



**THE FIJIAN
GOVERNMENT**

FIJI National Infrastructure Investment Plan and New PSIP Guidelines

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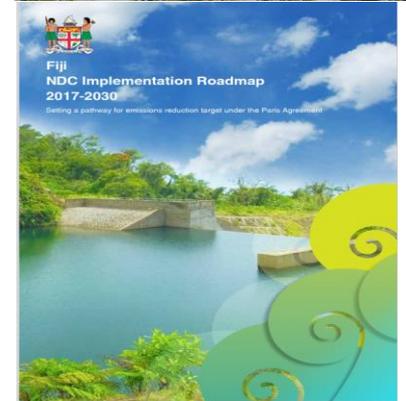
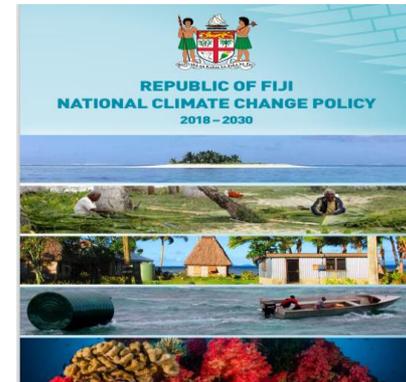
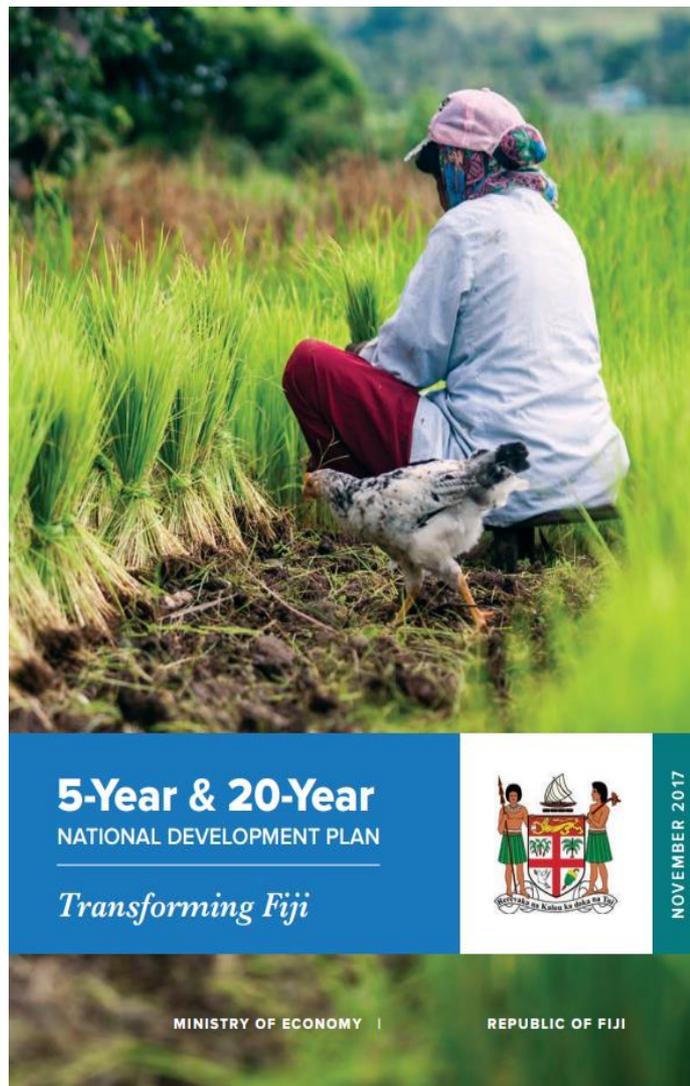
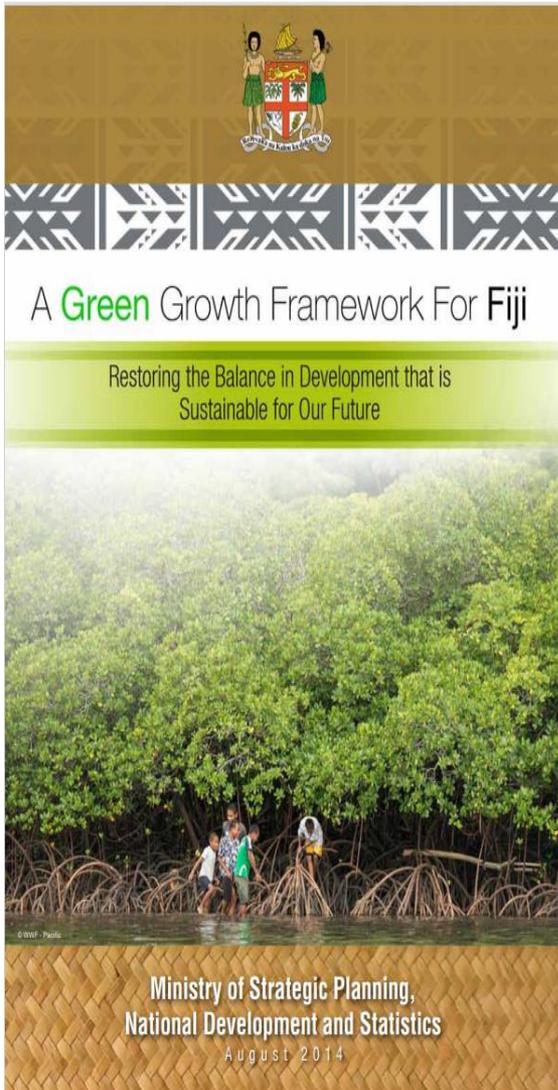
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**Ministry of Finance, Strategic Planning, National Development &
Statistics**

Outline

- National Planning Documents
- Guidelines for Preparation, Appraisal and Approval of Projects Under the Public Sector Investment Programme (PSIP)
- Key Changes to Processes – Adoption of the New Guidelines
- NIIP - Planning Framework and Process Enhancements
- Processes
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- Conclusion

National Planning Documents



National Planning Documents

- Fiji's National Development Plan (NDP), with the vision of "Transforming Fiji", maps out the way forward for Fiji and all Fijians to realise our full potential as a nation.
- 20-Year Development Plan (2017-2036) and a comprehensive 5-Year Development Plan (2017-2021).
- These plans work together, as the 5-Year Development Plan provides a detailed action agenda with specific targets and policies that are aligned to the long-term transformational 20-Year Development Plan.

National Planning Documents

- The NDP is aligned with global commitments including the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change. Consistent with the goal of the Paris Agreement to achieve climate neutrality and a low-emission world, we will develop a 2050 Pathway to decarbonise the Fijian economy.
- The integrated nature of development and the need for multi-sectoral solutions are recognised and addressed. Critical cross-cutting issues such as climate change, green growth, the environment, gender equality, disability and governance are mainstreamed in the NDP.
- Climate Change Policy 2018–2030 (NCCP), presents a more detailed and deliberate articulation of Fiji's priorities in reducing present and future climate risks, while maximising our long-term gains in development.
- The NCCP is a policy document that is defined by its foresight and evidence-based approach in reducing climate risks, with the aim of addressing the specific climate vulnerabilities faced by Fiji and the Fijian people.
- The policy lays the foundation for national climate change legislation in Fiji and sets out the most comprehensive game plan to-date of how Fiji plans to deliver on its Nationally Determined Contribution under the Paris Agreement. It also establishes a clear mandate for Fiji's National Adaptation Process and Plan and the implementation of Fiji's Low Emissions Development Strategy.

National Planning Documents

- Green Growth Framework for Fiji: Restoring the Balance in Development that is Sustainable for Our Future. The word 'sustainable' has been in Fiji's development agenda for a large part of the four decades since independence, similar to the rest of the world.
- This Green Growth Framework is an innovative tool to accelerate integrated and inclusive sustainable development that inspires action at all levels in the country to build environmental resilience, build social improvement and reduce poverty, build economic growth, and build resilience to the anticipated adverse affects of climate change.
- Balance between the three pillars of sustainable development; namely economic, social and environmental – to ensure that the balance is restored and that future development is both sustainable and can be sustained...and with Fiji remaining a largely pristine island country

Guidelines for Preparation, Appraisal and Approval of Projects Under the Public Sector Investment Programme (PSIP)

Guidelines for Preparation, Appraisal and Approval of Projects Under the Public Sector Investment Programme (PSIP)



Budget and Planning Division, Ministry of Finance and
Strategic Planning, National Development and Statistics
Republic of Fiji
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- The Public Sector Investment Programme (PSIP) has operated in Fiji for decades under various policies and operating procedures.
- A new Guidelines Document (Guidelines) to direct and guide future front-end PSIP processes is now finalised.
- Need for effectively and efficiently allocating scarce public investment funds to optimize development outcomes for the people of Fiji.
- Effective procedures for preparing, appraising, and approving both ongoing and new PSIP projects to ensure that value for money is being achieved for every dollar spent on public investment.
- The new planning procedures contained in the Guidelines will provide budget sector agencies with greater certainty on resources available for their medium-term investments, thus improving operational efficiency.
- The Guidelines explain how the new front-end procedures of preparation, appraisal and approval will work, focusing on what procedures must be followed, and which organization is responsible for which procedures.

Key Changes to Processes as a Result of the Adoption of the NEW Guidelines

Ongoing Projects

- Approved and ongoing PSIP projects that are performing have the first call on future PSIP funding. Fiscal Strategy (FS) planning processes aim to ensure that approved and performing ongoing PSIP projects will have the first call on total capital resources allocated by the FS.
- Allocation of investment resources in medium-term strategic ways will increase investor certainty and improve the quality of projects.

Key Changes to Processes as a Result of the Adoption of the NEW Guidelines

Steps	Description
Initial project approval	<ul style="list-style-type: none"> Review of the initial project approval, taking note of total funding, projected cash flow, project start and end dates etc. Project performance is monitored and evaluated against initial project outcomes.
Medium Term PSIP entity ceiling	<ul style="list-style-type: none"> All projects funded must be within the entity's medium-term PSIP ceilings. After funding ongoing projects, new projects can only be introduced if there is fiscal space for that FY and forward years.
Regular project reviews	<ul style="list-style-type: none"> All ongoing projects are subject to regular joint reviews to inform whether projects are performing well and forecast future funding needs. Projects with major implementation issues may be restructured or cancelled by Ministry. Review information should be disclosed in budget submissions and considered during the budget approval stage.
Special 5-Yearly evaluations (if required)	<ul style="list-style-type: none"> For projects operating long-term (5 years +) without clear end dates, Ministry shall determine if they are performing and warrant ongoing funding or should be phased out. For large projects (more than \$2.0m/annum), Ministry shall call for formal evaluations to be undertaken every five years. Ministry can also consider evaluating smaller projects if necessary (Refer to User Manual, 6).
Entity annual PSIP budget submission	<ul style="list-style-type: none"> Ongoing budget submissions will continue with the unified submission of OPEX and CAPEX budgets. PSIP sections to indicate clear delineation of ongoing and new projects

Key Changes to Processes as a Result of the Adoption of the NEW Guidelines

Steps	Description
Ministry evaluation of the entity PSIP budget submission	<p>For ongoing projects, Ministry must consider the following when assessing submissions:</p> <ul style="list-style-type: none"> • If initial approval objectives are being met within <u>agreed funding levels</u>; • Compliance with PSIP ceilings and balance between ongoing & new <u>projects</u>; • Performance information coming from regular <u>reviews</u>; • The results of special evaluations; and • Content of entity budget submission.
Parliament approval of entity PSIP budget	The Ministry, through the Minister responsible for the presentation of the full PSIP to Parliament for final approval (as part of normal budget announcement)
PSIP budget publications by entity and Ministry to include ongoing projects	<p>Once approved by Parliament, two PSIP-related publications to be released:</p> <ol style="list-style-type: none"> 1. Entity publication (all PSIP projects within entity for both new and ongoing); and 2. Ministry publication covering all entities in the full PSIP (new and ongoing) – either as a new stand-alone document or part of the annual budget kit.

Key Changes to Processes as a Result of the Adoption of the NEW Guidelines

New Projects

- A major change from the current practice of appraising new projects, which the Guidelines introduce, is a two-stage process.
- Early-stage preparation (Stage 1) involves initial identification, research and discussion for the preparation by budget entities of a relatively simple Screening Note to be evaluated by the Ministry to determine if a detailed appraisal study (Stage 2) is warranted.
- Guidelines 7 of the User Manual thoroughly explain the preparation of screening notes.
- The screening notes need to be submitted at any time during the year to the Ministry for desk evaluation and decision-making, based on weighted criteria for:
 - economic impact;
 - social impact;
 - environment, climate change mitigation and climate change adaptation and disaster resilience;
 - administrative/financial capacities; and
 - risk analysis and management plan.
- The weighted criteria and scoring system will enable the Ministry to make more informed recommendations on the medium-term allocation of PSIP resources.
- Both the criteria and weightings may be varied over time according to the views of government policymakers and to allow for undertaking sensitivity analysis.

Key Changes to Processes as a Result of the Adoption of the NEW Guidelines

Steps	Description
Identify new projects	<ul style="list-style-type: none"> This remains the responsibility of budget entities. Budget entities to identify new projects with strategic fit to national priorities and available funding.
Preliminary research and analysis	<ul style="list-style-type: none"> The budget entity will undertake the research and analysis and can also involve partnerships between budget entities or development partners. Other ministries may be co-opted to assist with preliminary research and analysis (e.g., land tenure, environment, technical engineering, etc.).
Review of funding options – including MTFS	<ul style="list-style-type: none"> Initial identification should consider whether new funding needed for the project is realistically forthcoming, considering fiscal limitations under the MTFS.
Budget entity prepares screening note	<ul style="list-style-type: none"> The core objective is to consider if the proposed project warrants a detailed appraisal study. Screening notes can be submitted any time during the year or subject to Ministry periodically advising of specific lodgement dates. The Budget & Planning Division will evaluate and decide on screening notes. Standard evaluation criteria drawn from the screening note template will be used.
Agreement on funding arrangements for costs of appraisal (must be before appraisal starts)	<ul style="list-style-type: none"> Appraisal for smaller investments should be conducted in-house by budget entities; however, larger projects may require a budget to undertake detailed assessments such as EIA, disaster risk assessments, economic analysis etc. The cost of such studies must be indicated in the screening note for Ministry clearance.
Publication of Pipeline of cleared Phase 1 Projects	<ul style="list-style-type: none"> Following the passing of the budget, each entity is to publish a detailed list of all potential entity projects that have received Ministry clearance at the screening stage (Stage 1). Ministry to publish a consolidated national list of all potential projects cleared through Stage 1 screening.

Fiji's National Infrastructure Investment Plan

- The PRIF provided technical assistance for the development and formulation of the NIIP. The work on Fiji's NIIP started in February 2022.
- The objective of the TA was to help develop a NIIP and to support the strengthening of the Fiji's infrastructure planning processes, procedures and methodologies – particularly those supporting the early-stage screening of projects.
- Fiji's NIIP focuses on key infrastructure sub-sectors including: land, air and maritime transport (roads, bridges, jetties, ports and airports); water and sewerage; solid waste; energy/electricity; housing; telecommunication; and waterways.
- The NIIP will primarily help implement reforms, strengthen tools and approaches to screening capital construction projects (Gateway 1), and provide a longer lead time for future 'unfunded' pipeline projects to be systematically presented and discussed with financiers through the project 'Dossier'.

Fiji National
Infrastructure
Investment Plan 2023–2034



Pacific Region Infrastructure Facility

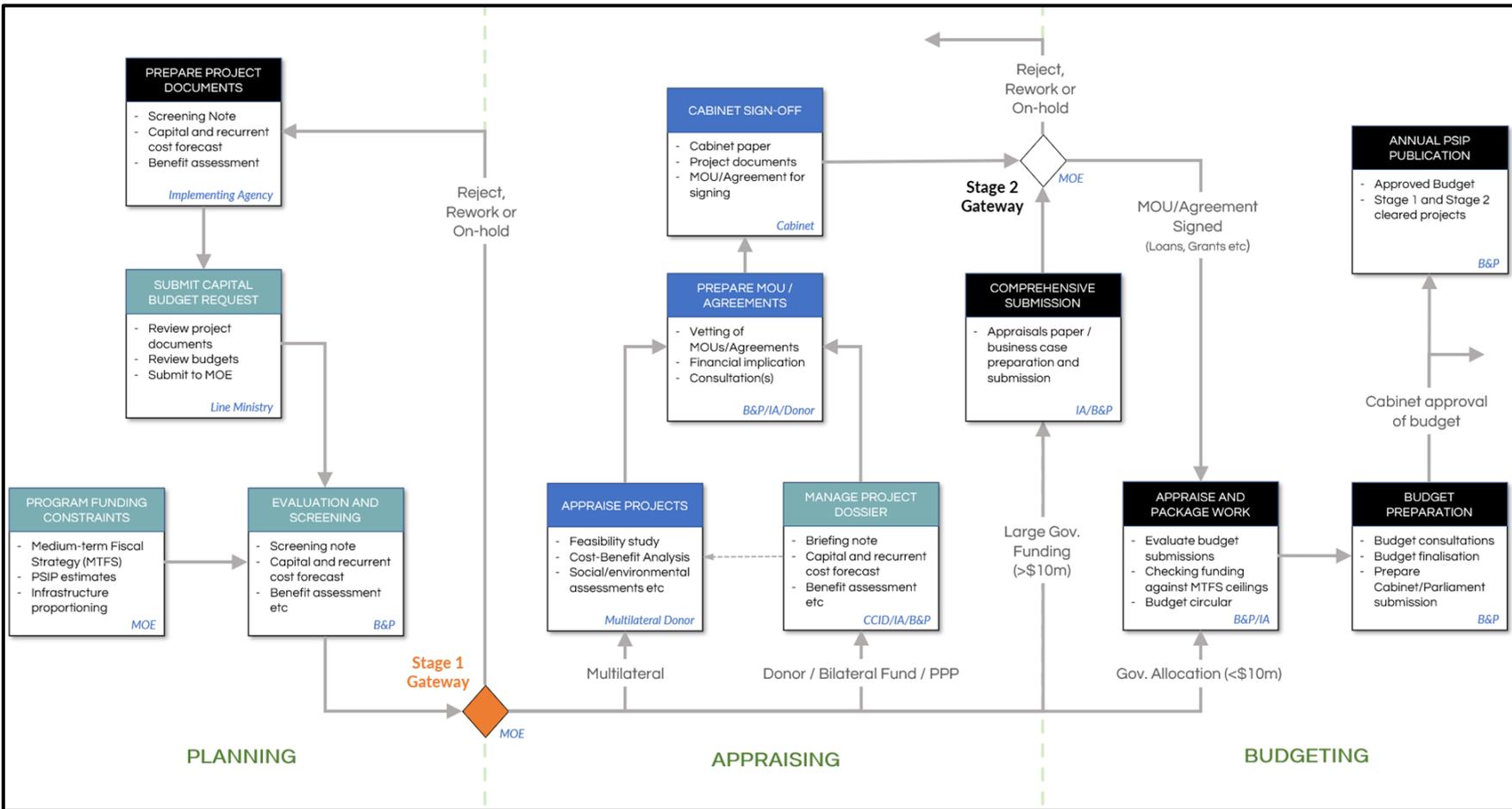
Fiji's National Infrastructure Investment Plan Planning Framework and Process Enhancements

- As part of the NIIP project an early “Mainstreaming Report” was completed to ensure the NIIP would pilot, provide supporting tools, and build on reform initiatives proposed for Fiji’s PSIP processes. The specific recommendations that were adopted and delivered through the NIIP from the Report were as follows:
 - 1) Establish central register of all infrastructure projects.
 - 2) Include capital projects for “On” and “Off” budget entities.
 - 3) Include projects for both domestic budget and external funding.
 - 4) Incorporate priorities set in strategic plans, documents, and policies.
 - 5) Systematic screening and prioritisation of pipeline projects.
 - 6) Introduce prioritisation principles earlier in the development cycle.
 - 7) Ensure on-going financial viability is considered.
 - 8) Support the implementation of medium-term entity funding thresholds.

Process for Compiling NIIP

- The implementation arrangements for the NIIP were as follows:
 - - (i) **NIIP Steering Committee** – a high-level committee, chaired by the Permanent Secretary for the Ministry. The Steering Committee is responsible for the review of recommendations made by the NIIP Task Force prior to the submission of the NIIP to Cabinet; and
 - (ii) **NIIP Working Group** – chaired by the Ministry and comprised of nominated representatives from various other ministries/departments/agencies responsible to facilitate necessary inputs and data, consultation, and review the mainstreaming process and long list of projects.
- As part of the NIIP production process, two multi stakeholder workshops were held:
 - Workshop 1 (17 August 2022) - the primary purpose of this workshop was to review and update the pipeline of projects that had been assembled from interviews and extraction of data from agency lists and plans. The workshop also introduced the framework for prioritising unfunded pipeline projects and guided participants through the use of this framework.
 - Workshop 2 (06 October 2022) - the primary purpose of this workshop was to discuss the outcome from the financial analysis and review the capital construction pipeline, results of the preliminary multi-criteria analysis and prioritisation (MCA) framework analyses, discuss challenges and results and note any follow-up refinements post-workshop.
- The workshops provided an opportunity for participants to understand the importance of infrastructure and why a 10-year horizon of planned investments is needed to provide a longer lead-in time to fund these large projects.

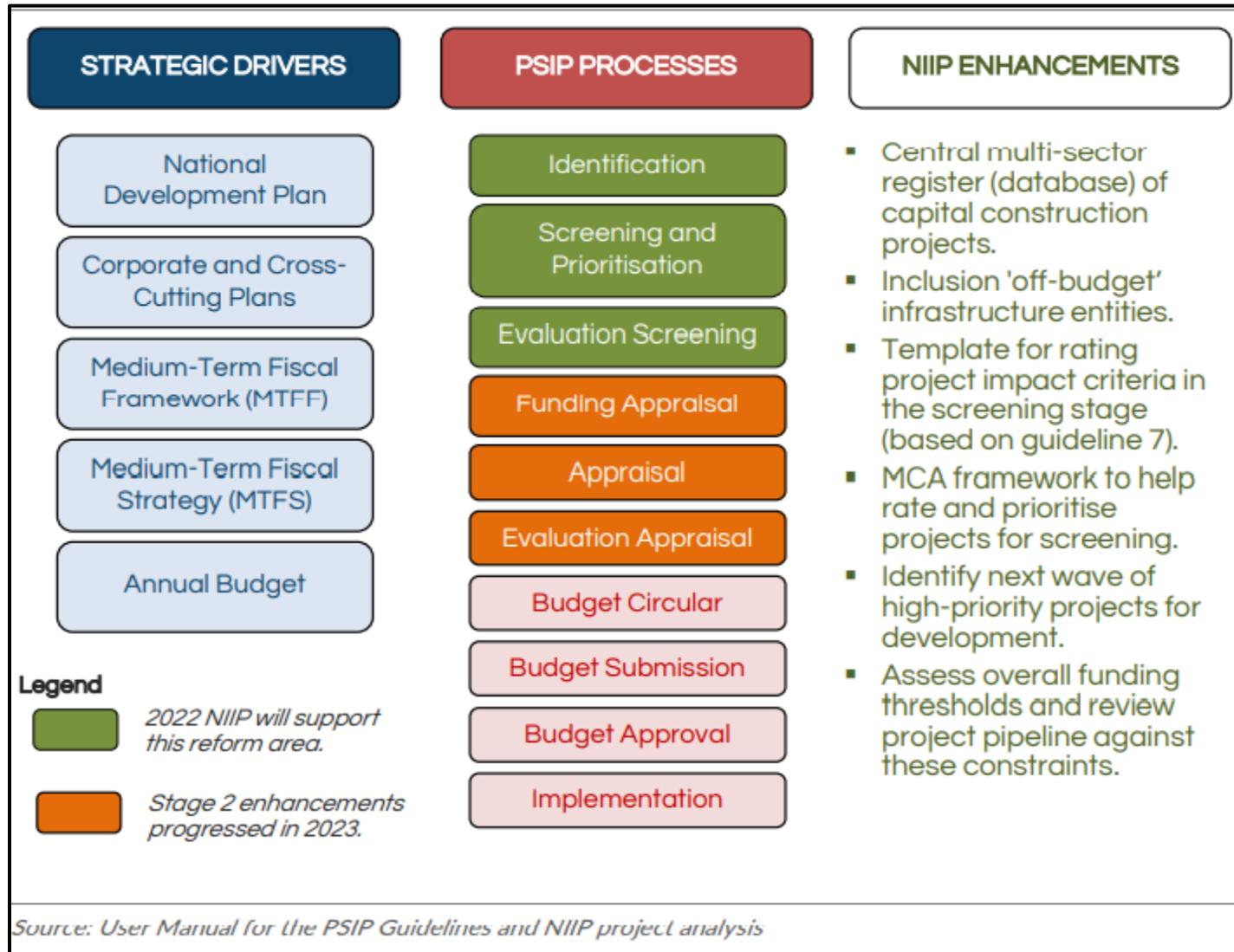
Project Approval Process



Mainstreaming NIIP to Enhance the Public Sector Investment Processes

- The focus areas, have come from multi-stakeholder consultation, evidence gathering and analysis of the current processes and planned reforms.
- NIIP is being mainstreamed into the PSIP reform strategic framework which is based around reforming three pillars: strategic drivers; business processes and publications/outputs.
- Key points for mainstreaming are:
 1. Use of key strategic documents to aid in the identification of capital construction projects and setting the MCA prioritisation criteria.
 2. Piloting and enhancing stage 1 PSIP processes to document capital construction projects, assess their costs and benefits, and screen and prioritise these large capital investments in a way that promotes fiscally responsibility.
 3. Providing additional tools and recommended enhancements to current PIM practices and ensuring these enhancements are incorporated into existing manuals, guidelines, and policy statements.

Mainstreaming NIIP to Enhance the Public Sector Investment Processes



How is Fiji ensuring the integration / linkage between PSIP and NIIP?

- A candidate project for financing is assessed based on the following criteria:
 - Alignment with the NDP
 - Alignment with the Climate Change Policy Priority for the government
 - Project readiness
 - Other consideration such as SDGs and Paris Agreement

Public Sector Investment Programme (PSIP) – based on weighting / projects are ranked

- Economic viability
- Social
- Environment/Climate Change Mitigation/Climate and Disaster Resilience

Improvement Opportunities – Identified by NIIP

1. Development of medium-term strategic and policy priorities
2. Future capacity building in project screening and MCA analysis
3. Further development of briefing notes for the Infrastructure Dossier
4. Formalising the central register (database) of pipeline projects
5. Further development of published pipelines for off-budget entities
6. Enhanced ongoing engagement of development partners

Fiji's National Infrastructure Investment Plan – to be success

- Participatory process used to develop and implement the plan
- Consultation – with ministries / departments / agencies / statutory authorities / private sector / donor agencies / funding agencies
- Management and Coordination
- Commitment and Ownership
- Prioritization – balance projects
- Climate change – adaptation and mitigation
- Costing and Finances
- Results based Monitoring and Evaluation
- Resources
- Capacity and Constraints are addressed
- Policy Environment is considered

Fiji's National Infrastructure Investment Plan – to be **success**

- Fiji is at the forefront of global efforts to strengthen disaster and climate resilience by pursuing resilient infrastructure development.
- Impact of the climate crisis on Fiji's infrastructure development and the progressive actions taken by Fiji to build back better.
- Whole-of-government effort needed to build resilience.
- Mainstreamed adaptation into our national planning, ingraining climate-centric thinking across all aspects of Government decision-making.
- Longer-term, we need systemic reform to our multilateral system that properly values the long-term benefits of resilient infrastructure development.
- NIIP plays an important role in overall infrastructure development and planning – focus on critical and prioritized development.

Next Steps for Implementation – NIIP and PSIP Guidelines

- The Guidelines and the accompanying Manual involve a significant change from current practices. The successful implementation of new procedures will require enhanced knowledge and skills within all key responsible institutions.
- The Ministry has reactivated the Strategic Planning functions per the new Ministerial assignments announced by the Government. This will strengthen the planning functions of the Government.
- By reactivating the Strategic Planning functions within the Ministry, the responsibility for coordinating short, medium and long-term national and sectoral development plans and objectives whilst line ministries and departments will be responsible for the planning and implementation of specific development policies and programmes.
- Implementing the Guidelines and new procedures will enhance capacities for preparing a better quality PSIP and result in value for money (VfM) projects *describing general principles governing good planning, procurement and management*.
- A key principle of VfM analysis is that to judge whether an intervention/ or a project was worthwhile, the money spent on that intervention needs to be assessed alongside what has been delivered (outputs) or achieved (outcomes and impact).
- Thus, the reason for the new guidelines to be implemented with adequate training for staff designing and implementing a programme or project.
- It is intended to develop a stand-alone capacity development plan to support implementation.

Next Steps for Implementation - NIIP and PSIP Guidelines

Cabinet has:

- endorsed the Guidelines for use in the preparation, appraisal and approval of projects under the PSIP, beginning with the nine pilot ministries/entities in the 2024-2025 Budget; and
- endorsed the Ministry of Finance, Strategic Planning, National Development & Statistics as the lead for the implementation of the Guidelines and NIIP.
- Implementation Plan and M&E is currently being finalised.

[MINISTRY OF FINANCE WEBSITE \(economy.gov.fj\)](http://economy.gov.fj)

[Final PSIP Guidelines - 16 February 2023.pdf \(economy.gov.fj\)](http://economy.gov.fj)

<https://theprif.org/document/fiji/national-infrastructure-investment-plans/fiji-national-infrastructure-investment-plan>



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***Thank you!!!!
Questions???***