



PACIFIC COVID-19 RESPONSE PACKAGE – FIJI ANNEX

As announced in the October 2020 budget, Australia will provide new funding of [\\$304.7 million for a COVID-19 Response Package](#) (the Package) in the Pacific and Timor-Leste. The two-year package (FY2020-21 and 2021-22) will be a temporary and time-bound addition to Australia's existing and ongoing \$4 billion ODA budget.

In addition to support provided to maintain Pacific aviation, the Package has two funding windows: a Vulnerability and Economic Recovery Window; and a Fiscal Crisis Window for countries facing severe fiscal impacts.

The Australian Government will provide funding to Fiji under both windows to a total of \$69 million, with a further \$3.5 million provided to the economic response to COVID-19 through the Australia-Fiji bilateral program.

This annex outlines Australia's implementation of the Package in Fiji. It is as an annex to the [Fiji COVID-19 Development Response Plan](#) that forms part of Australia's [Partnerships for Recovery](#) development policy.

ECONOMIC, FISCAL AND SOCIAL SITUATION

COVID-19 is having a substantial impact on the Fijian economy. Fiji's high reliance on international tourism [making up 38.9 per cent of gross domestic product in 2019, or AUD3.2 billion, and 35.5 per cent of total employment] means it is exposed to COVID-19 border closures and travel restrictions.

Social welfare schemes are under pressure due to the economic and fiscal impact of COVID-19, including widespread loss of employment with 115,000 Fijians now unemployed or on reduced hours (equivalent to one third of labour force). Women have been disproportionately affected due to their large share of employment within the tourism sector. Furthermore, the incidence of gender-based violence has reportedly risen, with a 570 per cent increase in calls to the national domestic violence helpline between February and April 2020 when compared to the same period in 2019. While Fiji has established social protection mechanisms in place, the large economic and financial impacts of the

pandemic on government revenue may adversely impact expenditures in the social sectors.

Climate related weather events (Tropical Cyclone (TC) Harold in April 2020, TC Yasa in December 2020 and TC Ana in January 2021) have further compounded the economic and fiscal challenges faced as a result of COVID-19.

As part of a broader strategy to implement the [Fiji-Australia Vuvale Partnership](#)¹, DFAT has moved toward greater use of partner government systems with Australian funds provided directly into Government of Fiji accounts. Just prior to the outbreak of COVID-19, DFAT approved the provision of the first general budget support payment (\$1.0 million in 2019-20, linked to the Asian Development Bank's Development Policy Operation). When government systems are sound, general budget support is a means of ensuring the sustainability of development assistance.

ACTIVITIES

Activities to be funded through the Package include:

Vulnerability and Economic Recovery Window: \$20 million paid in December 2020 for social protection payments, following Cyclone Yasa. This will cover Fiji's social protection payments under the Government of Fiji's Poverty Benefit Scheme, the Care and Protection Allowance and the Disability Allowance for six months from January to July 2021, benefiting an estimated 118,000 people (representing 13 per cent of Fiji's total population).

Fiscal Crisis Window: \$49 million in 2020-21 in general budget support. Australia is working with the Government of Fiji and the World Bank to deliver this payment. Along with other support packages provided by the World Bank, this general budget support will be directed at policy reforms that will support private sector-led economic recovery, enhanced climate, disaster and social resilience and the continued strengthening of debt and public financial management.

¹ <https://www.dfat.gov.au/geo/fiji/Pages/fiji-australia-vuvale-partnership>

POLICY AND PROGRAM ALIGNMENT

The Package will build upon work already taken under the stability pillar of Australia's COVID-19 Development Response Plan for Fiji.

Australia has supported the strengthening of Fiji's social protection systems through a number of bilateral aid programs and has previously used these systems to deliver support during natural disaster responses.

In 2020, Australia provided \$5.2 million of sectoral budget support as top-up payments to the recipients of the Poverty Benefit Scheme, Care and Protection Allowance, and the Disability Allowance. This was coupled with a contribution of \$1.47 million to support Fiji with its social welfare reform program. An additional \$11.83 million of budget support was provided to Fiji through the Pacific and Timor-Leste COVID-19 Immediate Response Package in 2020.

GENDER EQUALITY AND WOMEN'S EMPOWERMENT

The Response Package gives recognition to the impact that COVID-19 has had on women and girls in Fiji. Although data is limited, we know that closed borders have resulted in job losses in tourism, hospitality and other sectors dominated by women. Globally, rates of violence against women and girls have increased and the data from Fiji's domestic violence helpline indicate it has also experienced a sharp increase. The impacts of this will be long-lasting.

Funding provided to social welfare schemes under the Vulnerability and Economic Recovery Window will directly support women, children and other vulnerable community members by ensuring there were no cuts to allowances. By safeguarding funding to health, education and social protection, we can ensure women and children continue to access services and support throughout the pandemic.

At a macro level, discussions around the general budget support provided through the Fiscal Crisis Window included the need for more gender-responsive budgeting, since actioned by the Government of Fiji.

PROGRAM AND PERFORMANCE MANAGEMENT

The progress of each investment under the Package will be tracked through country-specific monitoring and evaluation frameworks. Monitoring will be undertaken by DFAT with delivery partners and reported through DFAT's regular reporting processes.

Results under the package will contribute to reporting against indicators including the following:

From the Fiji COVID-19 Development Response Plan Performance Framework:

- Numbers reached with new or improved social protection programs, including remote communities
- Examples of Australian-funded technical advice in stimulus measures and longer-term economic recovery policy and planning, including for infrastructure; and
- Australian budget support, aligned with other development finance, supports the Government of Fiji to maintain macroeconomic stability and achieve improved PFM.

From the Pacific COVID-19 Response Package Design Framework:

- Number of entrepreneurs (M/F) provided with financial and/or business development support services
- Australian budget support as a percentage of donor and or supplementary budget expenditure in response to COVID-19.