



Ministry of Foreign Affairs

2017 2018

ANNUAL REPORT

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VISION, MISSION AND VALUES

Our Vision

A Stronger and Prosperous Fiji through
Excellence in Foreign Service

Our Mission

To advance Fiji's interests through the Effective
Formulation and Implementation of its Foreign Policy

Our Values

Accountability
Courtesy
Honesty
Professionalism
Commitment
Integrity
Loyalty
Transparency

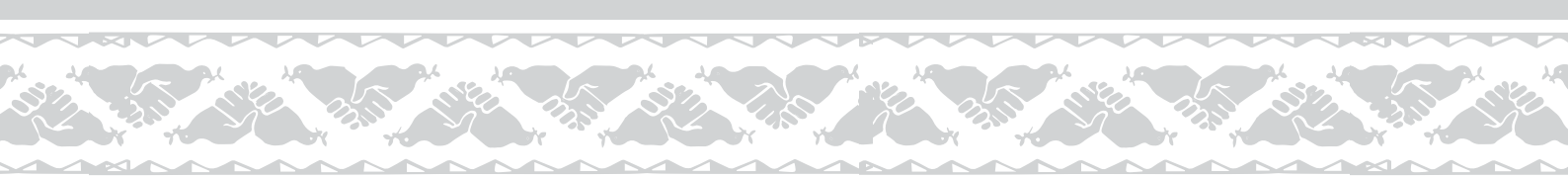


ABOUT THE REPORT

This Annual Report has been prepared according to the Financial Regulations within the Fijian Civil Service. It details the Ministry of Foreign Affairs performance(s) and commitment(s) in the focus areas highlighting robust leadership during the 2017-2018 financial year. The data included in this Annual Report speaks to this.

In Summary, this Annual Report includes the following:

- The Ministry of Foreign Affairs Organisational Structure;
- The Seven (7) Divisional Key Performance Indicators (KPI), Outcomes and Outputs; and
- The Ministry of Foreign Affairs Achievements and Results aligned to the Corporate Plan for the 2017/2018 financial year.



United Nations
Climate Change

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COP 23 PRESIDENT

PM Bainimarama as COP23 President in Bonn, Germany



MINISTRY OF FOREIGN AFFAIRS

REFERRAL LETTER FROM PERMANENT SECRETARY

Date: 23 March 2021

Honourable Josaia Voreqe Bainimarama
Prime Minister of the Republic of Fiji and Minister for Foreign Affairs
Office of the Prime Minister
Government Building
Suva.

Dear Sir,

In accordance with the Financial Management Act of 2004, I hereby submit the 2017-2018 Annual Report of the Ministry of Foreign Affairs for your information and presentation to Parliament.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Yogesh J. Karan'.

Yogesh J. Karan
Acting Permanent Secretary



FOREWORD: PERMANENT SECRETARY

The Annual Report (2017-2018) highlights the Ministry of Foreign Affairs' overall performance through its Foreign Policy initiatives, the Government's desired development outcomes that directly benefited the people of Fiji.

The Annual Report (2017-2018) captures Fiji's global leadership at various multilateral platforms, including Fiji's successful leadership on oceans and climate change, reflected through its co-presidency with Sweden of the 1st UN Oceans Conference in New York, and also at the UN Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP23). Fiji became the first Small Island Developing State to preside over these two important Forums. During Fiji's presidency, effective initiatives such as the 2018 Talanoa Dialogue commendably facilitated an inclusive dialogue process that encouraged countries to collectively raise ambition on climate change.

Fiji's successful leadership of the UN climate change COP23 paved the way for Fiji to strategically position its Foreign Policy towards regional and global leadership and re-asserted her regional hub status.

In outlining the various achievements that year under the specific focus areas through our bilateral, regional, and multilateral work, this report also articulates some of the challenges faced and how the Ministry intends on addressing them in the future.

It was a great year of learning for the Ministry. It was also a year of many opportunities for Fiji. I am grateful that the Ministry had a great team who worked tirelessly throughout the year to deliver its goals based on the Government's intent and expectations.

At the same time, let me also take this time on behalf of the Senior Management Team and Staff of the Ministry of Foreign Affairs to thank the Honourable Prime Minister for his leadership and guidance throughout the year.

As the Permanent Secretary of the Ministry of Foreign Affairs, it is my honour to commend the Ministry's Annual Plan for the 2017 – 2018 financial year.



Yogesh J. Karan
Acting Permanent Secretary



ABBREVIATIONS AND ACRONYMS

Hon. MFA	Honourable Minister for Foreign Affairs
MFA	Ministry of Foreign Affairs
AAMEER	Americas, Africas, Middle East, Europe, Russia
Hon. PM	Honourable Prime Minister
UNGA	United Nations General Assembly
UNFCCC	United Nations Framework Convention on Climate Change
CAPP	Climate Action Pacific Partnership
FSO	Foreign Service Officer
PFSO	Principal Foreign Service Officer
FFA	Forum Fisheries Agency
WCPFC	Western and Central Pacific Fisheries Commission
BBNJ	Biodiversity Beyond National Jurisdiction
ISA	International Seabed Authority
MACC	Maritime Affairs Coordinating Committee
PSIDS	Pacific Small Islands Developing States
DINFO	Department of Information
NDMO	National Disaster Management Office
ICRC	International Committee of the Red Cross
WFP	World Food Programme
CRPD	Convention on the Rights of Persons with Disabilities
CHOGM	Commonwealth Heads of Government Meeting
IRENA	International Renewable Energy Agency
UNECA	UN Economic Commission in Africa
ISO	International Sugar Organisation
AU	African Union
PIDF	Pacific Islands Development Forum
RAD	Roving Ambassador's Division
PIF	Pacific Islands Forum
SPC	Secretariat of the Pacific Community
MSG	Melanesian Spearhead Group
APEC	Asia-Pacific Economic Cooperation
FMIS	Financial Management Information System

EXECUTIVE MANAGEMENT TEAM



Ambassador Ioane Naivalurua
Permanent Secretary



Mr Esala Nayasi
Deputy Secretary - Policy



Mrs Arieta Moececa
Deputy Secretary - Operations



Peter Emberson
Director Multilateral Affairs



Simone Rokolaqa
Director Asia



Amalaini Kuruvakadua
Director Oceania



Navneel Sharma
Director AAMEER



Neumi Leweni
Chief of Protocol



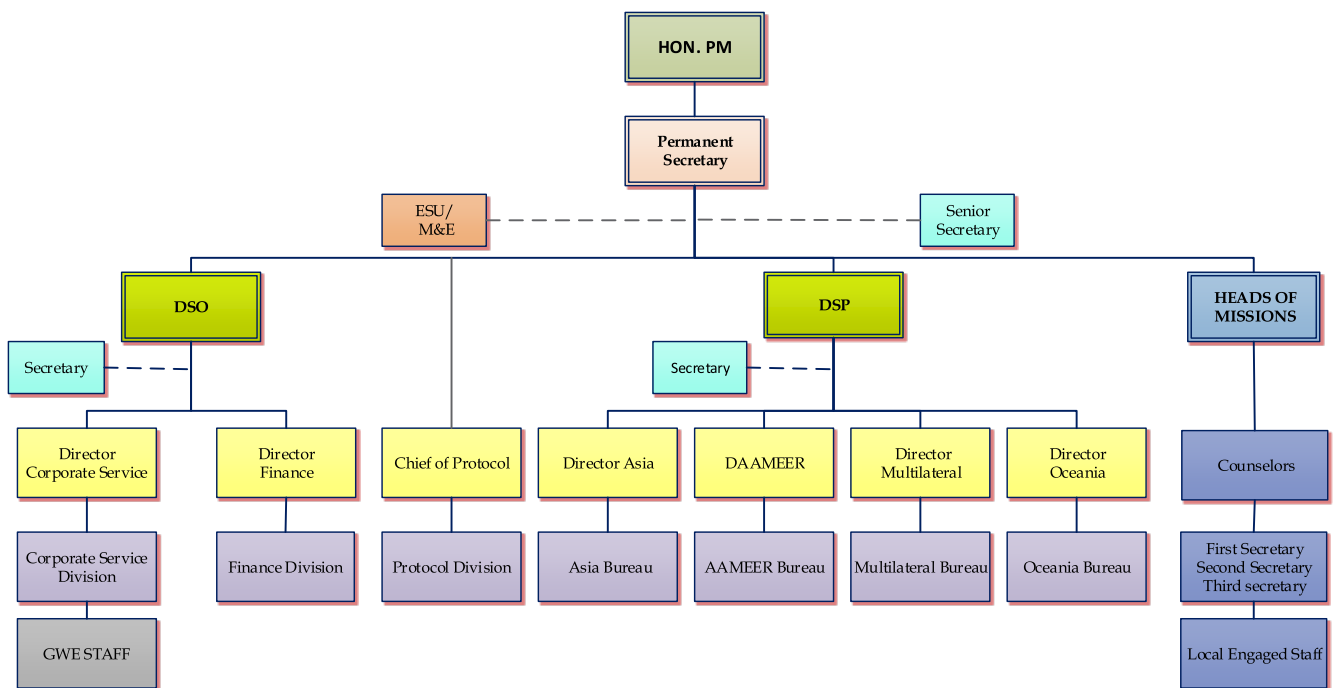
Josefa Tuima
Director Finance



Manjula Shah
Director Corporate Services



ORGANISATION STRUCTURE 2017-2018





POLICY DIVISION

MULTILATERAL AFFAIRS BUREAU

Two events occurred in 2017, marking significant implications in the multilateral space and Fiji's strategic interests- Britain's exit from the European Union (BREXIT) and the United States of America's withdrawal from the Paris Agreement on Climate Change. BREXIT's effects on EU policies, particularly its financial ramifications, would inevitably affect EU dialogue partners such as Fiji. Similarly, the United States of America's withdrawal from the Paris Agreement showcased the need to intensify efforts on climate change advocacy, and for regional solidarity to effectively voice the interests of Pacific Small Island Developing States (PSIDS) on the global stage.

Against this backdrop, Fiji utilized significant multilateral spaces, addressing the 72nd Session of United Nations General Assembly (UNGA), co-presiding with Sweden over the first United Nations Oceans Conference, and presiding over the 23rd Session of the United Nations Framework for Climate Change Convention (UNFCCC) Conference of the Parties (COP). Fiji led regional preparations for negotiations on the Paris Agreement, hosting the first Climate Action Pacific Partnership (CAPP) meeting in Suva.

Fiji signed, ratified and acceded to various human rights, and socio-economic treaties and conventions.

The Bureau worked with Fiji multilateral missions in New York, Brussels, London, and Geneva to establish, maintain and strengthen Fiji's leadership of these global platforms. The Bureau facilitated logistical arrangements, formulated speaking notes and speeches, undertook negotiations at the formal spaces, and convened various technical meetings to bring stakeholders together to a common position. The Bureau updated senior management, and cabinet office of the developments being undertaken in relevant multilateral spaces.

The Bureau facilitated the work of the Marine Affairs Coordinating Committee (MACC) in progressing the implementation of Fiji's strategic priorities on oceans and marine affairs, through policy advice and representation in various regional and international oceans related meetings including, the Forum Fisheries Commission (FFC), the Western and Central Pacific Fisheries Committee (WCPFC), the Council and Technical Committees of the International Seabed Authority (ISA), and the ongoing negotiations of the Treaty on Biodiversity Beyond National Jurisdiction (BBNJ).

As the National Liaison Office (NLO) for the International Atomic Energy Agency (IAEA), the Bureau facilitated the implementation of IAEA programmes in Fiji.

The Bureau worked with the relevant national agencies to ensure consistent and efficient implementation of Fiji's multilateral commitments.

HIGHLIGHTS

1. Convening of the 72nd Session of the United Nations General Assembly, 19 September 2017

The 72nd UNGA theme was "*Focusing on people – striving for peace and a decent life for all on a sustainable planet.*" The week-long General Assembly also coincided with the ninth annual Climate Week. It was one of the busiest UNGA meetings attended given the high number of meetings that the Fijian Delegation was engaged in with the leadership of the Hon. Prime Minister.

In Fiji's national address at the Plenary, the Hon. Prime Minister spoke on climate change and its implications on the existence of the people of the Pacific. In doing so, Fiji called on global leaders to undertake decisive action in limiting global warming by using alternative energy solutions. Fiji called on the world to ratify the Paris Agreement, and in doing so, Fiji invited countries to join the grand coalition in addressing climate change.

2. Presidency of United Nations Framework Convention on Climate Change (UNFCCC) COP 23, 7 – 17 November 2017

Fiji's UNFCCC COP23 Presidency was an impressive whole of Government coordinated effort. While the Bureau provided policy support in the form of preparation of briefs and talking points, Ambassador Nazhat Shameem Khan led as Fiji's COP23 lead negotiator. At the same time, our Pacific Regional Representative, Ambassador Amena Yauvoli, worked alongside the Ministry to ensure the Pacific Small Island Developing States was in solidarity with Fiji's mission and one with the goals of the Pacific's COP Presidency. Director of the Multilateral Bureau Mr. Peter Emberson was one of seven facilitators to moderate the historic Talanoa Dialogue in Bonn, Germany.

The global community embraced Fiji's concept of a Grand Coalition for greater ambition. Fiji received support for climate action from countries, regions, cities, civil society, the private sector, and ordinary men and women. The Fijian Presidency was able to advance the Paris Agreement's implementation guidelines and prepare for more ambitious action in the Talanoa Dialogue of 2018.

The COP 23 Presidency also launched the Ocean Pathway to bring closer together the interdependent relationship between the ocean and climate change. The Ocean Pathway was successfully launched in COP23 in Bonn to place ocean in the agenda of the UNFCCC process and to significantly increase action by member countries in this area.

3. Treaties and Conventions

Fiji ratified, signed and acceded to the following treaties and conventions:

- i. Convention on the Rights of Persons with Disabilities (CRPD) 7/6/2017;
- ii. United Nations Convention on Contracts for the International Sale of Goods 7/6/2017;
- iii. United Nations Convention on the Use of Electronic Communications in International Contracts 7/6/2017;
- iv. United Nations Convention against Transnational Organized Crime 19/09/2017;
- v. Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime 19/09/2017;
- vi. Protocol against the Smuggling of Migrants by Land, Sea and Air, supplementing the United Nations Convention against Transnational Organized Crime 19/09/2017;
- vii. Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime 19/09/2017;
- viii. Treaty on the Prohibition of Nuclear Weapons 20/09/2017;
- ix. Doha Amendment to the Kyoto Protocol 19/09/2017;
- x. Amendment of the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement 01/05/2017; and
- xi. Protocol of Amendment to insert the WTO Trade Facilitation Agreement into Annex 1A of the WTO Agreement 01/05/2017.



Heads of States and Governments and senior government officials at the inauguration of the High Level Segments of COP23 in Bonn, Germany



Fiji's UNFCCC COP23 Presidency



Director General of the International Organisation for Migration, His Excellency Ambassador William Lacy Swing with PM Bainimarama.



Co-Presidency of the first UN-Oceans Conference



PM Bainimarama seated beside the UNFCCC Executive Secretary, Ms. Patricia Espinosa at the Long-Term Climate Finance Workshop in Bonn, Germany during the COP23 meeting.



AFRICA, AMERICAS, MIDDLE EAST, EUROPE AND RUSSIA BUREAU (AAMEER)

2017 saw many significant events taking place in all of the world regions. Ten years after the Great Recession started, global economic growth appears to be accelerating, and stock markets around the world were hitting record highs. The International Monetary Fund (IMF) reported in October 2017 that; “The outlook is strengthening, with a notable pickup in investment, trade, and industrial production, together with rising confidence.” The IMF added the caveat that “recovery is not yet complete.” However, even cautious optimism predicted global economic growth to average 3.6 percent in 2017 – half a percentage point higher than in 2016.

In Europe, Britain triggered Article 50 of the Lisbon Treaty, which initiated divorce proceedings from the European Union (EU). The move from which there could be no turning back finally came on March 29. Britain had until March 29, 2019, to negotiate the terms of its departure. In Africa, following 37 colourful years in power, President Robert Mugabe of Zimbabwe was forced out of office. Africa was starting to present as a powerful economic base for new industry and investment.

The Middle East saw thirty-two-year-old Saudi Crown Prince Mohammed bin Salman made heir to the Kingdom of Saudi Arabia with a unique vision to modernise Saudi Arabia’s economy and society. The new idea is to prepare the country for a post-oil future and loosen its conservative social strictures.

In the USA, President Donald Trump amplified his focus on America First. Donald Trump campaigned on a pledge to do things differently and to do different things in foreign policy. He was good to his word since getting to the White House. He has cancelled US participation in the Trans-Pacific Partnership, withdrew the United States from the Paris Climate Agreement, refused to certify that Iran complies with its nuclear obligations, recognized Jerusalem as the capital of Israel, ramped up the use of drones, and relegated democracy and human rights to the sidelines of US foreign policy.

These notable events and more in the global regions left an important and lasting mark in the way Fiji had to position itself to take advantage of both the evolving challenges and opportunities.

HIGHLIGHTS

1. The 8th IRENA Assembly

Fiji was represented at the 8th Session of the Assembly of International Renewable Energy Agency (IRENA) held in Abu Dhabi on 12-14 of January 2018. The Assistant Minister for Infrastructure and Transport, Hon Vijay Nath, led the delegation with the support of Ambassador Kamlesh Prakash. Scaling up the renewable energy deployment in SIDS was addressed during this two day Assembly. IRENA’s partnership with the Abu Dhabi Fund for Development (ADFD) continues to provide a stable, low-cost source of financing to help many developing countries who have trouble accessing financing for renewable energy investment. These developing countries include the Pacific Island Countries.

2. The 8th World Water Forum

Brazil hosted the 8th World Water Forum on the theme; "Water Sharing". More than 100,000 representatives from the government, the scientific community, and the public from 172 countries participated at the Forum. The United Nations Special Envoy for Ocean, Ambassador Peter Thomson attended the Forum emphasizing the interconnected nature of the SDGs, in particular SDG 12 (consumption and production), SDG13 (climate change), SDG14 (Ocean) and SDG15 (terrestrial environment).



3. 3rd meeting of the UN Environment Assembly (UNEA)

Fiji attended the third UNEA in Nairobi, Kenya. The UNEA is the governing authority of the UN Environment. The Assembly launched interactive Leadership Dialogues, which provided participants with an opportunity for high-level engagement and discussion on how to achieve a pollution-free planet. Fiji's Head of Mission in Addis Ababa, Ambassador Mosese Tikoitoga, represented Fiji at the meeting. The Assembly theme was, "Towards a Pollution-Free Planet."

4. 12th Summit of Women Speakers of Parliament

The 12th Summit of Women Speakers of Parliament, organized by the Chamber of Deputies of the Pluri-national State of Bolivia and the Inter-Parliamentary Union (IPU), was held on 25 and 26 April 2018 in Cochabamba, Bolivia. Speaker of Parliament Dr. Jiko Luveni attended the summit to exchange ideas and experiences.

5. 53rd International Sugar Organization Council session held at the UN Economic Commission in Africa [UNECA]

The PS, PMO, and Sugar Industry, Ambassador Yogesh Karan, and the Chairman, Fiji Sugar Corporation, Mr. Vishnu Mohan, attended the 53rd International Sugar Organisation Council session held at the UN Economic Commission in Africa [UNECA] Conference Centre, Addis Ababa from 25/06 – 27/06/18. Ambassador Mosese Tikoitoga was a part of Fiji's delegation at the conference.

6. Fiji and Argentina sign Diplomatic Visa Waiver Agreement

Fijian nationals holding an ordinary or official passport will no longer require a visa when entering Argentina following an agreement signed between the two countries on the 24th of September 2017. Hon. Prime Minister and Minister for Foreign Affairs signed the 'Visa Exemption Agreement' with Argentina's Minister for Foreign Affairs, Hon. Jorge Faurie in New York along the margins of the 72nd Session of the UN General Assembly.

7. Bilateral with His Royal Highness, Prince Harry

Prime Minister Voreqe Bainimarama met with His Royal Highness, Prince Henry of Wales, in the margins of the 52nd Session of the International Sugar Organisation (ISO) in the United Kingdom. The Prime Minister was among the first to congratulate Prince Harry on his recent engagement to Ms. Meghan Markle and wished him well with the preparations for marriage. The Prime Minister also expressed Fiji's appreciation for being considered one of the first pilot countries under the Queen's Commonwealth Canopy (QCC) initiative to recognize the successful staging of the UN Ocean Conference.

The meeting provided an opportunity for the Hon. Prime Minister and His Royal Highness to explore areas of common interest between Fiji and the UK.

8. Fiji Day celebrations in Canada and USA

The Hon. Prime Minister attended the Fiji Day celebrations in Vancouver, Canada, from October 2 – 5, in California, USA, from October 6 – 8. These celebrations also included a number of Government services initiatives by the Ministry of Lands, Ministry of I-Taukei Affairs, Ministry of Agriculture, Department of Immigration, i-Taukei Lands Trust Board, and the Fiji National Provident Fund. This provided the opportunity for our diaspora communities to fully appreciate and access the services provided by Government.



PM Bainimarama at a bilateral meeting with H.E. Bakytzhan Sagintayev, Prime Minister of the Republic of Kazakhstan at the Astana Expo.



Prime Minister Voreqe Bainimarama with the Duke of Sussex, HRH Prince Harry.



9. Meeting with HRH Princess Anne of Edinburgh

The Hon. Prime Minister provided Her Royal Highness with a brief update on some of the key achievements of the Fiji led COP23 meeting, and congratulated the Government of the United Kingdom for continuously taking a stand in support of efforts to promote climate action.

The meeting provided an opportunity for the Hon. Prime Minister and Her Royal Highness to hold talks on areas of common interest between Fiji and the UK.

10. Presentation of credentials to the African Union (AU)

The presentation of credentials to the African Union by Ambassador Moses Tikoitoga fulfilled a long-standing desire to ensure Fiji's footprint is visible on the African continent. This milestone also underscored the importance of Africa to Fiji and the international community at large.

11. Ministerial Climate Action Meeting and Bilateral with Prime Minister Justin Trudeau of Canada

The Hon. Prime Minister attended a climate action meeting in Montreal, Canada, from 12 – 17 August 2017. The meeting also allowed the Hon. Prime Minister to meet with the Canadian Prime Minister, Hon. Justin Trudeau, his Minister for Climate Change, Hon. Catherine McKenna and a number of other senior officials from the Canadian Government.

12. Successful Lobby for the Extension of the Generalized System of Preferences (GSP) to December 31, 2020

Through the work of the Fiji Embassy in Washington, D.C., including continuous lobbying at the U.S. Capitol Hill and fellow Alliance of Generalized System of Preferences (GSP) country members, the successful securing of the extension of the GSP to December 31, 2020, was agreed. The GSP provides opportunities for many of the world's poorest countries to use trade to grow their economies and climb out of poverty. GSP is the largest and oldest U.S. trade preference program.



H.E the President with Non-Resident High Commissioner of Ghana to Fiji, Mr. Edwin Nii Adjei

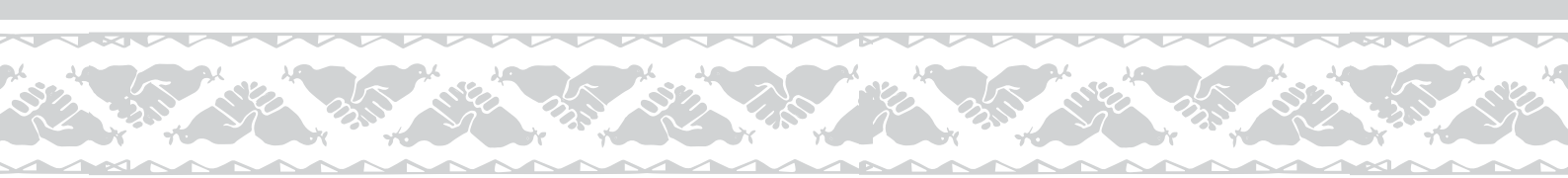


Non-Resident Austrian Ambassador to Fiji Dr. Bernard Zimburg at Borron House



PM Bainimarama with Hollywood actor and climate change advocate Jason Momoa along the margins of the 74th General Assembly of the United Nations in New York.

Ambassador Nazhat Shameem Khan and 12 year old Timoci Naulusala at COP 23 in Bonn, Germany.



ASIA BUREAU

With the global shift in power balances and the ever-changing geopolitics dynamics and geostrategies, the year 2017 was an eventful one for Asia. North Korea's Kim Jong Un accelerated his nuclear program, which put its close neighbours of South Korea, Japan, and China in trepidation. In its defence, South Korea pushed forward with its support of THAAD's deployment, a U.S. missile defense system that Beijing argued could undermine its nuclear deterrence capability. Likewise, China found its traditionally close relationship with North Korea strained by the North Korean leader's volatile ambition.

In China, Xi Jinping continued to consolidate his power and proved to be an assertive player on the global stage. His defence of globalization at the World Economic Forum in Davos, his hosting of the 1st Belt and Road Initiative Forum for International Cooperation in Beijing, and his assumed leadership of international efforts to combat climate change vouched for his commitment to making China an increasingly dominant international player. Under Xi, China has accelerated efforts to pursue maritime claims in the South China Sea and staked a larger role in the regional economy through its sweeping Belt-and-Road Initiative.

In the Philippines, President Duterte continues to wage war on drugs, fake news, insider elites, and political opponents, albeit costing more deaths than necessary. Similarly, in Myanmar, persecution of the Rohingya grows worse.

Indian and Chinese border forces stood off against one another for 72 days in the Doklam area in the Himalayas in the most serious dispute between the two countries in decades. Doklam represented the low point in Sino-Indian relations in an era when Xi Jinping and PM Narendra Modi have established nationalist governments. This dispute adds to the rising tensions between two powers increasingly competing for influence in the region.

As the U.S. withdraws from the Trans-Pacific Partnership Agreement, the remaining 11 members forge ahead to conclude the Agreement early next year. This is a welcome development for the region, which will bring in a myriad of trade benefits to its members and establish high standard trade rules. 2017 will be remembered as the year in which the Asia-Pacific forged ahead on economic integration without the United States. It may also be a year that the U.S. comes to regret.

Asia, a region with a population of around 4.43 billion, has some of the world's fastest-growing economies. Fiji's Look North Policy has expanded the opportunities from Asia in terms of bilateral relations, trade, and development assistance.

The Bureau works closely in collaboration with the Fiji Missions based in Beijing (China), Jakarta (Indonesia), Kuala Lumpur (Malaysia), New Delhi (India), Seoul (South Korea), and Tokyo (Japan).

The Ministry continues to maintain its strategic focus in strengthening relations in this very significant region. The recently launched Fiji Airways Nadi-Singapore route in 2016 and the announcement of the resumption of the flight services to Japan is a testament to strengthened public diplomacy aimed at the region. The potential Return on Investment is projected to be lucrative for Fiji's trade and investment in the region, making a difference to Fiji's socio-economic livelihood, thus setting the platform for an exciting year ahead.

In keeping with the Asia Bureau's strategic and expected role, the Bureau witnessed a number of engagements with Asian countries. Most notable was the participation in the Tourism/Trade sector with China, South Korea, Japan, and Kazakhstan. The scope of activities also covered the Defence, Agriculture, Health, Sports, Fisheries sectors, and even engagement with the Parliaments of Japan and South Korea.



Engagements facilitated by the Bureau included High-Level visits by the Hon. Prime Minister to the 1st Belt and Road Forum for International Cooperation in Beijing; the 8th Japan and Pacific Leaders Meeting (PALM 8); and Kazakhstan for the Expo 2017 Astana. For multilateral engagements, the Bureau facilitated the participation of the Hon. Minister for Lands; Hon. Minister for Fisheries and Hon. Attorney General at the ESCAP Intergovernmental Meeting on the Midpoint Review of the Asian and Pacific Decade of Persons with Disabilities, 2013-2022.

HIGHLIGHTS

1. 8th Japan and Pacific Leaders Meeting (PALM 8)

The Hon. Prime Minister attended The Eighth Japan and Pacific Islands Leaders Meeting (PALM8) where Leaders and representatives of Japan and Pacific Islands Forum (PIF) members met in Iwaki, Fukushima, Japan on 18 - 19 May 2018. During the meeting, the Leaders expressed their appreciation to the co-chairs, Japan and Samoa, for leading PALM8 to a success. The Leaders welcomed the first participation of French Polynesia and New Caledonia in the PALM as full Members of the PIF.

The Leaders welcomed the first participation of French Polynesia and New Caledonia in the PALM as full Members of the PIF. The Leaders reaffirmed their determination to strengthen their collective efforts to enhance this important partnership and the PALM process through dialogue and cooperation to better meet the evolving opportunities and challenges of the region.

2. Memorandum of Understanding (MOU) for cooperation in Rugby

The China Rugby Football Union and the Fiji Rugby Union signed a Memorandum of Understanding (MOU) for cooperation in Rugby.

3. Launch of Fiji – Made Products in China

Fiji- Made products were launched in three (3) cities around China – Shanghai, Dalian and Guangzhou. Through the efforts of Fiji’s Consulate General in Shanghai, promotion of the Fijian Made brand has contributed to the introduction of premium products, such as beer, beauty products and bottled water in the Chinese market.

4. Expo 2017 Astana

The Hon. Prime Minister also attended the Expo 2017 Astana, which was held in August in Kazakhstan and met with the Prime Minister of Kazakhstan, along the margins of this Expo. Discussion between the two Leaders revolved around the Expo's theme of 'Future Energy' where mutual cooperation areas were considered.

5. Memorandum of Understanding with National Cancer Centre of Korea

An MOU was signed between the Ministry of Health and Medical Services (MOHMS) and the National Cancer Centre of Korea (NCKC) for cooperation in the area of cancer.

6. Cooperation in the Defence Sector

The Fiji Hydrographic Office (FHO) signed an MOU with the Korea Hydrographic and Oceanic Agency (KHOA).



Bilateral meeting with Japanese Prime Minister, H.E. Mr. Shinzo Abe



7. GIMCO's Wood Pellet Project

The Joint venture agreement involving the export of biomass chips or pellets to Korea was announced in March. The project is being undertaken by the biomass energy company from Korea, GIMCO Korea Ltd. GIMCO's Wood Pellet project is estimated to be worth US\$200 million and aims to export 500,000 tons of wood pellets (renewable energy) annually from Fiji to South Korea and other countries.

8. Memorandum of Understandings on Sports Development Cooperation with Japan

The Ministry of Youth and Sports signed 4(four) MOUs on Sports Development Cooperation with the Japan Sports Agency/MEXT, Oita City, Akita City/Prefecture, and Saga City/Prefecture, respectively.

9. Back to Batu Pahat Launch – In remembrance of Fiji soldiers who served in Malaysia

Former President, H.E Ratu Epeli Nailatikau visited Malaysia as the Prime Minister's Special Envoy to launch the Back to Batu Pahat documentary on 10 October 2017. The Back to Batu Memorandum of Understanding (MOU) outlines the project overview regarding the video shooting in Fiji and Malaysia sites where Fiji soldiers were part of the Malayan campaign.

Multilateral Engagements

In terms of multilateral engagements, the "ESCAP Intergovernmental Meeting on the Midpoint Review of the Asian and Pacific Decade of Persons with Disabilities, 2013-2022" was an important forum for the year.

The Bureau, in conjunction with the Fiji High Commission in Malaysia, facilitated the participation of the Hon. Minister for Lands and Mineral Resources; the Hon. Minister for Fisheries and Forests; and the Hon. Attorney General at the Forum.

The Meeting reviewed the progress made in the implementation of the Incheon Strategy to "Make the Right Real" for Persons with Disabilities in Asia and the Pacific, informed by baseline data on its 41 core indicators. The Meeting launched the findings of an ESCAP survey of Governments, civil society, and international organizations and development agencies, presenting indicators that reflect the social-economic status of persons with disabilities in Asia and the Pacific. The Meeting also considered and adopted a set of actions to guide member States and Associate members in promoting disability-inclusive development during the remaining five years of the Decade from 2018 to 2022.

Bilateral Engagements

Other engagements by the Bureau in terms of engagement with bilateral partners in collaboration with the Asia Region Missions are summarized as follows:

- India: Engagement in the Infrastructure, Health and Finance sectors;
- Peoples Republic of China: Engagement in Civil Aviation, Sports-Rugby, Women, Tourism, Forestry and the Maritime Silk Road;
- Indonesia: Engagement in the Agriculture sector;
- Thailand: Engagement in Defence and Fisheries;
- Republic of Korea: Engagement in the sectors of Agriculture, Education, Defence, Tourism, Sports, Health and Parliament;
- Japan: Engagement in Health, Defence, Sports, Culture, Investment Promotion and Parliament; and
- Kazakhstan: Engagement in Tourism and Investment Promotion.



Mr. Shim Jae Cheol, Deputy Speaker of the National Assembly of the Republic of Korea



PM Bainimarama with PM of India, Mr. Narendra Modi



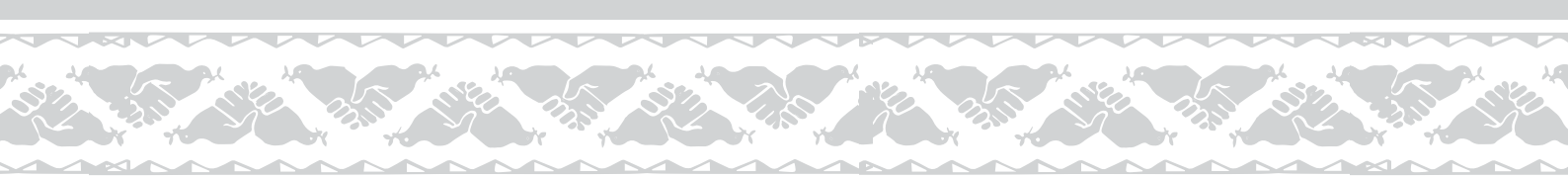
H.E. the President with newly appointed Ambassador to Indonesia Ms. Selaima Veisamasama



The Attorney General with JICA President Mr. Shinichi Kitaoka.



Members of the Diplomatic Corp at the CAPP conference in Suva.



OCEANIA BUREAU

The Oceania Bureau is a newly established Division purposed to provide policy guidance together with its Fijian Missions in the Oceania Region on regional, sub-regional and country-specific issues.

The Bureau is also cognizant of shifting geopolitics that may have a ripple effect in the Pacific region. The election of world leaders with vastly differing State – centric policy positions will be a challenge to the rules-based order that many UN member countries like Fiji rely on. As such, the Bureau has planned for this in its five year Oceania Regional Strategy.

Fiji is also facing increased competition from within the region, challenging its traditional role as the ‘Hub of the Region’. Fiji’s active participation and engagement in the regional arena and bilaterally, therefore, remains an important component of the Bureau and that of its Missions work to maintain Fiji’s leadership status.

HIGHLIGHTS

1. Development of Oceania Regional Strategy

The Bureau developed a Regional Strategy Framework which outlined the vision and mission for the Oceania region for the next five years. This is aligned to the National Development Plan (NDP) and clearly articulates the different modes of engagement and avenues that Fiji will pursue in order to advance Fiji’s interests and, in particular, maintain and strengthen Fiji’s position as a ‘Regional Hub’.

2. The Pacific Islands Forum (PIF)

The Pacific Islands Forum is the most critical political organisation in the regional architecture where Leaders meet to set priorities for the region. The Forum Leaders’ Summit was held from 5-8 September 2017. The Leaders meeting this year saw the endorsement of the ‘Blue Pacific’ identity as a driver for collective action for advancing the Leaders’ vision. As an implication of this, a Forum Foreign Policy will be developed so the region can act as one ‘Blue Continent’.

Additionally, Leaders decided that the 2000 Biketawa Declaration be revamped into ‘Biketawa Plus’. The expansion of the Biketawa Declaration to ‘Biketawa Plus’ was a result of Fiji’s interventions through its Minister for Foreign Affairs. Ratu

Inoke Kubuabola contended that this expansion acknowledged the emergence of new global trends that posed new and serious threats to peace, security, and prosperity of our Pacific peoples and communities.

Other notable decisions by the leaders were the endorsement of the Pacific Roadmap for Sustainable Development (PRSD) and the admission of New Caledonia and French Polynesia as full members of the Forum.

The Forum Foreign Ministers Meeting (FFMM) was held on the 11 August 2017, preceded by the Forum Officials Committee (FOC) meeting, which was held from 8-10 August 2017 at the Forum Secretariat. At the FFMM, Fiji secured the region’s endorsement for Fiji’s candidacy to the Human Rights Council for the term 2019-2021.

3. Pacific Island Development Forum (PIDF)

The Pacific Islands Development Forum (PIDF) hosted the first-ever Blue Economy Conference from the 23-24 August 2017. The Conference built on the outcomes of the UN Conference on Oceans as well as existing Pacific commitments and frameworks on Oceans to explore concepts and ideas around implementing a Blue Economy in the Pacific. Through the Bureau and the Protocol Division, the Ministry provided support to the PIDF Secretariat in the hosting of the Conference, which was opened by the Hon. Prime Minister. A key outcome of the Conference was the development of a roadmap for a Blue Economy.

During the year, the PIDF Secretariat hosted its annual Senior Officials Committee (SOC) meeting to discuss financial and governance issues such as the Leaders’ Summit, the National Sustainable Development Board (NSDB), the Climate-induced displacement Declaration and the proposed Pacific Climate Treaty. The Bureau prepared Fiji’s positions following consultations with various Ministries.



4. The Pacific Community (SPC)

The Pacific Community (SPC) held its annual governance meetings in June 2018 with the Committee of Representatives of Governments and Administrations (CRGA) held from 26-28 June in Noumea, New Caledonia. Fiji's delegation to the CRGA was headed by the Deputy Secretary Policy for Foreign Affairs, Mr. Esala Nayasi. The issues discussed at the CRGA included the Pacific Community Center for Ocean Science, the Pacific Learning and Innovation Hub, the implementation of the SPC's Strategic Plan, and the organization's financial status. A significant development is the recent moves for a potential 'decentralization' of SPC's offices due to the financial costs of operating in certain locations. The Bureau continues to closely engage in these discussions, given its possible implications on Fiji's hosting arrangements.

5. The Melanesian Spearhead Group (MSG)

The 21st Melanesian Spearhead Group Meeting was held in Port Moresby, PNG, from 17-22 February 2018, preceded by the Foreign Minister Meeting (FMM) and the Senior Officials Meeting (SOM). The SOM discussed budgetary and policy issues pertaining to the general organisation of the MSG.

The Leaders' Summit discussed the membership status of the United Liberation Movement for West Papua (ULMWP), the need for greater advocacy issues such as climate change and anti-nuclear activities, and the Leaders endorsed engagement of MSG members with New Caledonia under the Melanesia Free Trade Agreement.

A coordinated sub-regional security response has long been one of the key issues under discussion in the MSG and has been pushed by Fiji due to the need in the region for a coordinated response.

6. Engagement with Australia

The Minister for Trade, Tourism and Investment, Hon. Faiyaz Koya held a bilateral meeting with Australia's Assistant Minister for Trade, Hon. Keith Pitt. Issues discussed included biosecurity (quarantine), readiness package for new business, people to people links through sports & fashion, security cooperation worth around \$2billion over 30 years, infrastructure development in the Pacific, DFAT's role in increasing engagement in the Pacific and the cost of remittance to the Pacific.

The Hon. Prime Minister visited Australia to attend the Fiji Day celebrations and the Australia-Fiji Business Forum. The Fiji Day celebrations in Australia and Sydney brought together thousands across the greater Fijian diaspora, representatives from the Diplomatic Corp, the Premier of New South Wales, the mayor of Liverpool, and representatives from the Federal Government and other guests.

His Excellency, the President, Major-General (Retired) Jioji Konrote, paid a visit to Australia to attend the Opening Ceremony of the Commonwealth Games in the Gold Coast. While in Australia, President Konrote participated in several engagements, including with the Diplomatic Corp and the Fijian Diaspora.

This year saw the Head of Mission of the Australia High Commission transition when Fiji farewelled H.E Margaret Twomey and welcomed H.E John Feakes. The year also saw the transition of Fiji's High Commissioner to Australia, High Commissioner Punja, who completed his term in Australia with High Commissioner Luke Daunivalu, his successor.



48th Pacific Islands Forum (PIF) Leaders Meeting in Apia, Samoa.



7. Engagement with New Zealand

The Minister for Employment, Productivity and Industrial Relations, Hon. Jone Usamate officially visited New Zealand in February and June 2018. His visits were facilitated and supported by the Bureau and the Fiji High Commission in Wellington. The purpose of his visits was to ensure Fijian seasonal workers' wellbeing and meet members of the Fijian diaspora and discuss concerns raised.

On the 19 April 2018, Fiji's new Trade office was opened in Auckland. The new Trade office opens a myriad of opportunities for collaboration with key stakeholders to address the current trade imbalance between Fiji and New Zealand.

As part of the growing New Zealand-Fiji Business Council, a Business Mission to Fiji was led by High Commissioner Filimone Waqabaca from 25-29 June 2018. The Business Mission to Fiji provided an avenue where potential investors to Fiji could have one-on-one meetings with key agencies.

8. Engagement with Pacific Island Countries

An Official Visit by the Hon. Prime Minister O' Neill of PNG facilitated by the Bureau saw him addressing parliament and updating members of PNG's APEC preparations.

Fiji's Mission in Port Moresby signed a Memorandum of Understanding (MoU) between Fiji and PNG on Police Cooperation. The MoU was signed in the margins of the MSG Leaders' Summit in February 2018. The MoU is designed to increase bilateral engagements in community policing, tourist police, and peacekeeping.

A MoU with Nauru on the Fiji Volunteer Services (FVS) Scheme was signed in December 2017.

Fiji welcomed the new High Commissioner of Vanuatu to Fiji H.E Nikenike Vurobaravu, who presented his credentials to the President of Fiji in November 2017. Although Fiji does not have representation in Vanuatu, discussions are progressing on the appointment of Honorary Consul in Vanuatu.



Traditional ceremony of welcome for PNG Prime Minister, the Rt Hon. Peter O'Neill.

PROTOCOL AND CONSULAR DIVISION

The Ministry of Foreign Affairs is the focal point of contact for all sovereign foreign States, including International/Regional Organizations that wish to establish bilateral or multilateral relations with Fiji. It takes its responsibilities under the Vienna Convention on Diplomatic Relations (VCDR) 1961 seriously and is committed to providing high quality and efficient support services.

The Fiji Diplomatic Privileges and Immunities Act, 1971, is the enabling domestic legislation for the provisions under the Vienna Convention. Fiji is a signatory, and the Act is the *raison d' être* of the Protocol and Consular Division of the Ministry.

Fiji's granting of diplomatic privileges and immunities to a friendly sovereign State implies the acceptance and the reinforcement of the principles of reciprocity and international diplomacy. The recipients of diplomatic privileges and immunities are expected to adhere to our internal machinery of governance.

HIGHLIGHTS

The Division processed accreditation requests and visa applications during the year to facilitate entry for foreign officials posted to Missions and Consulates in Fiji. It also worked to ensure reciprocal treatment for Fijian officials posted overseas. The Division arranged for 43 resident and non-resident Heads of Missions to present credentials to His Excellency, the President of the Republic of Fiji.

CONSULAR SERVICES PROVIDED 2017 - 2018									
Months	Diplomatic Visa, Exemption	Consular Service for Fijian Abroad	Protocol Facilitation	Resident Diplomats/ Diplomatic Couriers	Letter of Commissions Agreement/ Credential	Exequaturs and Letter of Commission for Honorary Consuls	Meeting Credential	Conference Visa Facilitation	VIP/ Official Function
2017									
Aug	86	17	3	7	2	4	3	33	2
Sept	74	9	2	11	1	1	2	27	1
Oct	90	-	5	15	3	3	8	-	51
Nov	23	-	8	-	9	4	5	41	3
Dec	23	-	71	-	3	3	3	17	3
2018									
Jan	94	26	50	-	3	2	2	59	3
Feb	41	26	24	-	8	2	2	59	4
March	90	26	45	23	9	2	4	57	3
April	85	7	152	23	9	2	3	57	3
May	85	7	97	35	3	1	2	55	2
June	85	7	70	31	9	2	6	65	2
July	85	7	109	20	10	2	2	2	2
TOTAL	861	132	636	165	69	28	42	472	79



Similarly, high-quality consular services were provided with 1083 cases registered in 2017 and 1829 cases in 2018. This comprised among other applications for visa renewals and work permits, requests for protocol facilitations, issuance of exequaturs, and also meeting credentials.



The Archbishop of Canterbury, His Grace Most Rev. Justin Portal Welby



The Non-Resident High Commissioner of Peru to Fiji, Mr. Miguel Julian Palomino



The observation of traditional ceremonies is an important aspect of the work of MOFA.



High Commissioner of New Zealand to Fiji, Mr. Jonathan Curr.



• Flag protocols are a must for any high level event



CORPORATE SERVICES DIVISION

Corporate Services Division is an internal support service managing resources for the achievement of the Ministry's strategies, ensuring compliance with a number of governance obligations, and improving corporate policies, procedures, and outcomes. The Division is responsible for facilitating key human resource management activities that involve HR planning, asset management, recruitment and selection, contract management, reward and recognition, Occupational Health and Safety, Corporate Social Responsibility, training and development, information management, and performance management.

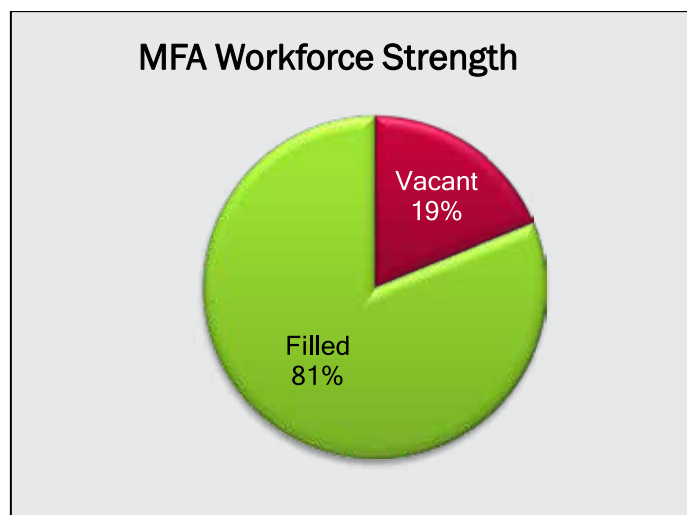
HIGHLIGHTS

Some of the major activities for the 2017/2018 fiscal year included Fijian Civil Service Transition and Reform Implementation in terms of Job Evaluation Exercise, implementation of the Discipline Guideline, Open Merit-based Recruitment, and Selection Process.

Staff Establishment

1. Workforce Strength

The Ministry of Foreign Affairs has an approved establishment of 170 from which 137 positions are substantively filled and 33 positions (Missions and HQ) vacant. The graph below illustrates the workforce strength for the Ministry during the year.



Out of its total establishment, 19% of the positions remained vacant in the 2017/2018 financial year. The Ministry continues to strategize to ensure that the service delivery to our diverse customers is not disrupted or compromised due to staff turnover or other workforce issues faced in a typical workplace.

Of the 137 filled positions, the Ministry had a workforce that had been male-dominated with 56% Males to 44% Females. The Ministry is an equal opportunity employer and committed to ensuring that initiatives and activities implemented have a good representation of both genders in the processing of vacant positions in the future.

137 staff were employed by the Ministry of Foreign Affairs at the end of the 2017/2018 Financial Year as captured in the table below:

Division	Number on the Ground		Number of Vacant Posts	Total Approved Establishment
	Male	Female		
Executive Support Unit	4	8	2	14
Protocol and Consular Division	4	4	5	13
Corporate Services Division	9	7	4	20
Finance Division	3	7	2	12
Multilateral Affairs Bureau	3	6	2	11
Asia Bureau	2	5	2	9
AAMEER Bureau	2	2	2	6
Oceania Bureau	1	3	1	5
Abu Dhabi	3	0	1	4
Addis Ababa	3	0	0	3
Beijing	2	1	2	5
Brazil	2	1	1	4
Brussels	4	0	0	4
Canberra	3	0	1	4
Geneva	1	2	1	4
Jakarta	2	2	0	4
Kuala Lumpur	2	1	0	3
London	1	2	1	4
New Delhi	2	1	1	4
New York	2	1	1	4
Papua New Guinea	3	0	0	3
Roving Ambassadors Division	2	2	1	5
Seoul	1	2	1	4
Tokyo	2	1	1	4
Washington	3	0	0	3
Wellington	2	1	0	3
Government Wage Earners	9	1	1	11
TOTAL	77	60	33	170

Of the 137 filled positions, the Ministry had a workforce that had been male-dominated with 56% Males to 44% Females. The Ministry is an equal opportunity employer and committed to ensuring that initiatives and activities implemented have a good representation of both genders in the processing of vacant positions in the future.

2. Recruitment and Selection

Ministry of Foreign Affairs uses a fair and effective recruitment process governed by the principles set out in the Open Merit Recruitment and Selection (OMRS) Guideline to employ the right people with the required skill set for each of its job vacancies.



The table below illustrates different the recruitment and selection activities undertaken throughout the financial year:

No	Type of Appointment	Total
1	Acting Appointment	4
2	Extension of Acting Appointment	4
3	New Appointment	40
4	Extension of Contract	0
5	Deemed Resignation	0
6	Resignation	4
7	Re- Engagement	0
8	Internal Posting	5
9	Temporary Appointment	1
10	Extension of Temporary Appointment	1
11	Retirement	1
12	Termination	1
	Total	61

It is noted that the Ministry made a very high number of new appointments during the 2017/2018 financial year due to the introduction of the Open Merit Recruitment and Selection guidelines. A formal review of the operation of Open Merit was conducted between November 2017 and March 2018, where all appointments underwent the OMRS process.

3. Performance Management

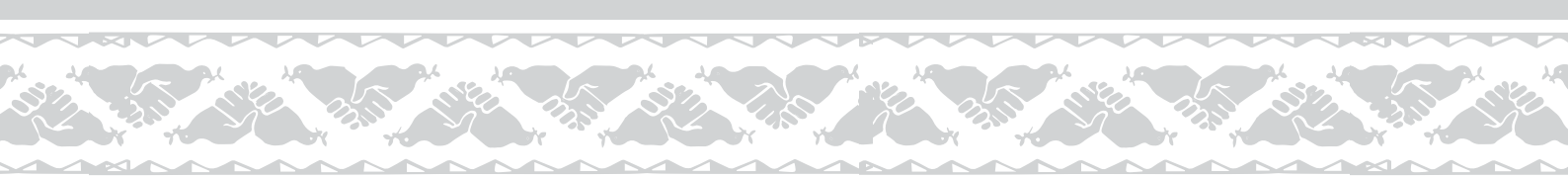
The Performance Management Framework (PMF) was introduced in early 2018 as part of the Civil Service Reform. The Framework had been introduced to provide a formal framework for performance assessment, criteria and parameters of applying performance based payments and contract management.

In the initial roll out for PMF, the Ministry had paid a total of \$256,241.54 for step movements and bonus payments for the year 2017/2018. A total of thirty seven (37) officers were included in this payment; thirty five (35) for step movements and two (2) for bonus payments. The major component of salary increments includes officers from Tier 2 & Tier 3 position holders for the period 2017/2018.

Training and Development

There had been 46 learning and development opportunities available to staff during this fiscal year, including both local and overseas training. The Ministry has an ongoing commitment towards providing a range of shorter-term learning and development opportunities, which is focused on specific capability development needs.

The Ministry encourages staff to attend training programs that address competency gaps to ensure that they perform to the optimum. The workforce learning and growth show the Ministry's commitment towards its workforce investment, which leads to a high-performance rate.



Asset Management

Annual Board of Survey (BOS)

The BOS for the financial year 2017-2018 was conducted at Headquarters and in the Fiji Missions abroad:

1. HQ/Protocol Nadi
2. New-Delhi
3. Brasilia
4. Seoul
5. Tokyo
6. Washington
7. Addis A Baba
8. Beijing
9. Canberra
10. Wellington
11. Brussels
12. Jakarta
13. Kuala Lumpur
14. Papua-New Guinea
15. London
16. Abu-Dhabi
17. Geneva
18. PRUN- NY

The 2017-2018 BOS report was approved and received from the Ministry of Economy within its Financial year. The items written off had a total value of \$325,484.36.

Vehicle and Transport

A total of 11 vehicles were engaged to facilitate Ministry of Foreign Affairs during the 2017-2018 financial year. One was designated for the Chief of Protocol and another for the Roving Ambassador. The remaining eight WAS used for Ministry staff and VIP operation(s).

The total fuel consumption for 2017/2018 financial year was \$76,841.15 and repair and maintenance cost was \$31,673.89 which totals to \$108,515.04.

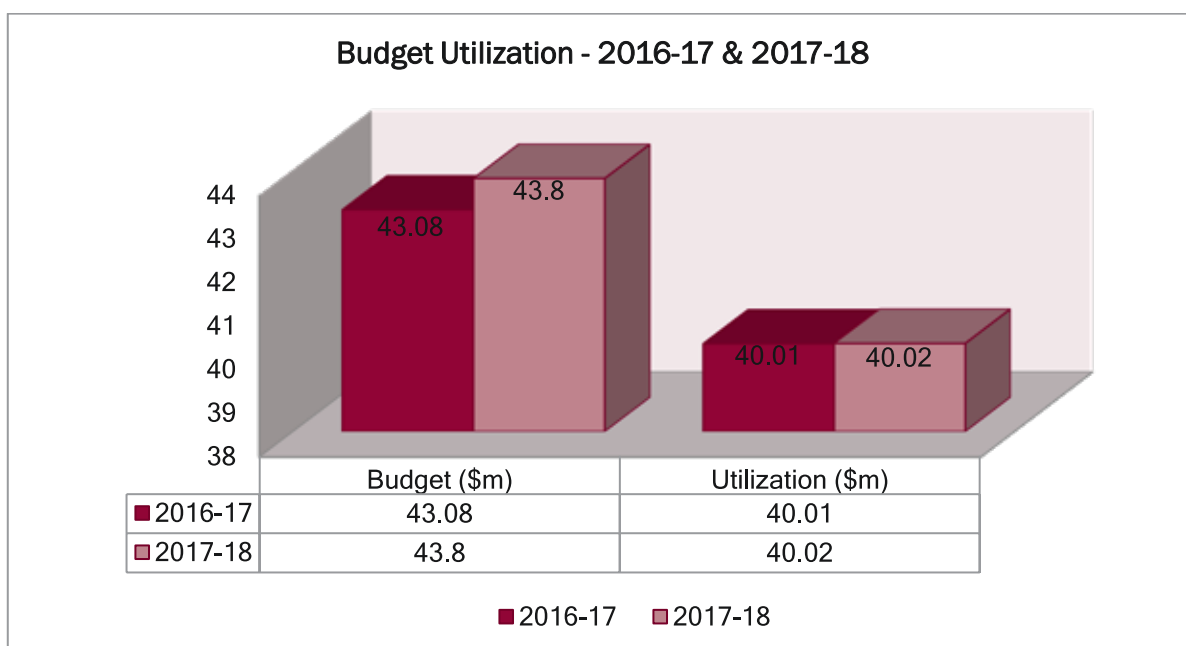


FINANCE DIVISION

The Division provides financial oversight and management of financial resources and guarantees that all expenditures and revenue collections are in compliance with the budgetary provisions under the Finance Instructions, Finance Manual, and the Fiji Overseas Service Regulations (FOSR). The Division also ensures the effective implementation and upgrading of the Financial Management Information System (FMIS).

Ministry of Foreign Affairs 2017-2018 Budget Overview

The Ministry of Foreign Affairs had received a total budget of \$43.88 million for the 2017-2018 financial year compared to \$43.08 million for the 2016-2017 financial year. The Ministry's appropriation for the year was \$43.88m. Total budget utilisation for the year ended 31st July 2018 was at 92.05%. The Column Charts below illustrates the financial expenditure summary for 2017/2018 fiscal year:



Approximately 70 per cent of the Ministry's budget is allocated towards its 'off-shore' operations through the Overseas Missions and the remaining 30 per cent is for its on-shore operation or Headquarters.

Challenges

A major challenge for the Ministry is the management of its off-shore (Overseas Missions) component of the budget, which accounts for over 75% of the Ministry's budget. Ensuring better and efficient financial practices and overall compliance remains a challenge in our endeavour to achieve prudent management of all financial resources allocated to the Ministry.

Way Forward

Better coordination between Headquarters and each of our 17 diplomatic Missions abroad is critical for the effective management of the Ministry's financial resources. The finance team explores options of utilizing electronic platforms to ensure real-time access to each of the Mission's finances. In addition to this, putting in place an internal audit mechanism is important, considering the Ministry's operation's nature and strict adherence to relevant financial policies and regulations.



FINANCIAL STATEMENT FOR THE YEAR ENDED 31 JULY 2018

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6th Floor, Ratu Sukuna House
2-10 McArthur St
P.O.Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
Fax: (679) 330 3812
Email: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File: 347

02 October 2019

The Honourable Inia Seruiratu
The Minister for Foreign Affairs
GCC Complex
SUVA

Dear Honourable Seruiratu

MINISTRY OF FOREIGN AFFAIRS
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

The audited financial statements for the Ministry of Foreign Affairs for the year ended 31 July 2018 together with my audit report on them are enclosed.

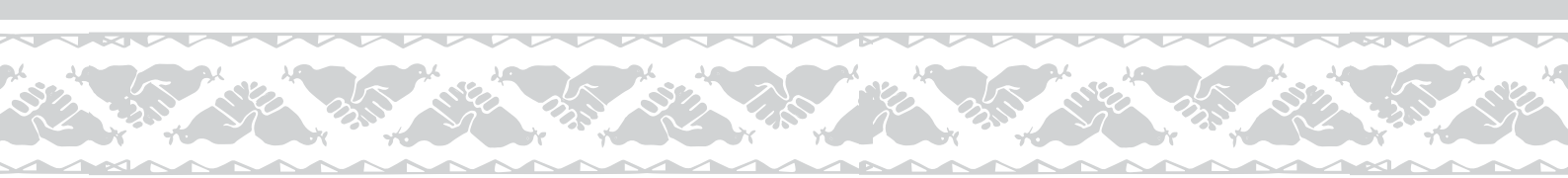
Particulars of the errors and omission arising from the audit have been forwarded to the management of the Ministry for necessary action.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

cc Mr. Yogesh Jitendra Karan, The Permanent Secretary, Ministry of Foreign Affairs.

Encl.





MINISTRY OF FOREIGN AFFAIRS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018



**MINISTRY OF FOREIGN AFFAIRS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

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Suva, Fiji

Telephone: (679) 330 9032
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INDEPENDENT AUDITOR'S REPORT

MINISTRY OF FOREIGN AFFAIRS

I have audited the financial statements of the Ministry of Foreign Affairs, which comprise the Statement of Receipts and Expenditure, Appropriation Statement and Statement of Losses for the year ended 31 July 2018 and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Financial Management Act, the Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

Basis for Opinion

I have conducted my audit in accordance with the International Standards on Auditing (ISA). My responsibilities under those standards are described in the *Auditor's Responsibilities* paragraph of my report. I am independent of the Ministry in accordance with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Matters.

1. Internal controls over procurement of goods and services were generally found to be weak. This relates to Local Purchase Orders not attached to payment vouchers, competitive quotations not obtained, payments were not adequately supported and rental agreements for overseas missions were not provided for audit verification. These internal controls weakness if not addressed promptly may result in material misstatements and possible financial losses in the future.
2. An unreconciled variance of \$3,725,421 exists between the FMIS general ledger balance of \$7,208,398 and the accumulated bank reconciliation balance of \$3,482,977. The Overseas Mission's bank accounts facilitated the payment for expenditures of the Mission and record the transfer of funds from Government's Consolidated Fund. The variance identified in the Overseas Mission's bank account have been recurring for many years and not much effort has been undertaken by the Ministry to resolve the matter.

Management's Responsibilities for the Financial Statements

The management of the Ministry of Foreign Affairs is responsible for the preparation of the financial statements in accordance with the Financial Management Act, the Finance Instructions 2010 and the Finance (Amendment) Instructions 2016, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

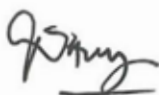
Auditor's Responsibilities

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry of Foreign Affairs internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Ministry of Foreign Affairs.

I communicate with the Ministry of Foreign Affairs regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
02 October 2019



MINISTRY OF FOREIGN AFFAIRS

12th September, 2019

Ref: 1126/10/6

MANAGEMENT CERTIFICATE FOR THE YEAR ENDED 31 JULY 2018

We certify that these financial statements:

- a) Fairly reflect the financial operations and performance of the Ministry of Foreign Affairs for the year ended 31 July 2018; and
- b) Have been prepared in accordance with the requirements of the Financial Management Act, the Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

Yogesh Nitendra Karan
Acting Permanent Secretary

Date: 18/09/19

Josefa Tuima
Director Finance

Date: 12/09/2019.

MINISTRY OF FOREIGN AFFAIRS

STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2018

	Notes	2018 (\$)	2017 (\$)
RECEIPTS			
State Revenue			
Operating Revenue		49,354	10,310
Total State Revenue		<u>49,354</u>	<u>10,310</u>
Agency Revenue			
Administration Fees & Miscellaneous Revenue		320,301	380,969
Total Agency Revenue		<u>320,301</u>	<u>380,969</u>
TOTAL RECEIPTS		<u>369,655</u>	<u>391,279</u>
EXPENDITURE			
Operating Expenditure			
Established Staff		13,386,287	13,977,868
Government Wage Earners		3,655,727	3,645,770
Travel & Communication		3,939,577	3,308,133
Maintenance & Operations		10,994,967	10,760,180
Purchase of Goods & Services		1,018,904	672,734
Operating Grants & Transfers		5,489,038	5,467,608
Special Expenditure		799,673	1,029,149
Total Operating Expenditure		<u>39,284,173</u>	<u>38,861,442</u>
Capital Expenditure			
Capital Construction		140,536	76,018
Capital Purchase		190,162	309,456
Total Capital Expenditure		<u>330,698</u>	<u>385,474</u>
Value Added Tax		781,730	1,159,328
TOTAL EXPENDITURE		<u>40,396,601</u>	<u>40,406,244</u>

MINISTRY OF FOREIGN AFFAIRS

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 JULY 2018

SEG	Item	Budget Estimate (\$)	Appropriation Changes (\$) Note 5	Revised Estimate (\$) a	Actual Expenditure (\$) b	Carry Over (\$)	Lapsed Appropriation (\$) Note 4 (a-b)
	Operating Expenditure						
1	Established Staff	16,149,606	(2,036,333)	14,113,273	13,386,287	—	726,986
2	Government Wage Earners	4,260,072	(237,241)	4,022,831	3,655,727	—	367,104
3	Travel & Communication	2,643,769	1,736,204	4,379,973	3,939,577	—	440,396
4	Maintenance & Operations	11,050,451	374,443	11,424,894	10,994,967	—	429,927
5	Purchase of Goods & Services	946,290	369,087	1,315,377	1,018,904	—	296,473
6	Operating Grants & Transfers	5,927,678	(325,150)	5,602,528	5,489,038	—	113,490
7	Special Expenditure	1,008,222	(5,025)	1,003,197	799,673	—	203,524
	Total Operating Expenditure	41,986,088	(124,015)	41,862,073	39,284,173	—	2,577,900
	Capital Expenditure						
8	Capital Construction	300,000	—	300,000	140,536	—	159,464
9	Capital Purchase	150,000	124,015	274,015	190,162	—	83,853
	Total Capital Expenditure	450,000	124,015	574,015	330,698	—	243,317
13	Value Added Tax	1,448,900	—	1,448,900	781,730	—	667,170
	TOTAL EXPENDITURE	43,884,988	—	43,884,988	40,396,601	—	3,488,387



MINISTRY OF FOREIGN AFFAIRS

**STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 JULY 2018**

Loss of Money

There was no loss of money recorded for the year ended 31 July 2018.

Loss of Revenue

There was no loss of revenue recorded for the year ended 31 July 2018.

Loss of Fixed Assets

There was no loss of fixed assets recorded for the year ended 31 July 2018. However, the following items worth \$185,375 were approved by the Permanent Secretary for Economy to be written off, following the Ministry's Board of Survey for the period ended 31 July 2018.

Fixed Assets Category	Amount (\$)
Motor Vehicle	13,477
Office Equipment	59,811
Furniture & Fittings	105,616
Others	6,471
Total	185,375



MINISTRY OF FOREIGN AFFAIRS

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

NOTE 1: REPORTING ENTITY

The Ministry of Foreign Affairs promotes Fijian interests in other nations and on the world stage. This includes a broad range of activities from providing consular services to Fijians living overseas to organising high level visits to Fiji.

The Ministry develops and carries out Fiji's foreign policy and manages Fiji's relationships with other nations and with multi-national and sub-regional organisations like the United Nations and the Melanesian Spearhead Group. The Ministry is focused on securing the maximum benefits for Fiji from these relationships.

Currently, the Ministry administers 17 overseas missions in the following places: Washington; New York; Kuala Lumpur; Seoul; Abu Dhabi; Wellington; Tokyo; New Delhi; Brussels; Brazil; Jakarta; Beijing; Canberra; Geneva; London; Addis Ababa; and Port Moresby.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounting/Presentation

In accordance with Government accounting policies, the financial statements of the Ministry is prepared under the cash basis of accounting. All payments related to purchases of fixed assets have been expensed.

The financial statements are presented in accordance with the Financial Management Act and the requirements of Section 71 (1) of the Finance Instruction 2010 and the Finance (Amendment) Instructions 2016. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies.

(b) Accounting for Value Added Tax (VAT)

All expenses and revenue are VAT exclusive. The Ministry on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Economy. VAT input on the other hand is claimed on payments made to the suppliers and the sub-contractors for expenses incurred.

The VAT payment as per the Statement of Receipts and Expenditures relates to VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to FRCS. Actual amount paid to FRCS during the year represent the difference between VAT Output and VAT Input.

(c) Comparative Figures

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

MINISTRY OF FOREIGN AFFAIRS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 JULY 2018

(d) Revenue Recognition

Revenue is recognised when cash is actually received by the Ministry.

NOTE 3: SIGNIFICANT VARIATIONS

In comparison with financial year 2016/2017 no major variation was noted in the revenue generated and expenditure incurred in the 2017/2018 financial year. The Administration Fees collected by the Ministry is related for services provided by Fiji Overseas Missions in processing of passports and visas, birth certificates and police clearance. Expenditure was mostly related to the operational needs.

NOTE 4: SIGNIFICANT SAVINGS

Significant Savings for the financial year ended 31 July 2018 are as follows:

No.	Expenditure	Revised Budget (\$)	Actual Expenditure (\$)	Savings (\$)	Percentage Savings (%)
(a)	Special Expenditures	1,003,197	799,673	203,524	20
(b)	Capital Construction	300,000	140,536	159,464	53
(c)	Capital Purchase	274,015	190,162	83,853	31

- (a) The savings of \$203,524 under the Special Expenditure allocation was attributed to savings derived from funds budgeted for Protocol & Hospitality expenses, MSG meeting, PM - PNG State Visit, GST (Goods & Services Tax) FHC (Fiji High Commission) Canberra and GST FHC Papua New Guinea.
- (b) The savings of \$159,464 under the Capital Construction allocation was attributed to the delay in implementation of the planned refurbishment work for Fiji House and Chancery in Brussels which were estimated to cost around \$150,000 (requested amount €81,288.40). There was an issue with the provision of relevant documentations required by Ministry of Economy to facilitate the approval of the Requisition to Incur Expenditure (RIE) and consequently the release of funds. The delay was also attributed to the process required for seeking tender board approval from Fiji Procurement Office.
- (c) The savings of \$83,853 under the Capital Purchase allocation was attributed to delay in the finalization and approval of purchases of furniture from Pacific Green Limited. A verbal agreement by the Honourable Prime Minister with some Missions after his visits in 2018 was to purchase only Pacific Green products in the aim of showcasing Fiji's artefacts to the world. Further discussions were made on this matter before a request for waiver was made in early 2019 for the waiver of tender approval for the purchase. Thus the plan was not materialized in time prior to the closure of the financial year 2018 and the purchases of office furniture was delayed.

MINISTRY OF FOREIGN AFFAIRS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...)
FOR THE YEAR ENDED 31 JULY 2018

NOTE 5: APPROPRIATION CHANGES

There were no redeployments of the Ministry's funds during the year. In 2017 - 2018, a total of 21 virements were processed as follows:

Virement Number	From	Amount (\$)	To	Amount (\$)	Approved By
DV0801	SEG 4	40,000	SEG 5	40,000	PSFA
DV0802	SEG 6	18,617	SEG 6	18,617	PSFA
DV0803	SEG 6	30,639	SEG 6	30,639	PSFA
DV0804	SEG 6	15,299	SEG 6	15,299	PSFA
DV0805	SEG 6	2,684	SEG 6	2,684	PSFA
DV0806	SEG 1	224,919	SEG 3	260,000	PSFA
	SEG 4	100,000	SEG 4	120,000	
	SEG 6	175,081	SEG 5	90,000	
			SEG 7	30,000	
DV0807	SEG 6	58,140	SEG 7	58,140	PSFA
DV0808	SEG 1	183,570	SEG 1	183,570	PSFA
DV0809	SEG 1	110,822	SEG 1	110,822	PSFA
DV0810	SEG 6	100,472	SEG 6	100,472	PSFA
DV0811	SEG 1	800,000	SEG 3	1,270,000	PSFA
	SEG 2	450,000	SEG 4	551,000	
	SEG 4	361,000	SEG 5	189,000	
	SEG 6	500,000	SEG 7	92,000	
			SEG 9	9,000	
DV0812	SEG 1	6,265	SEG 1	6,265	PSFA
DV0813	SEG 1	69,650	SEG 1	69,650	PSFA
	SEG 2	57,550	SEG 2	57,550	
	SEG 6	124,248	SEG 6	363,500	
	SEG 7	239,252			
DV0814	SEG 4	129,821	SEG 7	129,821	PSFA
DV0815	SEG 1	942,729	SEG 1	174,074	PSFA
	SEG 4	573,759	SEG 3	464,000	
	SEG 5	55,000	SEG 4	657,559	
	SEG 6	15,074	SEG 5	169,000	
	SEG 13	200,000	SEG 6	35,965	
			SEG 7	85,964	
SEG 13	200,000	SEG 13	200,000		
DV0816	SEG 4	261,271	SEG 6	261,271	PSFA
DV0817	SEG 1	30,000	SEG 7	80,000	PSFA
	SEG 7	50,000			
DV0818	SEG 3	229,269	SEG 3	149,248	PSFA
	SEG 4	312,485	SEG 4	323,000	
	SEG 5	93,514	SEG 5	48,000	
			SEG 6	7,450	
			SEG 7	9,570	
			SEG 9	98,000	



MINISTRY OF FOREIGN AFFAIRS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...)
FOR THE YEAR ENDED 31 JULY 2017

NOTE 5: APPROPRIATION CHANGES (continued)

Virement Number	From	Amount (\$)	To	Amount (\$)	Approved By
DV0819	SEG 3	215,875	SEG 3	38,100	PSFA
	SEG 4	273,625	SEG 4	774,845	
	SEG 5	48,499	SEG 5	30,100	
	SEG 6	120,794	SEG 7	8,500	
	SEG 7	192,752			
DV08001	SEG 1	40,000	SEG 1	40,000	PSFA
DV08002	SEG 1	816,510	SEG 1	603,751	PSFA
	SEG 2	159,363	SEG 2	372,122	

