5 Financing for a sustainable ocean economy and blue recovery

As a small island developing state, Fiji faces specific challenges both in mobilising public finance and attracting private investments. This chapter provides a short comparative analysis of Fiji's government revenues. It discusses the innovative financing mechanisms, such as green bonds, blue bonds, and environmental taxes, which Fiji is using to mobilise more public and private finance. The chapter also provides original estimates of Official Development Assistance directed in support of the ocean economy of Fiji, detailing its scope, nature and destinations.

5.1. Public finance

As a small island developing state (SIDS), Fiji faces specific challenges to mobilise the public finance required for promoting a sustainable ocean economy and achieving sustainable development.

Compared to other developing countries, SIDS display on average more volatile domestic revenues, owing to the relatively narrow productive bases concentrated in sectors that are exposed to external fluctuations (OECD, 2018[1]). SIDS that rely on natural resource rents or tourism as their primary export sectors are especially prone to fluctuating domestic and tax revenues. This is also true for Fiji, whose domestic revenues strongly rely on tourism receipts, accounting for over 51% of exports (Table 5.1).

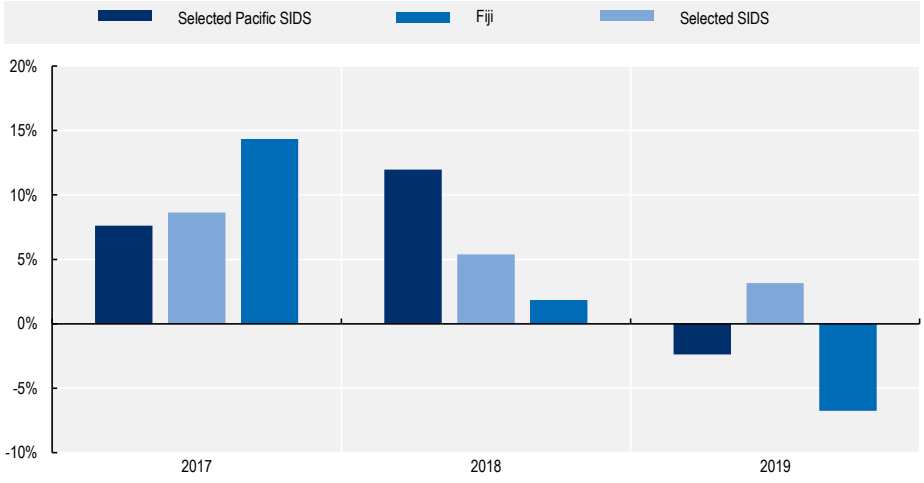
Besides limited domestic revenue generation, the high unit costs of public service provision, as well as severe climate events and natural disasters, have a significant effect on public finances. On average in Pacific SIDS, where small populations are often scattered across a multitude of islands, government expenses account for 29% of gross domestic product (GDP) compared to 22% in other developing countries (Horscroft, 2014[2]).

Severe climate events and natural disasters also tend to have heavy fiscal impacts. Financing humanitarian responses, recovery and reconstruction divert scarce public resources from essential social and economic expenditures, as well as from development investments. In Fiji, the average asset losses due to tropical cyclones and floods are estimated at more than FJD 500 million per year (USD 231 million), equivalent to 5% of Fiji's GDP (GGGI, 2019[3]).

The COVID-19 crisis, combined with the impacts from two tropical cyclones, has confirmed these fragilities and the issues linked to such domestic revenue volatility. In 2019, Fiji's total government revenue dropped by 7% relative to the previous year (Figure 5.1) whereas total revenue saw a slight increase in other SIDS. Fiji's supplement to the 2021/22 budget notes that tax revenue collections have been almost 50% lower compared to pre-COVID-19 levels.

Figure 5.1. Fiji's total government revenues plummet in 2019

Year to year variation of revenues (tax and non-tax)



Note: Selected SIDS include Belize, Cuba, Dominican Republic, Guyana, Jamaica, Saint Lucia, Maldives, Nauru, Papua New Guinea, Samoa, Solomon Islands, Vanuatu, Cabo Verde, Mauritius. Selected Pacific SIDS include Nauru, Papua New Guinea, Samoa, Solomon Islands and Vanuatu.
Source: Authors' representation based on OECD (2022[4]).

StatLink https://stat.link/osj8lp

Table 5.1. Tax-to-GDP ratio and tourism receipts, 2018

	Tax-to-GDP ratio	International tourism receipts (% exports)	Commodities (% merchandise exports)
Belize	29.7	45.46	80
Cabo Verde	21.2	54.41	68
Cook Islands	29.8	..	..
Cuba	42.3	..	64
Dominican Republic	13.2	37.45	43
Fiji	23.7	51.32	77
Guyana	27.4	1.75	85
Jamaica	27.8	53.38	92
Mauritius	20.4	38.69	47
Nauru	35.4	5.14	50
Papua New Guinea	12.1	0.15	96
Saint Lucia	20.0	81.27	60
Samoa	25.8	62.57	48
Solomon Islands	30.4	13.52	98
Vanuatu	18.0	62.84	58

Source: OECD (2022[4]).

Despite these challenges, Fiji has improved its domestic revenues and developed innovative financing instruments for promoting sustainable green and blue investments. While susceptible to year-on-year variations, Fiji's domestic revenues (tax and non-tax) overall more than doubled between 2008 and 2019, from FDJ 3.044 billion to FDJ 1.245 billion (OECD, 2022[4]). Both tax and non-tax revenues have increased over 2008-19, with tax revenues representing the bulk of domestic revenues (87% in 2019). Fiji has also stepped up efforts to develop a suite of innovative fiscal instruments to increase financing for climate action. These include an environment and climate levy such as the Environment and Climate Adaptation Levy (ECAL) and Fiji's first sovereign green bond. Fiji continues to show strong leadership for the development of innovative products to mobilise resources for sustainable investments. It is also developing its first sovereign blue bond. These instruments are described below.

Fiji introduced ECAL to mobilise funding for environmental protection, carbon footprint reduction and climate change adaptation. This consortium of taxes on prescribed services, items and income was created to finance selected projects in the National Budget. ECAL's five sources are listed in Table 5.2; prescribed services, which predominantly includes tourism-related businesses, represented the biggest source of ECAL's revenues. Interviews revealed criticism of ECAL, mostly from tourism operators who argued it does not target the most polluting sectors (Table 5.2). Criticism was in part related to the communications around the use of revenues collected. Interviewees noted the climate adaptation and resilience benefits resulting from ECAL-funded investments were not always clear. Nevertheless, the tax seemed aligned with similar approaches exploring the potential to harness tourism sector revenues for climate (and possibly ocean) action. A recent example is Mexico's parametric coral reef insurance financed by the Quintana Roo State through government taxes collected from the tourism industry (OECD, 2020[5]). Between 2017 and 2019, most ECAL funds targeted infrastructure development (60%) and rehabilitation (27.5%) following Tropical Cyclone Winston (Table 5.3). However, the 2021/22 revised budget removes the ECAL on prescribed services, personal income, white goods, motor vehicles, superyacht charters and plastics.[1] The ECAL on prescribed services was incorporated into VAT. The ECAL on plastic bags was renamed as "plastic bag levy" and ECAL on super yachts renamed as "superyacht charter fee".

Table 5.2. Environment and climate adaptation levy (ECAL)

FJD by levy source in 2018

	Aug-Oct Q1	Nov-Jan Q2	Feb-Apr Q3	Year to date Aug-Apr
10% ECAL on prescribed services	45 546 742	38 228 997	26 595 732	110 371 472
10% tax on imports of luxury vehicles with engine capacity exceeding 3 000 cc	46 202	40 516	40 278	126 997
20 cents levy on plastic bags	1 699 874	2 027 802	1 799 736	5 527 412
Miscellaneous – inclusive of 10% ECAL on super yachts	323 159	40 000	-	363 159
10% income tax on chargeable income of more than FJD 270 000	963 329	1 390 507	966 376	3 320 212

Source: Government of Fiji (2019[6]).

Table 5.3. ECAL use by thematic area

Infrastructure development	60.00%
Tropical Cyclone Winston rehabilitation	27.50%
Agricultural development	5.00%
Sustainable resource management	2.00%
Disaster relief and response	1.00%
Meteorology services	1.00%
Rural development	1.00%
Urban development	1.00%
Energy conservation	1.00%
Environmental conservation	0.50%

Source: Government of Fiji (2019[6]).

In November 2017, Fiji became the first developing country in the world to issue a green bond. Fiji is increasingly recognised as a global climate advocacy leader and a pioneer of innovative public finance instruments to support its sustainability commitments. It issued its first sovereign green bond in 2017, which totalled FJD 100 million (about USD 46.2 million). Its first tranche drew unprecedented demand from investors and was oversubscribed by more than double that amount; all bond issuances were oversubscribed (Ministry of Economy, 2019[7]). Approximately USD 75.4 million worth of bids were submitted and bonds were split into two tenors: 5 years at 4% coupon and 13 years at 6.3% coupon (Ministry of Economy, 2019[7]). The bond created a new way to mobilise finance for climate-resilient development. It also generated a market for private capital investors seeking opportunities that support climate resilience and adaptation. The green bond also tapped into a growing global market; internationally, issuance of green, social, sustainability and sustainability-linked bonds reached USD 600 billion in 2020 (Environmental Finance, 2021[8]). However, without any credit enhancement, the green bond was more expensive for Fiji than a conventional issuance. The international development co-operation supported Fiji's green bond through technical assistance.

In 2022, Fiji plans to issue its first blue bond. The goal is to raise USD 50 million targeting sustainable blue economy projects that create jobs and help protect Fiji's ocean and biodiversity. The issuance will focus on raising capital market finance to support projects in four priority sectors: i) greening the shipping sector; ii) sustainable fisheries; iii) blue innovation financing; and iv) sustainable waste management. In

parallel, the Building Back Blue initiative, a partnership between the United Nations Development Programme (UNDP), UN Capital Development Fund initiatives and "Drua Incubator" (Box 5.1) is developing a pipeline of investment-ready blue economy opportunities.

5.2. Private finance

More than other countries, SIDS face remarkable challenges in accessing private finance. These trends are due to the formidable barriers to access international capital markets through bonds, other securities or debt caused by the high risk perception of investors and the limited size of possible transactions. SIDS also often have limited appeal to foreign investors due to their remoteness from markets and shipping lanes, and their poor penetration in global value chains. Finally, many SIDS, especially in the Pacific, lack the creditworthiness to raise funds in capital markets. Many others, especially in the Caribbean, have recently experienced a deterioration in international capital market ratings due to their large debt burdens.

Among Pacific SIDS, investors tend to be risk averse, reflecting historically limited investor education and strong emphasis on safeguarding capital. Domestic private investors in the Pacific region were found to be risk averse and with limited knowledge of alternative investments (Emose and UN.ESCAP, 2021[9]). Moreover, capital controls limit the ability of Pacific investors to transfer domestic savings into offshore currencies. As a result, they tend to prefer local currency investments. Given the characteristics of regional financial markets, institutional investors would most probably respond to well-structured fixed income products such as sustainability bonds.

Foreign direct investment (FDI) is volatile and concentrated in few sectors. Foreign investments in SIDS are low and often weigh lightly on their overall external financing. In Fiji, FDI flows represent a large portion of external finance (Figure 5.2). However, FDI remain half of the average figure for ASEAN (USD 469 million for Fiji and at 3.2% of average GDP for the region pre-pandemic in 2018). Australia accounted for the bigger share of FDI in Fiji (49%) in 2019 (IMF, 2021[10]). However, Fiji's FDI is volatile and mostly concentrated on high-end tourism, followed by the financial sector and manufacturing. Under the 1999 Investment Act, foreign investors interested in doing business in Fiji must apply for a Foreign Investment Registration Certificate.[2] Additionally, foreign investors must ensure that investment activity does not fall under the reserved and restricted activities, i.e. activities reserved for Fiji citizens. The new Investment Act, published on 3 June 2021, replaces the Foreign Investment Act of 1999. It introduces a broader range of treatment and protection guarantees for foreign investors. It also removes the requirement to apply for a Foreign Investor Registration Certificate and imposes the same reporting obligations on foreign and local investors (UNCTAD, 2021[11]).

Local, regional, bilateral and multilateral organisations are working to improve the investment climate, address investment barriers and risks, and stimulate private sector development in Fiji. However, FDI remains under potential. Aside from FDI, unlocking and deploying the myriad public and private funds targeted at sustainable (blue and green) development initiatives is often constrained by capacity challenges and a dearth of readily investable projects. Overcoming these constraints will require policy commitment, grant or concessional financing to de-risk and eventually leverage private investment. Fiji's largest investor – Fiji National Provident Fund – is one major option. However, it will need clearer evidence for a return on investment before stepping into this space. Building capacity and preparing investable projects are not straightforward, requiring long-term dedication and resources. This is evident from existing initiatives working towards these goals in Fiji and the region.

Box 5.1. Drua Incubator: The Pacific Climate Finance and Insurance Incubator

Developing tailored insurance products for vulnerable and low-income households

Launched in 2017 within the Ministry of Economy, the Drua Incubator aims to guide the development of affordable, durable and scalable financial solutions to help mitigate growing climate and disaster risks, acting as the Pacific's Climate Finance and Insurance Incubator. By bringing together leaders in finance, investment and insurance, it is helping develop and "incubate" transformational financial products that meet the specific requirements of Pacific SIDS. Luxemburg's government provided initial funding of EUR 1 million. The Asian Development Bank (ADB) is another financial partner of the Drua.

The stringent compliance requirements of existing products make it too expensive for Fiji and other Pacific nations to be properly insured. By developing innovative financial solutions, the Drua Incubator wants to increase access to affordable climate change insurance for Pacific Island countries and communities. Developing pilot insurance products and a national crisis and disaster risk financing strategy are among the solutions provided by the Drua.

Helping attract private sector climate finance to the Pacific

The Drua Incubator will further aim to develop partnerships to help encourage information exchange and promote financial innovation in the Pacific region. Under the Drua framework, actors can share knowledge and co-ordinate initiatives on risk financing. Under the responsibility of the Ministry of Economy, the Drua will receive institutional support from the COP 23 Presidency Secretariat based in Suva, including special advisers from a regulatory and legislative point of view. The incubator has been working closely with the Food and Agriculture Organization of the United Nations and the Forest Stewardship Council on implementing an agricultural crop loss insurance pilot scheme.

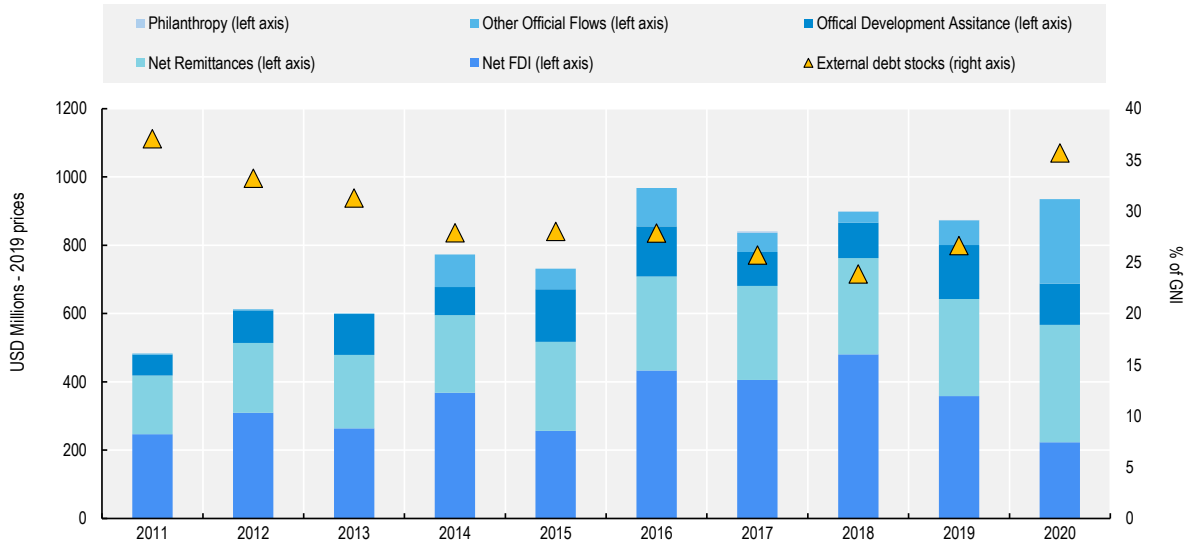
Source: Authors elaborations based different sources, including materials shared by the Ministry of Economy, COP23 (2017[12]), Fiji (2018[13]).

5.3. International development finance flows

Official development assistance (ODA) represents an important part of Fiji's external finance, accounting for 19% of external finance flows[3] in 2015-19 (Figure 5.2). Net FDI flows account for a larger share (49%) over the same period, followed by remittances (32%). In 2019, Fiji received USD 173.7 million of net ODA, representing 2.7% of the country's gross national income (GNI). ODA has been a fairly stable external flow to Fiji, averaging USD 85.4 million between 2010-14 and USD 138.2 million between 2015-19 – a 60% increase.[4]

Personal remittances have reached record levels during the COVID-19 pandemic. Personal remittances represent a stable source of inflows. Between 2010 and 2020, personal remittances averaged 4.9% of Fiji's GDP (ADB, 2021[14]). With almost one-quarter of its population living abroad, Fiji has become the biggest recipient of remittances in the Pacific in response to the pandemic, receiving USD 295.2 million in 2019 and USD 355.4 million in 2020, according to the World Bank.[5] Unlike in many other countries, remittance inflows in Fiji peaked following COVID-19's outbreak as Fijians living abroad increased assistance to their families back home (Reserve Bank of Fiji, 2020[15]).

Figure 5.2. Fiji's official development assistance compared to other external flows



Note: External debt stock accounts for the sum of public, publicly guaranteed and private nonguaranteed long-term debt, use of credit and short-term debt of the International Monetary Fund. Personal remittances refer to the net value, i.e. discounted of remittances outflows. Official Development Assistance is defined as government aid that promotes and specifically targets the economic development and welfare of developing countries. Other Official Flows include grants to developing countries for representational or essentially commercial purposes; official bilateral transactions intended to promote development, but having a grant element of less than 25%; and, official bilateral transactions, whatever their grant element, that are primarily export-facilitating in purpose. Data are in USD 2019 prices. For FDI and remittances series, values were deflated using price index (CPI) in USD also extracted from the World Bank Development Indicators.
Source: Authors' calculations based on the OECD (2022[16]) and World Bank (2022[17]).

StatLink https://stat.link/f1sqlw

The COVID crisis had strong effects on Fiji's external debt stock, which reached its lowest level in 2018 (Figure 5.2). Relative to 2018, the stock of external debt as a percentage of Fiji's GNI increased by 50% in 2020 (from 24% to 36%). The main holder of Fiji's external debt is the Asian Development Bank (38.5%), followed by the World Bank Group (26.8%), EXIM China (18.4%), the Japan International Cooperation Agency (12.0%), Asian Infrastructure Investment Bank (4.3%) and the International Fund for Agricultural Development (0.03%) (Government of Fiji, 2021[18]). Domestically, debt is concentrated within the Fijian National Provident Fund, which holds 70.8% of government bonds. In addition, contingent liabilities have surged during the pandemic, posing a quasi-fiscal risk (IMF, 2021[19]). Despite the increase in external debt, most of Fiji's total debt remains denominated in domestic currency with long term maturity and mainly concessional. Meaning that it is not liable to refinancing risks and changes in short-term lending conditions. In addition, the country disposes of high amounts of foreign assets, which contributes to mitigate balance sheet risks.

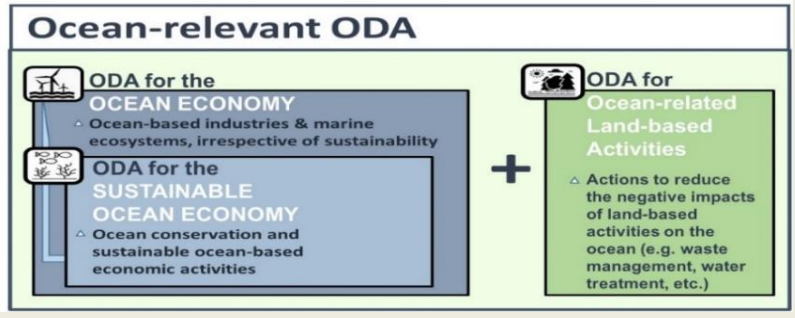
Box 5.2. Indicators and definitions used to analyse ocean-related official development assistance

Evidence on global finance for the ocean from its various sources – private, public, domestic and international – remains scarce and scattered. It is not possible to have a comprehensive view of how much finance reaches ocean-based sectors and what percentage can be considered sustainable. To help fill this gap and as part of the Sustainable Ocean for All initiative, the OECD has begun to quantify and track global development finance for the ocean. To that end, it details the scope, sources and destinations of this finance, providing estimates of the share that is sustainable. Development finance estimates are also produced for funding towards land-based activities that reduce negative impacts on the ocean (e.g. waste management and water treatment). The tracking of ocean-relevant official development assistance (ODA)[6] is based on the statistical data made available by the OECD DAC Creditor Reporting System, which provides a unique and comprehensive source of activity-level development finance. As there is no marker or immediate way to retrieve data on ODA for the ocean, a specific methodology was developed to generate the first official estimates of ocean-relevant ODA.

Ocean-relevant ODA estimates are organised around three key indicators:

- **ODA for the ocean economy:** This is ODA in support of ocean-based industries and marine ecosystems, irrespective of whether the support explicitly considers sustainability. For instance, fisheries projects with no specific focus on sustainable development would be included, as would projects in support of offshore oil and gas.
- **ODA for the sustainable ocean economy**: This is a subset of ODA for the ocean economy. It identifies ocean conservation activities, as well as support for ocean-based industries that integrates sustainability concerns. For instance, projects in support of sustainable coastal tourism, greening of the shipping sector and sustainable fisheries would be included, as well as projects on mangroves restoration and marine conservation.
- **ODA for reducing ocean pollution from land:** This indicator captures land-based activities that reduce negative impacts and/or have a positive impact on ocean, such as water treatment and waste management projects. This indicator is included in recognition of the strong interrelation between land-based and marine activities and the fact that most ocean pollution originates from land-based activities.

Infographic 5.1. Ocean-relevant ODA indicators

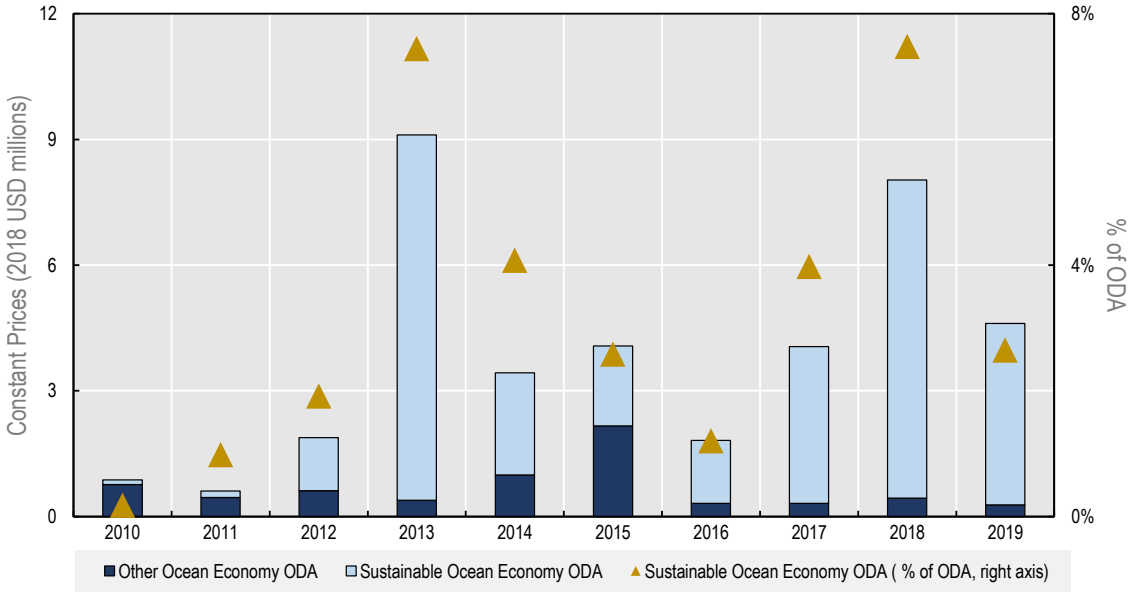


ODA targeting Fiji's ocean economy is still small, totalling USD 4.3 million in 2019 and representing only 2.65% of total ODA received that year (Figure 5.3). This compares to 6.5% for all SIDS and 1.4% globally. ODA for the ocean economy has also been fairly volatile, with significant year-on-year variations in 2010-19. Ocean economy ODA to Fiji peaked in 2013 and reached a second high in 2018 (Figure 5.3).

In 2013, 80% of Fiji's ocean economy ODA was due to a single record contribution from the Global Environment Facility (GEF), extended as part of the Pacific Ridge to Reef project. In 2018, Korea provided 40% of ocean economy ODA committed to Fiji (USD 2.69 million). It aimed to help Fiji improve management of its marine waters through a hydrographic survey vessel.

Unlike for many other countries, most of ocean economy ODA to Fiji incorporates sustainability concerns. In 2017-19, 94% of the ocean economy ODA to Fiji explicitly integrated marine conservation and/or sustainable economic activities relating to the ocean (i.e. "Sustainable Ocean Economy ODA"). This figure compares to 71% in other SIDS and to 59% globally, over the same period.

Figure 5.3. ODA targeting Fiji's ocean economy is still small and erratic



Source: Authors' calculations developed as part of the OECD Sustainable Ocean for All Initiative, based on the OECD Creditor Reporting System (2022[16]) and OECD Data platform on the Ocean (2022[20]).

StatLink https://stat.link/vfsqkg

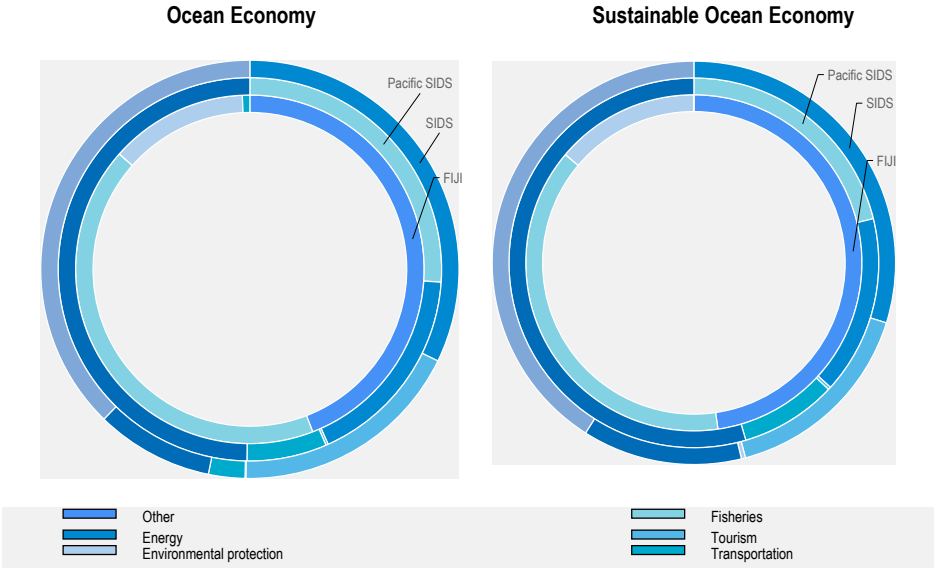
In Fiji, ODA to the ocean economy largely focuses on fisheries (42% in 2017-19), compared to an average of less than 20%for SIDS and Pacific SIDS (Figure 5.4, left panel). A large share of Fiji's ocean economy ODA is multisector ("Other"), targeting mainly environmental research and management. Fiji receives more multisectoral ODA than SIDS (30%) and Pacific SIDS (21%).When looking at the sustainable ocean economy ODA, the share dedicated to sustainable fisheries becomes slightly smaller at 38% of the total sustainable ocean economy ODA (Figure 5.4, right panel). Marine protection represents an important share of Fiji's sustainable ocean economy ODA, at 14% in 2017-19. This share is larger than in other SIDS and Pacific SIDS, where the share of sustainable ocean economy ODA for marine protection stands at 13% and 9% respectively.

Despite the urgent need to upgrade Fiji's maritime transport fleet, maritime transport receives limited attention by development co-operation providers. Maritime transportation represented only 1% of total ocean economy ODA in Fiji between 2017 and 2019 (Figure 5.4). This contrasts with other SIDS and Pacific SIDS, where maritime transport represents a significantly higher share of ocean economy ODA, at 38% and 51%, respectively. Among Pacific SIDS, maritime transportation (including shipping) relies on

old vessels that are replaced by other old vessels, which makes the industry highly polluting and fuel-intensive. Additionally, owing to elevated costs of acquiring new fleets for most Pacific SIDS, the inter-island transport system is underdeveloped and incapable of meeting demand (ADB, 2007[21]). One study found 59% of domestic vessels from Kiribati, Vanuatu, Fiji, Solomon Islands, Samoa and Marshall Islands of Pacific are over 20 years old and 38% over 30 years old (SPC, 2019[22]).

Figure 5.4. Composition of ocean economy ODA and of sustainable ocean economy ODA in Fiji– average 2017 to 2019

Average ODA targeted at Ocean Economy and Sustainable Ocean Economy in 2017-19



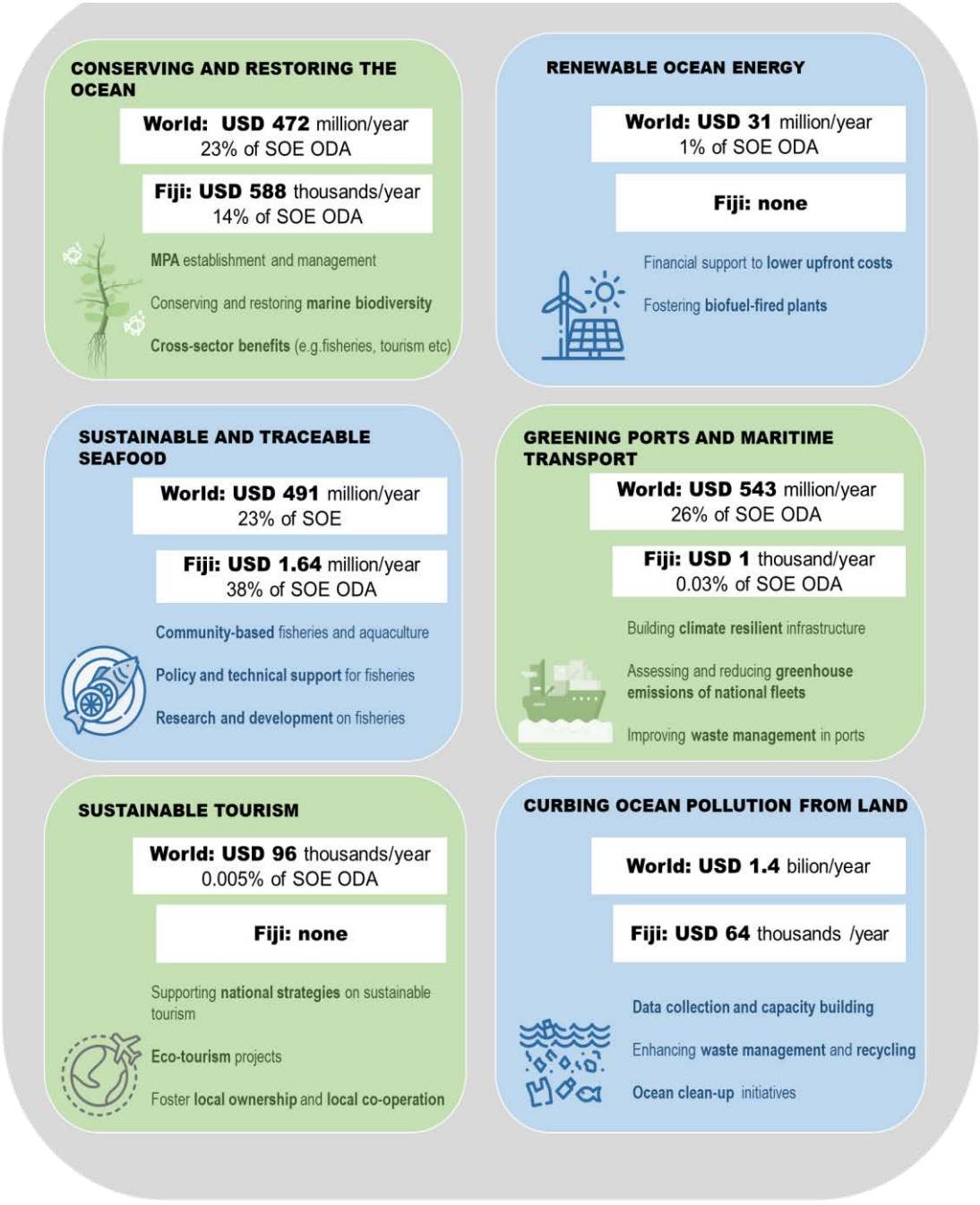
Note: Pacific SIDS include only ODA eligible countries: Fiji, Marshall Islands, Nauru, Papua New Guinea, Solomon Islands, Tonga, Vanuatu, Kiribati, Micronesia, Samoa and Tuvalu. Values correspond to the average committed ODA in USD 2018 prices targeted at each sector for 2017-19.

Source: Authors' calculations developed as part of the OECD Sustainable Ocean for All Initiative, based on the OECD Creditor Reporting System (2022[16]) and OECD Data platform on the Ocean (2022[20]).

StatLink https://stat.link/gascm8

A comparison between the allocation of ODA globally and in Fiji with regards to six main areas of the sustainable ocean economy reveals significant differences but also similarities (infographic 5.1). These six areas are: conserving and restoring the ocean; renewable ocean energy; sustainable and traceable seafood; greening ports and maritime transport; sustainable tourism; curbing ocean pollution from land. Sustainable ocean economy ODA in Fiji focused more on sustainable and traceable seafood (38%) compared to the global average (23%), but significantly less on conserving and restoring the ocean (14% in Fiji vs 23% at the global level). ODA focuses on promoting renewable ocean energy to a limited extent. In 2017-19, the sector accounted for 1% of sustainable ocean ODA globally and in Fiji no resources were allocated to this sector. ODA investments in sustainable tourism are even smaller, amounting to only USD 96,000 on average per year globally in 2017-19, and with no such ODA investments in Fiji. Over the same period, greening ports and maritime transport represented 26% of global sustainable ocean economy ODA, but only 0.03% in Fiji.

Infographic 5.2. How is development co-operation helping enhance sustainability of the ocean economy in Fiji and in the world?



Note: Values correspond to 2017-19 averages. SOE ODA stands for Official Development Assistance targeted at the Sustainable Ocean Economy.
Source: Source: Source: Authors' calculations developed as part of the OECD Sustainable Ocean for All Initiative, based on the OECD Creditor Reporting System (2022[16]) and OECD Data platform on the Ocean (2022[20]).

Eight development co-operation providers support a sustainable ocean economy in Fiji. In 2010, only four donors extended sustainable ocean economy ODA to Fiji, but this number doubled in 2019. However, the concentration of ocean economy ODA is still high, as in 2019 90% of total ocean economy ODA came from three providers. Korea, New Zealand and Australia were the top providers of development

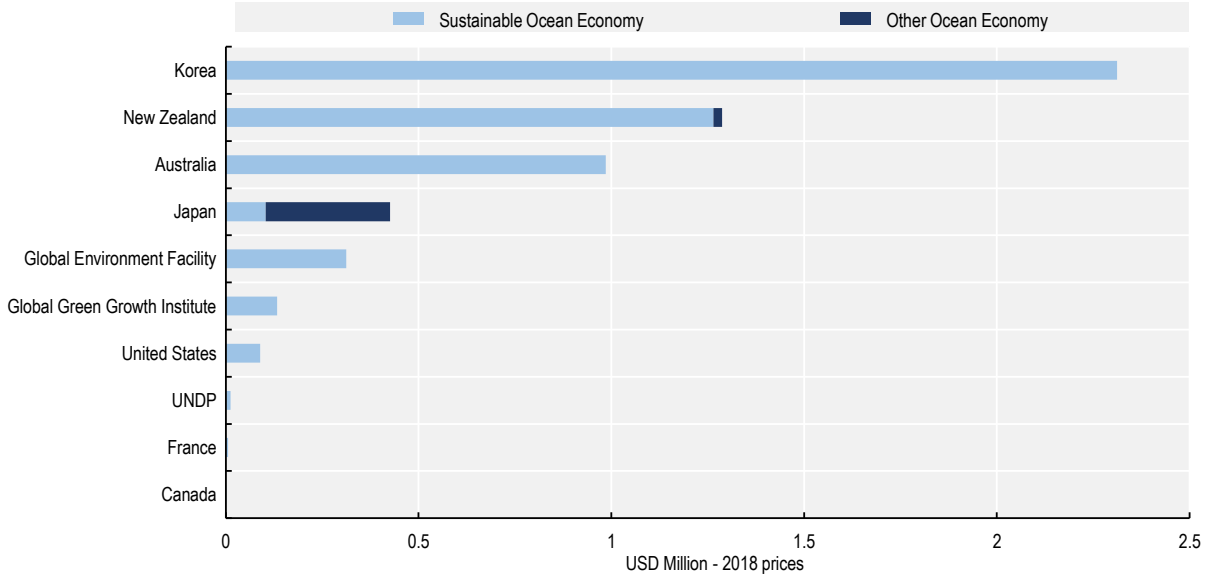
co-operation to Fiji's ocean economy over 2017-19 (Figure 5.5). Development co-operation providers focus on sustainability to different extents when providing ocean economy ODA. Between 2017 and 2019, Korea and Australia have focused 100% of their ocean economy contributions on sustainability.

Different providers of development co-operation focus their support on different segments of Fiji's ocean economy. Korea has been the main contributor to ocean-related disaster prevention and preparedness in 2017-19 (Figure 5.6). Four main donors targeted fisheries in 2017-19 with New Zealand and Japan accounting for more than half of the ocean ODA in the sector. Six donors are targeting marine protection in Fiji. Australia, France, the GEF, the Global Green Growth Institute, UNDP and the United States have been helping Fiji preserve its ecosystems. Among the main initiatives, the partner support a Ridge to Reef approach to improve climate resilience, and scholarships to support maritime research and coastal management systems.

The Blue Prosperity programme, formalised in 2021 between Fiji and the Waitt Institute, aims at supporting inclusion, equity and traditional knowledge. The goal is to improve long-term economic stability, livelihoods and ocean ecosystems by protecting 30% of Fiji's waters from 0-200 nautical miles and supporting ocean management in three core areas: marine spatial planning, blue economy and sustainable fisheries.

Figure 5.5. Main partners target sustainability of the ocean economy to different extents

Constant USD million, 2017-19 average

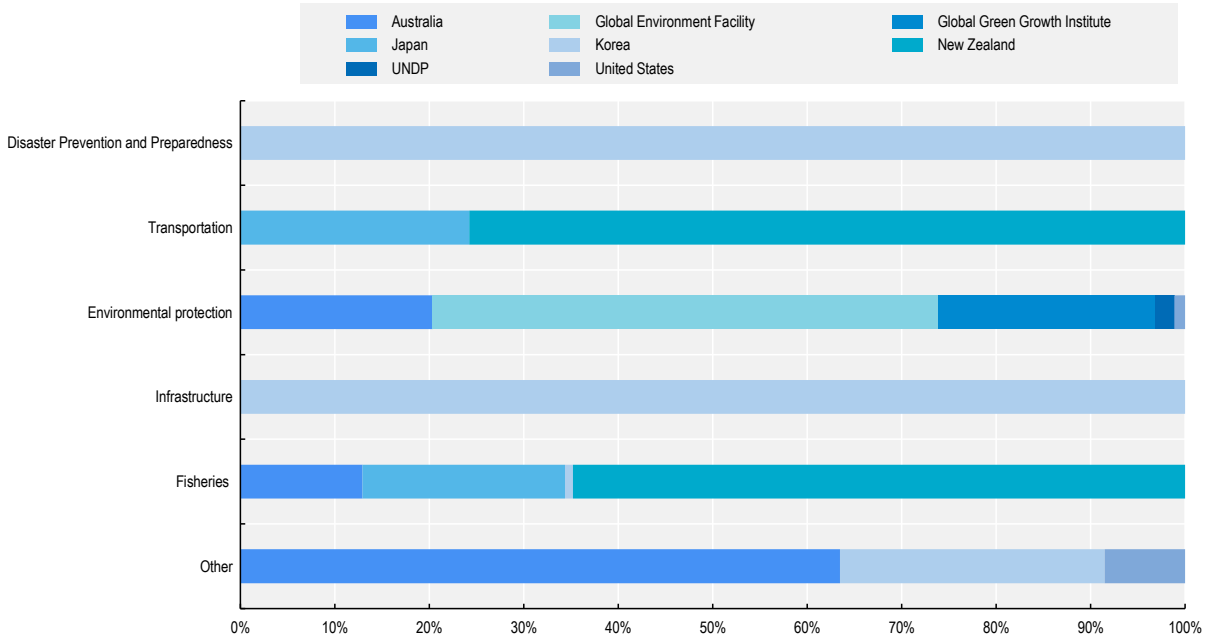


Note: Values refer to the average of total committed value donor in USD 2018 prices over 2017-19.
Source: Authors' calculations developed as part of the OECD Sustainable Ocean for All Initiative, based on the OECD Creditor Reporting System (2022[16]) and OECD Data platform on the Ocean (2022[20]).

StatLink https://stat.link/q269rl

Figure 5.6. Mapping the ODA engagement of development co-operation providers across the sectors of Fiji's Sustainable Ocean Economy – 2017 to 2019

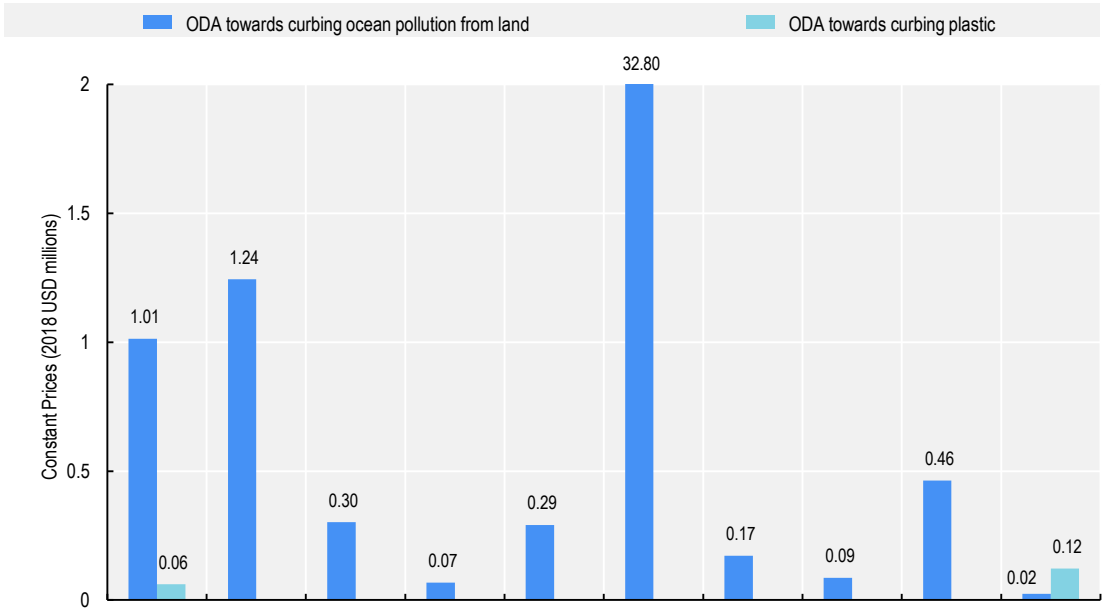
Average of commitments between 2017 and 2019, constant prices



Note: Values do not reflect total ODA figures but rather total ocean ODA figures. Values correspond to the average ocean economy ODA committed by each donor in USD 2018 prices targeted at specific sectors for 2017-19. Each bar represents the total committed in the sector.
Source: Authors' calculations developed as part of the OECD Sustainable Ocean for All Initiative, based on the OECD Creditor Reporting System (2022[16]) and OECD Data platform on the Ocean (2022[20]).

StatLink https://stat.link/ch7ngx

Figure 5.7. ODA targeting plastics and pollution from land is still small and volatile



Source: Authors' calculations developed as part of the OECD Sustainable Ocean for All Initiative, based on the OECD Creditor Reporting System (2022[16]) and OECD Data platform on the Ocean (2022[20]).

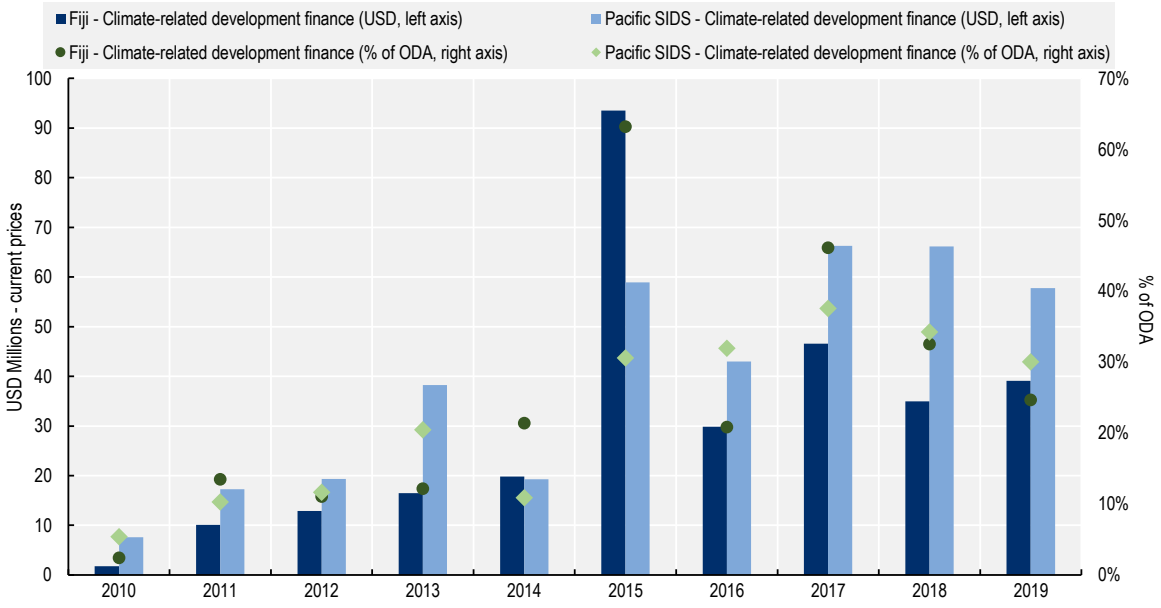
StatLink https://stat.link/tdcare

ODA towards plastics and solid waste management is still small in Fiji. Like ODA targeting ocean pollution from land, plastics and solid waste management, ODA has been volatile in the past decade (Figure 5.7). Fiji and most Pacific SIDS acknowledge waste management as a pressing issue. Improper waste management can have spillover effects to the environment, affecting local communities, health and food security, and key economic activities such as tourism and trade. In Fiji, improper treatment of plastics and solid waste in general result in waste thrown in open dumpsites, or illegally disposed of in the sea or on unused land, in the streets or being burnt in piles in the backyard. Yet, plastic and solid waste management represented less than 1% of total ODA over the last decade. Australia, Japan and the United States were responsible for the contributions targeting plastics management in Fiji. ODA curbing pollution from land spiked in 2015 lead by the Green Climate Fund's Urban Water Supply and Wastewater Management Project in Fiji.

The share of climate-related development finance in total ODA is larger in Fiji than in most Pacific SIDS (Figure 5.8). The average amount of climate-related development finance received by Fiji in 2017-2019 was equal to USD 39.8 million, more than twice the average amount received in 2011-2013. Most of Fiji's climate- related development finance is concessional and developmental, with Australia, Japan, Korea and New Zealand as the most frequent providers for both Fiji and Pacific SIDS. Between 2011 and 2019, Fiji's climate- related development finance oscillated greatly, from 11% to 63% of total committed ODA. Conversely, for most Pacific SIDS this oscillation stayed between 11% and 36% (Figure 5.8). The increase in 2015 is explained by contributions from the World Bank, the Global Climate Fund, Australia and Sweden that targeted mainly transport and storage, education, water supply and emergency response. In 2018, as identified by Fiji's Climate Finance Snapshot, the Global Green Growth Institute and the Fijian Ministry of Infrastructure and Transport have partnered to promote electrification of Fiji's vehicle fleet and implement infrastructure requirements for the transition. There is room for improvement in the use of climate-related development finance towards the ocean economy, especially regarding the accurate assessment of funding needed to enhance resilience in ocean sectors (Ministry of the Economy, 2019[23]).

Figure 5.8. Fiji attracts relatively more climate-related development finance as a share of total ODA than other Pacific SIDS

Climate-related development finance, recipient's perspective



Note: The average for Pacific SIDS includes the ten ODA eligible countries: Marshall Islands, Nauru, Papua New Guinea, Solomon Islands, Tonga, Vanuatu, Kiribati, Micronesia, Samoa and Tuvalu. ODA and climate-related development finance amounts are reported in 2019 prices.
Source: Authors' calculation based on OECD (2022[24]).

StatLink https://stat.link/e7wo3g

References

ADB (2021), *Fiji: Country Classification*, Asian Development Bank, Mandaluyong, The Philippines. [14]

ADB, A. (2007), *Oceanic Voyages: Shipping in the Pacific*, Pacific Studies Series, Asian Development Bank, Mandaluyong, The Philippines, http://www.adb.org. [21]

COP23 (2017), *Initiative to Develop Pacific Finance and Insurance Products Launched with €1 Million Support from Luxembourg*, https://cop23.com.fj/initiative-develop-pacific-finance-insurance-products-launched-e1-million-support-luxembourg/ (accessed on 19 May 2020). [12]

Emose, G. and UN.ESCAP (2021), "Sustainability bond for the Pacific feasibility study", *MFDP Working Paper Series*, UN.ESCAP, https://hdl.handle.net/20.500.12870/3432. [9]

Environmental Finance (2021), *Sustainable Bonds Insights*, Environmental Finance. [8]

Fiji (2018), "Climate Resilience & Agricultureal Risk", *Workshop Report*, https://www.innov4agpacific.net/wp-content/uploads/2018/08/Fiji-Forum_Weather-Risk-Insurance_Workshop-Report_Simon-Cole_WEB-2.pdf. [13]

GGGI (2019), *Project Reference Profiles – Fiji(FJ07) Green Growth Governance – Enhancing Access to Climate Finance in Fiji*, webpage, https://gggi.org/project/project-reference-profiles-fijifj07-green-growth-governance-enhancing-access-to-climate-finance-in-fiji/ (accessed on 25 April 2022). [3]

Government of Fiji (2021), *Fijian Government 2020/2021 Annual Debt Report*, Government of Fiji, Suva, https://www.economy.gov.fj/images/Resources/DebtReport/2020-2021_Annual_Debt_Report.pdf (accessed on 8 February 2022). [18]

Government of Fiji (2019), *ECAL in Action: How your environment and climate adaptation levy is building a better, stronger Fiji*, June, Government of Fiji, Suva, https://www.fiji.gov.fj/getattachment/e71b8d61-ce72-48fc-bca2-eeeff2d8739b/Environment-Climate-Adaptation-Levy.aspx (accessed on 11 March 2022). [6]

Horscroft, V. (2014), "Public sectors in the Pacific Islands: Are they 'too big' and do they 'crowd out' the private sector?", *Policy Research Technical Papers*, World Bank Group, Washington, DC, https://doi.org/10.1596/1813-9450-7102. [2]

IMF (2021), *Coordinated Direct Investment Survey*, (database), https://data.imf.org/?sk=40313609-F037-48C1-84B1-E1F1CE54D6D5&sId=1482331048410 (accessed on 24 March 2022). [10]

IMF (2021), *IMF Country Report No. 21/257*, International Monetary Fund, Washington, DC. [19]

IOM (2020), *Migration in the Republic of Fiji: A Country Profile 2020*. [26]

Ministry of Economy (2019), *The Fiji Sovereign Green Bond – 2019 update*, MInistry of Economy, Suva, https://www.rbf.gov.fj/wp-content/uploads/2020/03/Fiji-Sovereign-Green-Bond-Impact-Report-2019.pdf (accessed on 16 February 2022). [7]

Ministry of the Economy (2019), *Fiji Climate Finance Snapshot 2016-2019*, Ministry of Economy, Suva. [23]

OECD (2022), *Climate Change: OECD DAC External Development Finance Statistics*, https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm (accessed on 19 May 2022). [24]

OECD (2022), *Creditor Reporting System (CRS)*, https://stats.oecd.org/Index.aspx?DataSetCode=crs1 (accessed on 19 May 2022). [16]

OECD (2022), *Data Platform on Development Finance for the Sustainable Ocean Economy*, https://oecd-main.shinyapps.io/ocean/ (accessed on 19 May 2022). [20]

OECD (2022), *Global Revenue Statistics Database*, (database), https://www.oecd.org/tax/tax-policy/global-revenue-statistics-database.htm#:~:text=The%20Global%20Revenue%20Statistics%20Database,110%20countries%20from%201990%20onwards. (accessed on 15 April 2022). [4]

OECD (2021), *Revenue Statistics 2021: The Initial Impact of COVID-19 on OECD Tax Revenues*, OECD Publishing, Paris, https://www.oecd.org/tax/revenue-statistics-2522770x.htm (accessed on 15 April 2022). [25]

OECD (2020), *Sustainable Ocean for All: Harnessing the Benefits of Sustainable Ocean Economies for Developing Countries*, The Development Dimension, OECD Publishing, Paris, https://doi.org/10.1787/bede6513-en. [5]

OECD (2018), *Making Development Co-operation Work for Small Island Developing States*, OECD Publishing, Paris, https://doi.org/10.1787/9789264287648-en. [1]

OECD (n.d.), *Official Development Assistance (ODA)*, https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/official-development-assistance.htm (accessed on 20 May 2022). [27]

Reserve Bank of Fiji (2020), *International remittances and Fiji's unsung heroes abroad 24 December*, webpage, https://www.rbf.gov.fj/international-remittances-and-fijis-unsung-heroes-abroad-24-december-2020/ (accessed on 8 March 2022). [15]

SPC (2019), *National Technology Needs Assessment Report*, Secretariat of the Pacific Community. [22]

UNCTAD (2021), *Fiji adopts a new Investment Act*, Investment Policy Hub, United Nations Conference on Trade and Development, Geneva, https://investmentpolicy.unctad.org/investment-policy-monitor/measures/3717/fiji-adopts-a-new-investment-act (accessed on 9 March 2022). [11]

World Bank (2022), *World Bank Development Indicators*, https://databank.worldbank.org/source/world-development-indicators (accessed on 19 May 2022). [17]

Notes

[1] The so called "white goods" correspond to most electrical and electronic appliances, and more recently include static and mobile network and telecommunication devices and accessories.

[2] Applications for a FIRC and payment of the requisite application fee of USD 1 336 (FJD 2 725) needs to be submitted to Investment Fiji, www.state.gov/reports/2021-investment-climate-statements/fiji/.

[3] This is a sub-set of all financial flows and only includes FDIs, ODA and remittances.

[4] The discussion is not exhaustive of all financial flows targeting Fiji's economy.

[5] Values for remittances are described in the text in current prices as available at the World Bank Development Indicators database. In 2019, Fiji had 25% of its population living abroad, the fourth largest share in the Pacific (IOM, 2020[26]).

[6] The definition of ODA is available at www.oecd.org/development/financing-sustainable-development/development-finance standards/officialdevelopmentassistancedefinitionandcoverage.htm.