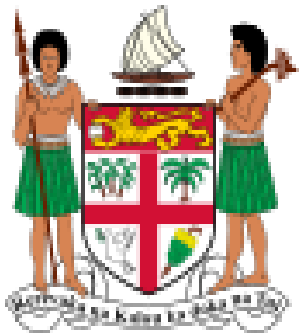


CLIMATE AND DISASTER RISK FINANCE FOR PUBLIC ENTERPRISES



MINISTRY OF PUBLIC ENTERPRISES, FIJI

AGENDA

1. Overview
2. Impacts of Disaster
3. Disaster Reduction
Measures
4. Priorities



**FIJI – PUBLIC
ENTERPRISES**

PUBLIC ENTERPRISES

Public Enterprises Act 2019

- 13 Government owned entities classified as “**Public Enterprises**”
- Commercial Focus as opposed to PE Act 1996 – GCC & CSA
- Post 2019 – SOEs were delisted from the PE Act due to nature of their functions and other reasons.
- List of PEs will continue to evolve.

PUBLIC ENTERPRISES

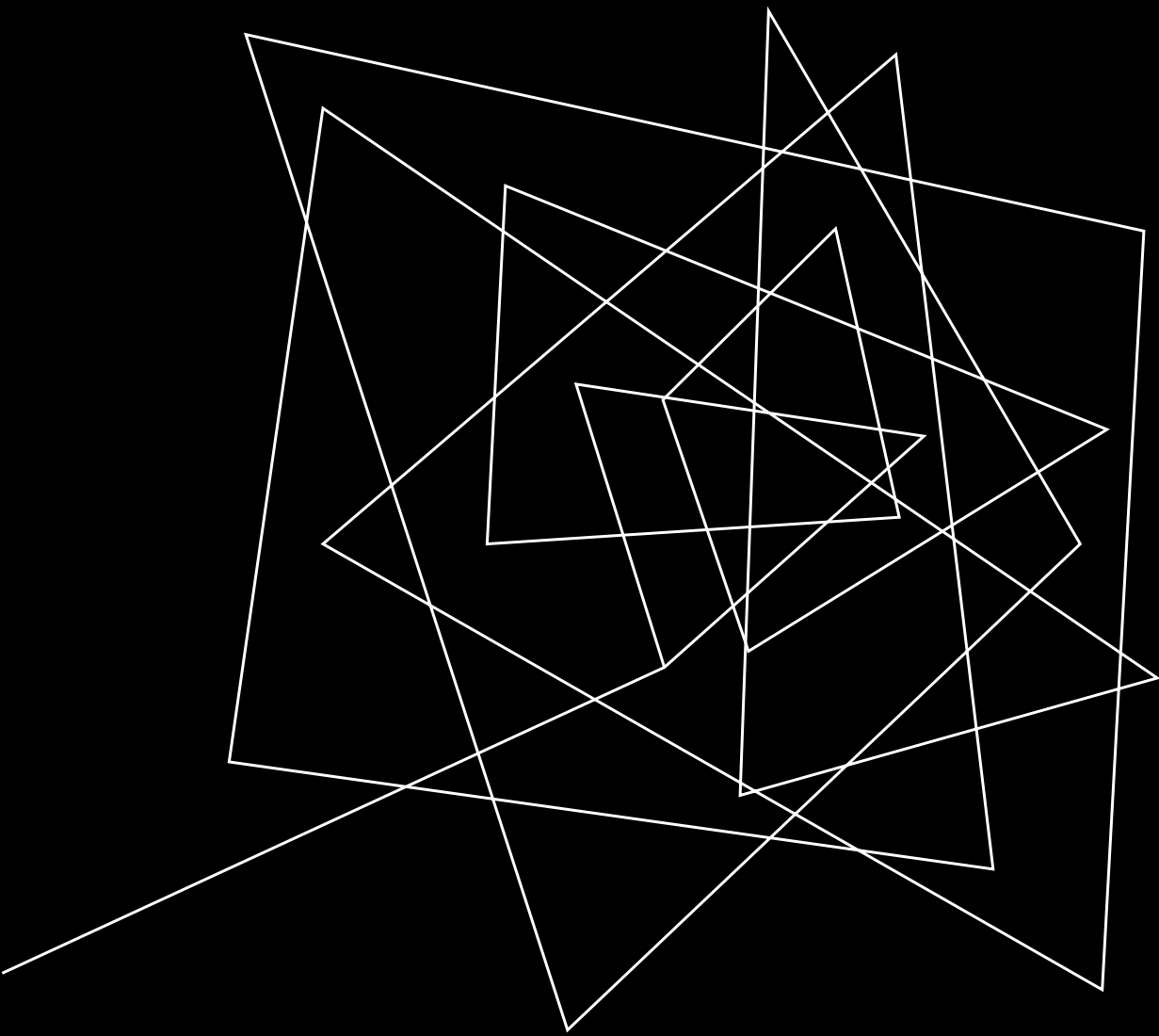
PEs	Sector	Asset Base (\$)
Airports Fiji Limited	Transport & Infrs	\$700m
Fijian Broadcasting	Communication	\$84.9m
Post Fiji Limited		
Fiji Public Trustee	Trade & Finance	\$25.4m
Unit Trust of Fiji (Mgt)		
Fiji Hardwood Co Ltd	Fisheries & Forests	\$268.7m
Pacific Fishing Company		

PUBLIC ENTERPRISES

PEs	Sector	Asset Base
Food Processor Fiji Ltd	Agriculture	\$110.2m
Fiji Rice Limited		
Yaqara Pastoral Co Ltd		
Biosecurity Authority of Fiji		
Fiji Meats Industry Board		
Fiji Coconut Millers Ltd		
TOTAL ASSET VALUE		\$1.2b

PUBLIC ENTERPRISES

- Managed by their own Boards, appointed by the Minister;
- Operations are independent of the shareholder.
- 100% or majority shares held by Government – need to be declared as a Public Enterprise by Cabinet.
- Some PEs receive Government Grants.
- Compliance requirements under the PE Act & policies.



IMPACTS OF DISASTER



IMPACTS ON OPERATIONS

Issues

- Supply Chain disruption
- Access Roads
- Damage to stock
- Operation downtime
- Financial payout*

Financial impact

- Loss of revenue: \$250k/week; issuance of credit note to customer etc,
- \$200k to sugar cane farmers*
- Most costs are absorbed by PEs.
- Budget Assistance when required (drainage, Replanting of coconut trees)



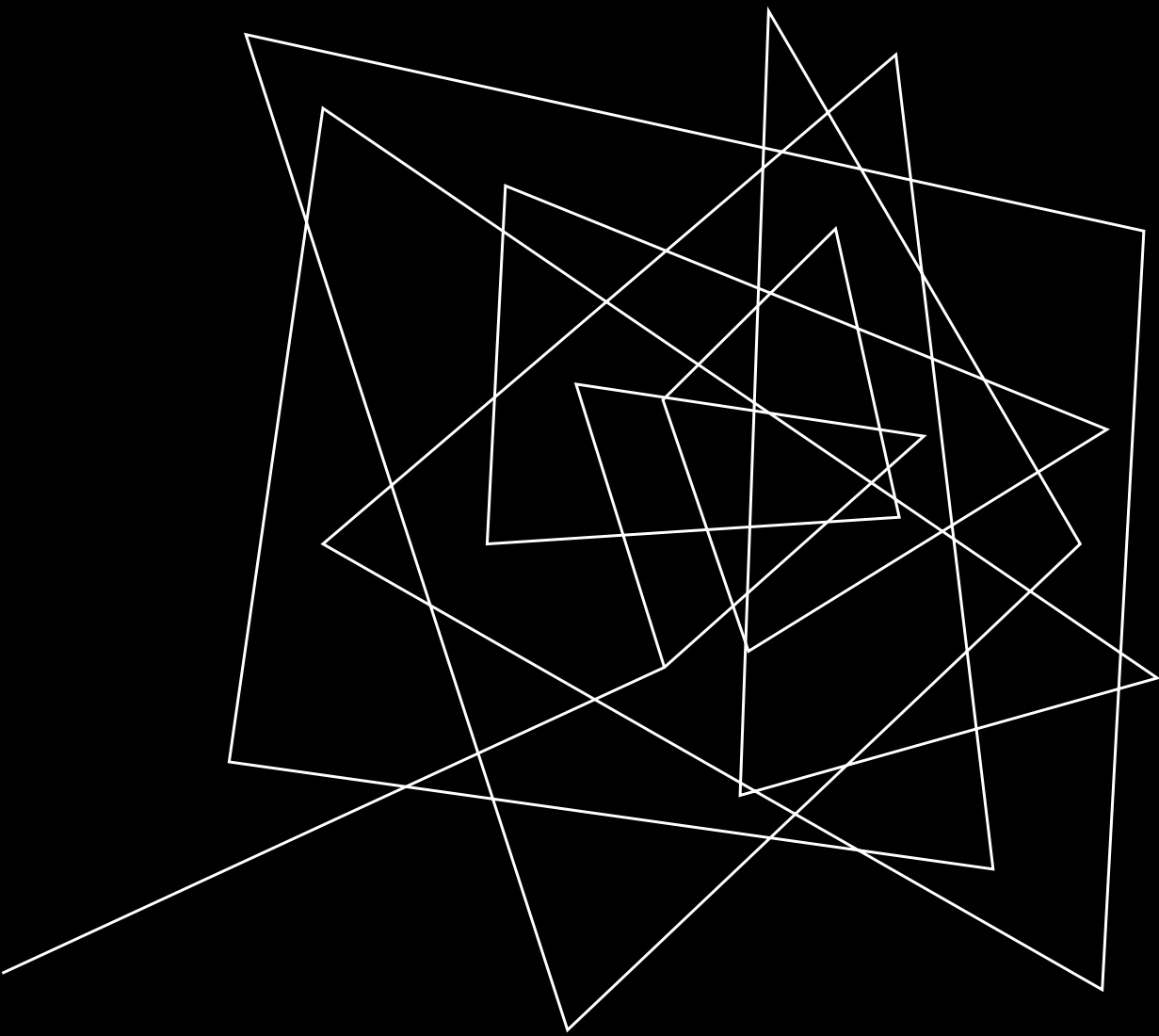
IMPACTS ON INFRASTRUCTURE

Damages/Losses

- Mills /Factory
- Transmission towers
- Office building/postal offices
- Airport/Port infrastructure

Financial

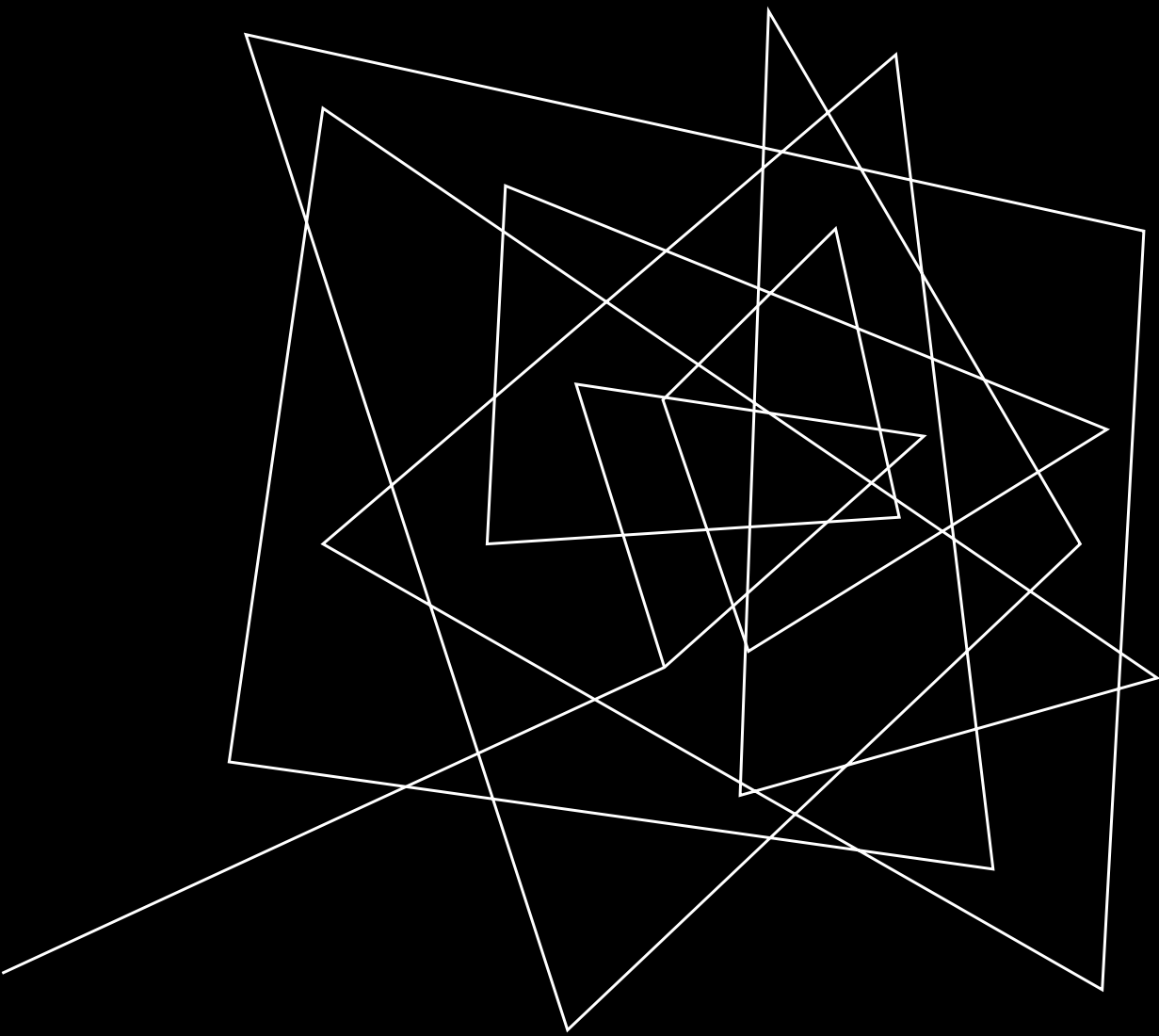
- \$1m -- \$3.5m (TC Winston costs of repairs)
- Budget assistance (PAFCO \$1.7m for repair of seawall & \$0.5m for rural post office)
- Costs are usually met by the entities themselves



**DISASTER RISK
REDUCTION
MEASURES**

ONGOING MEASURES

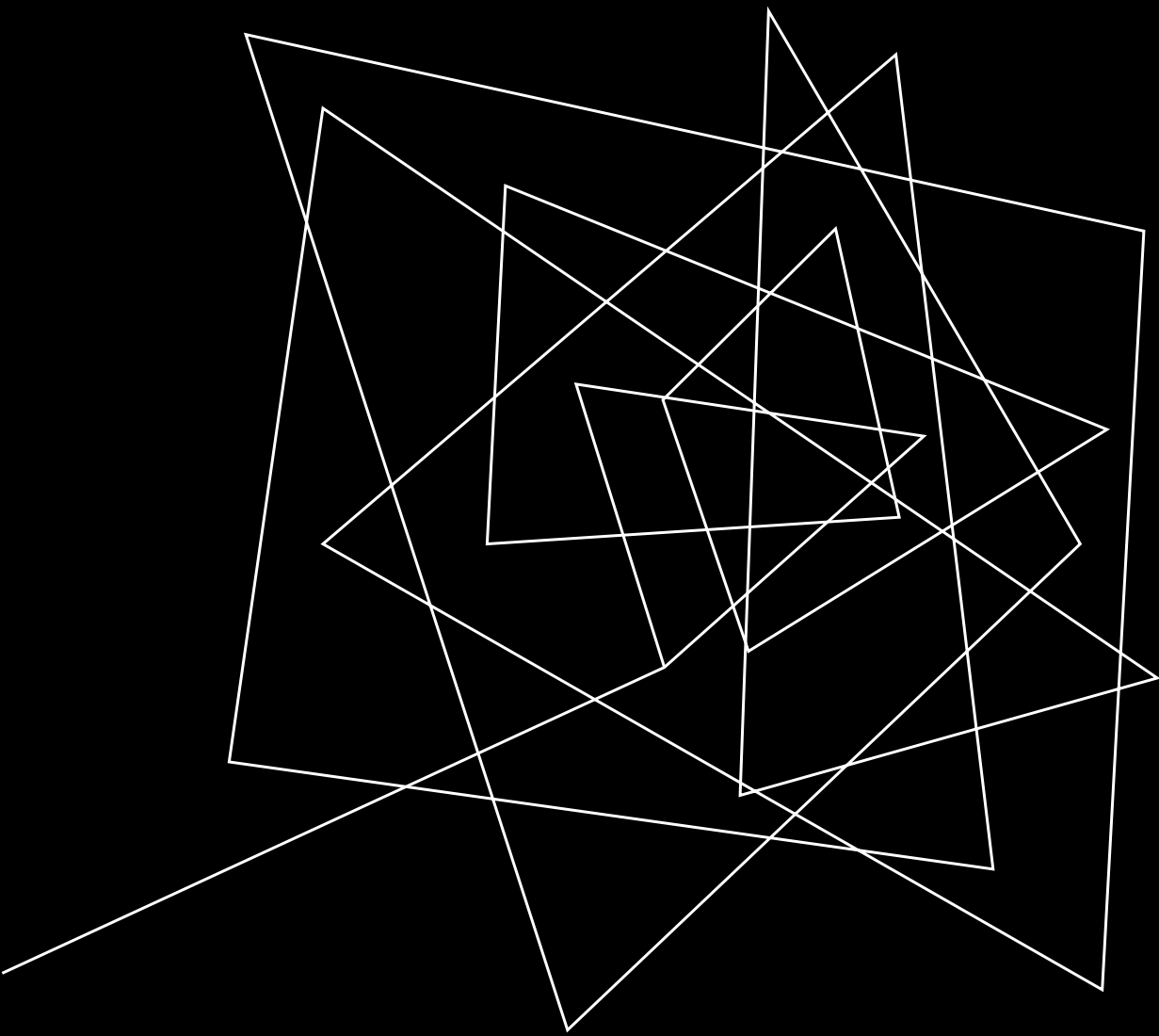
- Insuring infrastructures etc
- Building disaster resistant infrastructures
- Risk management framework (BCP/DRP, Data Protection)
- Emergency Preparedness Plan
- Employees are trained for disaster preparedness
- Establishing emergency reserve funds/Liquidity Buffer
- Investment in renewable energy as backup
- Diversifying supply chains



PRIORITIES

NEEDS FOR PUBLIC ENTERPRISES

- **Main hazards of concern:** Given their experience, disaster concerns are tropical cyclones, excessive rainfall, drought.
- **Comprehensive Insurance Coverage**, covering physical damage, equipment mobilisations etc, staff overtime during disasters.
- **Partner with financial institutions** to access disaster relief loans with favorable terms.
- Explore **microfinance solutions for farmers** to sustain supply.
- **Rising insurance premium** due to increased disaster frequency.



RAPID PAYOUTS

WHY RAPID PAYOUTS?

- Ensure business continuity.
- Reduce revenue loss, impact on cash flow.
- Immediate access to emergency funds.
- Infrastructure & Equipment restoration.
- Streamlined Financial Support Process

****Insurance cover for Forest Asset & Sea Surges caused by TC?**



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