0	1.0	1.8	2.0	2.0	2.0	
Fiscal Accounts					Percent of GDP							
Revenues	27.4	27.4	27.6	27.5	26.1	20.5	19.5	21.7	22.1	22.3	22.4	
Expenditures	30.9	30.2	31.0	31.4	31.1	34.8	30.9	25.9	25.3	25.3	25.4	
General Government Balance	-3.5	-2.8	-3.4	-3.9	-5.0	-14.3	-11.3	-4.1	-3.2	-3.0	-3.0	
Government debt	45.2	44.0	45.0	47.9	58.7	75.9	80.9	79.4	79.2	78.4	77.9	
Domestic	31.9	31.3	32.1	35.3	43.7	57.6	66.0	62.7	58.6	55.9	58.0	
External	13.4	12.7	12.8	12.7	15.0	19.8	22.7	21.5	20.1	19.2	19.9	
Balance of Payments					Percent of GDP, unless otherwise indicated							
Current Account Balance	-3.7	-3.6	-6.7	-8.4	-12.7	-16.4	-11.7	-6.6	-5.7	-3.7	-1.9	
Trade balance	-19.5	-20.2	-20.4	-24.2	-25.2	-16.2	-16.1	-15.8	-15.7	-12.9	-10.5	
Goods Imports	-40.2	-38.9	-38.8	-42.4	-44.0	-34.6	-36.7	-36.3	-35.4	-34.0	-32.8	
Goods Exports	20.8	18.7	18.4	18.2	18.8	18.4	20.6	20.6	19.7	19.6	19.5	
Services (net)	15.7	16.3	15.5	16.6	14.9	-1.7	3.7	8.8	10.0	10.7	11.3	
Income (net)	-6.1	-5.5	-7.9	-6.4	-8.2	-6.0	-6.6	-6.5	-6.1	-4.1	-2.4	
Transfers (net)	6.1	5.8	6.1	5.6	5.8	7.5	7.4	6.9	6.2	7.2	8.1	
Foreign Direct Investment (net)	5.1	8.2	7.2	8.5	6.5	5.4	5.4	6.1	5.8	6.9	7.8	
Gross reserves (9n US$, mn)	915	902	1,108	940	1,033	974	974	994	995	1,004	1,017	
In months of retained imports	5.5	5.3	5.8	4.4	5.4	8.3	7.6	7.1	6.5	6.3	6.1	
Selected Monetary					AccountsAnnual percentage change, unless otherwise indicated							
Base Money	8.4	0.5	18.4	-9.9	15.2							
Credit to private sector	14.4	12.7	9.3	7.3	4.6							
Interest (key policy rate, %)	0.5	0.5	0.5	0.5	0.5							
Other memo items												
GDP (US$, mn)	4,617	4,849	5,393	5,440	5,527	4,047	4,177	4,655	5,198	5,666	6,147	
Exchange rate (FJ$/USD, period average)	2.13	2.13	2.05	2.14	2.15							
Remittances (% of GDP)	5.0	5.2	4.8	4.8	4.9	6.5	6.7	6.2	5.8	5.5	5.3	

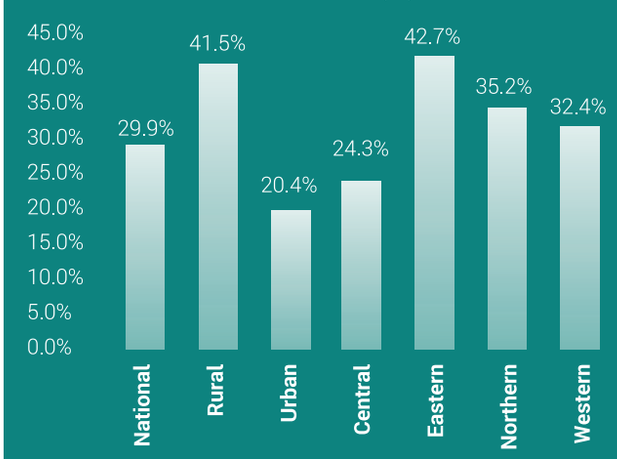
Sources: Ministry of Economy, and IMF and World Bank staff estimates.

2.3. Poverty and Inequality Profile

27. **Poverty remains a challenge in Fiji, aggravated by the dual shocks of COVID-19 and TC Harold.** Newly collected Household Income and Expenditure Survey (HIES) data from 2019/20[22] shows that poverty remains a challenge in Fiji, particularly in rural areas. Using a "cost of basic needs" approach, the survey indicates a national poverty rate of 29.9 percent. Poverty is substantially higher in rural areas (41.5 percent) than urban areas (20.4 percent), and there are also striking regional disparities (Figure 1). Although poverty rates are highest in the Eastern and Northern divisions, most of Fiji's poor people (over 75 percent) reside in the Western and Central divisions. The Gini coefficient, a measure of inequality, stood at 0.301 in 2019/20, among the lowest in the Pacific. Analyses of trends from 2002/03 to 2013/14[23] indicate that poverty reduction was driven by a pro-poor distribution of growth, which meant that despite modest economic growth, both poverty and inequality declined in that period. Small area estimation methods in 2013/14 revealed gaps in poverty rates at the tikina[24] level within the four regions (Figure 2).

28. **Detailed information from the 2013-14 HIES shows substantial urban inequality, with high poverty in informal urban areas.** Apart from the island of Rotuma (in the Eastern Region), Rewa in the Central Region, where the capital city of Suva is located, has the lowest rate of poverty at the provincial level (27.2 percent). Yet there are large differences in poverty rates between the formal areas of Suva City tikina (12.1 percent) and the informal areas (47.1 percent). Similar patterns are seen in other informal areas of Fiji: the poverty rate is 40.9 percent in Naitasiri informal areas compared to 30.8 percent in Naitasiri Province overall, and 57.9 percent and 47.5 percent in the informal areas of Ba and Vuda, respectively, compared to 33.3 percent overall in Ba Province. Only in the tourist oriented Nadi area is the poverty rate for an informal area broadly comparable to that for the province as a whole.

Figure 1: National consumption-based poverty, 2019/20 (%)



Source: WB staff calculations based on 2019/20 HIES.

Figure 2: *Tikina*-level poverty map, 2013/14

Source: WB staff calculations based on the 2013/14 HIES and 2013 Listing.

[22] The latest HIES data was collected from March 2019 to February 2020. At the time of writing, only preliminary analysis has been completed to provide snapshots of the national, urban/rural and regional poverty rates, as well as the Gini coefficient. More detailed analysis such as poverty maps at the tikina level and trends analysis are only available from the previous HIES rounds in 2002/03, 2008/09, and 2013/14.
[23] Trends cannot yet be drawn from 2002/03 to 2019/20 due to methodological changes in the latest survey round.
[24] Within a province, a tikina is an indigenous administrative unit that comprises several villages (koros), which are the most basic administrative unit in Fiji. A province encompasses two or more tikinas.

Poverty rates in informal urban areas on Viti Levu are similar to those for rural areas and the outer islands.

29. **COVID-19, in conjunction with TC Harold, has likely had a devastating impact on the welfare of Fijian households.** Although the country is largely free from the virus itself, the economy's vulnerability to COVID-19 is likely to result in substantial shocks to incomes and welfare. An estimated 115,000 Fijians are unemployed or on reduced hours due to the pandemic. The majority of the affected workers are concentrated in the tourism sector, a sector in which over 20 percent of households have at least one member working. Were it not for the disruption caused to the agricultural sector by TC Harold in April 2020, that sector would probably have absorbed many of the workers displaced from the tourism sector. These shocks together could expose much of the population to poverty and food insecurity.

2.4. Drivers of Poverty Reduction and Shared Prosperity Enhancement

30. **The WBG Systematic Country Diagnostic (SCD) for Fiji highlights how the services sector has spurred economic growth.** Between 1970 and 2015, real value added in services grew on average by 3.6 percent per year, compared to 2.5 percent in industry and 1.3 percent in agriculture. As a result, services' share of GDP expanded from 52 percent to 71 percent, while agriculture's declined from 25 percent to 11 percent and industry's from 22 percent to 19 percent. In other words, over the past 45 years, roughly 65 percent of total output growth has derived from services. The steadily declining share of agriculture in GDP largely reflects the decline of the sugar industry. The agricultural sector largely consists of sugar, coconut, and tobacco production; with some emerging export crops, such as kava, ginger, spices, and tropical fruits; alongside some livestock and subsistence farming.

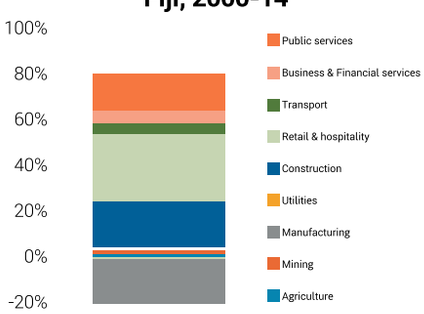
31. **Within services, tourism-related industries expanded fastest and created the most jobs, contributing to shared prosperity; however, jobs in these sectors have been significantly impacted by the COVID-19 crisis.** Wholesale and retail trade, restaurants and accommodation, and transport and communications recorded the highest growth. The government sector also expanded. Between 1990 and 2011, services accounted for 79 percent of the growth in employment, and reliance on services for job creation has intensified in recent years (Figure 3 - next page). Although detailed data are not available, it appears that traditional services (transport, wholesale, retail, and restaurants) played an important role in creating low-skilled jobs that absorbed many workers from agriculture and the garment industry. Modern services offering skilled employment (such as in information technology, finance, insurance, or real estate) played a less important role in overall job creation. As noted above, an estimated 115,000 Fijians are unemployed or on reduced hours due to the COVID-19 pandemic. This represents 13 percent of the country's total population or almost a third of the total labor force, with the majority of the affected concentrated in the tourism sector. The Fiji Tourism Association estimates that 100,000 jobs in the sector have been lost as a result of the COVID-19 crisis. IFC's COVID-19 Fiji Business Survey, conducted between April 28 and May 15, 2020, indicated that 27 percent of staff from tourism businesses were on reduced hours or shifts, 25 percent were on leave without pay and eight percent had been made redundant as a result of the COVID-19 crisis. These numbers are now likely to be higher.

32. **Remittances have made an important contribution to welfare across all consumption quintiles but are also adversely impacted as a result of the COVID-19 crisis.** Prior to COVID-19, remittances were received by 24 percent of people in the bottom quintile

and 31 percent in the top quintile. In all quintiles, more people received overseas remittances than domestic remittances, but the proportion receiving overseas remittances increased with income (Figure 4). About 28 percent of people in the top quintile received five percent of the top quintile received domestic remittances, compared to nine percent of the bottom quintile. overseas remittances, while only 18 percent of those in the bottom quintile did. In contrast, five percent of the top quintile received domestic remittances, compared to nine percent of the bottom quintile.

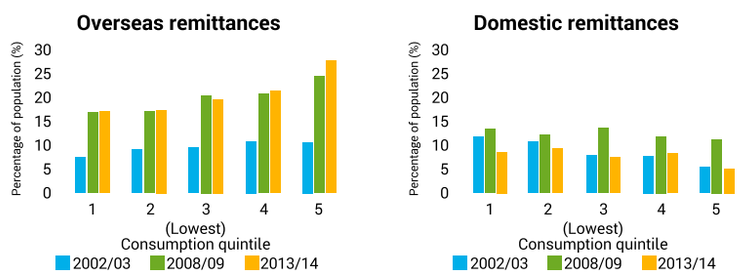
33. **Economic growth and employment have been the key drivers of poverty reduction and shared prosperity (assisted by remittances from abroad).** The SCD outlines three ways to reinvigorate these drivers (Figure 5). The first, building on Fiji's size, endowments and geographic location is stronger growth, generated by increasing private investment beyond the current low level, strengthening exports, and creating more productive jobs. The second is better access to services for all. Improving access to services—which encompass infrastructure and other essential public services (education, healthcare and housing)—will help to close the remaining rural-urban gaps in service provision and address the needs of the growing urban population. The third pathway is to build resilience (climatic, economic, and social) to economic shocks, climate change and natural hazards. The SCD identifies that progress on all three of these pathways can be accelerated by improvements in the policy and institutional capacity of the public sector. Efforts to increase policy and institution capacity will foster investment and private participation in service delivery; improve coordination, transparency, and accountability across government agencies; and strengthen the participation of businesses, citizens, and community service organizations in developing policies that support inclusive social and economic outcomes.

Figure 3: Number of jobs created, Fiji, 2000-14



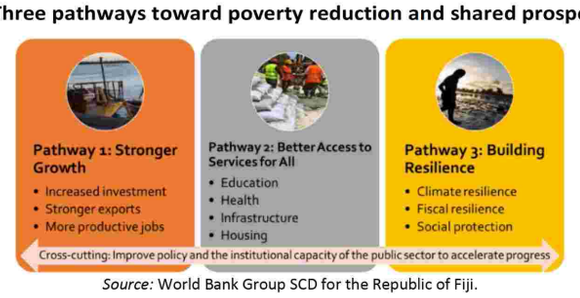
Source: WB staff estimates, based on Fiji Bureau of Statistics employment statistics.

Figure 4: Overseas and domestic remittance receipts by consumption quintile (% of population)



Source: WB staff estimates, based on Fiji Bureau of Statistics employment statistics.

Figure 5: Three pathways toward poverty reduction and shared prosperity in Fiji



Source: World Bank Group SCD for the Republic of Fiji.

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III. WORLD BANK GROUP PARTNERSHIP FRAMEWORK

3.1. Government Program and Medium-term Strategy

34. **The Government of Fiji announced a COVID-19 Response Budget one week after the first confirmed case to allocate resources to beating the virus, and in effect brace the country for a historic financial blow.** This budget includes a stimulus package of FJ$1 billion, 10.4 percent of GDP, to mitigate the impact of the pandemic. Most of the stimulus is financed through non- budgetary sources through the pension fund—the Fiji National Provident Fund (FNPF)—loan repayment holidays offered by commercial banks, and concessional loans from the RBF. The package also includes supplemental transfers, expenditure on public health, and tax and tariff reductions. Through a strong testing and contact tracing campaign, Fiji has contained the COVID- 19 outbreak and established strong border control measures to manage returning citizens in Government-funded quarantine facilities. The Government of Fiji's COVID-19 response priorities are supporting economic recovery, rejuvenating private sector activity, protecting jobs, assisting the unemployed and maintaining overall macro-fiscal sustainability.

35. **Fiji's NDP for the long term (20 years) and medium term (five years) is dedicated to inclusive, transformative growth and development to achieve a better future for all Fijians.** The 20-year plan supports Fiji's transformation into the hub of the South Pacific region—a position that Fiji is well placed to occupy, considering its geographical location, economic prospects, and the ongoing development of its infrastructure and institutions. To achieve transformation at this level, the Government had set a target of doubling per capita income by 2036, built on annual GDP growth of about five percent. The Government is also committed to improving the national business environment. Recognizing that sustained increases in private investment require structural reforms to the enabling environment, the Government aims to improve the regulatory framework, reduce the cost of doing business, deliver better processes relating to the rule of law and fiscal transparency, and expand the use of PPPs. In September 2020 the Government signed its third PPP mandate with IFC in the energy sector, building on those signed in the sectors of affordable housing and health. With technical assistance from the WBG, the Government has prepared a new investment law and established a taskforce to improve Doing Business indicators.

36. **To foster inclusive and continued improvement in Fijian living standards, the NDP identifies a wide range of sector policies and programs to expand access to basic public services.** Those services include universal access to quality education and healthcare, clean and safe water, electricity for all, and the provision of affordable housing. The NDP identifies the following critical cross-cutting issues: climate change and resilience, the environment, gender equality, supporting people with a disability and governance. Most of the Sustainable Development Goals (SDGs) are explicitly integrated into the strategic priorities of the NDP; SDG 10 (reduce inequalities), SDG 12 (responsible consumption and production), and SDG 13 (climate action) are treated as cross-cutting issues (Annex 6).[25] Green growth is a key guiding principle in implementing the NDP.

37. **The NDP outlines a series of "Transformational Strategic Thrusts" that will build and maintain the momentum for Fiji's transformation.** The plan highlights new growth sectors to enable the economy to thrive and create more jobs; other sectors to modernize and expand; the development of

[25] For a discussion of the SDG monitoring process and a snapshot of Fiji's progress, see Annex 7.

niche products for export; prospects for value addition in resource-based sectors such as fisheries, forestry, agriculture, and sustainable tourism; and increased commercialization driven not only by larger but also small and medium enterprises (SMEs). The Government also emphasizes connectivity—physical and digital—as essential to these efforts. Continued investment in education and skill development will prepare a highly skilled workforce to enhance national productivity and develop a technological economy.

38. **The Five-Year Development Plan contains comprehensive Sector Development Plans and Goals.** The individual sector plans—to be implemented between 2018 and 2022—provide the detailed roadmap for achieving the broad aims of the 20-year plan. The ambitious social and investment programs of the initial plans, emphasizing access to basic services for all, will be balanced by fiscal policies that aim to keep current expenditures constant in real terms, and rationalize capital expenditures while protecting essential public investments.

3.2. Proposed WBG Country Partnership Framework

Lessons from Existing Portfolio and Stakeholder Consultations

39. **Implementation of the WBG program since 2015 provides lessons for the CPF.**[26] Specific lessons to inform the new CPF program can be derived from a review of the completion report of the first DPO, alongside experience from ongoing investment projects and consultations with task teams, Government counterparts, and other stakeholders, as follows:

- The key to successful interventions is strong alignment with the national agenda, supported by ongoing coordination with vital decision makers (in both public and private sectors) while simultaneously working closely with development partners.
- Given the competing demands imposed on a relatively small civil service, establishing dedicated Project Implementation Units (PIU) can improve the timeliness of project implementation. This does, however, require complementary capacity building, to remedy areas of limited experience in implementing WBG activities and managing specialized technical inputs. Mid-term reviews of both the Transport Infrastructure Investment Project and the Fiji Connectivity Project highlighted the importance of establishing a PIU with appropriate technical expertise to support the project activities.
- A simplified approach to design helps mitigate project risk and increases the chance of success. In the context of investment project financing, this requires a clear articulation of the activities to be financed, combined with adequate studies and technical advisory programs to ensure sound project design and implementation capacity. The mid-term review of the Transport Infrastructure Investment Project also noted that significant delays could have been avoided if studies and related works had both been financed under the same project, rather than separately by different parties.
- Operations, projects and activities need to include sufficient flexibility to respond to shocks (such as natural disasters and public health emergencies), and climate resilience needs to be incorporated into designs. Lessons from the Pacific portfolio, including the recent COVID-19 response, have demonstrated the value of ensuring that a Contingent Emergency Response Component (CERC) is included in at least one Investment Project Financing operation to enable rapid

[26] Given that this program evolved through the implementation of a Country Engagement Note, which does not require a Completion and Learning Review, the lessons presented here rely on other sources.

redeployment of uncommitted funds to respond to an eligible crisis or emergency. Experience from Tuvalu, Tonga and Vanuatu in responding to a natural disaster, and Samoa in responding to a health emergency, has also demonstrated that obtaining immediate access to liquidity through a Catastrophe Deferred Draw Down Option (Cat-DDO) is a valuable source of bridge financing while funds from other sources, such as bilateral aid or reconstruction funds, are being mobilized.

40. **In preparing this CPF, a Country Opinion Survey and a separate Facebook poll was designed to elicit views on the top five development priorities for Fiji.** Overall findings from 109 Country Opinion Survey respondents (Government officials, private sector, NGO, CSO and development partners) suggest the WBG is appreciated for the financial resources that it can bring to Fiji but has yet to become a familiar development partner. Respondents identified education, health, reform of public sector governance, climate change, and job creation /employment as the top five development priorities in Fiji. The survey findings suggest scope for the WBG to reduce the complexity of its processes and increase collaboration with the private sector and civil society. A poll on the World Bank Pacific Facebook page reached 131,061 people and attracted 9,819 engagements (likes, comments, and shares); 1,919 people viewed the online poll, and 144 completed the survey. They ranked health, agriculture, jobs/employment, and education as the top four issues the WBG should focus on over the CPF period, with infrastructure and climate change ranked equal fifth.[27]

41. **Preparation of this CPF also benefited from formal consultation with stakeholders.** Consultations with the central Government and key development partners helped orient preparation of the CPF, followed by in-depth consultations with civil society, the private sector, and development partners in separate sessions in late 2019. Small group consultations were also held during that time with key ministries (Economy; Waterways and the Environment; Agriculture; Commerce, Trade, Tourism and Transport; Women, Children, and Poverty Alleviation; Infrastructure) and the RBF. Participants broadly supported the focus areas proposed by the WBG, particularly the focus on inclusive and sustainable growth for areas of Fiji beyond the main island of Viti Levu. Stakeholders called for environmental sustainability to form part of all WGB investments. The availability of IDA financing was seen as an important complement to Advisory Services and Analytics (ASAs) alongside other WBG investments.

[27] These surveys were conducted in 2019, prior to COVID-19.

OVERVIEW OF THE WORLD BANK GROUP STRATEGY

42. **This CPF focuses on advancing progress toward the WBG twin goals of reducing poverty and increasing shared prosperity in a sustainable manner and comes at a critical time for Fiji against the backdrop of the country's greatest economic shock, caused by COVID-19.** Building on a strong emerging partnership with the Government of Fiji, and incorporating lessons from past and ongoing engagements, this CPF seeks to support Fiji's economic recovery from the impact of COVID-19, addressing key development constraints identified in the Fiji SCD. It aligns closely with Fiji's NDP (which incorporates the SDGs) and implements the World Bank Fiji Country Gender Action Plan FY2020—24 (see Annex 5)28 and the WBG COVID-19 Crisis Response Approach Paper.

43. **Three selectivity filters focused the CPF program within the priority areas identified in the SCD. Although all issues identified in the SCD are important, the CPF cannot address all of them.** The first selectivity filter was alignment with the Government strategy and specific demand for WBG support, given the limited IBRD/IDA envelope available; the second was the WBG's comparative advantage, given its global knowledge and experience and the role of other development partners;[29] and the third was the SCD's identification of priorities through the lens of their potential impact on the twin WBG goals. In sum, the CPF program includes the program currently under implementation as well as new engagements, selectively addressing key priority areas in the SCD (Figure 6) and it is aligned with the pillars of the WBG COVID-19 Crisis Response Approach Paper (Figure 7). The selectivity filters have been applied as follows:

- **Focus Area 1.** Fostering private sector-led growth is a broad priority area of the SCD. The CPF proposes to focus on reform areas that would help ensure sustainable business growth and job creation to spur recovery, notably by improving the national business environment, and by implementing specific interventions to support recovery through revitalization of tourism development, alongside the roll out of connective infrastructure and better digital services that allow Fiji to reap greater digital dividends. The Government has requested assistance in these areas, given the complex, cross-sector nature of the issues to be tackled and the expertise the WBG has developed on these topics in Fiji through IFC engagements, particularly in tourism, the World Bank's two budget support operations, and transport and ICT investments in both Fiji and the wider Pacific region. The WBG's ongoing Country Private Sector Diagnostic (CPSD) will also contribute to identifying opportunities for diversification of the economy and creating markets to support this focus on private sector-led growth.
- **Focus Area 2.** Building resilience, the second focus area of the CPF, covers the fiscal responsibility and climate resilience pillars of the SCD. This area of engagement capitalizes on the support which the WBG has been providing through consecutive budget support operations, the Fiji Climate Vulnerability Assessment, the Transport Infrastructure Investment Project and the use of the social protection system to channel support to those most affected by TC Winston.
- **Cross-cutting themes.** While the SCD identifies a number of priorities to strengthen institutional capacity, the CPF proposes to streamline the promotion of good governance and gender equality through all WBG activities.
- **Development partners** are active in the areas mentioned above (see Annex 8, Donor Coordination Matrix). Formal and effective donor coordination mechanisms exist in the Pacific—such as through the Pacific Region Infrastructure Facility, the Friends of Budget Support, and the five- party Health Group—and WBG activities are closely coordinated with those of Development Partners to ensure complementarity.

[28] The Country Gender Action Plan built upon the Fiji Country Gender Assessment conducted in 2017.
[29] Annex 8 Donor Coordination Matrix summarizes the areas in which other development partners are active in Fiji.

Figure 6: Systematic Country Diagnostic Priorities and Country Partnership Framework Objectives

- **Health and Education.** The SCD identified improving access to services for all as a priority, but this has not been included as a standalone CPF focus area. Fiji's NDP identifies universal access to quality healthcare and education as priorities for expanding access to basic public services. Several development partners have a long-established presence in these areas. Under Focus Area 2, Building Resilience, during the CPF period the World Bank will support Fiji's COVID-19 response through an IPF operation under the Multi-Phase Approach. It will also support Fiji to optimize spending in the

Figure 7: Alignment with WBG COVID-19 Crisis Response Pillars

WBG COVID-19 Crisis Response	Relief Stage	Restructuring Stage	Resilient Recovery Stage
Pillar 1 Saving Lives	**Public Health Emergency** ***Fiji COVID-19 Emergency Response Project (P173903)***	**Restructuring Health Systems**	**Pandemic-ready Health Systems** ***Focus Area 2: Building Resilience*** Objective 2.2: Increase climate resilience and strengthen management of disaster risks and health emergencies
Pillar 2 Protecting the Poor & Vulnerable	**Social Emergency**	**Restoring Human Capital** ***Focus Area 2: Building Resilience*** Objective 2.3: Improve efficiency and effectiveness of the social protection system	**Building Equity and Inclusion** ***Cross-cutting objective: Strengthen gender equality***
Pillar 3 Ensuring Sustainable Business Growth & Job Creation	**Economic Emergency** ***Focus Area 2: Building Resilience*** Objective 2.1: Strengthen fiscal resilience, including through improved macroeconomic governance	**Firm Restructuring & Debt Resolution** *Focus Area 1: Fostering Private Sector-led Growth and Inclusive Economic Opportunities* Objective 1.1: Improve competitiveness through creating a better investment climate and strengthening financial infrastructure	**Green Business Growth & Job Creation** ***Focus Area 1: Fostering Private Sector-led Growth and Inclusive Economic Opportunities*** Objective 1.2: Improve income generation and job opportunities from the services sector, especially tourism
Pillar 4 Strengthening Policies, Institutions & Investments for Rebuilding Better	**Maintain Line of Sight to Long-term Goals**	**Policy and Institutional Reforms** ***Focus Area 2: Building Resilience*** Objective 2.1: Strengthen fiscal resilience, including through improved macroeconomic governance Cross-cutting objective: Strengthening governance	**Investments to Rebuild Better** ***Focus Area 1: Fostering Private Sector-led Growth and Inclusive Economic Opportunities*** Objective 1.3: Enhance delivery of productivity enabling resilient infrastructure ***Focus Area 2: Building Resilience*** Objective 2.2: Increase climate resilience and strengthen management of disaster risks and health emergencies

education sector, through an Education Sector Public Expenditure Review. In line with the IFC 3.0 strategy, to help 'create markets', IFC is also piloting a project designed to help improve Fiji's healthcare system by supporting the Government to implement a PPP for upgrade and management of two public hospitals (Lautoka and Ba).

44. **As this CPF marks a substantial intensification of the development partnership between the WBG and Fiji, it is designed with flexibility to accommodate new interventions and unforeseen events.** By offering entry points into new sectors, ASAs and policy dialogue provide flexibility for deepening the WBG engagement and may lead to investments in the later part of the CPF period. For example, the Human Capital Project in the Pacific, envisaged as a program of advocacy and analytical work, could translate into increased demand for interventions to strengthen human capital.

Recognizing Fiji's evolving relationship with the WBG, as well as its vulnerability to natural hazards, the CPF also retains a degree of flexibility to respond rapidly to Fiji's changing priorities and unforeseen events, such as natural disasters.

45. **This CPF incorporates the core institutional priorities of the WBG and features the objectives of the IDA Special Themes and cross-cutting issues.** Where appropriate, the WBG program will apply the Maximizing Finance for Development, Cascade approach by pursuing private sector solutions where they can help achieve development goals, while preserving scarce public finance for where it is most needed. Post-crisis, it will be important to find and expand the use of private sector solutions, reducing pressure on the country's fiscal space. The CPF emphasizes the importance of private participation in the delivery of certain public services and infrastructure, such as health, housing and energy. Leveling the playing field (enabling greater competition) especially in sectors dominated by SOEs, can improve service delivery, lower costs, and increase domestic revenue mobilization through privatization, as well as general corporate taxes. The coordinated World Bank, IFC and MIGA approach to Maximizing Finance for Development leverages all sources of expertise, partnership, and finance. This effort builds on past WBG support to help identify an appropriate mix of public and private financing and solutions.

46. **The WBG program during the CPF period will also address the following IDA Special Themes and cross-cutting issues:**

- Climate Change. Under Focus Area 2 (Building Resilience) the CPF supports Fiji's efforts to manage the impacts of climate change and natural hazards by building fiscal and climate resilience, strengthening disaster risk management, and improving social protection systems. Risks related to climate change will be considered in the design of all infrastructure supported by the WBG under both Focus Area 2 and Focus Area 1 (Fostering Private Sector-led Growth and Inclusive Economic Opportunities). Both Focus Areas of the CPF have significant potential to maximize climate adaptation and mitigation co-benefits in the proposed country program, with dedicated indicators that measure: (i) resilient road rehabilitation; (ii) renewable energy production and finance; (ii) resilient construction standards for schools and houses; (iii) disaster risk management related actions; and (iv) improved environmental protection.
- **Debt.** Under CPF Objective 2.2 (Strengthen fiscal resilience, including through improved macroeconomic governance) the WBG will support fiscal resilience in Fiji, based on prudent macroeconomic management that keeps public debt at a sustainable level, and efforts to manage the catastrophic fiscal risks engendered by natural disasters and external shocks.
- **Disability Inclusion.** Under CPF Objective 1.3 (Enhance the delivery of productivity-enabling resilient infrastructure) the World Bank will support accessible designs in all new infrastructure investments and under Objective 2.2 (Increase climate resilience and strengthen disaster risk management) the WBG will support the incorporation of disability inclusive principles into national disaster management.
- **Gender and Development.** The cross-cutting theme of gender equality will ensure that all interventions across the WBG portfolio aim to expand women's economic empowerment and reduce GBV, especially in light of evidence suggesting that rates of GBV have risen as a result of COVID-19. These critical elements of gender equality are also an explicit focus of IFC advisory services. In addition, during the CPF period the WBG program will seek to improve income generation, and job opportunities for females.

- **Governance and institutions.** Recognizing the importance of the cross-cutting theme related to governance and gender equality, the CPF will support Fiji in building transparent, effective, and accountable corporate institutions. A complementary effort will strengthen the institutional capacity of the public agencies involved in implementing the Bank-financed projects. The World Bank's regional projects complement the CPF program, by strengthening the institutional capacity of Pacific regional institutions, including some based in Fiji, to enable them to support Pacific Island countries through regional approaches to: aviation safety; maritime services; ICT; the management of oceanic and coastal fisheries; statistics; and disaster risk management.
- **Human Capital.** The COVID-19 Emergency Response Project is the first World Bank operation in the human development sector in Fiji. Building upon this, analytical work and policy dialogue under all Focus Areas of the CPF will be used to further deepen engagement in human capital development.
- **Jobs and economic transformation.** CPF Focus Area 1 (Fostering Private Sector-led Growth and Inclusive Economic Opportunities) supports a strong private sector that can help restore jobs lost as a consequence of COVID-19, and create more and better jobs, particularly in areas with high potential for growth, such as sustainable tourism and new growth areas such as Business Process Outsourcing (BPO).[30] An emphasis on improving workplace responses to factors that reduce women's participation in formal employment (the lack of childcare and impact of GBV) is tightly interwoven with this objective through the cross-cutting theme on Strengthening Governance and Supporting Gender Equality.
- **Technology.** CPF Objective 1.3 (Enhance delivery of productivity-enabling resilient infrastructure) will build upon existing investment to support ICT physical infrastructure, and examine how these benefits can promote development of the digital economy—from expanding the use of financial technology (fintech) to improve micro, small and medium enterprise (MSME) access to financing, to accelerating BPO development—as well as address gender and geographic gaps in access to and use of ICT services.

3.3. Objectives Supported by the WBG Program

47. **The discussion that follows describes how the WBG program will support each focus area and objective under the CPF (Table 2).** It details specific challenges and anticipated outcomes for each focus area in the context of the priorities identified by the Government of Fiji, the WBG, and other development partners.

Table 2: Focus areas and objectives of the Fiji CPF FY2021–24 supported by the WBG Program

Focus Area 1 Fostering Private Sector-led Growth and Inclusive Economic Opportunities	Focus Area 2 Building Resilience
Objective 1.1: Improve competitiveness through creating a better investment climate and strengthening financial infrastructure	Objective 2.1: Strengthen fiscal resilience, including through improved macroeconomic governance
Objective 1.2: Improve income generation and job opportunities from the services sector, especially tourism	Objective 2.2: Increase climate resilience and strengthen management of disaster risks and health emergencies
Objective 1.3: Enhance delivery of productivity enabling resilient infrastructure	Objective 2.3: Improve efficiency and effectiveness of the social protection system
Strengthening Governance and Supporting Gender Equality	

[30] The potential of BPO to drive growth is an anticipated focus of the forthcoming WBG Country Private Sector Diagnostic.

Focus Area1: Fostering Private Sector-led Growth and Inclusive Economic Opportunities

Focus Area 1 will concentrate on promoting sustainable business-led growth and job creation by strengthening Fiji's national business environment to support recovery from the pandemic. Improving financial and physical infrastructure and helping create a more open, competitive, and level playing field, will help attract private sector investment, that will, in turn, help stimulate trade and promote economic growth. Private sector investment and growth will also depend on the availability of sufficient skilled workers in the labor market. A 'One WBG' approach will help revitalize high growth sectors—notably the tourism sector—including through development of Fiji's second largest island, Vanua Levu, to spread the benefits of economic development outside the main island (Viti Levu) and help promote diversification.

Objective 1.1. Improve competitiveness through creating a better investment climate and strengthening financial infrastructure

48. **Fiji's private sector has been hit hard by COVID-19 and will only recover strongly if a more competitive business environment is created, with reduced barriers to market entry and trade, and a sound regulatory framework.** Small and medium enterprises (SMEs) have seen their revenue significantly reduced. Recovery is constrained by complex regulations that make it costly for them to operate and trade, and for SMEs to get established. To become a more attractive destination for private investment, Fiji must continue to reform its regulatory and administrative framework, in addition to streamlining regulations to improve the investment climate. Positive steps include drafting the Investment Law (2020) which will be tabled in Parliament in 2021, and the proposed Investment Fiji Law. These laws will see Investment Fiji[31] concentrate on promoting and facilitating investment, while other authorities concentrate on regulating it. Furthermore, although the formation of the Pacific Corporate Governance Institute (PCGI) by IFC and the RBF has helped increase knowledge sharing and awareness of good corporate governance practices, weak corporate governance continues to discourage private firms from entering, or expanding operations, and limits access to finance.

49. **As the pandemic recedes, more financing options—including expanding the use of financial technology to improve access to financing—together with deeper capital markets, will be needed to modernize Fiji's financial infrastructure and make it more competitive.** The absence of an effective and efficient national payment system at this time of economic challenge for Fiji means its financial institutions are not able to offer innovative, affordable, and accessible products and services to many Fijians. This translates into the exclusion of an estimated one-third of adults from the formal financial sector. Digital financial inclusion was a development priority for Fiji before the COVID-19 crisis; now, it is indispensable for both short-term relief and as a central element of broad-based, sustainable recovery efforts. Delivering a stronger digital financial ecosystem can help close this gap through virtual real-time transactions, allowing more Fijian firms and households to transfer money digitally, in a safe and efficient way, 24 hours a day, using cards, mobile phones, online banking and any other innovative payment instruments which may become available in the future. Government payments and social transfers could be enhanced, and the cost of payment and remittance services reduced. New financial product technologies, such as sustainable energy finance and housing finance, can also help lift competitiveness, together with increasing firms' access to long-term, local-currency finance. At present Fiji's capital markets are undeveloped: the investor base is highly concentrated, and the

[31] Investment Fiji is the trade and investment promotion agency of the Government of Fiji.

government bond portfolio fragmented. Issuances of corporate bonds will become an increasingly important vehicle to provide medium- to long-term capital for economic recovery for businesses with stable balance sheets, as many firms will need additional financing, but it is not likely that the banking sector will be able to provide this to all firms. This highlights the critical need to introduce a regulatory framework more conducive to the formation of a vibrant and efficient capital market.

50. **To help support economic recovery, an integrated WBG response will support improving Fiji's legal and regulatory environment to propel business-led growth and lift competitiveness.** IFC will support implementation of a new Investment Policy regime to boost investment—both domestic and foreign—increase access to finance, and lower costs for firms. This necessitates supporting the review and redesign of Investment Fiji and Department of Immigration processes and procedures, and supporting the newly established Reform Unit, which oversees both Investment Policy Doing Business reforms. In parallel, IFC will work with the Central Bank to create a legal framework to operationalize the deployment of electronic payment instruments. IFC will also explore development of new financial products, including Sustainable Energy Finance and Housing Finance. To strengthen SMEs through the Pacific Corporate Governance Institute, IFC will continue strengthening the capacity of boards to better understand their governance role and responsibilities, especially during times of crisis; and to develop robust business continuity plans. IFC conducted several webinars during the COVID-19 lockdown covering these topics, and ongoing assessments and consultations will help selected companies implement better corporate practices. Complementing this work, the WBG will aim to develop Fiji's capital markets to increase access to debt capital for firms by building wholesale debt platforms, creating a corporate bond market with corresponding policies and procedures, and broadening the pool of potential bond issuers. The WBG will seek to work with the Central Bank and South Pacific Stock Exchange (SPX) to finalize the regulatory framework for wholesale corporate bonds—which are usually targeted to institutional investors—and SPX listing rules, and the adoption of prudential requirements. The World Bank's new DPO series will also support post-COVID-19 recovery through growth friendly policies expanding private and financial sector development.

51. **The WBG will also explore opportunities to support Fiji to strengthen its business and investment environment by addressing skills shortages and mismatches in the labor market.** Fiji's workforce is relatively well educated, but employment is skewed toward semi-skilled occupations, partly owing to the lack of more sophisticated jobs in the private sector. Skills gaps and mismatches are prominent issues, indicating both that skills generated by education and training systems do not match what employers seek, and that job matching services are inefficient. The absence of a robust labor market information system aggravates the incongruity. Complex labor market regulations increase regulatory burdens and encourage small/micro firms to operate informally, impeding their performance. During the CPF period, the World Bank will help Fiji to assess the adequacy, efficiency, and equity of education and skills spending through the Education Sector Public Expenditure Review, which also addresses the Labor Market. Building upon this work, as well as regional analytical work on Labor Mobility, the World Bank will seek opportunities to deepen its support to Fiji on skills, particularly on underpinning labor market systems to help match supply and demand in the labor market, and strengthen allocation of education expenditure.

Objective 1.2: Improve income generation and job opportunities from the services sector, especially tourism.

52. **Fiji's tourism sector was the first to feel the effects of COVID-19, with the lockdown and border closures bringing an abrupt and steep collapse of the sector, devastating the economy.** A survey conducted by IFC and the Ministry of Commerce, Trade, Tourism and Transport (MCTTT) and released in July 2020 found half of tourism businesses were hibernating or fully closed and 35 percent were active but with reduced staff; nearly a third stated they could face bankruptcy. It is a massive blow to the tourism industry, including accommodation providers, tourism activity providers and a network of suppliers. Prior to COVID-19, tourism contributed nearly 40 percent of the country's GDP and directly or indirectly employed over 150,000 people in various industries. Fiji Airways, the country's national airline, grounded 95 percent of flights amid travel restrictions and border closures around the world, with scores of its hotels and resorts closing. Around a third of the Fijian workforce have lost their jobs or had their hours cut as a result, with most in the tourism sector; there is evidence to suggest that women have been disproportionately affected; and the knock-on effect of these job cuts will be enormous as many of those employed in the tourism sector support dependents in a country where wages are low.

53. **Revitalization of the tourism sector, with the rallying of international visitors, is an urgent priority for Fiji once the COVID-19 pandemic fades and air access reopens**. As Fiji joins other nations across the world in implementing new standards related to COVID-19, reopening the tourism sector is essential to recover lost jobs and to kickstart economic growth. The tourism sector has strong multiplier effects, including the creation of small businesses and jobs in the production and service sectors. Fiji also has the opportunity to capitalize on the trend of tourism growing in emerging Asian markets and strengthening secondary high-value markets such as the USA, to diversify products and investments and spread the benefits more widely. Most tourism occurs in western Viti Levu, the main island, while the outer islands receive few visitors. Despite its cultural traditions and unspoiled natural environment, Fiji's second-largest island, Vanua Levu, receives only roughly three percent of visitors and is significantly poorer than Viti Levu. A substantial potential opportunity resides in maximizing the economic benefits of tourism, increasing services, creating jobs, and raising incomes in Vanua Levu, while protecting its natural and marine environments.

54. **When tourism begins to recover, stronger supply chain linkages with agricultural, seafood and aquatic production could help Fiji to retain more of the associated revenue while boosting the incomes of smaller farms and fisheries.** As hotels in Fiji's main tourism areas source more than half (52 percent) of all their fresh produce through imports (valued at US$18.8 million per year)[32] there exists an opportunity to increase the use of locally cultivated food. Improving the quality and quantity of produce from smallholders, promoting diversification and increasing access to markets would help raise farmers' and fishers' incomes, narrow the urban-rural income divide and boost productivity. Until better infrastructure links farmers and fishers on the outer islands to the major tourist centers, the most immediate opportunity is to increase the amount of fresh produce sourced by hotels from smallholders, by strengthening linkages between key positions in the supply chain and improving infrastructure for distributing produce to hotels and resorts.

55. **During the CPF period, an integrated WBG response will seek to support the recovery of the tourism sector, restore lost jobs and**

[32] See IFC study by McComb and Cooper (2018).

revitalize the industry to make it more sustainable. The first phase of the WBG response will support Fiji to promote destination awareness, increase public-private dialogue on recovery, and provide policy guidance for reopening the tourism sector. This will include guidance on segmenting the market and developing a strategy to attract the early travelers in the post-COVID period as well supporting measures to assist tourism businesses in recovery stages. One such measure will be to assist in recruiting, rehiring and training workers, especially female workers who have been disproportionately impacted by pandemic related job losses.

56. **To help revitalize and diversify the tourism sector to promote job creation, a coordinated WBG response will explore the development of a high-value, sustainable tourism industry on Vanua Levu.** Through an IDA financed Tourism Development Project designed to diversify Fiji's tourism markets to enhance resiliency, the focus will be on promoting high-yield tourism (predicted to be among the first markets to rebound), and supporting the development of nature-based tourism, which is anticipated to grow significantly post-COVID-19. The Bank will work with the government to identify strategies to overcome key accessibility issues, and identify potential transport infrastructure investments (maritime, aviation and roads) as well as potential investments in tourism services, backed up by biodiversity conservation management efforts, product development, and destination marketing. IFC will complement this effort by assessing the growth potential of high-priority tourism markets, identify key bottlenecks in tourism development, and determine the investments required to unlock latent demand and manage growth. The Bank will also support generating knowledge on economic benefits and best practices for shifting to more sustainable and environmentally friendly coastal tourism development, with a focus on nature- based tourism, focusing initially on Vanua Levu. This will include investigating economic opportunities and incentives for reducing negative externalities generated by the environmental impact of tourism. IFC will explore opportunities for investing in new types of accommodation and experiences, together with strategic anchor investments in the hotel sector to attract visitors, as well as selected investments in leisure sector infrastructure. MIGA can complement these efforts by supporting cross-border investment through its risk mitigation products.

57. **To strengthen linkages between agribusiness and tourism, IFC will seek to promote supply chain connections, working with tour operators and hotels to develop products and marketing campaigns to attract high-value tourism to Fiji, and working with hotels to reduce costs by sourcing more locally grown produce.** IFC will work with large and small agribusinesses to increase the amount of fresh local produce supplied to hotel operators and, potentially, to exporters. Interventions in both tourism and agriculture will include gender analysis and interventions to ensure that high quality jobs and opportunities are created for women and men.

Objective 1.3: Enhance delivery of productivity-enabling resilient infrastructure

58. **Quality physical infrastructure is crucial to support Fiji's economic recovery and spur private sector led growth.** This is particularly important in order to support firms and create jobs, revitalize the tourism sector, and strengthen Fiji's position as a gateway to the smaller Pacific Island nations. Fiji's transport connectivity, electricity and digital infrastructure challenges are unique in scale and complexity and require significant investments (Box 4). The challenge for the government is to address significant infrastructure gaps, especially in transport and energy, and improve the climate resilience of infrastructure while respecting international

investment standards, and ensuring that local populations benefit from such investments. Limited public revenues and the lack of economically viable (long tenure) products on Fiji's capital markets constrain infrastructure investments, highlighting the need for innovative financing solutions. The extensive investments needed to develop ports and airports, which are currently managed as SOEs, require the government to develop a strategic framework that clearly defines the objectives, methodology, and approach for the divestment of SOEs. This strategic framework would help unlock opportunities for the private sector to invest in airports, ports, and logistics, including green shipping and warehousing in a manner aligned with Fiji's green growth goals.

59. **During the CPF period, a coordinated WBG program will promote economic diversification, harnessing opportunities that help advance the digital economy, with investments in transport and ICT infrastructure, applying the Cascade approach to Maximizing Finance for Development, where appropriate.** Improving the resilience of roads, bridges, rural jetties, and wharves will be supported under the World Bank Transport Infrastructure Investment Project. Measures to improve safety and security, particularly of women and girls, as well as opportunities to increase female employment in the transport sector will be promoted. Through the ICT Project linking Vanua Levu to the Samoa-Fiji submarine cable, the WBG will endeavor to ensure that the benefits of this cable are spread more widely across the island. This will serve to promote development in the tourism, agriculture and transport sectors in Vanua Levu, as well as the digital economy, including ICT service industries. Direct connectivity to Vanua Levu has helped increase the resilience of domestic connectivity between the major islands, which has previously been problematic during periods of adverse weather. The cable station infrastructure that has been built to support the Suva-Savusavu connectivity is fully capable of supporting an additional cable landing, meaning Fiji will no longer rely on just one cable system as its primary link to the outside world. The WBG will draw upon the outcomes of region-wide advisory services and analytics (ASA) work to explore options to support enabling digital economy and digital initiatives in Fiji. The WBG will support the Government in optimizing financing opportunities—public and private—to narrow the gap in transport connectivity and improve the resilience of existing transport infrastructure. In parallel, IFC will draw on the results of the Fiji Country Private Sector Diagnostic to identify opportunities, including Business Process Outsourcing (BPO), which could leverage Fiji's improved ICT infrastructure, competitive wage and salary rates, educated English-speaking workforce, cost-effective near-shore location and convenient time zone area with respect to New Zealand and Australia. IFC and MIGA will also explore opportunities to support the delivery of efficient infrastructure through private sector engagement. IFC will also seek to work with the Government on structuring PPPs and explore options for SOE divestment transactions (building on the success of its previous engagement with the Government of Fiji on health and housing PPP).

60. **To help Fiji to rebuild better by transitioning to clean energy, the WBG will explore ways to support Fiji's accelerated deployment of renewable energy infrastructure and reduce its reliance on diesel.** Fiji has set ambitious Nationally Determined Contributions to meet its mitigation commitments, primarily by expanding renewable energy generation, with a target to achieve 100 percent renewable energy-based electricity generation by 2030. To support improving the efficiency and effectiveness of the energy market, and diversify sources of power by expanding

renewable energy, IFC will build on its experience with the use of PPPs in affordable housing and hospitals, to support electricity utility, Energy Fiji Limited (EFL), to structure and tender a PPP transaction to deliver 15MW of solar power to the main island of Viti Levu under an Independent Power Producer (IPP) agreement. This will be Fiji's first solar PPP, contributing to lower generation costs for EFL. IFC will also provide capacity building support to EFL for long-term development of its renewable energy program. For Fiji to tap the full potential of renewable energy, it needs to unlock more private investment through IPPs. This will necessitate the development of a framework for IPPs to sell power to EFL, regulation for IPPs, credit enhancement to EFL as off-taker and a standardized Power Purchase Agreement framework. Depending upon the view taken by the Government and prospective investors, there might be an opportunity for World Bank and MIGA guarantees to unlock new cross-border investment to support the development of the

Box 4: Key gaps in Fiji's infrastructure

Roads: Fiji has an 11,115-kilometer road network, some of which requires rehabilitation. Most secondary and rural roads—graveled and constructed to lower standards—are vulnerable to floods and damage during the wet season.

Bridges, jetties, and wharves: Fiji has an estimated 950 bridges and 45 rural jetties and wharves, many of which need rehabilitation.

Airports and ports: Fiji's domestic aviation infrastructure, vital for tourism and connectivity, consists of 19 commercial airfields and seven private airports, some of which are in a poor state of repair. The Government is upgrading Nausori International Airport outside Suva, the capital city, but other airports, including those serving Vanua Levu, have limited capacity, restricting tourism and domestic traffic. The Port of Suva has limited capacity for container ships and fishing vessels. The Fiji Ports Terminal in Walu Bay has difficulties accommodating heavy transport equipment and containers.

Electricity: Even though Fiji has a relatively well developed power sector in comparison to other Pacific Island countries, with approximately 90 percent of the population connected to the grid, it remains dependent on fossil fuel: almost 45 percent of power is generated from diesel and heavy fuel oil. Despite considerable potential for renewable energy, Fiji has yet to harness the private sector to leverage solar, with no Independent Power Producers (IPP) projects successfully implemented to date. The private sector role is crucial if the Government is to achieve its stated aim of 100 percent renewable power generation by 2030, as this will require an additional 120MW of renewable energy. Transitioning to clean energy will release Fiji from fossil fuel dependence, and its vulnerability to external oil price shocks, while lowering greenhouse gas emissions.

Digital infrastructure: Opportunities to integrate with and strengthen the digital economy have until recently been limited by poor access to digital Infrastructure outside of Viti Levu, and COVID-19 has highlighted the importance of realizing the digital dividends (enabling remote work and learning) which greatly reduced the cost of COVID-19 containment measures in other economies. Improvements to Fiji's international connectivity—by facilitating landing of a second cable system—could transform the ICT sector by making it more competitive, reducing the cost of international connectivity, and creating the potential for Fiji to become a regional data hub and accelerate BPO as a new driver of growth. In September 2020 Fiji established a BPO Council to accelerate this effort.

renewable energy sector. The World Bank has also mobilized resources from the Global Environment Facility for a Sustainable Energy Finance Project to increase renewable energy use by households and small businesses.

Focus Area 2: Building Resilience

Focus Area 2 will support a broad spectrum of resilience in Fiji. Natural disasters, health emergencies, and climate change represent a potentially catastrophic fiscal risk for Fiji through their impact on agricultural performance, disrupting tourism and business activity, while devastating public infrastructure.[33] These shocks disproportionately affect the poor, who are more vulnerable. An integrated WBG approach to building resilience begins with fiscal resilience, focusing on support for sustainable public debt management, contingent credit arrangements, and risk management instruments. To reinforce climate resilience and mitigation measures, the WBG will support more sustainable use of ecosystems and the services they provide. Revisions to the national disaster management legislation and plan will strengthen disaster preparedness and response. In the face of COVID-19, investment project financing will support strengthening of Fiji's national systems for public health preparedness to manage the current as well as future health emergencies. Finally, resilience among the poorest and most vulnerable depends on integrated, efficient, and transparent social protection programs. Those programs will be another focus of WBG support, especially efforts to identify the vulnerable households whose welfare depends the most on an efficient disaster or crisis response.

Objective 2.1: Strengthen fiscal resilience, including through improved macroeconomic governance

61. **Fiji will be compelled to draw on limited fiscal space to respond rapidly to natural disasters and external shocks, while protecting essential public investment and social welfare programs for the poorest and most vulnerable.** The cost of disasters induced by natural hazards—cyclones, floods, earthquakes, and tsunamis—is likely to increase as climate change progresses. For example, public debt rose in the aftermath of TC Winston, when growth slowed and public spending on disaster recovery increased. Prior to COVID-19, Fiji had been pursuing continued fiscal consolidation, and aimed to reach its public debt targets of 40 percent of GDP over the medium term and 35 percent of GDP by 2036, along with improvements in the quality of expenditure, and focused structural and business environment reforms to drive up economic growth and private investment. COVID-19 disrupted these goals and increased spending as well as a contraction of the economy will lead to an increase in public debt to GDP of 80.9 percent in 2021. Thereafter it is projected to stabilize and slowly improve owing to effective fiscal consolidation, a sound Medium-Term Debt Management Strategy and improved growth. Fiji can further amplify its fiscal resilience by securing access to financial resources before a disaster or shock strikes. Contingent credit lines, such as the World Bank's Cat-DDO instrument, a contingent line of credit that offers immediate liquidity in the aftermath of a disaster, expand financial capacity to respond rapidly in the immediate aftermath of a disaster or shock.

62. **During the CPF period, the WBG will continue to support fiscal resilience in Fiji, based on prudent macroeconomic management and efforts to manage the catastrophic fiscal risks related to disasters, emergencies and external shocks**. To strengthen fiscal sustainability in the medium term, the WBG will build upon the current Fiscal Sustainability and Climate Resilience DPO series, with a new DPO with Cat-DDO series as well as associated policy dialogue and technical assistance. Recognizing the challenges quickly emerging from COVID-19, the new DPO series will help the Government to

[33] As defined in Part 1 of the NDM Act 1998, a "natural disaster" includes imminent or actual emergencies caused by an earthquake, tsunami, volcanic eruption, cyclone, high winds, storm, heavy rain, flood, drought, bush fire, any public health emergency, or any other natural hazard - but does not include man-made disasters - that requires the Government to promptly mobilize its capacity and/or financial resources.

address short- and long-term challenges associated with the climate, disaster risk and the impact of COVID-19 by: (i) creating an improved environment for private sector development and promoting private sector-led economic recovery; (ii) supporting reforms to improve the resilience of marine areas, buildings, and the effectiveness and efficiency of social protection programs; and (iii) supporting measures to strengthen debt and public financial management and improve gender equality. The World Bank will support Fiji to develop its first Medium Term Debt Management Strategy (MTDS) and the integration of an annual borrowing plan into the Medium-Term Fiscal Strategy in FY2021. Fiscal resilience will also be protected through Cat-DDO funds. Experience from responding to natural disasters and health emergencies across the Pacific has demonstrated that obtaining immediate access to liquidity through a Cat-DDO is a valuable source of bridge financing, while funds from other sources, such as bilateral aid or reconstruction funds, are being mobilized. Through ASAs, the WBG will support an initial exploration of risk management instruments available in the financial market and options for developing a domestic catastrophe insurance market. Based on that work, the World Bank and IFC will aim to introduce a cyclone risk insurance product (targeting 70 percent of the houses with low build quality that can become insurable with basic reinforcements), in conjunction with parametric livelihood insurance that, when triggered, provides cash to low-income households.

Objective 2.2: Increase climate resilience and strengthen management of disaster risks and health emergencies

63. **Fiji needs major investments in multiple sectors to make key infrastructure more resilient to natural hazards and the impacts of climate change; it must also continue to implement comprehensive climate change mitigation measures and strengthen disaster risk management.** Recognizing these challenges, the NDP mainstreams climate resilience activities across all sectors. Yet resilience comes at a price. The 2017 Climate Vulnerability Assessment (CVA)[34] estimates that climate resilience will cost Fiji approximately FJ$500 million per year (FJ$9.3 billion over ten years) across multiple sectors. The CVA emphasizes that two sectors vital to realizing the development objectives outlined in the NDP—transport and water supply—are also particularly vulnerable to infrastructure damage from climate related hazards including cyclones, floods, heavy rains, and drought. Two other key types of infrastructure—housing and schools, mostly in rural areas— suffered around 50 percent of the damage or loss from TC Winston. Fiji has strategies and policies to encourage green growth, and it has shown global leadership with its Nationally Determined Contributions (NDCs) to the Paris Agreement, setting highly ambitious targets to reduce overall greenhouse gas emissions by 30 percent by 2030 and generate 100 percent of its energy from renewables. Fiji also houses a regional Pacific NDC Hub, allowing active identification of opportunities to collaborate. Recognizing the need to strengthen the "adaptation" component of the NDCs, Fiji is also amongst the first countries to develop a National Adaptation Plan which highlights priority investments in infrastructure, water and agriculture sectors. It has also launched the first trust fund for people displaced by climate change in 2019. The Government is acutely aware of the need to update and strengthen disaster risk management legislation and planning.

64. **During the CPF period, the WBG program will support climate resilience through a variety of engagements.** Investment project financing will help improve resilience in key transport

[34] World Bank (2017).

infrastructure. The ongoing DPO engagement also strengthens the resilience of single-story schools and housing through updated resilient building guidelines, and technical assistance to ensure their widespread use by builders, homeowners, and government inspectors and engineers. In parallel, IFC will seek to implement its Green Buildings program, exploring opportunities to help improve resource efficiencies associated with new building construction and upgrading. Fiji has the opportunity to lead the way in the region in terms of green buildings in tourism, property development, the health sector and housing.

65. **To help address critical shortages of high quality housing, IFC is advising the Government on a pilot public-private model project to deliver affordable, climate resilient homes for low- and middle-income families.** In 2019 IFC signed an agreement with the Government to bring in the private sector to help provide affordable climate resilient homes. This agreement reflects the Government's commitment to offering a new range of affordable, high quality housing options for Fijian families. It also builds on revisions in the building code (supported by the World Bank) to improve resilience. Drawing on successful affordable housing models elsewhere, IFC will help the Government attract an international developer to build new housing stock for Fijian families. The Government has selected six sites with the potential to develop more than 1,700 affordable housing units. Housing built under the project will use 'Excellence in Design for Greater Efficiencies' (EDGE), a green building standard and certification system created by IFC that promotes more efficient use of energy and water, including embedded costs in building materials. IFC is also recommending gender smart design elements such as on-site childcare, lighting and security measures, and accessibility for women-headed households. In parallel, IFC will also provide technical assistance to the Government to create an enabling regulation and policy environment for housing finance, while working with the industry to introduce new products and delivery channels to improve access to housing finance, including for women-headed households.

66. **To strengthen mitigation measures, the WBG will also support sustainable use of ecosystem services.** Oceans and forests are critical carbon sinks that also provide the essential ecosystem services that sustain key sectors (including agriculture, fisheries, energy, water and tourism) and help foster poverty reduction, economic growth, and employment. Through the Fiji Carbon Fund Emission Reduction Program, the World Bank will support the enhancement of forest carbon stocks at the national level. This will entail measured, reported, and verified reductions in emissions from reduced deforestation and forest degradation, leading to a net reduction in emissions of 2.5 million tons of CO2 equivalent.

67. **There is potential for Fiji to maximize long-term benefits from its ocean resources by building ecosystem resilience and investing in integrated ocean management to support Blue Economy development.** Marine, coastal and terrestrial resources and biodiversity are clearly also the bedrock of the country's tourism industry. ASAs will assess ways of strengthening the management of coastal and marine environments and identify opportunities to support the sustainable development of Fiji's Ocean Economy to support the tourism sector, income generation, job creation, improved livelihoods, food security and strengthened resilience. The World Bank is providing technical support for the development of a National Ocean Policy aimed at securing and sustainably managing Fiji's ocean resources. The World Bank DPO series will also support the establishment of Marine Protected Areas. In parallel, building on its global experience, IFC will explore Blue

Economy opportunities to stimulate private investment in areas such as sustainable fisheries, aquaculture, and green shipping. In addition, IFC will look at the potential deployment of Sustainable Energy Finance by working with financial institutions to increase investment in energy efficiency, cleaner production, and renewable energy projects.

68. **Through the Fiji COVID-19 Emergency Response Project, the World Bank will support strengthening national systems for public health preparedness in Fiji.** Fiji's preparedness and response to a public health emergency is constrained by several health system challenges, and a widespread pandemic could present an overwhelming burden for the existing health system. The delivery of healthcare is challenging in a country that comprises 332 islands spread over 1.3 million square kilometers of the Pacific Ocean. As well as supporting measures to prevent, detect and respond to the threat posed by COVID-19, the World Bank investment project will support Fiji to strengthen its health system by: enhancing health care waste management; increasing storage capacity for pre-positioned medical goods and supplies; and developing a multi-sectoral pandemic preparedness plan.

69. **To strengthen disaster management, preparedness, and response, the WBG will provide technical assistance to support the Government in revising the National Disaster Management (NDM) Bill and National Disaster Management Plan.** The Bill, which will replace the NDM Act (1998), is being updated with support from the International Federation of Red Cross and Red Crescent Societies. WBG technical assistance will focus specifically on areas that are omitted or insufficiently covered in the 1998 Act, including disability and gender issues and climate change implications for disaster preparedness, response, and resilient recovery. This technical assistance will also inform the planned DPO and Cat-DDO.

Objective 2.3: Improve efficiency and effectiveness of the social protection system

70. **Additional innovations will enable Fiji to improve the use of social assistance programs to speed recovery following a natural disaster or emergency, such as COVID-19.** The experience with TC Winston in 2016 (Box 5) demonstrated Fiji's capacity to mobilize social protection systems for disaster response by identifying vulnerable groups and providing cash transfers for recovery. Three key social protection programs—the Poverty Benefit Scheme, Social Pension Scheme, and Care and Protection Allowance—received a 42 percent budget increase immediately following TC Winston, partly through budget support from the World Bank and Asian Development Bank (ADB).

Box 5: Channeling funds for disaster recovery through social assistance programs

Following TC Winston in 2016 Fiji became the first Pacific Island country to deploy its social assistance databases and banking arrangements to send cash to households following a natural disaster. These one- time transfers, equivalent to three months of regular transfers, went to the beneficiaries of Fiji's Poverty Benefit Scheme, Social Pension Scheme, and the Care and Protection Allowance social assistance programs. The assistancewas delivered electronically to the vast majority of vulnerable households within 24 hours of the decision to provide relief. An evaluation found that the benefits reached recipients in time to meet urgent needs. Recipients mostly spent the funds on essential items, and they recovered faster than non-recipients just above the social assistance threshold.

The WBG is also supporting improvements to the Department of Social Welfare database. These improvements will increase the efficiency of the disaster response by establishing broad principles of post-disaster and emergency cash transfers (like geographic targeting and calibrating the amounts of assistance by conducting costing scenarios) before a disaster or emergency arrives.

71. **The WBG will support transparent, efficient operation of the social protection system in order to help protect Fiji's poor and vulnerable impacted by the social and economic crisis caused by COVID-19.** Through a new Social Protection COVID-19 Response and System Development Project, the World Bank will assist Fiji to mitigate the impact of the COVID-19 crisis on the welfare of the unemployed and to make the social protection delivery system more efficient and adaptive. The project will support the provision of cash transfers to those rendered unemployed or underemployed by COVID-19, and the development of an Adaptive Social Protection Strategy and Institutional Action Plans for closer integration and harmonization of existing and new social protection programs, making them adaptive and responsive to future shocks such as disasters caused or exacerbated by climate change. Technical assistance will strengthen and develop social protection delivery systems through enhancement of the existing delivery system; a functional assessment and expenditure review; developing the foundations for a new unemployment benefit scheme; developing systems for cash-for-works interventions; and supporting improved delivery and monitoring, among other activities. The project builds upon ongoing World Bank technical assistance for revamping the social assistance Management Information System which includes the database of social protection beneficiaries: poor and vulnerable populations in Fiji. The project thus expands World Bank group engagement beyond specific aspects of social assistance to the entire social protection system. The WBG will also continue to respond to client demand for advisory support on pension reform as Fiji looks to strengthen the coverage, adequacy and financial sustainability of the Fiji National Provident Fund.

Cross-Cutting Theme: Strengthening governance and gender equality

72. **The two focus areas of the CPF program will benefit from actions to strengthen governance and gender equality.** Progress in strengthening public and private sector governance will be measured by key indicators within each focus area. All WBG interventions developed under this CPF will build institutional capacity and ensure the engagement of citizens, beneficiaries, and stakeholders. The World Bank strives to promote citizen engagement mechanisms in all investment projects, and has committed to integrating beneficiary feedback into all projects where beneficiaries can be clearly identified. Citizen engagement is tracked as part of the Corporate Scorecard. As part of institutional strengthening, the WBG will also explore opportunities to build statistical capacity and promote evidence-based policymaking in Fiji, in accordance with the "Data for Policy" (D4P) commitment under IDA19 through, for example, the Statistical Innovation and Capacity Building in Pacific Islands series of projects being implemented by regional institutions, notably the Pacific Community (formerly South Pacific Community: SPC) and other Pacific Island Countries. The D4P commitment aims to improve statistical systems by closing gaps on a core set of economic, social, and sustainability statistics that are vital for designing, monitoring, and evaluating National Development Plans and SDGs.

73. **As specified in the Fiji Country Gender Action Plan FY2020–24 (Annex 5), the WBG will incorporate opportunities to strengthen women's economic participation—and reduce GBV— into all activities during the CPF period.** All IDA lending operations approved in each fiscal year will be informed by a gender analysis, and at least 60 percent of IDA lending projects approved during the CPF period will be gender tagged.[35] Through ASAs, such as the Pacific Ocean Advisory Program, opportunities for supporting women's participation in employment and improving women's livelihoods will be explored. Building on its prior experience in the Solomon Islands and Papua New Guinea, IFC will continue to work with the private sector to demonstrate the business case for improved practices and policies related to recruitment, retention, and promotion of women in the workforce. To help more women return to the workforce as the recovery gains pace, and expand economic opportunities for Fijian women, IFC will work to remove structural and social impediments to female workforce participation, which will include (among other activities) working with the Government to accelerate the delivery of childcare facilities. In addition, IFC will work with firms to implement a workplace response to domestic and sexual violence (discussed in Box 2). IFC investments and advisory projects will integrate gender analysis and the gender-related business solutions developed by IFC for the Fiji market, such as a model policy on domestic and sexual violence and options for childcare supported by the employer.

3.4. Implementing the FY2021–24 Country Partnership Framework

Expected Financial Envelope and Program Summary

74. **The indicative IDA envelope during the CPF period is US$25–31 million per year.**[36] The CPF period includes the full IDA19 period (FY2021–23) and the beginning of IDA20 (FY2024–26). As a small island economy with Blend status, Fiji will receive 100 percent of its IDA financing on small economy credit terms. Fiji is subject to IDA's Sustainable Development Finance Policy and has committed to two performance and policy actions (PPA) for FY21. Under PPA1, to improve debt management, (i) Cabinet has approved Fiji's first Medium-Term Debt Management Strategy for external and domestic borrowing; (ii) the Ministry of Economy has published the MTDS on its website; and (iii) the Ministry of Economy has published the information on the cost and risk indicators in the Third Quarter Government Debt Bulletin 2020/2021 to track progress on implementation of the MTDS. Under PPA2 the Ministry of Economy has included the risk profiles of publicly guaranteed liabilities in the Government Debt Status Report for the Year ending July 2020 and has published the report on its website. During the CPF period PPAs will continue to support strengthening debt transparency, fiscal sustainability and debt management.

75. **National IDA resources may be complemented with other source of funds, and Fiji may also borrow from IBRD.** Actual IBRD lending amounts will depend on country demand and performance, global macroeconomic and financial developments, demand from other borrowers and IBRD's financial capacity. Aside from the PBA IDA

[35] The Gender Tag refers to operations that seek to close gender gaps in human endowments, create more and better jobs, and ownership and control of assets; and promote women's voice and agency (as per the four pillars of the World Bank Group Gender Strategy 2016-2023). Operations need to meet two criteria: they address one or more of the pillars of the Strategy, and there is a logical chain from analysis, through to actions, and thence to indicators in the project results framework.

[36] Referenced future year IDA volumes are indicative only; actual Country Allocations will depend on: (i) total IDA resources available; (ii) the country's performance rating, per capita GNI, and population; (iii) the performance and other allocation parameters for other IDA borrowers; (iv) the number of IDA-eligible countries; as well as (v) successful implementation of performance and policy actions (PPAs).

allocation, Fiji could access additional resources from the IDA Regional Window to finance eligible regional investments with spillovers that benefit other countries in the Pacific region. It will also be eligible to utilize the Crisis Response Window (CRW), which enables a rapid response during an eligible crisis or emergency, if specified criteria are met.[37] In response to the COVID-19 pandemic, and to help the country recover from the impact of TC Harold, the CRW recently allocated US$60 million to Fiji, and a further potential amount of up to US$30 million is being considered in light of significant needs. In addition, Fiji is eligible for the IDA Scale Up Window (SUW), which provides additional financing for transformational projects at non-concessional terms. Access to SUW resources will be considered on a case by case basis. Eligibility for the SUW is subject to maintaining a debt sustainability assessment by IMF MAC DSA at moderate or low risk of debt distress. Other financing sources, such as trust funds, or co-financing through partnerships with other development partners, may emerge across the portfolio, to be confirmed and elaborated during project preparation throughout the CPF period. Financing for project preparation and utilization of the World Bank's guarantee product will also be explored.

76. **Guided by its 3.0 strategic framework, IFC will leverage its investment and advisory services, and mobilize private finance.** To drive private sector solutions and investment, IFC will pursue upstream activities, consisting of pre-investment work (to help lay the foundation for future transactions) in collaboration with the World Bank and MIGA who will endeavor to unlock foreign investment through its guarantees. Upstream work may include capacity building for institutions and private companies, and support to clients and governments. It will complement IFC's existing business and help unlock new investment opportunities. IFC and MIGA will also seek to leverage the IDA Private Sector Window (PSW) to support private sector investments, given that, on September 1, 2020 the IDA Board approved Fiji's eligibility for the PSW with access for two years. Given the surfeit of banks in Fiji, the shallow market and the keenness of businesses to borrow in local currency, the few top-tier Fijian corporations have been welcomed by the commercial banks, receiving more than sufficient debt finance on attractive terms. However, this situation is not expected to continue in the post-COVID-19 environment with most banks curtailing lending to new projects. This may increase opportunities for IFC to explore debt facilities in addition to equity which would strengthen balance sheets in light of future uncertainties. As of September 30, 2020, IFC's committed investment portfolio stands at US$2.33 million. IFC's active advisory portfolio is valued at $8.87 million across 11 active projects supported by the Governments of Australia and New Zealand under the Fiji Partnership.

77. **As all sectors in the country have significant financing needs, this CPF is obliged to be highly selective.** Considering that the period of engagement between the WBG and Government of Fiji has been relatively brief, and that Fiji must build experience in implementing investment project financing, the proposed CPF intends to focus on areas where the WBG has a strong track record of engagement and has received explicit requests for assistance from the Government. Table 3 presents the WBG indicative lending program during FY2021–24, and Annex 3 and Annex 4 show the World Bank and IFC portfolios currently under implementation. As noted, analytical work and policy dialogue

[37] In IDA19, the CRW will under certain conditions be able to support early response to crises where the onset is slower, such as food insecurity, or outbreaks of disease.

will be used to gradually deepen engagement in new areas, such as human capital development. Such engagement could potentially lead to financial support, particularly in the later years of the CPF and through IDA20. Table 4 presents an indicative ASA program for the World Bank, and Table 5 presents the indicative IFC Advisory Program.

Table 3: Indicative World Bank Lending Program

WBG	Operation	CPF Focus Area	Status	IDA (US$ m)	IBRD (US$ m)	Other (US$ m)
	Fiji Social Protection COVID-19 Response and System Development Project	2	Delivery FY2021	45 (IDA19) 5 (CRW) (TBD)		
	Fiji First Economic and Climate Resilience Development Policy Operation with a Catastrophe Deferred Drawdown Option (DPO Cat-DDO)	1, 2	Delivery FY2021	10 (IDA19) 85 (CRW) (TBD)	50 (TBD)	
	Vanua Levu Tourism Development Project	1	Delivery FY2022	15 (IDA19) (TBD)		
	Fiji Second Economic and Climate Resilience Development Policy Operation	1, 2	Delivery FY2023	(TBD)		
	Subtotal FY2021-FY2024			**160 (TBD)**	**50 (TBD)**	**0**

Table 4: Indicative World Bank Advisory Services and Analytics program, FY2021–24

Activities	CPF Focus Area	FY
Disaster Responsive Social Protection in the Pacific	2	FY2021
Public Expenditure Note	2	FY2021
Fiji Domestic Catastrophe Insurance Market Development	2	FY2021
Country Economic Memorandum	1, 2	FY2021
Poverty Assessment	2	FY2021
Enhancing capacity for improving design and construction of single-story houses and schools for climate and disaster risk	2	FY2021
Pacific Digital Opportunities: Exploring options and key enablers for digital economy and digital government	1	FY2021
Expanding Labor Mobility and Social Protection in the Pacific Islands	1	FY2021
Pacific Ocean Advisory Program	2	FY2021
Pacific Regional ASA for Education	1	FY2022
Human Capital Index	2	FY2021
Strengthening Disaster Risk Management and Resilience Policies	2	FY2021

Table 5: Indicative IFC Advisory program, FY2021-24

Activities	CPF Focus Area	FY
Fiji Affordable Housing PPP	2	Implementation
Fiji Health PPP	-	Post-implementation
Fiji Capital Markets Development	1	Implementation
Pacific Renewable Energy Generation Project (includes Fiji)	1,2	Implementation
Fiji Tourism Project	1	Implementation
EAP Corporate Governance (Fiji component under EAP regional project)	1	Implementation
Pacific Payment Systems (includes Fiji)	1	Implementation
Fiji Investment Competitiveness Project	1	Implementation
Creating Insurance Markets in Fiji	2	Implementation
Fiji WINvest (Investing in Women)	Cross-cutting	Implementation
Fiji Affordable Housing Development Project	2	Pre-implementation
Fiji Solar PPP	1	Pre-implementation

Brief Assessment of Country Financial Management and Procurement Systems

78. **The 2019 Public Expenditure and Financial Accountability (PEFA) Report outlined the strengths and weaknesses of Fiji's public financial management (PFM) system.** The main strengths lay in strong in-year budget execution and a generally sound internal control environment. The main areas of weakness were in budget reliability and accuracy of revenue forecasts as well as timeliness of annual financial statements. Weaknesses included other issues which may also be pertinent to implementation of the CPF program, such as: independence of the procurement appeals and dispute process; medium-term perspective in expenditure budgeting; performance targets for service delivery; expenditure arrears; and transparency of transfers to local governments.

79. **Fiji has a comprehensive PFM improvement program in place and in the past has successfully implemented PFM reforms.** The initial 2014–19 PFM improvement plan, informed by the 2013 PEFA findings and supported through DPOs, achieved notable results, such as revisions to the Income Tax Act, progress in budget transparency (including formulation of the Citizen's Budget, a less technical version of the Executive Budget), and the implementation of an electronic procurement system. The Government also adopted International Public Sector Accounting Standard Financial Reporting under cash basis accounting for all government accounts. It also improved the quality of public expenditure through better monitoring of projects aligned to the NDP. In addition, the Government adopted a new framework to guide fiscal oversight of SOEs. The next four-year PFM improvement plan (2019–24) is expected to include efforts to strengthen institutions (including a review of the PFM legislative framework), improve service delivery, and further raise the quality of expenditure. Support provided by the WBG for financial management and procurement at the project level will continue during CPF implementation.

80. **Fiji's Procurement Office at the Ministry of Economy is relatively well staffed and has sufficient capacity to ensure that value for money plays an important part in the vast majority of procurement decisions.** The national Procurement Regulations that came into force in August 2010 aim to ensure consistency in procurement and tender practices, and to enhance transparency and accountability in awarding government contracts. Fiji now operates an online procurement process. Most public contracts are open to competition, and bribery and collusion between bidders do not commonly influence awards. The media sustains a regular public discourse about corruption, and the Independent Commission Against Corruption regularly announces prosecutions online.

81. **The 2019 PEFA concluded that the vast majority of contracts are competitively tendered through established processes (93 percent). The 2019 PEFA found that in 2018–19** the value of tenders awarded with a waiver from use of competitive methods was less than 10 percent of the total tenders approved by the Fiji Procurement Office, Fiji Roads Authority and Government Information Technology and Computing Services.[38] Although a strong focus on competitive bidding is a positive feature of Fiji's procurement system, the 2019 PEFA did highlight current weaknesses in respect of the appeals and dispute process, which is not independent of the awarding entity.

[38] In addition to the Fiji Procurement Office which administers procurement and provides logistic support for the Fijian Government, the Fiji Roads Authority manages its own procurement, while all information technology is procured by Government Information Technology & Computing (ITC) Services.

Partnerships and Donor Coordination

82. **The WBG will continue to collaborate closely with development partners active in Fiji (see donor coordination matrix in Annex 8).** As Fiji acts as a hub for the Pacific, a range of embassies and partner offices manage their wider Pacific programs from Suva, including ADB, the European Union, and all United Nations agencies active in the Pacific. Similarly, a number of international and regional non-governmental organizations are based in Suva, which facilitates regular coordination of activities in the country. Fiji is also home to a number of tertiary education institutions attended by students from across the Pacific and has a vibrant community of civil society organizations which focus on both Fiji and the wider Pacific. During the CPF period the WBG will seek to increase engagement with civil society in Fiji and throughout the Pacific through continuing the Future Pasifika series which commenced in 2019 (Box 6) and launching a forthcoming podcast, called Vosa, featuring Pacific academics, storytellers, journalists and leading thinkers.[39] In 2019, the Ministry of Economy initiated a formal development partner coordination meeting; in January 2020 the United Nations launched a dialogue forum for development partners; and the Ministry of Foreign Affairs has held weekly coordination meetings with partners. The WBG will continue to engage with partners in these forums and to engage informally with resident partners. Through its DPO engagement, the WBG will maintain the close partnership established with ADB in recent years, and is expanding the circle to include other interested partners, including Australia, New Zealand, Japan and the European Union. Continued coordination will ensure that the WBG engages only where it has a comparative advantage, such that duplication of efforts is avoided, while options are explored for co-financing and alignment of procedures, where applicable, to reduce transaction costs incurred by the Government of Fiji.

83. **A substantial part of IFC and World Bank activities in Fiji benefits from financing from Australia and New Zealand, and regular meetings with these partners will ensure that close collaboration continues during the CPF period.** To help spur economic growth, jobs and private sector development, in 2016 IFC formed the Fiji Partnership with Australia's Department of Foreign Affairs and Trade, and in 2019, New Zealand's Ministry of Foreign Affairs joined. Strategic priorities of the Fiji Partnership include mobilizing new private sector investment—including foreign direct investment—and improving access to infrastructure, and finance for people and enterprises. Positive results from the Fiji Partnership include helping Fiji become the first developing nation in the world to issue a sovereign green bond to finance projects to assist the country adapt to a changing climate, and mobilizing private sector investment to upgrade and vastly expand health services at two public hospitals. Current committed funding to this four-year Fiji Partnership is US$13.5 million. In support of its work in Fiji and the Pacific, the World Bank has received significant trust fund resources from Australia and New Zealand, including: (i) the Pacific Facility IV, a Multi Donor Trust Fund (MDTF) managed by the Bank that provides core funding for such Bank- executed activities as preparation, supervision and ASA; and (ii) the Australia-Pacific Islands Partnership Trust Fund, a single donor trust fund that supports activities undertaken by recipients and associated Bank supervision (as well as preparation costs). These resources provide a robust framework for continued collaboration.

[39] https://www.facebook.com/vosapodcast

Box 6: Future Pasifika

Future Pasifika brings together some of the most passionate voices in the Pacific community—influencers, thinkers, leaders, activists, businesspeople and youth leaders—to tackle crucial topics that will shape the future of the Pacific, with a focus on sharing solutions. Co-hosted by the University of the South Pacific (USP), the World Bank and IFC, Future Pasifika is filmed in front of a live audience at the USP Laucala Bay Campus in Suva, Fiji, and livestreamed globally on World Bank Live and Facebook.

http://live.worldbank.org

http://facebook.com/worldbankpacific.

Monitoring and Evaluation

84. **The statistical capacity for monitoring and evaluation is strong in Fiji relative to the rest of the Pacific, but improvements are needed in key areas, including the use of technology.** The Fiji Bureau of Statistics (FBoS) is mandated to conduct surveys to monitor SDG indicators and other development outcomes over the CPF period, including the HIES (2019–20), a Labor Force Survey (2020), a Multiple Indicator Cluster Survey (2020), and an Agriculture Survey (date to be determined). Its 140 staff and level of government financing put FBoS well ahead of the rest of the Pacific in terms of capacity to collect data. However, improvements are still needed in the bureau's capacity to analyze the data and publish statistics in a timely manner geared towards policy. Fiji is ranked 66th on the World Bank's Statistical Capacity Index.

85. **Against the backdrop of the COVID-19 pandemic, progress toward CPF objectives will be monitored closely to highlight the need for any modifications and allow timely adaptation of activities and approaches to conform with the results framework.** The results framework (Annex 1) lists the specific outcomes the WBG expects to influence through ongoing and planned operations and non-financial support, together with relevant measurement indicators, baselines, and targets. In some cases, the results framework uses output or supplementary indicators owing to limited baseline data and other data access challenges. The results framework relies as much as possible on indicators from individual project monitoring frameworks to maximize the relevance of CPF indicators and minimize data measurement challenges. Indicators will be updated at the Performance and Learning Review (PLR) stage, and any adjustments to the CPF program or results framework will be made as required. The WBG will separately monitor performance against cross-portfolio targets on climate change, gender, and citizen engagement.

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IV. MANAGING RISKS TO THE CPF PROGRAM

86. **The overall residual risk to achieving the CPF objectives during the CPF period is assessed as substantial.** The four main areas of residual risk linked to implementing the CPF and achieving the anticipated results are politicalnchange, macroeconomic instability, constrained institutional capacity for implementation and sustainability, and environmental and social risks (Table 6). These residual risks will be monitored throughout CPF implementation and the CPF Performance and Learning Review will be used to adjust CPF objectives as needed. These risks are currently magnified by considerable uncertainty over the precise magnitude of the impact of COVID- 19.

87. **Political and governance residual risk is assessed as substantial.** The CPF period will cover a national election in 2022. To take political uncertainty into account, CPF preparation included broad consultations to ensure that the proposed WBG program enjoys widespread support. Nevertheless, in the run-up toward 2022 some residual risk is associated with political volatility. This may affect reforms underpinned by the ongoing DPO series and create uncertainty and delay in the implementation of the agreed program, particularly in the identification of potential and longer term investments in the later years of the CPF period. This risk is being managed by stepping up technical assistance for economic management, including a Rapid Public Expenditure Review, and regular economic monitoring. This effort, along with close coordination with other development partners and appropriate consultation with the broader group of stakeholders, including the private sector, should mitigate risks related to the reform agenda. Should significant political and governance risks materialize, the WBG would continue its dialogue with the Government to reconfirm the CPF focus and program and, if required, use the PLR to adjust the program.

Table 6: Risks to Fiji CPF objectives

Risk categories	Rating (High, Substantial, Moderate, Low)
1. Political and governance	S
2. Macroeconomic	H
3. Sector strategies and policies	M
4. Technical design of project or program	M
5. Institutional capacity for implementation and sustainability	S
6. Fiduciary	M
7. Environment and social	S
8. Stakeholders	L
9. Other	–
Overall	S

88. **Macroeconomic residual risk is high, given the deep economic impact of COVID-19, and the possibility that natural disasters or other shocks delay the timing of the reform programs and impact project implementation.** Over the years, Fiji's vulnerability to extreme weather has eroded its fiscal space and intensified the challenge of fiscal consolidation. A major natural disaster, or an unexpectedly sharp slowdown in the growth of Fiji's major export markets or tourism source markets, could undermine macroeconomic stability, divert civil service energy to recovery efforts, delay fiscal consolidation, and curtail job creation and investment opportunities. While COVID-19 presents unprecedented risks, the current and proposed DPO operations as well as the inclusion of a Cat-DDO in the IDA19 project pipeline seeks to mitigate these risks. Financial support through these instruments, as with all financing provided by partners under the joint policy matrix, could alleviate the fiscal pressure in the short run should such shocks occur, and in the medium run could contribute to policy reforms to strengthen fiscal sustainability and climate resilience. However, the heavy economic impact of COVID-19 means that the residual macroeconomic risks are high.

89. **The institutional capacity for project implementation in Fiji presents a substantial residual risk. This risk has been mitigated at** the portfolio level through strengthening the local presence of WBG staff. A significant presence on the ground in Fiji allows the WBG to strengthen its routine engagement in project design, as well as implementation, and provide input and oversight to advisory and analytical services. WBG will intensively supervise and train relevant staff to meet its fiduciary and procurement standards, and engage with policy through the DPO series to improve PFM. WBG will provide training in Fiji as part of the Pacific Integrated Capacity Building Program, with a view to improving the speed and quality of project implementation and management. At the activity level, investments will be designed with a tight focus, avoiding complexity.

90. **Environmental and social residual risks are substantial and could affect the achievement of CPF objectives.** With climate change, cyclones and flooding are expected to increase in frequency and severity. Parts of Fiji already experience the adverse impacts of the rising sea level and erosion from increased storm surges. As discussed, another major flood or cyclone could delay implementation and the achievement of results during the CPF period. Another risk is related to any unintended adverse environmental costs of promoting private investment, which is likely to focus on sectors with sensitive ecosystems and vulnerability to extreme weather, such as tourism and infrastructure. Reforms supported through the DPO series (for example, to strengthen the resilience of single-story buildings and transport and water infrastructure) can help minimize the risk in rural areas and benefit the poorest and most vulnerable populations, including by decreasing interruptions to basic services. The Cat-DDO included in the IDA19 pipeline will further support preparedness and resilience. Should a major environmental shock arise, the CPF program will be restructured to respond to the disaster and utilize, where appropriate, instruments such as the IDA Crisis Response Window and Cat-DDO to provide extra resources. The inclusion of Contingent Emergency Response Components in new Investment Project Financing will make it possible to use existing project implementation arrangements to facilitate reallocation of uncommitted funds to address priority reconstruction needs following a natural disaster or shock.

91. **As the CPF program is expected to increase investments in infrastructure, risks related to social and environmental standards may increase but can be managed.** Fiji's country systems for environmental management are well developed. There is remaining scope for institutional strengthening, but the Department of Environment is relatively well-resourced and the Environment Act is being implemented and enforced reasonably thoroughly, compared to analogous scenarios in other Pacific Island states. There is a mature cohort of consultants and qualified environmental and social professionals available to prepare and implement environmental and social assessments. Furthermore, land tenure laws are clear and there are well-regulated entitlements and procedures for land access that are based on iTaukei (indigenous) customs and norms. An Environmental and Social Framework overview assessment will be conducted early during the CPF implementation to identify aspects of the existing policy, legal and institutional framework that can be strengthened, and the capacity building needed to support this. This proactive work will inform consideration of the use of all (or part) of the country environmental and social framework for future investment projects. The WBG will ensure that adequate resources are available to apply and implement safeguards—assuring compliance—and to build national capacity to manage the environmental and social aspects of infrastructure investments.

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Annexes

Annex 1. Results Matrix for the Republic of Fiji Country Partnership Framework

Focus Area 1: Fostering Private Sector-led Growth and Inclusive Economic Opportunities

Definition of Focus Area: Fiji's National Development Plan has set ambitious development objectives. This includes the goal to more than double real GDP per capita by 2036 by boosting private and public investment, exploiting new export opportunities, and creating higher productivity jobs. Central to this Focus Area is supporting efforts to deepen inclusive growth in Fiji by strengthening the national business environment through improved financial infrastructure to stimulate economic growth and creating a more open and competitive level playing field that attracts investment from the private sector. To create more and better jobs, and increase income generation in rural areas of the country, as well as outside the main island of Viti Levu, this focus area targets selected drivers of growth, particularly tourism and agriculture, and investing in the enabling connective infrastructure necessary for these sectors to reach their full potential.

Links between focus area and WBG corporate goals: The SCD identifies economic growth as the main driver of poverty reduction in Fiji, with employment and labor playing an important role. The services sector, particularly tourism, has been the main driver of economic growth in Fiji. The sector has created more jobs than any other, but has also been the most profoundly impacted by COVID-19. The creation of jobs in services has contributed to shared prosperity by helping to absorb many of the low skilled workers from other declining industries. Poverty rates are highest in the Northern Division, which encompasses Fiji's second largest island, Vanua Levu.

Objective 1.1: Improve competitiveness and strengthen financial infrastructure

Intervention Logic: Fiji's NDP identifies Modernization of the Business Regulatory Environment, Micro, Small and Medium Enterprise Development, and Financial Services as development priorities for Fiji. The SCD identified improving the business environment and forging stronger partnerships with the private sector as key priorities. A key priority for the Government and the RBF is the development of payment system infrastructure and capital markets (as articulated in the NDP as well as the RBF Strategic Plan). Fiji's capital markets are still at an early stage of development, providing limited access to long term finance for both the private and the public sector. The government bond portfolio in Fiji is relatively large, but there is no active corporate bond market. The corporate sector in Fiji is thus almost entirely dependent on the banking sector. A few SOEs issued bonds for fund raising in the past, but to date few private firms have harnessed the capital market in their fundraising efforts. However, there is growing demand from the private sector to raise long term funding for business expansion and investment. The WBG has global and regional experience in formulating a strategic roadmap and supporting the implementation of key reforms across all relevant policy areas. During the CPF period Fiji has requested an integrated WBG response to build upon the existing DPO series by generating a new DPO series to support these policy reforms and deepen IFC advisory services in capital markets, payment systems, competitiveness and corporate governance. WBG assistance will support Fiji to establish the right enabling environment, so that domestic and foreign sources of private investment can help make Fiji more competitive, with its own private sector serving as the engine of growth.

Development Goals

NDP: 2.5 Modernization of Business Regulatory Environment, 2.6 Micro, Small and Medium Enterprise Development, 2.8 Financial Services SDG: SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation and Infrastructure

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Value of bond financing facilitated (US$) Baseline: 0 (2019) Target: 25,000,000 (2021) Value (US$) of non-cash transactions per year Baseline: 54,426,000,000 (2018) Target: 71,816,000,000 (2022) Improvement in the time sub-indicator of the Doing Business Score for starting a business Baseline: Average 40 days (2016–2018) Target: Aligned to EAP average 25.9 days (2022) Percentage of registrations of security interests on movable collateral owned by women or women-owned businesses Baseline: 0 (2019) Target: 25% of all registrations (2024) Number of firms that benefit from reformed licensing requirements disaggregated by male and female owned firms Baseline: 0 (2019) Target: 300 (2022), 10% of which female owned	Number of demonstration transactions (bond issuance) Baseline: 0 (2019) Target: 1 (2021) Number of new electronic payment systems developed Baseline: 0 (2018) Target: 2 (2022) Number of entities that implemented recommended changes to improve company governance Baseline: 0 (2019) Target: 2 (2021) Number of entities that implemented recommended changes to improve women's employment Baseline: 0 (2019) Target: 5 (2021)	**Ongoing engagement** ***Lending*** • Second Fiscal Sustainability and Climate Resilience DPO (P168402) ***IFC*** • Fiji Capital Markets Development (Project ID: 602232) • Fiji Payment Systems (Project ID: 605169) • Fiji investment Competitiveness Project (Project ID: 601927) • EAP Corporate Governance (Project ID 593267) • Fiji WINVest (Project ID: 603639) **New engagement** ***Lending*** • Fiji First Recovery and Resilience Development Policy Operation with a Catastrophe Deferred Drawdown Option (DPO Cat-DDO) (P173558) (series) ***ASA*** • Country Economic Memorandum

Objective 1.2: Improve income generation and job opportunities from the services sector, especially tourism

Intervention Logic: The tourism sector accounts for almost 40 percent of Fiji's GDP, and its recovery is critical to Fiji's medium and long term economic recovery once the pandemic fades and air travel recommences. However, most tourism activity is concentrated in the south and western sides of the main island of Viti Levu, with outer islands receiving few visitors. A 2018 IFC study 'From the Farm to Tourist's Table' found that 52 percent of all fresh produce sourced by hotels in Fiji's main tourism areas is imported (US$18.8 million per year). During the CPF period Fiji has requested an integrated WBG response to help secure the sustainability of tourism and promote supply chain linkages to create more income generating opportunities. Central to the WBG's engagement will be the continuation of IFC's advisory services and a new IDA-financed project to respond to Fiji's request to explore opportunities in Vanua Levu to support the development of a high value, sustainable tourism industry. The WBG program will support Fiji to maximize the economic benefits from tourism by increasing the tourism potential of outer islands, such as Vanua Levu, and thereby help to ensure that the benefits of tourism are more evenly spread across Fiji. The program will also support improving the supply chain linkages between tourism and agricultural production to help to retain tourism revenue and improve small and medium farmers' incomes and share the economic benefits of tourism more fully with rural areas.

Development Goals

NDP: 2.10 Expanding the Rural Economy, 2.12 Non-sugar Agriculture, 2.16 Tourism

SDG: SDG 8 Decent Work and Economic Growth, SDG 10 Reduced Inequality, SDG 12 Responsible Consumption and Production

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Value of financing facilitated (US$) in the Fiji tourism sector (tourism and tourism related industries) Baseline: US$0 (2019) Target: US$30 million (2023) Additional sales revenue (US$) for Fiji tourism businesses (including but not limited to tourism operators and agri-business suppliers to hotels) Baseline: 0 (2019) Target: US$1 million (2023) Number of jobs supported Baseline: 0 (2019) Target: 1,200, of which 600 are women (2023)	Vanua Levu Tourism Market Demand Assessment Baseline: No (2020) Target: Yes (2021)	**Ongoing engagement** ***IFC*** • Fiji Tourism Project (Project ID: 602336) **New engagement** ***Lending*** • Vanua Levu Tourism Development Project (P173278) ***ASA*** • Expanding labor mobility and social protection in the Pacific Islands (P171638)

Objective 1.3: Enhance delivery of productivity-enabling resilient infrastructure

Intervention Logic: Fiji's NDP identifies Modernizing Land Transport, Inter-island Network, Domestic Air Services, International Connectivity (Airports and Sea Ports), and Information and Communication Technology as development priorities. Better road acess, upgraded highways, modern ports, airports, renewable energy and modern ICT services require significant investment, including to ensure they are resilient to the natural hazards and climate change impacts Fiji faces. Fiji has requested WBG support to optimizing financing opportunities—both public and private—to narrow the gap in connective infrastructure and renewable energy. IFC has signed a mandate with Energy Fiji Limited (EFL) to (a) structure and tender a PPP transaction to deliver 15 MW of solar power to the main island of Viti Levu, (b) explore other options for additional renewable energy generation investments, including on Fiji's second island of Vanua Levu, and (c) provide capacity building support to EFL for long-term development of its renewable energy program. The World Bank will continue to invest in projects improving the resilience of roads, bridges and rural jetties and wharves to connect individuals and markets through ongoing project financing, and, as requested by Fiji, expand project investments to Vanua Levu. Building upon the success of the Connectivity Project, Fiji has also requested the WBG to explore opportunities to spread the benefits of the sub-marine cable more widely across Vanua Levu by extending the existing project. Drawing upon its comparative advantage and experience in ICT across the Pacific region, the WBG will also help Fiji identify opportunities for development of a digital economy through its regionwide ASA work. Through this program the WBG will support Fiji to enhance the resilience of connective infrastructure to enable high growth sectors, such as tourism, to realize their full potential, and to strengthen Fiji's position as a gateway to the smaller Pacific Island nations, enhancing its reputation as a regional hub.

Development Goals

NDP: 2.1 Modernizing Land Transport, 2.2 Inter-island Network, 2.3 Domestic Air Services, 2.4 International Connectivity (Airports and Sea Ports)

2.18 Information and Communication Technology

SDG: SDG 9 Industry, Innovation and Infrastructure, SDG 11 Sustainable Cities and Communities

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
CPF Objective Indicators Length of FRA Roads rehabilitated to revised standards for resilience and safety (km) Baseline: 25 (2016) Target: 100 (2023) Access to internet services on Vanua Levu (number of subscribers per 100 people) disaggregated by gender Baseline: 55 (2019) Target: 80 (2022), 50% of whom female Additional renewable energy expected to be produced by IFC project (MWh/year) Baseline: 0 (2019) Target: 7,000 MWH / year (2023)	Increase in number of fiber connection to homes, communities and industrial sites in Vanu Levu Baseline: >1% (2019) Target: 15% of total subscribers in the North (2022) Number of ICT-related businesses established as a direct result of the program. Baseline: 0 (2019) Target: 3 (2022) Value of financing for renewable energy facilitated (US$) Baseline: 0 (2019) Target: USD 5 million (2023)	**Ongoing engagement** ***Lending*** • Fiji Connectivity Project (P159297) • Transport Infrastructure Investment Project (P150028) • Pacific GEF Sustainable Energy Finance (P098423) ***ASA*** • Pacific Digital Opportunities (P170396) ***IFC*** • Pacific Renewable Energy Generation Project (Project ID: 600131) **New engagement** ***Lending*** • Vanua Levu Tourism Development Project (P173278) ***IFC*** • Fiji Solar PPP (Project ID: 603347) • Pacific Renewable Energy Generation Project (Project ID: 600131)

Focus Area 2: Building Resilience

Definition of Focus Area: Beyond the external threat of pandemics, Fiji is highly exposed to natural hazards such as cyclones, floods, earthquakes and tsunamis and is on the front line of climate change impacts. The economy is highly vulnerable to climate-related disasters that typically undermine production in the agricultural sector, disrupt tourism and businesses and entail fiscal costs stemming from the reconstruction of public infrastructure. The economic cost of disasters induced by natural hazards is likely to increase as a result of climate change, with losses of 2.5 percent of GDP expected every year and losses of 20 percent of GDP every 50 years. These losses add to environmental pressure, constrain productive investment, and delay improvements in service delivery. Building resilience requires Fiji to build: (i) fiscal resilience to withstand the catastrophic fiscal impact of external shocks; (ii) climate resilience to improve the resilience of infrastructure, and thereby reduce the adverse impacts of climate change and strengthen disaster risk management; and (iii) strengthen social protection systems to facilitate efficient planned mobilization of resources to the most vulnerable in the event of a disaster.

Links between focus area and WBG corporate goals: External shocks, natural hazards and climate change can interrupt the country's efforts to end poverty and promote shared prosperity. The poor and vulnerable are disproportionately impacted by these shocks, owing to lower quality housing, and lack of savings, credit or insurance.

Objective 2.1: Strengthen fiscal resilience, including through improved macroeconomic governance

Intervention Logic: Inclusive Socioeconomic Development is a priority identified in Fiji's NDP, and safeguarding fiscal responsibility was identified as a priority in the SCD. Strengthening fiscal resilience will require prudent macroeconomic management as well as securing access to financial resources—before a disaster strikes—to help manage the inevitable associated fiscal and socioeconomic risks. During the CPF period, Fiji has requested the WBG continue to support Fiji through Development Policy Operation engagements to strengthen macroeconomic governance and utilization of the Cat-DDO mechanism to support Fiji to manage contingent liabilities. The comparative advantages of the IFC and the World Bank will be combined to explore expanding traditional financial products, such as insurance. The WBG program will help afford Fiji adequate fiscal flexibility to respond rapidly to external shocks and any future natural disasters, while protecting essential public investment and social protection programs for the poorest and most vulnerable.

Development Goals

NDP: 1 Inclusive Socioeconomic Development

SDG: SDG 1—No Poverty; SDG 8—Decent Work and Economic Growth; SDG 11—Sustainable Cities and Communities; SDG 13—Climate Action

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Cat-DDO accessible to provide contingent credit in the event of disaster Baseline: US$0 access to immediate liquidity (2020) Target: US$10 million (2022) Value of insurance policies issued to individuals (including group policies) disaggregated by gender (US$) Baseline: 0 (2019) Target: 54,800,000 (2022) of which at least 10% issued to women Value of insurance policies issued to Small and Medium Enterprises (SMEs) at the institutional level for business risks disaggregated by male and female owned SMEs (US$) Baseline: 0 (2019) Target: 1,000,000 (2022) of which at least 10% issued to female owned SMEs	Number of new financial products launched Baseline: 0 (2019) Target: 2 (2021) Number of insurance policies issued to individuals disaggregated by gender (including group policies) Baseline: 0 (2019) Target: 40,000 (2022) of which 10% issued to women Ongoing engagement	**Ongoing engagement** ***Lending*** • Second Fiscal Sustainability and Climate Resilience DPO (P168402) ***ASA*** • Fiji Domestic Catastrophe Insurance Market Development (P1672233) • Public Expenditure Note (P166182) • Country Economic Memorandum (P166182) **New engagement** ***Lending*** • Fiji First Recovery and Resilience Development Policy Operation with a Catastrophe Deferred Drawdown Option (DPO Cat-DDO) (P173558) (series) ***IFC*** • Fiji Insurance (Project ID: 602478)

Objective 2.2: Increase climate resilience and strengthen management of disaster risks and health emergencies

Intervention Logic: Fiji must prevent, detect and respond to the immediate threat posed by COVID-19, as well as prepare for resilient and sustainable recovery. Fiji's exposure to natural hazards and climate change necessitates significant efforts to increase resilience and strengthen disaster risk management. In recognition of these challenges, climate and disaster resilience activities are mainstreamed across all sectors of the NDP and Fiji has recently updated its National Climate Change Policy 2018-2030, which also includes Fiji's emission reduction targets aligned with its Nationally Determined Contribution (NDCs) to the Paris Agreement. The SCD identified improving the resilience of the country to natural disasters as a priority. During the CPF period, Fiji has requested the WBG support enhancing climate and disaster resilience, through DPOs, and investment projects by improving the resilience of key infrastructure and ecosystems and supporting Fiji's greenhouse gas emission reduction goals through the Carbon Fund Emission Reduction Program. The WBG has also received a request to support Fiji to strengthen disaster risk management, ensuring that all relevant plans incorporate gender issues and the implications of increasing climate change for disaster preparedness, response and resilient recovery. This will be undertaken through a DPO series with a Cat-DDO and ASA engagements. This program builds upon the WBG's existing engagements through the Forest Carbon Partnership Facility (FCPF) Implementation Support grant, the Climate Resilient DPO series, and prior WBG regional experience in helping Pacific countries strengthen disaster risk management. Leveraging its ability to facilitate the exchange of information across countries, World Bank investment project financing will help Fiji strengthen national systems for public health preparedness, in addition to helping prevent, detect and respond to the health threat posed by COVID-19.

Development Goals

NDP: 1.2 Energy, 2.9 Sustainable Cities and Towns, 2.12 Fisheries, 2.14 Forestry

SDG: SDG 7—Affordable and Clean Energy; SDG 11—Sustainable Cities and Communities; SDG 13—Climate Action; SDG 14—Life Below Water; SDG 15—Life on Land

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Adherence of new single-story schools and houses on native lands to the National Building Code Baseline: 0 houses, 10 schools (2019) Target: 20 houses, 30 schools (2022) Volume of CO2 Emission Reductions measured and reported by the Program Entity, verified by a Third Party, and transferred to the FCPF Carbon Fund (tCO2e) Baseline: 0 (2020) Target: 2,500,000 (2024) Percent of Areas Within National Jurisdiction legally designated as Marine Protected Areas Baseline: 1 percent (2019) Target: 5 percent (2024) Number of people receiving access to improved affordable housing services Baseline: 0 (2019) Target: 12,000 (2024) Number of health facilities with improved connectivity for case reporting and public health surveillance Baseline: 0 (2020) Target: 35 (2024)	Training material developed and used for improving capacity of building practitioners in rural areas Baseline: No systematic training (2019) Target: At least 100 building practitioners, of which at least 25 percent women trained in five rural areas (2021) Number of national coastal fisheries and related ecosystems pollution management plans informed by increased knowledge and awareness of pollution sources, pollutant loads and seafood toxicity levels. (Number) Baseline: 0 (2020) Target: 4 (2023) Value of financing facilitated for affordable housing (US$) Baseline: 0 (2019) Target: 200,000,000 (2024) Number of health facilities with access to improved health care waste management facilities Baseline: 0 (2020) Target: 3 (2024)	**Ongoing engagement** ***Lending*** • Second Fiscal Sustainability and Climate Resilience DPO (P168402) • Pacific Sustainable Energy Finance (P098423) • Fiji Carbon Fund ER Program (P163484) • Fiji COVID-19 Emergency Response Project (P173903) ***IFC*** • Pacific Renewable Energy Generation Project (Project ID: 600131) • Fiji Affordable Housing PPP (Project ID: 603557) ***ASA*** • Pacific Ocean Advisory Program (P171214) • Guidelines for Improving Building Safety and Resilience of New Single-Story Houses and Schools in Rural Areas of Fiji (P168402) **New engagement** ***Lending*** • Fiji First Recovery and Resilience Development Policy Operation with a Catastrophe Deferred Drawdown Option (DPO Cat-DDO) (P173558) (series) ***IFC*** • Fiji Solar PPP (Project ID: 603347)

Objective 2.3: Improve efficiency and effectiveness of the social protection system

Intervention Logic: Fiji's NDP identifies Social Inclusion and Empowerment as a priority; the SCD identified better targeting of post-disaster social protection as a priority. Following Tropical Cyclone Winston in February 2016, Fiji became the first Pacific Island country to channel cash for disaster response through its existing social assistance programs in order to reach vulnerable households. Three months after the cyclone, the World Bank supported an evaluation of this initiative which found that the benefits reached recipients in time to meet urgent needs, that most of the benefits were spent on essential items, and that the recipients recovered faster than those in control groups. The experience illustrated how existing social protection systems can be quickly used to support a disaster response, provided that the underlying systems are already in place to identify potentially vulnerable groups and enable cash to be transferred to them. The response can be even faster, if the modalities of post-disaster cash transfer are also broadly established in advance. During the CPF period, Fiji has requested the WBG to build upon its engagement in this area and provide new project financing and continue technical assistance to improve the efficiency and effectiveness of the social protection system. This will ensure transparent and efficient operation of current social assistance programs, and also support the identification of vulnerable households in the event of future disasters or crises, so as to facilitate the rapid and efficient mobilization of resources to help them.

Development Goals

NDP: 1.7 Social Inclusion and Empowerment

SDG: SGD 1—No Poverty; SDG 10—Reduced Inequality; SDG 12—Climate Action

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Social assistance Management Information System includes climate/natural hazard informed GIS mapping targeting mechanism Baseline: No (2019) Target: Yes (2024) Share of near-poor included in the social registry Baseline: 0 percent (2019) Target: 40 percent (2024)	Cabinet approves a revised Social Justice Act Baseline: No (2019) Target: Yes (2024) Adaptive Social Protection strategy and action plans have been developed and ready for implementation Baseline: No (2020) Target: Yes (2024)	**Ongoing engagement** ***ASA*** • Tackling Natural Hazards through Adaptive Social Protection in the Pacific (P171638) • Poverty Assessment (P167696) **New engagement** Lending • Fiji Social Protection COVID-19 Response and System Development Project (P175206) • Fiji First Recovery and Resilience Development Policy Operation with a Catastrophe Deferred Drawdown Option (DPO Cat-DDO) (P173558) (series)

Annex 2. Selected Indicators of World Bank Group Portfolio Performance and Management, Republic of Fiji

As of 11/22/2020

Indicator	FY18	FY19	FY20	FY21
Portfolio Assessment				
Number of Projects Under Implementation a	3.0	2.0	4.0	3.0
Average Implementation Period (years) b	1.7	3.4	2.4	3.4
Percent of Problem Projects by Number a,c	33.3	0.0	0.0	0.0
Percent of Problem Projects by Amount a,c	70.5	0.0	0.0	0.0
Percent of Projects at Risk by Number a,d	33.3	0.0	0.0	0.0
Percent of Projects at Risk by Amount a,d	70.5	0.0	0.0	0.0
Disbursement Ratio (%) e	5.8	4.0	5.1	0.0
Portfolio Management				
CPPR during the year (yes/no)				
Supervision Resources (total US$)				
Average Supervision (US$/project)				

Memorandum Item	Since FY80	Last Five FYs
Proj Eval by IEG by Number	11	1
Proj Eval by IEG by Amt (US$ millions)	175.1	50.0
% of IEG Projects Rated U or HU by Number	9.1	0.0
% of IEG Projects Rated U or HU by Amt	0.7	0.0

a. As shown in the Annual Report on Portfolio Performance (except for current FY).

b. Average age of projects in the Bank's country portfolio.

c. Percent of projects rated U or HU on development objectives (DO) and/or implementation progress (IP).

d. As defined under the Portfolio Improvement Program.

e. Ratio of disbursements during the year to the undisbursed balance of the Bank's portfolio at the beginning of the year: Investment projects only.

* All indicators are for projects active in the Portfolio, with the exception of Disbursement Ratio, which includes all active projects as well as projects which exited during the fiscal year.

Annex 3. Operations Portfolio (IBRD/IDA and Grants), Republic of Fiji

As of 10/31/2020

WORLD BANK GROUP

Closed Projects	15
IBRD/IDA*	
Total Disbursed (Active)	11.57
of which has been repaid(1)	0.00
Total Disbursed (Closed)	272.05
of which has been repaid	167.95
Total Disbursed (Active + Closed)	283.62
of which has been repaid	167.95
Total Undisbursed (Active)	51.02
Total Undisbursed (Closed)	0.00
Total Undisbursed (Active + Closed)	51.02046554

Active Projects

		Last PSR Supervision Rating			Original Amount in US$ Millions					Difference Between Expected and Actual Disbursements[a]	
Project ID	Project Name	Development	Implementation Progress	Fiscal Year	IBRD	IDA	Grants	Cancel.	Undisb.	Orig.	From Rev'd
P173903	Fiji COVID-19 Emergency Response Project	MS	MS	2020	0.0	6.4		0.0	6.6	1.9	1.2
P159297	FJ: Connectivity Project, Phase 3B	S	S	2017	6.0	0.0		0.0	1.6	1.6	0.0
P150028	Transport Infrastructure Investment Project	MS	MS	2015	50.0	0.0		0.0	42.7	39.6	3.4
Overall Result					56.0	6.4		0.0	51.0	43.1	4.6

* Disbursement data is updated at the end of the first week of the month.

[a] Intended disbursements to date minus actual disbursements to date as projected at appraisal.

Annex 4. Statement of IFC Held and Disbursed Portfolio, Republic of Fiji

As of 10/31/2020

(In USD Millions)

		Committed					Disbursed Outstanding				
			**Quasi						**Quasi		
FY Approval	**Company**	**Loan**	**Equity**	**Equity**	***GT/RM**	**Participant**	**Loan**	**Equity**	**Equity**	***GT/RM**	**Participant**
FY16	VISION FIJI	0.00	4.66	0.00	0.00	0.00	0.00	4.66	0.00	0.00	0.00
Total Portfolio:		0.00	4.66	0.00	0.00	0.00	0.00	4.66	0.00	0.00	0.00

Annex 5. Fiji Country Gender Action Plan Summary

Gender equality is central to the World Bank Group's goals of ending extreme poverty and boosting shared prosperity in a sustainable manner. The WBG's gender strategy FY16-23[a] emphasizes four main objectives: closing gaps in human endowments in health and education; removing constraints for more and better jobs; removing barriers to women's ownership and control of key assets such as land, housing, technology, and finance; and enhancing the voice and agency of women and engaging men and boys.

The Government of Fiji's National Gender Policy was approved in 2014. The policy has the overall goal of promoting gender equity and gender equality and instilling social justice by removing all forms of gender discrimination and inequalities to attain sustainable development.[b]

The Country Gender Action Plan FY20–24 (CGAP)[c] for Fiji was prepared alongside the WBG's Fiji Country Partnership Framework a nd will support its implementation. The CGAP also supports the implementation of the East Asia and Pacific Regional Gender Action Plan (RGAP) 2017–23 that lays out the WBG's vision for supporting client countries in EAP to reduce gender inequalities.[d]

The CGAP is aligned with the focus areas identified in the CPF and sets out two priorities for the WBG

- promoting women's economic participation, and
- reducing gender-based violence (GBV).

To help ensure that the CPF delivers on the gender priorities areas, the CGAP identifies four pillars to guide the WBG's work:

Pillar 1 Maintaining a gender tagged portfolio
One hundred percent of lending operations approved each fiscal year will be informed by relevant gender analysis (EAP regional target); and 60 percent of lending projects approved during the CPF period (FY20–24) will be gender tagged.

Pillar 2 Supporting gender results
Projects that have the potential to address specific gender gaps within one or both priority areas will be provided with additional support to help measure their impact. These results will be tracked as part of the project results framework, CGAP results framework and CPF results matrix.

Pillar 3: Filling knowledge gaps and strengthening analytical work on gender issues
The WBG will continue knowledge work in Fiji on GBV and women's economic opportunities.

Pillar 4 Building partnerships and sharing gender results
The WBG will engage with stakeholders that are actively engaged on gender-related issues in Fiji and share information and results with partners, and across the WBG. Building capacity of clients is another key focus area, encompassing support for the capacity development initiatives of implementing agencies, NGOs, service providers and networks working on gender issues and GBV.

[a] World Bank. 2015.
[b] Government of Fiji. 2014.
[c] Fiji: Country Gender Action Plan (CGAP) FY20-24 (World Bank 2020) developed with IFC. Highlights the links between gender equality and development; outlines key gender inequalities in Fiji in accordance with the framework in Toward Gender Equality in East Asia and Pacific, the EAP companion report to the World Bank's World Development Report 2012 on Gender and Development; highlights the government's priorities and commitments; identifies WBG priorities; and highlights CGAP actions and targets to meet the objectives of the CPF.
[d] World Bank. 2017

Annex 6. Alignment of Fiji's National Development Priorities with the Sustainable Development Goals

	SDG 1 No Poverty	SDG 2 Zero Hunger	SDG 3 Good Health and Well-being	SDG 4 Quality Education	SDG 5 Gender Equality	SDG 6 Clean Water and Sanitation	SDG 7 Affordable and Clean Energy	SDG 8 Decent Work and Economic Growth	SDG 9 Industry, Innovation and Infra-structure	SDG 10 Reduced Inequality	SDG 11 Sustainable Cities and Communities	SDG 12 Responsible Consumption and production	SDG 13 Climate Action	SDG 14 Life Below Water	SDG 15 Life on Land	SDG 16 Peace and Justice Strong Institutions	SDG 17 Partner-ships to achieve the SDGs
1. Inclusive Socio-economic Development																	
1.1 Water and Sanitation						●											
1.2 Energy							●										
1.3 Housing Development											●						
1.4 Food and Nutrition Security		●															
1.5 Education				●													
1.6 Health and Medical Services		●	●														
1.7 Social Inclusion and Empowerment	●									●	●						
1.8 Youth and Sports Development								●			●						
1.9 Women in Development					●			●		●							
1.10 Culture and Heritage								●			●						
1.11 National Security and the Rule of Law											●					●	
2. Transformational Strategic Thrusts																	
2.1 Modernising Land Transport									●								
2.2 Inter-Island Network									●								
2.3 Domestic Air Services									●								
2.4 International Connectivity (Airports and Sea Ports)									●								●
2.5 Modernising the Business Regulatory Environment									●								
2.6 Micro, Small and Medium Enterprises Development								●	●								
2.7 Manufacturing and Commerce								●	●								
2.8 Financial Services								●		●							●
2.9 Sustainable Cities and Towns	●					●	●				●						
2.10 Expanding the Rural Economy	●					●	●			●							
2.11 Sugar		●															
2.12 Non Sugar Agriculture		●															
2.13 Fisheries														●			
2.14 Forestry															●		
2.15 Mining												●					
2.16 Tourism								●									
2.17 Enhancing International Trade and Foreign Relations																	●
2.18 Information and Communication Technology									●								●

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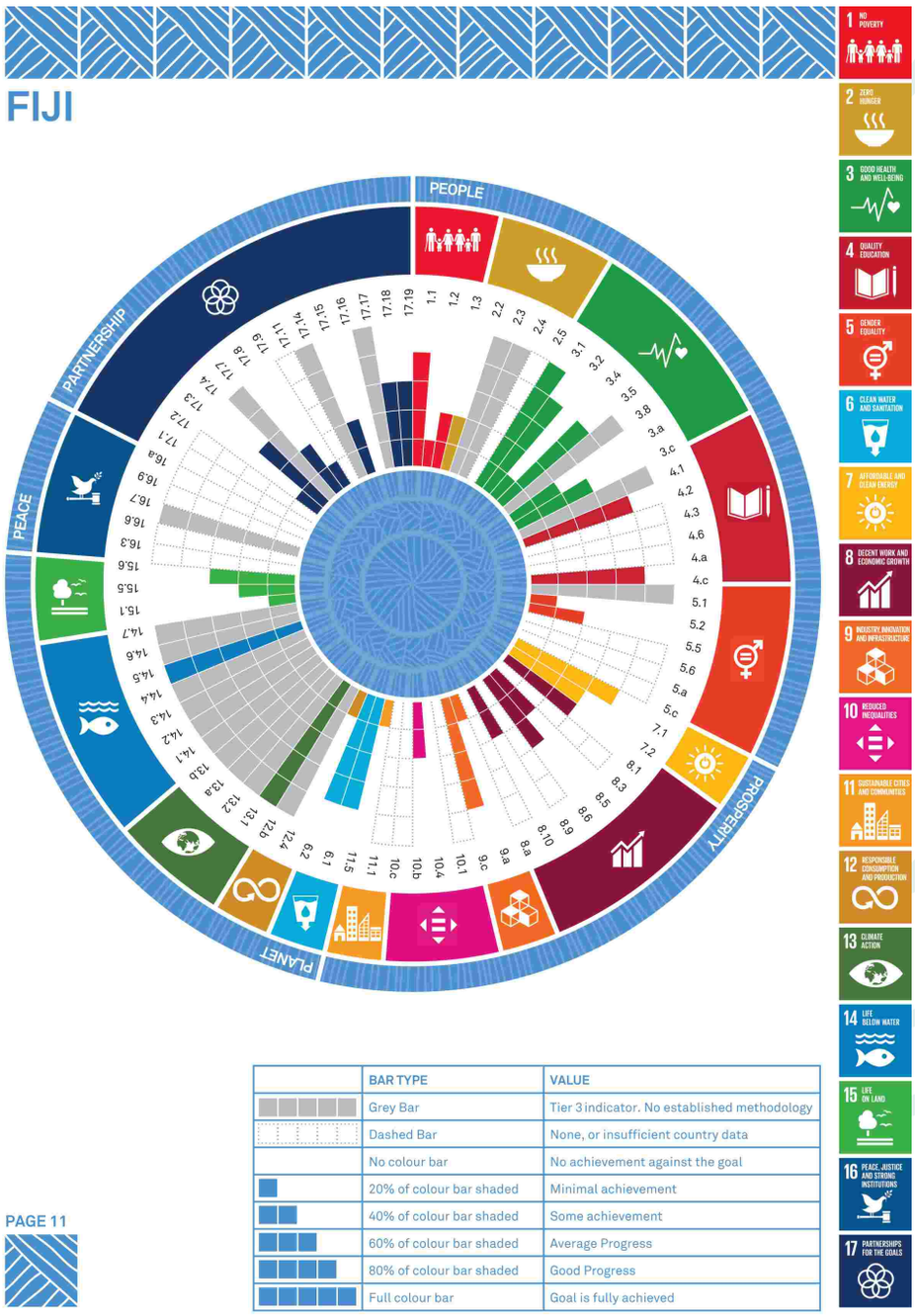
Annex 7. 2018 Pacific Sustainable Development Goals

In Fiji, the SDGs are integrated into strategic plans and policies in many sectors, including education, health, and agriculture. The collection of comprehensive data to establish SDG baselines for the SDG monitoring and evaluation system commenced in 2018. In 2019, the Ministry of Economy—the central government agency that is responsible for national development planning and the sustainable development agenda—led development of the Voluntary National Review on Fiji's Progress in the Implementation of the Sustainable Development Goals. The Pacific Data Hub, an initiative undertaken by the Pacific Community (SPC) with the support of the Government of New Zealand, contains the SDG Dashboard, the regional platform for the 22 Pacific Island Countries and Territories to disseminate information on progress toward the 2030 Agenda for Sustainable Development. The dashboard provides data on the 132 Pacific Sustainable Development Indicators selected by the region and endorsed by Forum Leaders in the Pacific Roadmap for Sustainable Development. Figure A7.1 presents a recent progress snapshot for Fiji.



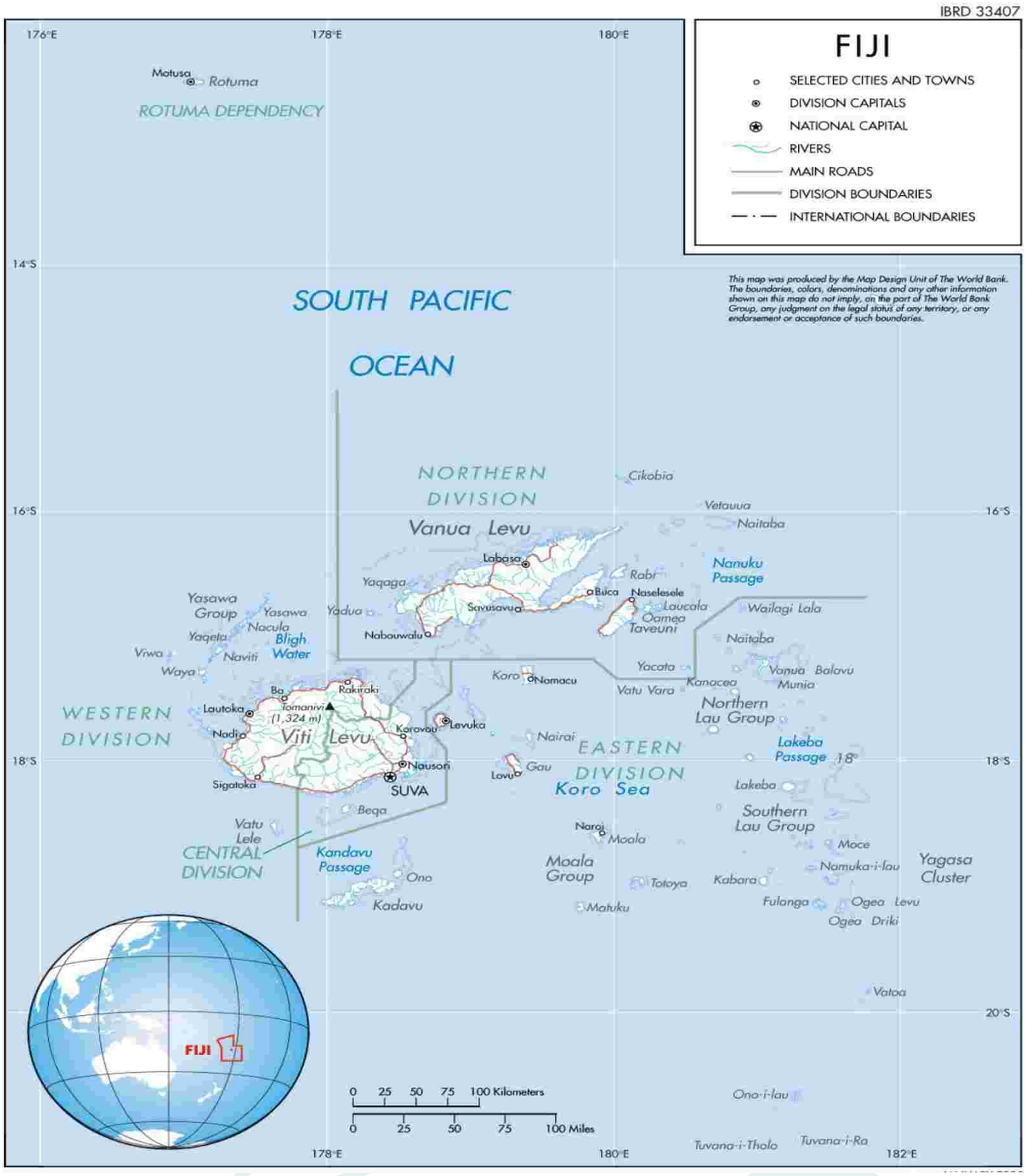
	BAR TYPE	VALUE
	Grey Bar	Tier 3 indicator. No established methodology
	Dashed Bar	None, or insufficient country data
	No colour bar	No achievement against the goal
	20% of colour bar shaded	Minimal achievement
	40% of colour bar shaded	Some achievement
	60% of colour bar shaded	Average Progress
	80% of colour bar shaded	Good Progress
	Full colour bar	Goal is fully achieved

PAGE 11

Annex 8. Donor Coordination Matrix

CPF Focus Area	Sectors	ADB	Australia	China	EU	FAO	IFAD	India	Japan	Korea	NZ	Singapore	UN
	Private Sector	●	●		●	●	●	●			●	●	●
	Labor/Employment		●								●	●	●
Focus Area 1: Fostering Private Sector-led Growth and Inclusive Economic Opportunities	Tourism	●	●		●	●	●				●		●
	Energy	●	●		●				●	●	●		●
	Transport	●							●				●
	ICT											●	
Focus Area 2: Building Resilience	Fiscal Resilience and Financial Inclusion	●	●		●			●			●		●
	Climate Resilience and Disaster Risk Reduction	●	●		●				●		●		●
	Housing								●		●	●	●
	Health	●	●	●					●	●	●		●
	Social Protection		●										●
Cross-cutting: Strengthening governance and supporting gender equality	Gender	●	●						●		●		●
	Governance	●	●		●					●	●	●	●
Other	Education		●								●		●

Annex 9. Map of the Republic of Fiji



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