

## DRAFT OVERVIEW



### 20-YEAR AND 5-YEAR NATIONAL DEVELOPMENT PLAN

#### *“Transforming Fiji”*

##### TWENTY-YEAR DEVELOPMENT STRATEGY

- Fiji is at a point of strength with the economy expanding rapidly, improving infrastructure and institutions, a large and youthful labour force, growing digital connectivity, and a stronger standing and growing influence in the international arena. These positive developments provide a sound platform for future prosperity. This plan builds upon these strengths and enablers to expand the development frontier to further transform Fiji.
- The 20-Year Development Strategy provides a forward looking vision for ‘**Transforming Fiji**’ into an even more progressive, vibrant and inclusive society. The Strategy is built upon two prongs: “**Inclusive Socio-economic Development**” and “**Transformational Strategic Thrusts**”. These prongs are mutually inclusive and reinforcing.

##### ***Inclusive Socio-economic Development***

- Inclusive socio-economic development will ensure progressive realisation of all socio-economic rights in the Constitution. Inclusivity will be at the heart of growth and development and the benefits of prosperity will be shared to improve the wellbeing of all Fijians. Successful implementation of the overall strategy will support the realisation of the Sustainable Development Goals.
- Over the next 20 years, the strategy envisages an annual average GDP growth rate of 4 to 5 percent and a fourfold increase in GDP per person, reducing government debt to 35 percent of GDP, unemployment to less than 4 percent and significantly reducing poverty and hardship.
- All Fijians will have access to piped and safe drinking water by 2031. This will be achieved through continued investment in infrastructure and developing new water sources. Universal water access for the entire urban population will be achieved by 2021. Investments have been programmed to ensure the entire rural population is serviced by 2031.
- All Fijians will have access to electricity by 2021. The renewable share for electricity generation will be increased to 100 percent by 2036 through development of hydro, solar and other viable renewable energy sources. Energy efficiency initiatives like incentives and fuel and vehicle standards will target an increase in the renewable energy share of total energy consumption from 13 to 25 percent by 2030 and a 30 percent reduction in greenhouse gas emissions.
- Access to qualified teachers, improved student learning environment, modernisation of school infrastructure and achieving and maintaining universal net enrolment for all levels

of education including early childhood and higher education by 2026 will develop the world-class skilled workforce that will drive economic growth.

- The supply of new housing units will be increased through both public and private investments, improved access to land and 'vertical villages' to provide Fijians with affordable and adequate housing. Modern health facilities and qualified healthcare professionals will raise health and medical services to international standards with 1 doctor per 1,000 people by 2021. Investment in tertiary health care services will support growth and help Fiji become the health hub of the South Pacific.
- Other areas of focus include strengthening food security, supporting the empowerment of women, preserving and promoting Fiji's rich cultural diversity and heritage, and strengthening governance, access to justice and preserving the rule of law.

### ***Transformational Strategic Thrusts***

- Transformational strategic thrusts encompass game changing forward looking policy shifts that will expand our development frontier and support the vision of transforming Fiji. Given our geographical location, economic prospects, modern infrastructure and strong institutions, Fiji is well positioned to become the modern regional hub of the South Pacific and centre for business, transport, communications and other services.
- New growth sectors will be nurtured for the economy to thrive and create more jobs through the development of ICT, niche services, products and markets and value addition for resource-based sectors. Transportation within the country and connectivity to the outside world will be enhanced through the continued modernisation of Fiji's air, maritime and land transport networks.
- The whole of Fiji will have access to wired and wireless network coverage, with increased broadband capacity for Vanua Levu, by 2021. Appropriate and new technology will be adopted to raise overall efficiency, productivity and improve service delivery across all sectors particularly in areas like transportation, renewable energy, manufacturing, agriculture, ICT, education and other service related sectors. Innovation, research and production of new ideas will also be incentivised.
- Development will be balanced to ensure both a stronger rural economy and development of vibrant urban centres with modern facilities and services. Cities will be beautified with recreation facilities & parks, urban gardens and better zoning. Traffic management plans will be enhanced to ease traffic congestion. Rural development will continue to focus on improving infrastructure and providing adequate public utilities. Local communities and the business community will be more resilient to the threats of climate change and natural disasters.

### **STRENGTHS AND ENABLING ENVIRONMENT**

- **Demography:** Fiji's population in 2014 was estimated at 865,611. This is projected to exceed 1.1 million in the next 20 years. With around 62 percent of the population below the age of 34, we are a young nation. The rate of outward migration has steadily declined and further declines are anticipated. The population distribution is also changing and in the next 20 years 61 percent of the population is expected to live in urban areas. This demographic dividend will fuel future growth and development.
- **Economic Development:** there are positive global developments for Fiji to capitalise upon. Exports and visitor arrivals are promising with new opportunities for offshore

employment and growth in remittances. The rise of emerging economies also provides new opportunities. Despite the frequent occurrence of natural disasters and external shocks, the Fijian economy has been quite resilient. Economic growth has been positive since 2009. This has been one of the longest periods of uninterrupted positive economic growth since independence. The average growth rate from 2011 to 2015 has been close to 4 percent.

- **Social Development:** increased investment in education is supporting the development of a knowledge-based society that will result in positive ripples throughout the economy. Significant progress has been made in increasing life expectancy, improving health outcomes in mothers and children and reducing illness from communicable diseases. Fiji's social welfare system continues to evolve to ensure it is well targeted and provides support to vulnerable Fijians in need.
- **Structural Reforms:** Fiji has made significant progress to guarantee equality, improve public sector efficiency, incentivize more efficient allocation of resources, attract private sector investment, promote fair competition and create a conducive environment for private sector development. These gains will be built upon to enhance good governance, support sustainable growth in key economic sectors and improve regulatory performance and public service delivery.
- **Climate Change:** Fiji will continue its stewardship of climate change issues at both regional and global level with the plight of small island developing states at the centre of this concern. We will work together with other nations to access climate finance and explore innovative ways of mobilising private sector resources for adaptation and mitigation. The delivery of development programmes will have the goal of building the resilience of local communities and the economy as a whole to the threats of climate change and natural disasters.

## Costing and Financing

- The implementation of the entire plan is expected to inject over \$50 billion of government investment over the next 20 years in capital expenditure and for provision of services. To finance this, government will mobilise its domestic revenues, both tax and non-tax, and access international financial resources, including funding from multilateral development partners. Financing through private sector partnerships and climate finance will increasingly be a core source of financing.

## FIVE-YEAR DEVELOPMENT PLAN

- The long-term development strategy, supported by Fiji's strengths and national enabling environment, is translated into individual sector development plans to be implemented under the 5-Year Development Plan. The sector plans and goals are set against an analysis of sector context, including challenges and opportunities to justify priority policies and strategies.

### Inclusive Socio-Economic Development

1. **Water and Sanitation:** to achieve "*clean & safe water in adequate quantities and proper & adequate sanitation for every Fijian household*", resources will be allocated for upgrading existing infrastructure and construction of new water treatment plants, reticulation systems and reservoirs to increase supply capacity to meet future demands. Options for enhanced rainwater harvesting & storage, industrial recycling, storm water and aquifer management and use of desalination plants in remote

locations will be explored. The rural water supply programme will be augmented to provide access to clean water to 85 percent of rural communities by 2021. Sanitation services will be improved with investments to support migration from septic tanks to standardised treatment systems and construction of sewerage treatment plants in rural areas.

2. **Energy:** to ensure *“a resource-efficient, cost-effective and environmentally-sustainable energy sector”*, electricity from renewable sources will be increased from 60 percent to over 80 percent by 2021. Major hydro projects being pursued by FEA include the Qaliwana Hydro Project, the Upper Wailoa Diversion Hydro Project and the Lower Ba Hydro Project. The ongoing regulatory reforms in the electricity sector with the partial divestment of FEA will promote private sector participation and raise efficiency and service delivery. Development of renewable sources will be encouraged and energy and fuel efficiency standards enforced to reduce carbon emissions in the transportation sector.
3. **Housing Development:** To support *“accessible and adequate housing for all”*, existing residential leasing and housing programmes will continue. New strategies will be implemented to increase the supply and quality of affordable housing. *“Vertical villages”* will be established with a range of unit sizes that accommodates a more diverse group of households with different income levels.
4. **Food Security:** policies and strategies will support the development of domestic agriculture and fisheries, including disaster and climate resilient food crops, and greater awareness about food nutrition to ensure *“every Fijian has adequate food of acceptable quality”*.
5. **Education:** *“Quality education for all”* is essential to enhance our human capital and create a knowledge-based society. The bold initiatives introduced to improve education quality will continue including public funding for education at all levels and engagement of qualified teachers to improve student-teacher ratios. The free education policy together with the Tertiary Education Scholarships and Loan Scheme will continue. Budgetary support will be provided for construction and upgrading of new and existing school facilities. Curriculum reviews to ensure skills development for the labour market and expanding e-learning and digital literacy programme will also be pursued.
6. **Health and Medical Services:** *“Access to quality health facilities and to healthcare services”* will be pursued through increased investment in health facilities. The hiring of skilled healthcare workers will continue to ensure the ratio of doctors, nurses and midwives per 1000 population is increased to internationally accepted levels. Every health centre will have a full time doctor. Processes and supply chain management will be streamlined to ensure an adequate supply of medicine and consumables at all times. To further improve service delivery, government is exploring options to engage strategic partners in the management and operation of certain public hospitals.
7. **Social Inclusion and Empowerment:** *“A socially inclusive Fiji and empowered Fijians”* will be achieved through a multidimensional approach including strategic interventions and continuing existing social protection programmes to ensure every Fijian is provided with the basic amenities of life. These programmes include free water, education, medicines & health services, electricity and bus fare subsidies, housing assistance, food vouchers and the social pension scheme. In addition, support for MSMEs and other self employment initiatives will ensure all Fijians have a stable source of income.

8. **Youth and Sports Development:** *“Empowering youth to be agents of change and promoting sports for development”* will be pursued through education, entrepreneurial and leadership opportunities for young Fijians to support their effective engagement in the economic, social and the political sphere. Fiji will bid to host major regional and international sporting events including the 2023 Pacific Games and 2026 Commonwealth Games. Increased investment will be directed towards the upgrading of sporting infrastructure & facilities to international standards and programmes to support the development of elite athletes.
9. **Women in Development:** *“Creating a gender-fair society that protects and promotes the rights of women”* will be realised through the implementation of the Women’s Plan of Action and the National Gender Policy. Access to health, specialist advocacy and counselling and improved justice responses to gender based violence will be strengthened.
10. **Culture and Heritage:** The *“protection and promotion of unique Fijian cultural heritage for sustainable development”* will focus on both tangible and intangible cultural heritage including the preservation of knowledge, skills, expressions and representations. The upgrade of the National Museum and National Library and on-going cultural mapping programme and framework for cultural statistics are key initiatives to preserve traditional knowledge and heritage and mainstream culture into the educational curriculum. Increased economic opportunities will also be explored through programmes like the “Fijian Crafted” campaign.
11. **National Security and the Rule of Law:** The operation of criminal justice system (law enforcement, legal representation, courts and corrections) will be modernised to ensure *“an inclusive, safe, secure, stable and prosperous Fiji”*. Community engagement and public awareness on crime prevention will be pursued. A major focus will be placed on protecting Fijians from environmental risks & natural disasters, transnational crimes (human and drug trafficking), food security & public health risks and financial & cybercrimes. Border security will be maintained through improved interagency coordination and modernisation of facilities. Fiji will continue to support international humanitarian efforts through UN peacekeeping operations.

### **Transformational Strategic Thrusts**

1. **Modernising Land Transport :** *“Access to transportation through an efficient and sustainable transport network”* will be driven by more investment in the road network including four lane projects like the Nadi to Lautoka road, cycling lanes, upgrading of bridges and jetties, rural & maritime island roads, and improving safety through installation of streetlights and footpaths around the country. Standards for weight limits and emissions and energy efficiency for land transport will be key priorities including strategies for fuel savings like biofuel, liquefied petroleum gas (LPG) & liquefied natural gas (LNG).
2. **Inter-Island Network:** ensuring *“safe, efficient, reliable, and affordable shipping services”* will involve scaling up investment in construction and upgrade of jetties, waiting sheds, slipways, navigational aids (lighthouses and beacon piles) and small boat landings for the outer islands and remote coastal areas. Assistance will also be available to support the purchase of smaller boats for inter-island connectivity. Incentives for private sector investment in new ships and equipment and subsidies for servicing uneconomical routes will continue under the franchise scheme.

3. **Domestic Air Services:** to *“unlock our economic potential through consistent and reliable domestic air services”*, domestic airports, airstrips, runways and associated facilities will be upgraded. Plans are being developed for a new airport in Vanua Levu and runway extension for Taveuni. Subsidies for domestic flights will ensure the affordability of services. Training for aviation professionals (engineers, pilots and air traffic controllers) for Fiji and the region will be strengthened to meet ICAO standards and annual audits by CAAF will ensure compliance with safety standards.
4. **International Connectivity (Airports & Sea Ports):** To *“enhance Fiji’s status as a vibrant and modern regional & international hub for people and cargo movement”* the modernisation and expansion of Fiji’s airports & seaports will continue. This includes plans to upgrade the Nausori Airport and develop an international airport for Vanua Levu and supporting Fiji Airways in the establishment of new routes across the globe. To be a regional and international seaport hub improvements are needed in cargo volume for imports, exports and transshipments. Support will be provided for investments to raise berthing capacity & water depth, improve port efficiency, reduce turnaround time, adopt modern technology (communications and information technology) and ensure availability of supporting industries and services.
5. **Modernising the Business Regulatory Environment:** *“A sound regulatory environment for inclusive and sustainable private sector development”* will be pursued through use of ICT and building technical capacity to improve regulatory performance for company registration, land use administration, development control, environment impact assessments, employment relations and tax administration.
6. **Micro, Small and Medium Enterprises Development:** *“Promoting entrepreneurial culture through sustainable micro, small and medium enterprises”* will involve improving the institutional setting, access to finance, business incubation & training and connecting MSMEs to markets. A Central Coordinating Agency will be established to develop & implement policies and programmes including financial assistance for MSME development. A Secured Transactions Framework will also be adopted to allow use of movable property such as equipment, inventory, accounts receivable, equities, crops and livestock as collateral for accessing loans.
7. **Manufacturing and Commerce:** *“Building sustainable and globally competitive manufacturing and commerce”* will focus on promoting Fiji as a manufacturing hub of the South Pacific, increasing value addition and expanding into new areas of manufacturing. Fiscal incentives, the Fijian Made – Buy Fijian campaign and other comparative advantages like an educated workforce, competitive wage rates, and stable business environment will be harnessed to attract investment, including FDI, in competitive high value-added industries. The emphasis will be on agro-based manufacturing and niche products for export.
8. **Financial Services:** *“A deep, competitive and stable financial system”* is crucial for economic development. More emphasis will be placed on improving financial literacy, financial inclusion, improving access to finance, developing digital payment systems, access to insurance services, capital market development, and establishing the legal framework for regulation of credit unions and money lenders.
9. **Sustainable Cities and Towns:** *“Creating vibrant and environmentally sustainable urban centres”* will focus on managing rapid urbanisation with more than half the population now living in urban areas and projected to increase to around 56 percent by 2021. Urban development strategies will focus on identification & development of future growth centres, extension of town boundaries, urban waste management,

strengthening town planning, disaster planning & response, relocating and regularising informal settlements and traffic management. All new urban development projects will need to comply with guidelines to ensure resilience to climatic hazards and natural disasters.

10. **Expanding the Rural Economy:** Rural development will focus on “*promoting equal opportunities, access to basic services and building resilient communities*”. Substantial investments will continue to be made to improve market access and increase economic opportunities through rural infrastructure, provision of education & health services, rural electrification, access to water, income generating opportunities, better communications and transportation services. Adaptation measures in the rural & maritime region will also be prioritised including construction of sea walls, watershed management, river dredging & drainage, river bank protection and evacuation centres which are compliant with the building code.
11. **Developing Resource Based Industries:** To ensure “*a sustainable sugar industry*” increasing cane production from 1.6 million to 3 million tonnes will be supported through existing programmes for replanting and fertiliser subsidies. FSC will also be investing in establishing its own farms. Such an investment will increase the adoption of mechanisation within the industry.

*For “competitive, sustainable and value-adding agriculture”* key interventions will aim to increase production of commodities under bilateral quarantine agreements (eggplant, okra, pawpaw, chillies and breadfruit), root crops, fruits & vegetables, organic products, livestock and dairy products. Commodity development plans will support initiatives to increase farm production, improve resilience including cluster or contract farming, access to finance and labour requirements. Support will be provided for mechanisation and new technologies in areas like hydroponics, livestock, dairy, organic farming, processing of agricultural products (ginger, rice, fresh fruits and vegetables) and fruit drinks.

*“Sustainably managed fisheries resources”* will be achieved through an effective regulatory framework that ensures sustainable industry growth for both inshore and offshore fisheries and continuing support for value addition, diversification into export markets & trade facilitation, product research & development, a conducive fiscal & tax environment and provision of supportive infrastructure.

*The “sustainable management and development of forestry resources”* will include an increased effort on plantation development through private sector involvement in forest-plantation development and management with long term leasing arrangements and appropriate technical support. Sustainability will be achieved through the reforestation of native and exotic forests, improved harvesting practices for native forests and increasing protected areas under the Fiji Reducing Emissions from Deforestation and Forest Degradation (REDD+) programme to receive financial benefits under carbon trading mechanisms and support Fiji’s commitment to reduce carbon emissions. Support will continue for the development of small to medium cottage industries.

*“A Sustainable Mining Industry”* will continue to provide employment, income and foreign exchange earnings. Exports of mineral water and other minerals including gold, bauxite, iron ore and sand resources have been increasing with more mining ventures expected to begin operations in the next five years. Monitoring mechanisms have been enhanced to ensure sustainable mining practices & ecological balance together with equitable sharing of revenue amongst investors, landowners and the State.

Investigation of potential groundwater sites will continue to increase production and access to sustainable, clean and safe drinking water.

- 12. Tourism:** *“A world-class tourism destination that increasingly adds value to the local economy”* will be developed through ongoing incentives to attract investment, marketing support for the industry with consideration given to a regional marketing strategy and industry expansion into niche tourism markets. Another focus area will be attracting investment in large studios for film and television production that will promote Fiji as a tourism destination. Greater synergies will be pursued under MSME development initiatives, fisheries and agricultural production, urban development and the preservation of Fiji’s culture and heritage to support the tourist industry.
- 13. Enhancing International Trade and Foreign Relations:** *“Expanding trade base and economic engagement in the global community”* will be pursued by enhancing Fiji’s trade relations and improving competitiveness. The Trade Policy Framework will guide Fiji’s engagement in future trade negotiations. Export development will be supported through raising competitiveness, diversification and value addition under the National Export Strategy in priority sectors. Trade promotion & facilitation will also be pursued through overseas trade commissions in collaboration with relevant domestic stakeholders to enhance customs and bio-security systems and procedures.
- 14. Information and Communication Technology:** Telecommunications and internet capabilities have seen marked improvements with 95 percent of the country connected through wire and wireless networks. *“Universal access to information and competitive telecommunication services delivered through a secure platform”* will be achieved through investing in broadband capacity particularly for Vanua Levu and ensuring climate resilience. The regulatory framework for the industry will be strengthened through the adoption of a cyber-security policy framework.

## **MONITORING AND EVALUATION SYSTEMS**

- Existing monitoring and evaluation systems such as periodic reporting requirements under the national budget and official statistics compiled by Fiji Bureau of Statistics will be used to monitor implementation of the Plan. Periodic updates on implementation will be considered by Cabinet which will then advise on corrective measures to ensure targeted outcomes are achieved.