

THE FOUNDATION FOR DEVELOPMENT COOPERATION



**International Fund for Agricultural Development
Performance-Based Allocation System (PBAS)
Rural Sector Performance Assessment for 5 Pacific Island
Countries**

FIJI ISLANDS

February 2007

List of Acronyms

ALP	Alternative Livelihoods Program of MAFF
ALTA	Agricultural Landlord and Tenant Act
MAFF	Ministry of Agriculture Fisheries and Forests (formerly MASLR)
MASLR	Ministry of Agriculture, Sugar and Land Resettlement (former name for MAFF)
MoE	Ministry of Education
NLTB	Native Land Trust Board
NSDP	National Strategic Development Plan

Fiji Islands

Human Development Index ¹	0.758
HDI rank ¹	90
GNI per capita (US\$ - 2005) ²	3,280
GDP share of agriculture sector (% of GDP)	17%
Total population (2005) ³	848,000
Rural population (% of total population) ³	47%
Population below national poverty line (% of population living with less than \$1 a day):	No data
Prevalence of underweight children under 5 years old (1996-2004) ¹	8%
Income inequality - Gini index	No data
Under 5 mortality rate (2005) ³	18

	Average scores
A. Strengthening the capacity of the rural poor and their organizations	
(i) Policy and legal framework for rural organizations	3.2
(ii) Dialogue between government and rural organizations	3.25
B. Improving equitable access to productive natural resources and technology	
(i) Improving access to land	3.2
(ii) Access to water for agriculture	2.6
(iii) Access to agricultural research and extension services	2.9
C. Increasing access to financial services and markets	
(i) Enabling conditions for rural financial services development	3.5
(ii) Investment climate for rural business	4.1
(iii) Access to agricultural input and produce markets	3.25
D. Gender issues	
(i) Access to education in rural areas	3.9
(ii) Representation	4.0
E. Public resources management and accountability	
(i) Allocation and management of public resources for rural development	3.8
(ii) Accountability, transparency and corruption in rural areas	No info
Total score	3.3

¹ UNDP, *Human Development Report 2006*, United Nations Development Program: New York

² World Bank, *World Dev. Indicators 2006*

³ UNICEF: *State of the World's Children, 2007*

A. Strengthening the capacity of the rural poor and their organizations

A. (i) Policy and legal framework for rural organizations

		5	4	3	2	Score given
A	Government's attitude towards rural organizations	Proactive political and legal support	Certain efforts are made to create conducive conditions but they not very effective	Makes no effort to create the conditions that facilitate rural organizations' development	Opposes efforts of the rural poor to organize themselves	4
B	Rural organizations registering process	Quick and simple	Simple, but lengthy and not automatic	Slow, bureaucratic and costly	rural organizations are not formally allowed to form	3.5
C	Government's interference in the work of RO	No interference	Some interference in certain areas or activities	Strong interference; rural organizations cannot work independently	When rural organizations exist, they have been formed by the government	3.5
D	Extent to which rural organizations are representative of the rural population (including the poor)	RO represent well the economic needs of the rural poor	Various segments of the population are still not able to organize themselves	Rural organizations represent only a minority of the rural population	rural organizations do not represent the rural population	3
E	Rural organizations' role and strength	Well organized rural organizations	Not representative of all segments of the rural populations or lack capacities	Weak rural organizations	Passive role; rural organizations formed by the government itself	3
Combined Score						3.6

(a) Government's attitude towards rural organizations

Fiji's rural organisations consist mainly of farmers groups, landowners groups and resources owners groups. There exists a passive attitude towards rural based organisations, with government engagement not extending much further than beyond recognition of their existence. Public awareness is negligible, except within the major existing interest groups such as the sugar or landowners organizations. More often than not members within specific interest groups are unaware of the levels of operation within these rural based organisations. The government rarely plays a part in actively encouraging the creation and operation of rural organisations. Conversely, rural organisations have minimal, if any, impact on government policy and within the decision-making process.

(b) Registering process

The registering process is the same for all organisations, regardless of their geographic location. As a consequence, they are quite often limited to those major district locations that harbour registration offices. The inadequacy of both staff and facilities is an ongoing issue, but more debilitating than these is the overall efficiency of these offices in processing the applications. Basic steps include having a membership base supported through documentation such as a charter and constitution, and/or managing executives. The time for registration varies from a few weeks to three months, with standard administration fees required.

(c) Government's interference – Rural organizations autonomy

Most rural organisations are member owned and financed and pursue only the interests of these members. Stereotypically, most rural organisations start off with a strong membership base which whittles down in time, and many become ineffective or redundant as their usefulness is fulfilled. Some may remain operational with minimal effect or services rendered to its members.

(d) Rural organizations representativeness

The process of becoming a member of a rural organisation is very much dependent upon the perceived interests of the applicant, with procedures defined by individual organisations. Quite often running committees are elected and there are broader based laws and specific constitution and

charter documents which dictate the activities of these committees. There are no existing legal or bureaucratic constraints preventing women and other disadvantaged farmer groups from joining rural organisations. However, cultural norms and communality could be potential restrictions to joining such groups.

(e) Role and strength of the rural organizations

Most organisations that do have broader membership and well-defined operational structures commonly represent member and rural people's interests. They provide some degree of technical and economic services to their members correspondent with their means, and are also involved in local development. Although some do fulfil their roles quite well, there exist specific capacity gaps, mostly to do with a lack of funding to these farmers groups.

A. (ii) Dialogue between government and rural organizations

		5	4	3	2	Score given
A	Political process for dialogue	Well established at all levels	In place but unstable	Occasional, formalistic and not transparent	No process in place	3
B	Opportunities for exchange with government	Regular	Vary from year to year or from one state/province to another	Very limited	None	3
C	Influence of rural organizations	Their views are taken into account and frequently acted upon	Their influence varies from year to year or from one state/province to another	Very limited. No influence at national level.	No influence	3
D	Representation of rural organizations within executive or advisory government bodies	Good and active	Rural organizations are represented but unevenly throughout the country or from one year to another	Some representation	No representation	4
Combined Score						3.25

(a) Political process for dialogue

A process for engaging rural organisations in dialogue is non-existent or minimal, except in case of cane farmer associations... Political recognition of such organisations also differs from time to time depending on the communal orientation of the government.

(b) Opportunities for exchange with government

There exist numerous opportunities to consult and involve rural organisations in the formulation of national strategies, policy directions and plans of action pertaining to agricultural and rural development. However, rural organisations are rarely if ever consulted in most matters, with the exception being some landowning or resource owning organisations. Any consultation that might happen is limited to information sharing only.

(c) Rural organizations influence

There exists a degree of regionlisation of government structures, decision and resources. However, these are usually not spread evenly, and their effectiveness is still questionable. The flow of information is not is effective as it should be.

Rural organisation, do not constitute a powerful lobby except in case of the cane farmers and landowners groups.

Conflicts are not uncommon between government and rural organisations, often expressing dissatisfaction over the government's inability to devolve enough resources into the rural sector.

(d) Representation of rural organizations within government bodies

Legal provisions do not exist for the permanent representation of rural organisations within government policy-making, except through a fairly ineffective advisory service which is very much influenced by the government of the day. Appointments to the advisory service are politically influenced.

B. Improving equitable access to productive natural resources and technology

B (i) Access to land for the poor

Basic country data

(A) Agricultural land		
Total land area:		18,300 km ²
<i>Number of islands exceeding 0.5 ha:</i>		300
<i>Surface of largest island (Viti Levu):</i>		10,544 km ²
Total area of agricultural land (in ha):		2,900 km ² (16%)
<i>Of which, estimated % irrigated:</i>		12%
Average area grown by small holders (in ha)		Less than 3 ha
Agricultural land distribution:		
Total number of farms		95,400
Small farms (less than 3 ha):		
% of total number of farms		60%
% of agricultural land:		7.3%
Large farms (more than 50 ha):		
% of total number of farms		2%
% of agricultural land:		40%

		5	4	3	2	Score given
A	Access to land for rural poor households	The law guarantees secure, equal and enforceable land rights to all	Generally secure to a majority of rural poor households	A majority of rural poor households have some access but this access is often insecure	No access or insecure access	3
B	Access to land for women, indigenous populations and other vulnerable groups	The law guarantees secure, equal and enforceable land rights to poor men and women.	Generally secure.	Frequently, vulnerable groups do not enjoy the same access as other poor groups	No access or insecure access	3
C	Land tenure	Secure and enforceable land rights. The majority of land holdings are titled or registered.	Land titling or registration is common.	Owned land is sometimes registered; leased and rented land is mainly unregistered or leases are out-of-date	Property rights are not formally recognized by laws (or the laws are not applied) or are subject to easy termination or diminution.	4
D	Formal land markets	Function effectively	Function to some degree. Are used by some poor rural men and women.	Functioning to some degree but largely inaccessible to the rural poor	Not accessible to the rural poor. Informal markets are either absent or limited in scope	3
E	Regulation for the allocation and management of common property resources	Clear and equitable	Concrete efforts to improve the regulation are currently made by the government	Vague, unclear and largely unimplemented	No regulation; open access to common property resources	No data
Combined score:						3.2

(a) Access to land

Land in Fiji can be categorised into three main categories: freehold land (9%); state land (3%) and native land (88%). Land tenure and access to land is identified as one of the most controversial and intractable problems facing Fiji. Some 88% of the land is controlled by indigenous people under "customary" communal tenure by land-owning groups. The largest portion of land under commercial agriculture is leased in the sugar cane areas, mainly operated by Indian farmers. It is administered under the Agricultural Landlord and Tenant Act (ALTA). However, the leases for these began expiring in 1998. The uncertainty of leasehold and tenure is identified as a major contributing factor to increasing agricultural land degradation over the last decade or so.

There is also an inequitable distribution of land ownership across all forms of land tenure (31% of large farms are freehold). According to a recent census, more than 60% of farms are sized at less than 3 ha and account for only 7.3% of agricultural land. In contrast, 2% of farms are 50 ha or more in size and account for almost 40% of all farmland in Fiji. With respect to land owned by indigenous people, there is no rational relationship between the number of cultivators in any one land-holding unit and the total amount of land available to them.

(b) Access to land for women, indigenous populations and other vulnerable groups

According to a recent study on Hindu women in the western division of Fiji, land and property ownership in Fiji is still mostly held by men, while rural Indo-Fijian women continue to labour in the farms, have little say in family decision-making, and are mostly unaware that they have equal legal rights to men under the 1997 constitution. Therefore, most ownership and lease titles remain the property of men, while titles are only transferred to women when they become widowed.

(c) Land tenure

The National Land Trust Board (NLTB), as trustee, is the legal owner of all native land in Fiji. Native owners are not recognized as legal owners. The NLTB has some 29,000 leases, while the Director of Land has about 18,100 leases.

The fear of non-renewal of leases poses a major threat to the tenants, who have no other way of obtaining land. This has resulted in high amounts of goodwill payments being asked for by the landlords for the renewal of leases and a better rental.

There are still no mechanisms in place for the automatic renewal of leases.

(d) Land markets

The land ownership pattern in Fiji was frozen in 1909, with sales of land prohibited since then. If the land, which is administered by National Land Trust Board (NLTB), cannot be sold, some of it can be leased to non-indigenous residents.

Some 90% of the productive Fiji land is being held by indigenous Fijians rather than being in the open market as in other forms of tenure.

(e) Common property resources

No information.

B (ii) Access to water for agriculture

Water resources		
Total (actual) renewable water resources (in cubic km):		29 km ³
Per capita Internal Renewable Water Resources (cubic meter)		34,330 m ³
Water withdrawals		
Withdrawals per capita:		42 m ³
Of which, agricultural water withdrawal:		60%
Of which, industrial water withdrawal:		20%
Of which, domestic water withdrawal:		20%
(C) Water User Associations		
Estimated number of Water User Associations:		Nil
Number of Water User Associations Federations:		Nil
Estimated number of Water User Associations' members:		Nil
Of which, estimated number of women members:		Nil

		5	4	3	2	Score given
A	Government strategy for water resources management	Clear and equitable	In place. Provides an integrated framework for equitable water resources allocation.	May be in place but is not used effectively for the allocation of water resources	Does not exist or does not adequately recognize the importance of agricultural water. Does not highlight the need for an equitable allocation or water resources for agriculture	3
B	Government pursuit of the water resources management strategy	Active	Has made major efforts to improve the management and allocation of water resources for rural poverty reduction	The strategy is not used effectively to manage the allocation of water resources.	The strategy is largely ignored	3
C	Policy on participatory irrigation development and management	Clear and equitable	Clear and transparent	Vague and non transparent.	No policy in place	3
D	Establishment of representative agricultural water user institutions	Appropriate legal framework in place	Established but do not all function well	Some water user institutions in existence. Legal recognition.	Water user institutions either do not exist or do not have legal recognition. When they exist, they do not adequately provide for representation of the rural poor.	2
E	Government's support to farmer-managed irrigation schemes	Full and active support	Full support	Some support, but vague and unfocused	No support	3
F	Rural women representation in water user institutions	Proportional to men	High percentage, but proportionately less than men	Women are under-represented	Women are rarely represented and particularly discriminated against in terms of access to irrigation water.	No data
G	Pricing system for agricultural water use	Clear and equitable	Equitable. Covers the costs of operation and maintenance	May exist, but is either inequitable or inadequate to cover the costs of operation and maintenance	No pricing policy for the supply of agricultural water to the rural poor	2
Combined score:						2.6

(a) Government strategy for water resources management

Fiji has the largest water system in the Pacific Islands relative to size, but this is a legacy from when Fiji was a British colony. The system has deteriorated steadily since Fiji became independent and this is now a major impediment to future tourism development. Between 1991 and 1995, for example, the amount of water lost through broken pipes, leaks, and clandestine connections increased from 36% to 43%.

A number of policies have been formulated, such as the Strategic Planning and Management of Water Resources (2002), the Water Supply Act, Master Plans for Regional Water Supplies. A National Water Policy is still in its formulation stage.

(b) Government pursuit of the water resources management strategy.

No information specific to Fiji was found. The following are findings of a study on the situation of the Pacific islands with regard to the national policy on water resources management. They may, or may not, apply to Fiji.

- Most countries lacked a national water policy within the framework of and consistent with the overall economic and development plans of the country.
- Most countries lacked adequate institutional arrangements to ensure that the development and management of water resources took place in the context of national planning. There was poor co-ordination among all bodies responsible for the investigation, development and management of water resources.
- Comprehensive water legislation providing guidance on a coordinated approach to water resources development was lacking.

(c) Policy of participatory irrigation management

While there have been some examples of state-supported participatory irrigation schemes in the past, these have generally been unsuccessful. Currently there is a National Water Strategy and Water Resources Management Framework under which some irrigation schemes fall, but most of these are state funded and managed with minimal farmer participation.

(d) Establishment of representative agricultural water user institutions

There are no known agricultural water user institutions, and the National framework has not considered promotion of such associations.

(e) Government support to farmer-managed irrigation schemes

Government support to farmer-managed irrigation schemes is currently negligible. However, the Land and Water Resource Management Division of the Ministry of Agriculture has embarked on several projects that are mainly to do with flood mitigation and drought retention, with the added benefits of irrigated agriculture for areas where these retention dams are built. Some projects have been commissioned for this purpose, but very little benefit has been seen as of yet.

(f) Rural women representation in water use institutions

No information

(g) Pricing systems

Following are some of the identified weaknesses of the agricultural water sector in Fiji:

- Data on the economic value of water provided to various clients, industry, residents, agriculture and recreation is not available.
- No charging mechanisms which reflect the true cost of developed water are in place.
- There are no proper billing procedures to properly account for water usage.
- Customer service has to be improved to be in line with the increased costs for services provided.

B (iii) Access to agricultural research and extension services

Basic sector data

Farmers' population:	
Estimated number of farmers in the country:	95,400
<i>Of which, estimated number of poor farmers:</i>	60%
<i>Of which, estimated number of women farmers:</i>	22%
Agricultural research	
Number of institutions carrying out agricultural research:	
Government	Yes
Farmers' Associations	Yes
Private/commercial	Yes
NGO/CSO	Yes
Total number of researchers:	
Established researchers:	98
Research staff:	116
Annual agricultural research budget	
F\$ 3-4 million	

		5	4	3	2	Score given
A	Development of pluralistic research and extension services	Government supports direct demand-led, pluralistic approaches	Encouraged by government	No coherent policy and only sporadic government support	Exclusive preserve of the government	3
B	Priority setting for agricultural research and extension and control of funds for agriculture research and extension	Local farmer organizations are involved	Major efforts made by public agricultural research and extension to improve the participation of poor farmers	Some efforts made to improve the participation of poor farmers but it is far from being appropriate to meet their needs	Poor farmers have no say	3
C	Extension service system	Effective and properly reaching out to poor farmers	Has been improved; trying to extend its outreach to poor farmers	Weak; does not address the needs of poor farmers	Biased towards richer farmers' crops and does not work for poor farmers. Poor farmers do not interact much with extension agents	3.5
D	Women farmers access to extension services	Specific policies, strategies and mechanisms are in place to ensure it	Some policies are in place to ensure it	No strategies or mechanisms in place to ensure it	No strategy, policy or mechanisms to address gender gaps.	2
Combined score:						2.875

(a) Pluralistic research and extension services

The Ministry of Agriculture is responsible for all crop and livestock development, with an emphasis on the crops of economic importance to the country. The exception to this is the case of sugar cane, which is serviced by the Fiji Sugar Corporation.

Industrial actors, NGOs, donors and others play an important but generally secondary role in providing extension services in Fiji. Private sector companies, such as the Fiji Sugar Corporation or Fiji Pine Limited, provide commodity-based extension services through one-to-one communication and group meeting approaches. Other private companies are involved in the provision of agro-inputs to farmers as well as purchasing farm produce for export. These companies also provide

extension services, but informally as consideration is given to their main objective of selling agro-inputs.

Several farmers' associations also exist in Fiji, however, with the exception of two, these have very little involvement in extension services as they are pressure groups lobbying for changes in policy. The two exceptions, Rewa Dairy Cooperatives and the Fiji Ginger Council, provide farm advisory services to their farmers.

(b) Priority setting for agricultural research and extension

According to a national review conducted by the Ministry of Agriculture, Sugar and Land Resettlement (MASLR), the following are some of the shortcomings of the extension and research system in Fiji.

- The research planning process needs wider consultation with all the relevant stakeholders;
- Research and extension linkages with other stakeholders, including farmers, should be strengthened.

However, it seems that the recommendations formulated after the completion of this review have not been followed up.

(c) Extension service system

The Research Division of the Ministry of Agriculture, Fisheries and Forests is committed to the provision of high quality and relevant applied agricultural research and support services and the dissemination of research findings.

The MASLR is currently reviewing its management structure. One of the key objectives it will pursue in the coming years is to decentralize in order to facilitate prompt decision-making process on service delivery. The rationale is that, for a customer-focused organization, it is essential that decisions are made nearest to where the services are delivered. The responsibility for managing agricultural service delivery will be delegated to the various strategic functional units identified.

Before 1987, research stations enjoyed a strong reputation. However since then many qualified staff have left and the stations' contribution has declined.

(d) Women farmers access to extension services

There exists no specific policies, strategies and mechanisms to ensure women farmers access to extension services, as all farmers are not pooled according to gender, and assistance provided as requested or as per extension schedule. Fiji's extension services are predominantly male-staffed. Very few female extension staff are employed, and of those employed most work in offices, and are consequently seldom, if ever, in the field. There is no current program to sensitize male extension agents to gender issues.

No data is available to quantify whether or not there is an adequate match between the needs of women farmers and availability of extension services. No specific areas/topics are earmarked within existing services as special areas of interest in regards to women farmers.

C. Access to Financial Services and Markets

C. i) Enabling conditions for rural financial services development

		5	4	3	2	Score given
A	Role of financial services in the rural development process	Government development plans fully recognize the important role of financial services and provide appropriate and practical policy direction.	Government development plans (including PRSP) recognize the importance of a well-functioning rural finance sub-sector	Government development plans make general supportive comments on the importance of rural finance, but these are not operationalized into practical policies and guidelines.	Their role is not adequately recognized in government policies (including PRSPs)	3
B	Provision of rural finance services	Mainly by private sector operators	Government direct participation in rural finance operations is reducing steadily. The goal is for a provision mainly by private sector operators.	Financial-sector liberalization has advanced but the government still plays a significant role for publicly owned rural banks and credit schemes	Government has made no effort to liberalize and commercialize the rural financial market.	4
C	Legal framework for the promotion and regulation of rural finance	Appropriate framework to promote and regulate rural savings and credit cooperatives, MFIs and other community-based operators	The central bank and finance operators cooperate actively to establish a legal framework for semi-formal and informal rural finance operations covering both savings and credit activities	A legal framework for the registration, regulation and supervision of the member-owned and locally-based financial institutions is inexistent	The role of cooperatives, microfinance institutions and community-based service providers is ignored	No data
D	Inspection and supervision arrangements covering rural non-bank financial operators	Effective arrangements covering rural finance activities are becoming operational	The central bank developing own capacity and supports alternative arrangements.	Appropriate arrangements missing	Inspection and supervision ignored	No data
Combined Score						3.5

(a) Role of financial services in the rural development process

The government has no established national strategy for the development of rural financial schemes, except in the form of the fully commercialized Fiji Development Bank. This bank provides some assistance in the form of loans to the rural sector, but these loans are subject to the same or similar conditions as those provided by the major commercial banks.

(b) Provision of rural financial services

While broadly supportive of private sector engagement in the provision of financial services, there is no established strategy for liberalisation or privatisation in the rural financial market. There is no restriction on the number of publicly owned banks, or any indication towards the reduction of these.

According to the UNDP⁴, some 340,000 of Fiji's population of 825,000 remain "unbanked" – and a majority of these live in rural areas. As in most of the Pacific, rural microfinance is still in its infancy in Fiji. Government has provided specific support to microfinance through the Microfinance Unit located within the National Centre for Small and Microenterprise Development, a statutory agency. This unit helps develop the capacity of microfinance institutions in both urban and rural areas and contributes to their operating costs – however there are no large MFIs, and few of these even approach sustainability. Credit Unions have also played a significant role in the provision of financial services, but their strength is mixed. In the last few years, ANZ bank, a commercial bank, has initiated a mobile banking service which primarily targets savings services, and currently serves over 150 villages. In partnership with UNDP, it also offers financial literacy training. The service has been much more successful than expected. By January 2006, after 15 months of operations, ANZ Fiji opened 52,000 new savings accounts.

⁴ Liew, J. 2006. *Banking the Unbanked in Fiji: the ANZ and UNDP Partnership*, paper prepared for the ADB Regional Conference on Expanding the Frontiers of Commercial Microfinance 14 – 15 March 2005, ADB Auditorium, Manila, Philippines

(c) Legal framework for the promotion and regulation of rural financial services

No information.

(d) Inspection and supervision of providers of rural financial services

No information.

C. (ii) Investment climate for rural business

		5	4	3	2	Score given
A	Private rural business sector development	Government has made major efforts to encourage private traders to open a business, and to support the development of SMEs	Government is making efforts to encourage private traders to open a business, and to support the development of SMEs, but more needs to be done	Government efforts to encourage private traders to open a business, and to support the development of SMEs are weak	The policy and institutional framework effectively discourages the emergence of rural private business with legal status	4
B	Development of liberalised and private-sector-led markets	Government has made major efforts to encourage the development of liberalized markets	Government is making efforts to encourage the development of liberalized markets, but more needs to be done	Government efforts to encourage the development of liberalized markets are weak	The policy and institutional framework effectively discourages the development of liberalized markets	3.5
C	Procedures for registering a SME or private trading business	Procedures are fast, simple and transparent and do not involve bribing of government officials	Procedures are not very quick, simple or transparent and occasionally involve bribing of government officials	Procedures are slow, complicated and costly and often involve bribing of government officials	Procedures are extremely slow, bureaucratic and costly. Applications are often turned down and bribing of government officials is necessary.	4.5
D	Laws and regulations for proper and efficient development of liberalized and private-sector-led markets	Necessary laws and regulations have been adopted and most are properly enforced	Most necessary laws and regulations have been adopted, but some are not properly enforced and commercial courts are slow and bureaucratic	Many necessary laws and regulations do not exist, or, when they do exist, are often not enforced	Most necessary laws and regulations do not exist, or, when they do exist, are not enforced	4.5

Combined Score = 4.1

a) **Private rural business sector development**

Business activity in rural areas is primarily driven by the private sector, with concentrated markets. There are no market reservations for government owned or licensed companies. There are movements, through the Ministry of Agriculture's, Alternate Livelihood Programme (ALP) towards encouraging farmers to divest from the agricultural sector, with markets sought by the ministry.

(b) **Development of liberalized and private-sector-led markets**

There are no major price controls or subsidy schemes in operation in rural markets.

(c) **Procedures for registering a SME or private trading business**

Registering for an SME can be an arduous process spanning three separate departments for registration and taxation and may take anywhere between 2 weeks to 3 months. Although the process is quite simple, the efficiency of the departments involved in the exercise leaves much to be desired. The actual fees for registration of SME's are quite modest; there is no evidence of extensive bribery of officials to facilitate the registration process.

(d) **Laws and regulations for proper and efficient development of liberalized and private-sector-led markets**

As defined by the National Small and Medium Business Enterprise Unit, the regulations governing business activities are characterised as simple, consistent and transparent. Compliance is also not a major obstacle, except in the case of providing the proper taxation records. Current laws ensure security and provide ample clarity of property rights. The courts handling of business disputes can be prolonged by delays resulting from a back-log of cases; but once made, court rulings are properly enforced.

In terms of the general business climate, Fiji rates well on the World Bank's "Ease of Doing Business" indicator, with an overall ranking of 31 out of 175 countries listed – the highest ranking in the Pacific, and the fifth highest of any developing country.

C (iii) Access to agricultural input and produce markets

Basic sector data

Consumption of mineral fertilizers per ha of agricultural land:	26,300
Number of agricultural tractors in use:	7,000
Number of private traders in input/produce with national coverage:	No Info
Number of CSOs trading in input/produce (Apex organizations):	No Info

	5	4	3	2	Score given
A Market liberalization	Government has substantially liberalized markets. Markets operate basically free of market distorting government control	Significant efforts by government to liberalize markets. Market distorting monopolies, subsidies and quotas reduced	Efforts to liberalize markets made by government, but to a limited extent	No efforts made to liberalize agricultural markets. Government controls most or all input and produce markets	3.5
B Private sector role in agricultural input and produce markets	Wide diversity of capable market service providers.	Markets mainly commercially based or in private sector hands	The private sector plays a role, but government intervenes as a monopolistic buyer and through subsidies, taxes, price bands or quotas	Mostly a government monopoly, often at fixed prices. Government policies do not seek to promote the emergence of private-sector-led markets	3.5
C Market access roads	Government has a major programme to develop and rehabilitate market access roads	Government is investing in the development and rehabilitation of market access roads	Government is not investing sufficiently (relative to its capacity) in constructing or rehabilitating market access roads	Government programme places little emphasis on the construction and rehabilitation of market access roads	3
D Capacity of poor rural producers to access markets	Well defined and adequately financed programme to support easy and equitable access of the rural poor to markets	Some efforts are made by government to support easy and equitable access of the poor rural producers to markets	Little or nothing is done by government to support the capacity of poor rural producers to access markets	Government does not support the capacity of the poor to organize for improved market access	3
Combined score:					3.25

(a) Market liberalization

The Fijian economy is subject to some over-regulation and protectionism. This is partly a legacy of colonial rule, but it is also sustained by a large public sector with vested commercial interests of public enterprises. A more open and competitive investment and trade, as well as a more balanced and predictable regulatory environment, needs to be created. The Commerce Act of 1998 was enacted to improve the regulatory environment.

Government is reversing prior efforts to privatise public enterprises stressing the need for improved commercial operations of existing entities.

(b) Private sector role in agricultural input and produce markets

Since 1987, the Government has been liberalizing agricultural markets, phasing-out agricultural subsidies and narrowing public-sector interventions in marketing and distribution. Domestic price control, however, exists for almost all the main food commodities. High rates of trade protection are in force for rice, dairy products and tinned fish. Moreover, Government is involved in processing and marketing many commodities (sugarcane, coconut, fish, rice, etc.).

(c) Market access roads

Durable and cost-effective efforts to improve agricultural marketing would require better farm-to-market transport (roads, jetties, small wharves) and the elimination of regulatory disincentives to the efficient provision of commercial transportation services. More efforts are needed to improve the transport links from villages to secondary roads and to rehabilitate dilapidated small-scale ports and jetties.

(d) Capacity of poor rural producers to access markets

Although the new government's policies are yet to be fully developed, early policy statements stress the need to improve rural infrastructure, including roads, and other public services in support of the agriculture sector and rural development.

D. Gender Issues

D. (i) Access to education in rural areas

Basic sector data

Education spending:	
Public expenditure on education (% of GNP)	21% (2005)
Expenditure per student (% of GNI) in primary school	8.7 % (2005)
Expenditure per student (% of GNI) in secondary school	7.9 % (2005)
Participation in education: (UNICEF: State of Worlds Children 2007)	
Net enrollment rate (% of age group):	
Primary education:	97 %
Secondary education:	92 %
Female-to-male ratio of net primary school enrolment:	0.99
Female-to-male ratio of net secondary school enrolment:	1.06
Children out of school rate (% of age group): (MoE, 2005)	
Male:	19.4 %
Female:	11.6 %

		5	4	3	2	Score given
A	Policy framework for boys and girls' equal participation in primary and secondary education	Specific government policy in place, with accompanying strategies, mechanisms and incentives	Specific policy in place, with some accompanying strategies, mechanisms and incentives	A stated policy in place, but few strategies, mechanisms and incentives to ensure its implementation	No policy in place. No strategies, mechanisms and incentives to ensure equal participation	3.5
B	Campaigns for girls' education	Active government campaigns	Some information campaigns on the importance of girls' education undertaken	Public campaigns either non-existent or sporadic	No public campaign on girls' education	3.5
C	Primary and secondary school enrolment	Equal for boys and girls	Female-to male ratio of net primary school enrolment is between 90% and 100%; but less than 70% for secondary education	Female- to-male ratio of net primary school enrolment is over 70% but less than 90%	Female-to-male ratio of net primary school enrolment in less than 70%	4.8
Combined score:						3.9

(a) Policy framework

Education is not compulsory in Fiji, but the government provides free education for the first eight years of schooling. Most schools are operated with substantial involvement by local communities. Almost all children attend school and the gap in literacy rates in the country reflects the fact that this was not always the case.

(b) Campaigns for girls' education

There are no known public campaigns for girl's education, but there are no restrictions on girl's education in either primary or secondary levels. Any minimal restrictions is either cultural, and more often related to poverty levels, as girls are more likely to refrain from attending school in such situations.

(c) Primary and secondary school enrolment

On the issue of access and participation of girls in education, the Fiji Islands Education Commission had pointed, in 2000, to an increase of 19.8% in primary schools and a 405% increase in secondary schools between 1970 and 1999. Enrolment ratios for girls and boys are roughly equal, with girl's participation in secondary education exceeding that of boys. Nevertheless access to education for girls in remote rural areas requires improvement.⁵

⁵ ADB. 2006. *Republic of the Fiji Islands: Country Gender Assessment* Asian Development Bank: Phillipines.

D (ii) Women representation

Basic sector data

Year women received right to vote:	1963
Seats in parliament:	
Seats in parliament held by women (as % of total)	10 %
Women members of Senate:	3 (out of 32)
Women in government at ministerial level (as % of total):	20.7%
Labor force:	
Total labor force (in millions):	341,700
Of which, male labor force (in millions and % of total):	231,800 (67%)
Of which, female labor force (in millions and % of total):	109,900 (33 %)
Employment in agriculture:	
Male (in millions and % of total male labor force):	1,513 (0.7%)
Female (in millions and % of female labor force):	263 (0.2%)
Literacy rate:	
Global literacy rate for adults (%):	93.7
Male literacy rate (%):	95.5
Female literacy rate (%):	91.9
Ministry of Women Affairs:	
Total yearly budget (in thousands US\$ and as a % of total budget):	USD12.8 mil (15.7%)

		5	4	3	2	Score given
A	Women right to vote and be elected	Allowed by legislation	Allowed by legislation to vote but limitations on the right to be elected	Allowed by legislation to vote but not to be elected	Not allowed by legislation	5
B	Government policies and institutional mechanisms to address gender gaps in local decision-making	In place. Government actively campaign to promote women representation	Some policies and institutional mechanisms in place, but public awareness-building is limited	Some policies adopted by government, but no strong strategy and no institutional framework or enforcement mechanism to address gender gap	No policy, institutional framework or information campaign to address gender gaps in representation and local decision-making	4
C	Mechanisms for rural women's participation in rural organizations	Rural organizations are non-discriminatory. Mechanisms are in place to support rural women's participation.	Rural organizations are non-discriminatory. Some attempts to remove barriers of entry for women.	No legal or statutory discrimination, but barriers of entry limit women's representation. Government is not opposed, but makes no effort to encourage women's representation	Women are de jure or de facto excluded from rural organizations. Government does not support women's representation in rural organizations	No data
D	Women's participation in rural organizations	Broad women's participation. Women have often leadership positions	Broad women participation	Limited.	Minimal. Most rural organization are made up of men.	No data
Combined score:						4.5

(a) Women's right to vote and be elected

Women have had the right to vote and be elected since 1963. In the last general elections, 26 of the 353 candidates were women and 5 were elected.

(b) Government policies to address gender gaps in local decision-making

In 1996, a study revealed that 25% of households lived below the poverty line, with single-headed households accounting for 20% of the poor. To address this problem, among other measures, the Government has established a Ministry for Women, Social Welfare and Poverty Alleviation, which has facilitated the integration of the central dimension of gender to social welfare and poverty reduction. A National Women's Advisory Counsel had also been established to promote gender

equality and implement the Women's Action Plan. A specific provision on gender equality included in the Constitution of 1997.

Some efforts by civil society and NGOs to advocate and lobby for women's strategic and practical needs were government-subsidized, and complemented the government's efforts in the areas of women in politics, women in the media, and regards legal reforms. A Social Justice Act was passed in 2001 which required Parliament to make provision for a framework for decisions on policy and legislation for affirmative action.

(c) Mechanisms for women's participation in rural organizations

No information.

(d) Actual women participation in rural organizations

No information.

E . Public Resources Management and Accountability

		5	4	3	2	Score given
A	National development plans (or PRSP) and budget document	Emphasize the important role that the agricultural and rural development sector plays in poverty reduction and economic growth	Emphasize the important role that the agricultural and rural development sector plays in poverty reduction and economic growth	Some emphasis given to agriculture and rural development	Little emphasis given to agriculture and rural development	3
B	Sector policies	Consistent with the above analysis. Advocate an appropriate approach for reducing rural poverty and promoting broad-based growth	Not always consistent with the above analysis	Do not provide a strong basis for reducing rural poverty and promoting broad-based growth	Not appropriate as a basis for reducing rural poverty and promoting broad-based growth	4
C	Budgetary allocations to the agricultural and rural sector	Transparent, adequate and consistent with the policy framework	Not always consistent with the above analysis	Inadequate	Insufficient	4
D	Funds allocation to the sector	Promptly made available to the relevant ministries and agencies	May be subject to delays	Allocated funds do not conform to the allocations or are subject to significant delays.	Allocated funds are significantly less than the allocations. Made available too late to be used effectively.	No data
E	Funds allocation to the lower levels of government	Funds do reach the lower levels of government	Funds do reach the lower levels of government	Not all the resources reach the lower levels of government, although an adequate proportion is envisaged	Allocations are heavily centralized at the upper levels of government. The few resources allocated to the lower levels do not reach there.	No data
F	Financial management	Satisfactory. Financial or audit reports are prepared regularly and on time.	Broadly adequate, although the preparation of financial or audit reports may be delayed	Weak; financial and audit reports are prepared late	Very weak; financial reports are of low quality and are prepared irregularly and late; substantial delays in the preparation of audit reports	4
Combined score:						4

(a) National development plans (or Poverty Reduction Strategy Plan)

Until recently, the government's main program of poverty alleviation was the Family Assistance Scheme, or the "destitute allowance". In 1991, the government set up a Poverty Task Force to establish the extent, nature and determining factors of poverty. A broader strategy for improving the living standards of other low-income groups was articulated by the government. A government policy statement in 1993 entitled 'Opportunities for Growth' summarised its strategy for reducing poverty as:

- (i) Providing income-earning opportunities;
- (ii) Ensuring that the poor have the means to take advantage of job opportunities;
- (iii) Providing a safety net for those who continue to experience severe deprivation.

More recently, the Fiji government has recognized the need to address poverty and established a Poverty Alleviation Program.

A National Strategic Development Plan (2003-2005) was approved in 2002, after a wide consultative process. A National Economic Development Council was established in 2003 to monitor its implementation.

(b) Sector policies

Up until the recent coup, government's policies were yet to be more fully developed. Early policy statements stressed the need to improve rural infrastructure, including roads, and other public services in support of the agriculture sector and rural development.

The Ministry of Agriculture, Sugar and Land Resettlement (MASLR) is responsible for the provision of services to farmers. The current policy is outlined in the *Fiji Agriculture Sector Review* (1996). The MASLR is currently developing a new Corporate Plan for the short, medium and long term which will aim at facilitating agricultural production for selected crops and livestock commodities

through infrastructure development in partnership with the private sector. The main objectives are: (a) To provide regulatory oversight to orderly development; (b) To promote private sector growth; and (c) To promote long term sustainable practices.

Fiji's heavy dependence on the sugar industry has led the government to promote diversification. However, such efforts have mostly been unsuccessful, due partly to the continued profitability of sugar cane and weaknesses in the agricultural research and extension systems that have held back development of other sustainable crop production systems.

(c) Budgetary allocations to the agricultural and rural sector

In 2007 the budgetary allocation for 'Rural Development and Outer Island Development' is FJ\$116.89 million, up from FJ\$91.27 in 2006. The sectors included under the banner of rural development are diverse. As well as agriculture, 'Rural Development and Outer Island Development' also includes budgeting for the fisheries and forests, provincial development, multi ethnic affairs, health, land and mineral development, tourism, infrastructure, and transport.

Activities budgeted specifically within the agricultural sector include grants to training programmes for women and youth in agricultural activities, agricultural and livestock extension services, irrigation and watershed management, and programmes to improve marketing and market access. This amounts to a total of FJ\$ 9.6 million.⁶

The budget allocation for extension services in 2007 had been reduced from that of 2006.

A further FJ\$11.8 million is allocated to 'Poverty Alleviation Projects', which includes money for farm improvement and land resettlement and microfinance.⁷

(d) Actual funds' allocations to the rural sector

No information.

(e) Funds' allocations to the lower levels of government

No information.

(f) Financial management

The Public Finance Management Act, promulgated in early 1999, provides for a revised government financial management system. The Act is a highly significant development which aims at increasing efficiency and accountability. A new system will be introduced under the Act which will focus on performance-based public sector management. This includes switching from input to output-based budgeting and the introduction of accrual rather than cash accounting throughout the Government.

⁶ Government of Fiji. 2006 *Economic and Fiscal Update: Supplement to the 2007 Budget Address, 'Partnership for Sustained Growth'*. Ministry of Finance and Planning: Suva.

⁷ *ibid*

E (ii) Accountability, transparency and corruption in rural areas

		5	4	3	2	Score given
A	Decentralization of administrative and fiscal authority	Full decentralization to the local level	Much has been done but some key sectors may be still dominated by central decision-making	A policy of decentralizing limited administrative authority to the local level exists	No effective policy in place	No info
B	Institutional reforms and safeguards necessary to enhance transparency and accountability and to eliminate local corruption	In place	In place	Do not accompany the policy on decentralization		4
C	Local-level rural development services	Adequately staffed and funded according to local priorities	Staffed and funded according to local as well as central priorities	Staffed and funded according to centrally determined priorities	Inadequately staffed and funded	No info
D	Attitude of locally elected representatives vis à vis their constituency	Responsive and accountable	Often responsive and relatively accountable	Rarely responsive and accountable	Unresponsive and unaccountable. Local elections have not been held or in a manner that offers little or no democratic choice to voters	No info
E	Participation of rural poor in the planning of local development activities	Active	Some participation	Little participation	No participation. Rural poor perceive local government as a barrier to their progress.	No info
F	Resources budgeted for local development activities	Used exclusively for these activities	Not always used for these activities	May be diverted for private gain by public officials	Often diverted for private gain by public officials or local elites	No info
G	Benefits of local development activities	Accrue to rural poor people	May not always accrue to the rural poor	Accrue almost exclusively to local elites		No info
H	Obligation by rural poor to pay bribes in order to access services or seek fair application of laws	Not necessary	Rarely necessary	Often necessary	Systematic	No info
I	Sanctions against government officials who demand or accept bribes	Systematically sanctioned	Not always sanctioned	Rarely sanctioned	Not sanctioned	No info

(a) Decentralization of administrative and fiscal authority

No information.

(b) Institutional mechanisms for enhanced transparency and accountability

The Government is firm in its commitment to improved governance, accountability and transparency in contrast to earlier weaknesses.

However, the recent coup in Fiji has placed even more of a question mark over the integrity of the Fijian political, legal and military system. This is especially in light of the fact that Transparency International's last National Integrity Systems report for Fiji in 2001⁸ raised significant questions over the independence of these institutions and the civil service, as well as the capacity to investigate and prosecute cases against corruption and

(c) Local rural development services

No information.

(d) Attitude of locally elected representatives

No information.

(e) Participation of rural poor in local planning

⁸ Transparency International. 2001. *National Integrity Systems Country Report: Fiji*. available at <http://www.transparencyfiji.org/docs/nis-report-Fiji.pdf>.

No information.

(f) Local financial resources

No information.

(g) Benefits of local development activities

No information.

(h) Bribes and corruption

In a recent survey, 90% of Fijians agreed with the statement that political parties are corrupt.⁹ Indeed, Fiji was placed 55th out of 159 countries on Transparency International's Corruption Perception Index.

Corruption has become a central focus of Fijian politics since the coup in 2006, as it has been used by the current military leader as the primary justification for ejecting the previous government. The politicising of this issue has therefore led to a focus away from any previous gains.

⁹ Transparency International. 2007. 'Fiji politics corrupt say most citizens', *Transparency International*, available at 'http://www.transparency.org/news_room/latest_news/press_releases_nc/2007/2007_03_22_fiji_politics_corrupt'.

