

Fiji's Climate Change Policies, Plans and Strategies

National Carbon Market Strategy Roadmap Workshop, May 1st, 2023



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Ensuring Complementarity and Alignment with existing national objectives

- Projects must produce high integrity offsets while also ensuring these commitments do not create unsustainable trade-offs
- Must ensure projects that are linked to investment in new technologies do not inadvertently disadvantage local markets.
- Ensuring projects are shaped around indicators and objectives that are compatible with national development plans and implementation capacity

Guiding Questions

1. Will the intervention create disproportionate advantage for certain stakeholders while disadvantaging others?
2. Will the project impact socio-economic factors in ways that help or hinder resilience building ?

(E.g. opportunities to manage rising methane emissions from agriculture in would need to be assessed in relation to food security, cultural practices, long term risk management etc.)

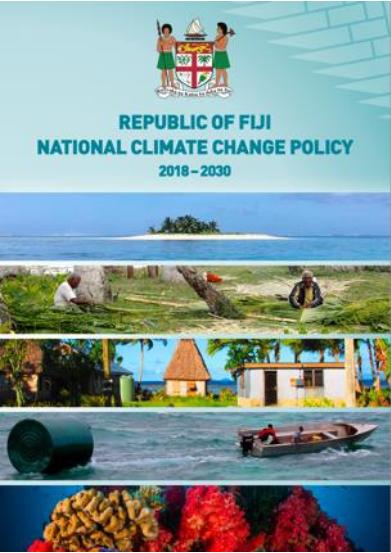
Balancing the roles of Government and Private Sector in the shaping of carbon markets in Fiji

- Risks will be managed and opportunities leveraged if a multi-stakeholder approach with clear roles and responsibilities can be brokered
- Fiji's existing Climate Change Policies provide a guiding vision as well as specific objectives that can form the basis for strategising engagement with market mechanisms.
- The Climate Change Act, through part 10 and the regulations that must be developed will help to clarify a national perspective on the relationship between voluntary markets and the Paris Agreement.



The National Climate Change Policy

POLICY BASIS



Vision 2050

A resilient and prosperous Fiji, in which the wellbeing of current and future generations is supported and protected by a socially inclusive, equitable, environmentally sustainable, net-zero emissions economy.

The Vision 2050 statement is reflective of the following mission, purpose, goals and values:

- **MISSION:** Resilience and prosperity.
- **PURPOSE:** Long-term wellbeing, the protection of the interests of future generations.
- **GOALS:** Environmental protection and enhancement, net-zero national emissions by 2050, policy coherence and integration, equitable and sustainable development.
- **VALUES:** Inclusivity, accountability, and equity.

Relevant Objectives

1. To derive 100% of national electricity production from renewable energy sources by 2030 and achieve net zero annual greenhouse-gas emissions by 2050.
2. To decarbonise Fiji's transport sector.
3. To prioritise greenhouse-gas mitigation initiatives that increase national resilience and help achieve the Sustainable Development Goals.
4. To preserve and enhance Fiji's natural carbon sinks and carbon reservoirs.

EXCERPT FROM VISION 2030

- There is a **distinct sector** focused on supporting national resilience to climate and disaster risks **through ecosystem enhancement and carbon reservoir and sink management**. These initiatives have created a range of ecosystem enhancement-based employment opportunities.
- Environmental conservation and enhancement schemes and eco-tourism have **leveraged economic benefits** and enhanced natural resource protection.
- Fiji's energy sector and transport sector have become increasingly **less reliant on fossil fuels**. National low carbon transition is progressing steadily in keeping with high-ambition scenarios and the nation is on track for net zero emissions by 2050.

Nationally Determined Contribution 2020

POLICY BASIS

- To reduce BAU energy sector emissions by 30% by 2030.
- 100% renewable energy power generation (grid-connected) by 2030
- To reduce domestic maritime shipping emissions by 40%.
- *To conserve natural environment and biodiversity wealth enabling sustainable long-term provision of ecosystem services, including carbon sequestration potential.*
- To plant 30 million trees by 2035.
- ‘mainstreaming blue economy ambitions’ within NDC targets
- enhanced ocean governance - enhancing the ocean as a carbon sink (30 by 30 EEZ target, 100% management by 2030)

Plans and Strategies

Green Growth Framework (2014)

National Biodiversity Strategic Action Plan 2020-2025

National Development Plan 2017-2036

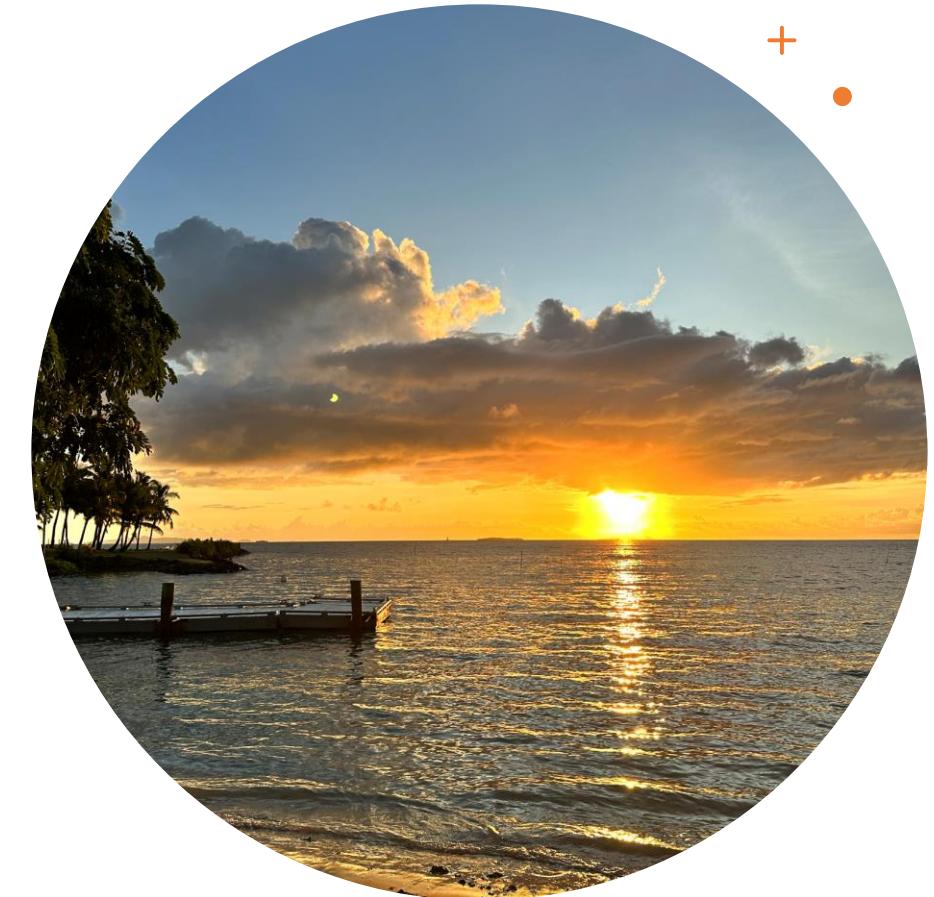
National Adaptation Plan

Low Emissions Development Strategy

NDC Investment Plan

National Climate Finance Strategy

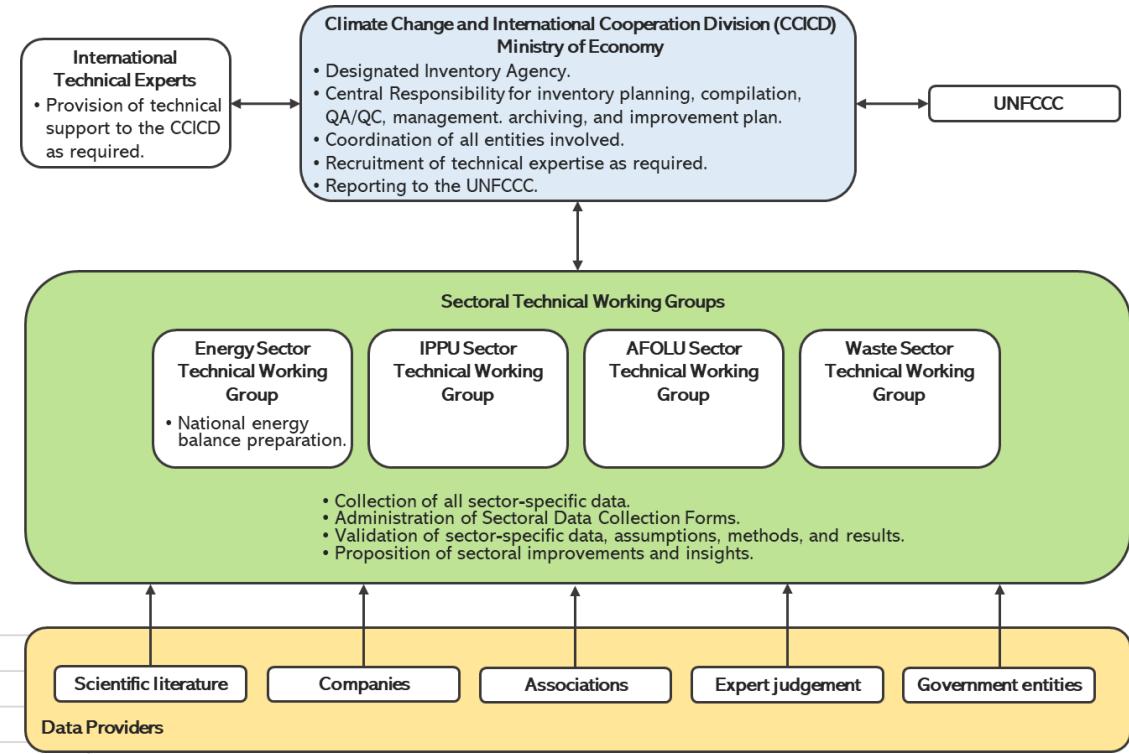
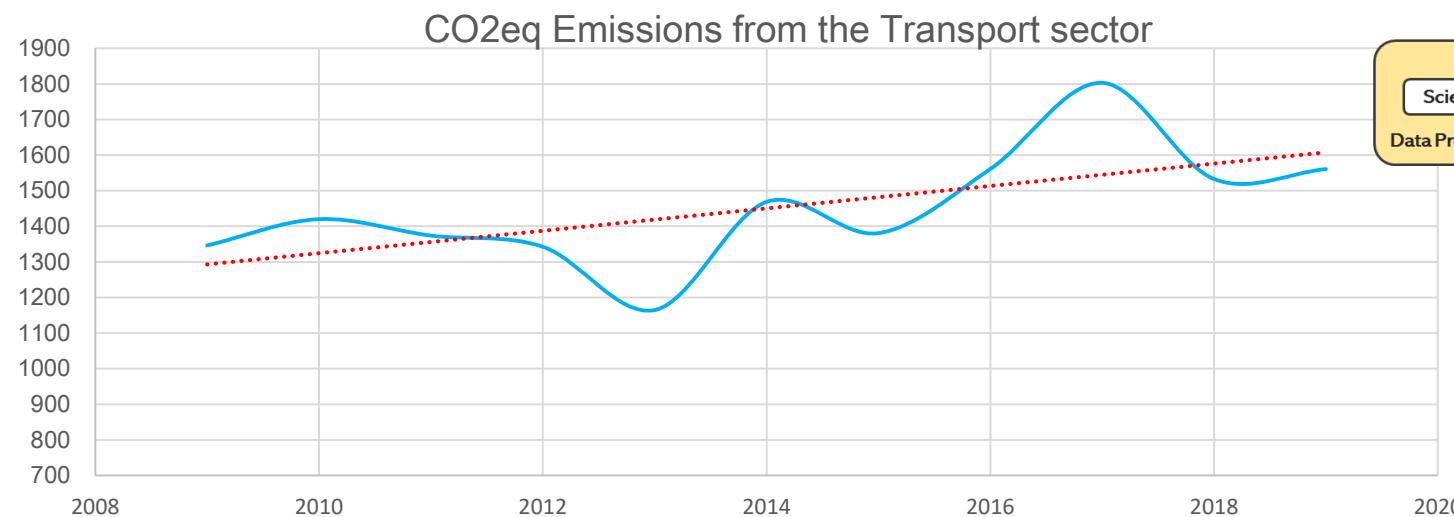
etc.



Fiji's National Inventory Report (2019) will be submitted in 2024

Detail on 2019 Emissions levels

- Most advanced data to date
- Still gaps in data



First National Carbon Budget 2026-2030



- Fiji's Climate Change Act requires the Climate Change Division / Minister to develop national 'carbon budgets' for 5-year periods starting with 2026-2030.
- This exercise will be informed by the existing NDC but will also help to inform Fiji's 2025 NDC.
- This process is important as it is not constrained by the NDC commitments and will enable Fiji to start looking at broader sectoral targets.
- The National Carbon Budget and associated assessment processes will also help to inform decisions around the amount of carbon offsets that can be transferred internationally.
- The first interim version of the 2026-2030 carbon budget has been developed and is being reviewed before it is officially submitted to the NCCCC, Cabinet, and Parliament for endorsement.
- The Methodology for the carbon budget will be further reviewed as new data and information becomes available over the course of 2023.

Where does the National Carbon Market Strategy Roadmap fit in?

A 'shared vision' for Fiji's engagement with Carbon Markets

1. The Roadmap will be shaped around a shared vision which identified ways for Fiji to leverage competitive advantage as a potential seller of credits.
2. With significant carbon offset potential held by traditional landowners and communities this vision must be inclusive and realistic as to what the desired outcome of the strategy will be.
3. The overall purpose of the Roadmap is to provide overarching strategic guidance to the variety of stakeholders that must be engaged with in order to facilitate successful engagement with carbon market mechanisms.
4. The establishment of key principles and objectives
5. The articulation of key opportunities, challenges, and outstanding requirements
6. Guidance to support the development and passage of secondary legislation / regulations required by the Climate Change Act



The Climate Change Act

Act 43 of 2021

An Act -

to establish a comprehensive response to climate change,

to provide for the regulation and governance of the national response to climate change,

to introduce a system for the measurement, reporting and verification of greenhouse gas emissions and for related matters.



Regulating Carbon Markets at the National Level

Many developing countries are now developing regulatory frameworks to ensure oversight of carbon markets

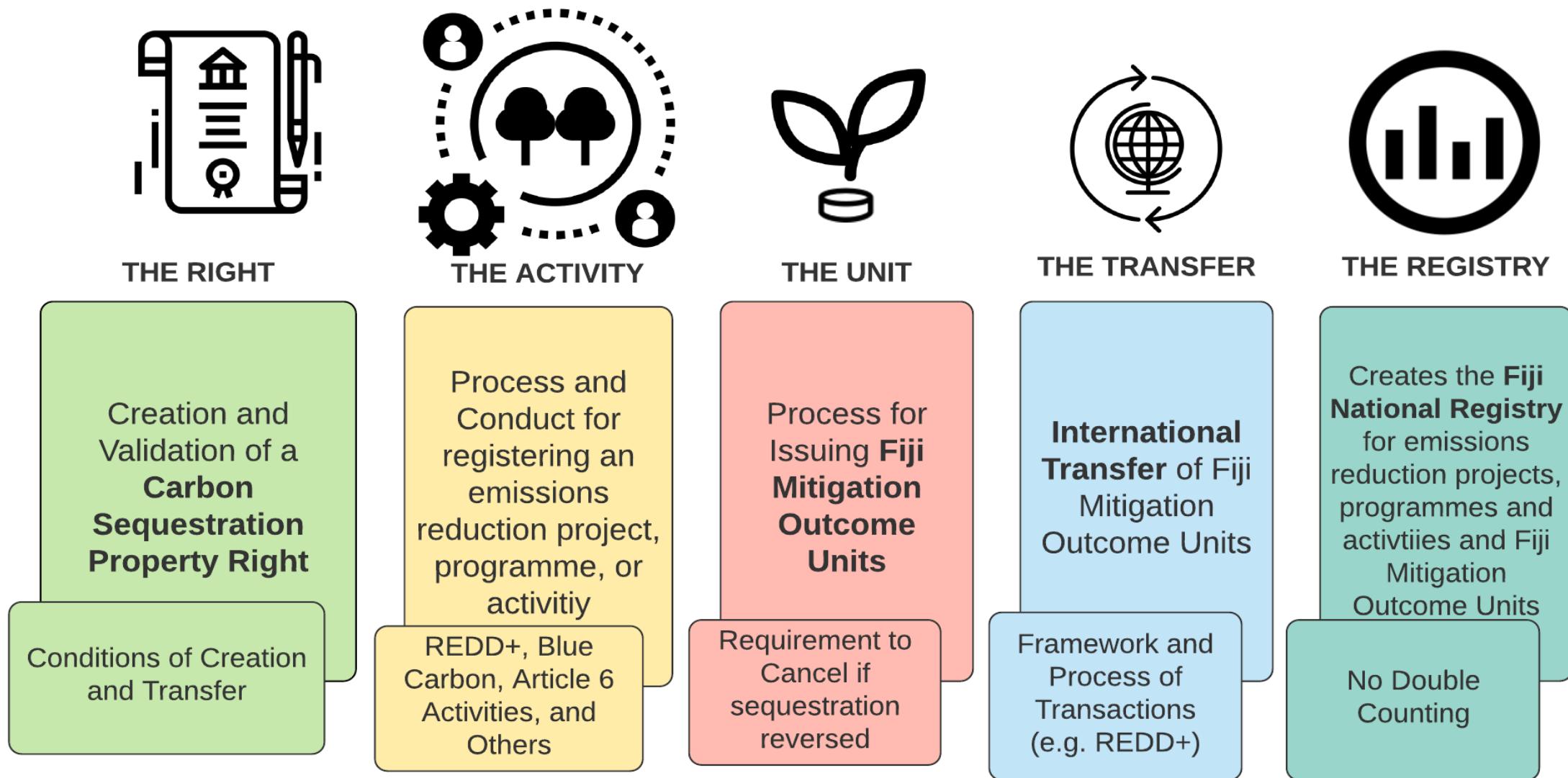
Indonesia – has developed regulations that require offset sales to be linked to sectoral mitigation strategies

Ghana – has put in place rules for ensuring offset sales are linked to corresponding adjustments

These regulatory measures are driven by intention to ensure the ability to access carbon market opportunities as well as by concern that unregulated sales of credits via voluntary markets could result in Government liability (double counting, land right issues, etc)



Section 10 *Carbon Sequestration Property Rights and Emissions Reduction Projects, Programmes and Activities*



Carbon sequestration property rights

- Provides a definition of carbon sequestration property rights
- Defines the process for the creation and transfer of carbon sequestration property rights
- Clarifies the treatment of Land over which carbon sequestration property rights is granted



THE RIGHT

Creation and
Validation of a
Carbon
Sequestration
Property Right

Conditions of Creation
and Transfer

Carbon ‘sequestration’ outcomes can only be traded if they are:

Comprehensively assigned - the entitlement over the ‘right’ is fully specified and enforced effectively

Exclusive – ensuring the right to claim credit for the offset is exclusively owned by the owner and when sold to others the exclusivity is transferred (i.e. no double counting)

Transferable – carbon sequestration is not a tangible asset it is an outcome linked to environmental services. Legislation (ideally) or another form of direct legal agreement is required for the property rights to be transferable from one owner to another in a voluntary exchange.

Buyers will only engage if they are sure the ‘offset’ they are purchasing is legitimate and secure. **There must be a clear process in place to make the transfer secure.**



Process and Conduct for registering an emissions reduction project, programme, or activity

REDD+, Blue Carbon, Article 6 Activities, and Others

- **Application:** Sections 50 and 51 describe the process for applying to register an emissions reduction project, programme or activity
- **Validation:** Projects must apply for a 'Fiji Emissions reduction statement' after the activity is completed. This statement verifies the number of 'Fiji Mitigation Outcome Units' can be issued based on the activities completed

- **Issuance:** Section 52 describes the issuance of 'Fiji Mitigation Outcome Units'
- Section 53 clarifies that the 'Fiji Mitigation Outcome Unit' is legally recognised property – i.e. the unitisation of the 'property right'
- However the unit must be canceled if something happens that reverses the carbon sequestration service – i.e a forest burns down (section 54)

Clarifications

- Section 55 provides clarity on the process of registering an emissions reduction project program or activity under 'approved international standards'. ***Overall takeaway : Approval and registration must be sought***
- *Section 56 – creates the option to convert units issued under other international methodologies to 'Fiji Mitigation Outcome Units'*
- *Section 57 provides clarity on the linkage to Article 6*



THE UNIT

Process for Issuing Fiji Mitigation Outcome Units

Requirement to Cancel if sequestration reversed

International Transfer of Fiji Mitigation Outcome Units

- Standards and Guidelines may be created for the international transfer of Fiji Mitigation Outcome Units
- It is an offense to transfer FMOU without permission
- Sets out the process for transactions under international REDD+ programmes (s60) and describes the legal requirements for *Benefit Sharing Plans*



Fiji National Registry



THE REGISTRY

Creates the Fiji National Registry for emissions reduction projects, programmes and activities and Fiji Mitigation Outcome Units

- Establishes the National Registry (s61)
- All emissions reduction projects, programmes and activities must be recorded in the registry and published online
- Unique registry account numbers must be issued



Information Gathering Powers, Audits, Fraudulent Conduct (s62-64)

Safeguards and the Challenges Creating them

- Prior and informed consent of landowners through the iTaukei Land Trust Board is required for nature-based carbon projects associated with iTaukei Land. A specific set of regulations for determining the process of securing consent must now be developed (assuming need for differentiation to existing consent process)
- The Minister responsible for forests will develop relevant policies, strategies, procedures, safeguards and benefit-sharing arrangements to support emissions reduction projects, programmes and activities involving forests in accordance with sections 28, 29, and 40 of the Constitution and ‘for the benefit of present and future generations’.



Vinaka Vaka Levu!

