

COP23 Presidency Trust Fund: Second Semi-Annual Report

1.0 PURPOSE

- 1.1 The purpose of this Report is to provide information on key activities and expenditure incurred through the second six months of expenditure from the COP23 Presidency Trust Fund from 1 November 2017 to 30 April 2018 (the period).

2.0 BACKGROUND

- 2.1 Pursuant to section 8(1) of the COP23 Presidency Trust Fund Act 2017 (Act), the Ministry responsible for finance must prepare a report every six months on the activities and expenditure of the COP23 Presidency Trust Fund (Fund), including financial statements for the Fund, and submit the report to Cabinet within six months from the end of the six-month period to which the report relates.
- 2.2 The COP 23 Presidency Secretariat (Secretariat) was established in March 2017 to oversee and manage the operations of the Fund. Utilisation of the Fund for procurement is in accordance with the Procurement Regulations 2010. Further, a Financial Policy Guideline consistent with the Financial Management Act 2004 and Finance Instructions 2010 has been developed for the Fund. The Ministry of Economy (MoE) also assists with the accounting function of the Fund.
- 2.3 In addition, COP23 Presidency partner KPMG assisted with seconding a senior accounting officer to the Fund who was engaged as the Manager Finance for the Secretariat for a reduced fee for a six month period commencing from 31 July 2017 to 31 January 2018. Subsequently, MoE assumed accounting responsibilities with an extra Finance Manager being appointed in June 2018.

3.0 BILATERAL AND MULTILATERAL FUNDING SUPPORT

For the period a total sum of over F\$11 million was received in the form of “donations” to the Fund. The major donors comprised of Germany (F\$4.1 million), UK (F\$1.9 million and further over F\$2 million pledged) and Russia (F\$1.6 million). Significant donations were also received from Belgium, Estonia, Korea, Spain, Qatar and the Australia and New Zealand Bank for support of the PreCOP Blue Ocean event. The Asian Development Bank contributed (F\$2 million) and philanthropic foundations ClimateWorks and European Climate Foundation also contributed. A much appreciated donation was received from the Delai Narona Trust from the gate takings of their COP23 Rugby Sevens tournament in Tavuni, Fiji. All donations detail are in the six monthly financial report which is attached as Annex 1.

- 3.1 Expenditure of the Fund over the period amounted to over F\$8.5 million leaving a balance of just over F\$16 million, prior to the payment of Bonn and Bangkok intersessional meetings, the 2nd Climate Action Pacific Partnership Conference, COP24 and other legacy initiatives and residual costs. The ensuing discussion highlights how the funds were defrayed.
- 3.2 It should be noted that the Fund is not the only vehicle for financing COP23 Presidency activities. A number of donor nations, in keeping with their own domestic requirements, have chosen separate funding vehicles. This included USA, Norway, Switzerland, Italy (part) and the European Commission (part) which opted to make their contributions through a COP23 Project Fund in the United Nations Framework Convention on Climate Change (UNFCCC) Trust Account. New Zealand provided a secondment to assist with the scheduling and management of the Fiji Pavilion at COP23. Canada has contributed through the United Nations Development Programme (UNDP).
- 3.3 The historic co-hosting of the 23rd Convention of the Parties in Bonn, Germany, would not have been possible without the significant contributions of the German Government in the construction and management of facilities adjacent to the UNFCCC Secretariat. This is in addition to their already substantial direct, noted above, and indirect support. The latter included BMZ funded and GIZ managed budget in 2017 and 2018 of almost F\$2.5 million which has helped resource the establishment and operation of the Secretariat and supported the activities of the High-Level Champion and his Special Adviser Christine Fung. This support included crucial logistical and transport support for the Climate Action Pacific Partnership Conferences in both 2017 and 2018.
- 3.4 Fiji understands the Trust Account with the UNFCCC has received almost F\$7 million in contributions. Some of the COP23 Presidency related expenditure that has been funded by the UNFCCC includes:
- (i) travel, accommodation and per diems of the majority of the Fijian delegations to UNFCCC meetings;
 - (ii) support for other eligible countries' participation in the Heads of Delegation meeting in Rabat, Morocco, the Pre-COP and COP23 meeting and
 - (iii) F\$400 000 contribution to assist the recent Bangkok intersessional meeting, and;
 - (iv) travel expenses of the Chief Negotiator and Chief of Staff.

The UNFCCC Secretariat also provided significant and much appreciated logistical and advisory support over the period. A Fijian team member was posted in Bonn as UNFCCC liaison officer until the end of the COP23 meeting.

4.0 FUND UTILISATION

4.1 Outlined below are key activities that were either wholly or partially supported through the Fund in the relevant period:

- (i) Management and operation of the Secretariat in Suva, Level 9 of Suvavou House;
- (ii) support of the COP23 Presidency leadership personnel which included:
 - (a) COP23 President – the Hon. Prime Minister J. V. Bainimarama
 - (b) COP23 High-Level Champion – the Hon. Minister Inia Seruiratu;
 - (c) COP23 Chief Negotiators – Ambassador Nazhat Shameem-Khan and Ambassador Daunivalu;
 - (d) Climate Ambassador – Deo Saran; and
 - (e) Special Adviser, Oceans Pathway - Taholo Kami
 - (f) the Pacific Special Representatives – Amena Yauvoli and Roving Ambassador Tui Cavuilati. Australian funding specifically supported the activities of the Pacific Special Representative and, more broadly, engagement with Pacific countries;
- (iii) fielding a successful team in Bonn for the November COP23 and the funding of the Fijian Pavilion and its associated side event and cultural program (see outcomes below);
- (iv) supporting engagement by membership of the COP23 Presidency leadership at key international UNFCCC or related events including the One Planet Summit in Paris and meetings in Bangkok and Tokyo;
- (v) materially advancing the Global Climate Action Agenda promoting greater pre-2020 action under the leadership of the High-Level Champion, Hon. Minister Seruiratu;
- (vi) maintenance of extensive communication program including the COP23 website, traditional and social media outreach, drafting and event management;
- (vii) training and building capacity of the Fijian National Team and the Fijian Presidency Team. Additional training support also came from UNDP contributions and secondments;
- (viii) furthering the partnership with Governor Brown of California COP23 Special Envoy for States and Regions as part of building a Grand Coalition of non-State actors for climate action. COP23 President Prime Minister Frank Bainimarama spoke at the “America’s Pledge” Pavilion managed by Governor Brown and former New York Mayor Michael Bloomberg;

- (ix) furthering the relationship with private sector finance through the Talanoa dialogue and initiatives such as the Frontier Fund and investment in the forestry and transport sector;
- (x) progressing numerous legacy projects for Fiji and the Pacific including:
 - (a) a focus on renewable energy innovation and the establishment of the Fijian Rural Electrification Fund as a Charitable Trust, with initial support from the Leonardo Di Caprio Foundation;
 - (b) increasing regional implementation of the Paris Agreement through the development and launch of a regional Pacific Nationally Determined Contribution Implementation Hub, conceived of at the July 2017 CAPP Conference, and;
 - (c) the launch and work of the Climate Finance and Insurance “Drua” Incubator developing or supporting renewable energy and climate insurance concepts capable of application to Fiji and the Pacific.
 - (d) The listing of the Fijian Sovereign Green Bond, launched at PreCOP in October, on the London Stock Exchange. The Bond raised FJ\$100 million for strengthening Fijian resilience and emission reduction projects and inspired similar initiatives in the developing world.
- (xi) in keeping with past COP hosts experience, a Fijian team member was posted in Bonn as UNFCCC liaison officer;
- (xii) an extensive Cultural and Communications Plan was developed for COP23 including numerous activities across the COP23 Bula (negotiation) zone, the COP23 Bonn (non-State actors) zone and the City of Bonn. This included the extensive planning and logistical preparations for the Fijian Pavilion, with the development of a Pacific focussed schedule of events. In addition, the Secretariat worked with the German government and non-government organisations on the design and schedule for an NGO “Talanoa Space” in the Bonn Zone; and
- (xiii) other Presidency support services including strategic advice, negotiations support, assistance with fundraising, capacity building, logistical support, communication and documentation drafting.

5.0 Outcomes COP23 Bonn, Germany

5.1 Working with generous co-hosts Germany, Fiji staged a successful COP that brought to the fore both the human challenges and innovations of the Pacific response to climate challenge and the Bula spirit of warmth and inclusiveness. Key 2017 and COP23 outcomes included:

- (i) **Talanoa Dialogue:** an inclusive process was agreed to share stories and showcase best practices in order to urgently raise ambition in nationally determined contributions (NDCs). Fiji and Poland are to co-chair a final Ministerial level Talanoa at COP24.
- (ii) **Fiji momentum for implementation decision:** after progress on Paris Agreement implementation guidelines this decision of the parties made clear the guidelines should be concluded at COP24 alongside the Talanoa Dialogue and a stocktake of pre-2020 action.
- (iii) **Financing for vulnerable nations:** While there is still significant shortfalls in financing commitments and focus, the Adaptation Fund was replenished and linked to the Paris Agreement, the Global InsuResilience partnership grew with over US\$150 million backing, the Fiji Clearing House for Risk Transfer was launched and a Suva Dialogue on Loss and Damage set for early 2018.
- (iv) **Inclusive processes:** agreements were reached to include traditionally marginalised voices of gender; local communities and indigenous peoples, a pioneering “Open Dialogue” was held between parties and non-party stakeholders.
- (v) **Koronivia Joint work on Agriculture:** overcoming long held differences, a joint work plan was agreed to progress new strategies for adaptation and mitigation within this vital sector.
- (vi) **Oceans Pathway Partnership launch:** to be co-chaired by Fiji and Sweden this multi-national partnership was established to better integrate climate and ocean considerations in UNFCCC by 2020 and to accelerate action on ocean health vital for a safer climate.
- (vii) **Grand Coalition for Climate Action:** the Presidency has helped to galvanise coalitions to accelerate climate action before 2020 and beyond between civil society, the scientific community, the private sector and all levels of government, including cities and regions. At COP23 numerous events including the “America’s Pledge” event co-hosted by COP23 Special Envoy Governor Jerry Brown highlighted significant actions and innovations underway in US cities and states. Fiji’s High Level Champion vigorously engaged with stakeholders and technical processes championing greater Pacific engagement, the Champions’ Global Climate Action 2017 Yearbook highlighted actions from coalitions covering over a billion people.
- (viii) **Fiji/Pacific outcomes:** A number of reports or initiatives were launched including: the Pacific Regional NDC Hub; the Pacific Climate Finance and Insurance “Drua” Incubator; the 5 and 20 year National Development Plan; the National Adaptation Plan Framework, and; the NDC Roadmap for Energy.

6.0 EXTERNAL AUDIT

6.1 PricewaterhouseCoopers has concluded its audit of the Fijian 16/17 financial year (1 August 2017 to 31 July 2018), concluding in their opinion:

- the financial report presents fairly, in all material respects, the actual payments and donations received for the purpose of the Fund in accordance with the accounting policies set out in Note 2 to the financial report; and
- the Fund payments provided by Donors have, in all material aspects been used in compliance with the Act, the Guidelines, the Procurement Regulations 2010 and in conformity with the applicable conditions in the Funding Agreements with the Donors.

A copy of the audited accounts is attached as Annex 2. PricewaterhouseCoopers has commenced audit of the 17/18 financial year.

7.0 CONCLUSION

The COP23 Presidency Trust Fund is managed in a very sound manner. To ensure proper accountability and transparency, progressive six-monthly financial reports will be published on a periodic basis and the audited financial statements on a 12-monthly basis. Consistent with funding arrangements and agreements the Presidency also publishes quarterly updates. All finalised documents are published on the COP23 website.

OCTOBER, 2018

COP23 Presidency Trust Fund Account

The COP23 Presidency Trust Fund was established and administered in accordance with the COP23 Presidency Trust Fund Act 2017. Expenditure till 31 July 2017 has been audited with an audit for 2017/18 financial year now underway. Attached as Annex 2 is the audited accounts. The un-audited statement of receipts and payments till 30 April 2018 is presented in accordance with the COP23 Trust Account - Financial Policy Guideline and section 58 (4) of the Finance Instruction 2010 of the Republic of Fiji issued under the Financial Management Act 2004.

Statement of Receipts and Payments For the period ending on 30 April 2018

		1 Nov 2017	20 Dec 2016
	Notes	30 Apr 2018 (un-audited) FJD	31 Oct 2017 FJD
Opening available funding		13,411,396	-
Receipts			
Donations	1	11,104,263	24,928,619
Interest		140,070	58,452
Refunds		-	23,570
Total Receipts	9	11,244,333	25,010,641
Payments			May - Oct 2017
External Professional Services	2	6,081,719	8,686,717
Conference Cost	3	395,090	1,733,284
Cultural Intervention	4	30,428	76,736
Travel Related Costs	5	651,970	727,815
Training Costs		2,960	16,182
Staff costs	6	229,677	108,148
Outreach	7	12,487	167,538
Pavilion	8	1,193,749	81,681
Office Support		2,699	1,000
Bank charges		170	144
Total Payments	9	8,600,949	11,599,245
Available funding		16,054,780	13,411,396

COP23 Presidency Trust Fund Account
Notes to the Statement of Receipts and Payments
For the period ending on 30 April 2018

	1 Nov 2017	20 Dec 2016
	-	-
	30 Apr 2018	31 Oct 2017
	(un-audited)	
	FJD	FJD
1. Donations		
Italy	-	2,365,744
European Union	-	4,789,410
Luxembourg	-	119,673
Australia	-	9,361,835
India	-	2,025,932
New Zealand	-	1,893,580
Others	-	4,372,445
Korea	223,987	-
Germany	4,104,883	-
United Kingdom	1,902,691	-
Qatar	103,747	-
Estonia	242,364	-
Russia	1,652,138	-
Asian Development Bank	2,078,570	-
Spain	122,489	-
Australia and New Zealand Banking Group	20,000	-
Belgium	245,157	-
Delai Narona	500	-
European Climate Foundation	7,977	-
ClimateWorks Foundation	399,760	-
	<u>11,104,263</u>	<u>24,928,619</u>
2. External Professional Services		
Presidency services	4,490,213	8,580,679
Public relations and communications	1,536,545	-
Others	54,961	106,038
	<u>6,081,719</u>	<u>8,686,717</u>
3. Conference Cost		
Climate Action Pacific Partnership Event	1,280	414,199
Pre-COP	393,090	1,319,085
International year of Coral Reef	720	-
	<u>395,090</u>	<u>1,733,284</u>
4. Cultural Intervention, artifacts, gifts and others		
Climate Action Pacific Partnership Event	-	17,105
23rd Conference of Parties to the UNFCCC	19,668	33,632
Pre-COP	690	25,999
Bonn Intersessional	3,000	-
Other	7,070	-
	<u>30,428</u>	<u>76,736</u>

COP23 Presidency Trust Fund Account
Notes to the Statement of Receipts and Payments
For the period ending on 30 April 2018

	1 Nov 2017	20 Dec 2016
	-	-
	30 Apr 2018	31 Oct 2017
	<i>(un-audited)</i>	
	FJD	FJD
5. Travel Related Costs		
Bonn UNFCCC	16,816	287,327
Climate Action Pacific Partnership Event	-	59,646
23rd Conference of Parties to the UNFCCC	297,757	309,129
Media Tour	22,366	16,279
UN General Assembly and Climate Week	344	45,028
Pacific Partnership (PIFS Leaders Forum)	-	3,344
Pre-COP	77,236	7,062
Brazil/Japan Informal Negotiations	3,179	-
International year of Coral Reef	1,359	-
Chief Negotiator support	32,083	-
Warsaw Implementation Mechanism Executiv	8,742	-
Global Climate Action Events	23,840	-
Ocean Pathway/Global Climate Action Event	5,882	-
Cartagena Dialogue	2,198	-
Asia Pacific Transparency Workshop	1,079	-
CHOGM/Bonn Intersessional	22,006	-
One Planet Summit/Asia Pacific Climate Wee	105,167	-
UNFCCC Retreat and High level meeting	16,657	-
UNFCCC liaison officer	15,259	-
	<u>651,970</u>	<u>727,815</u>
6. Staff costs		
Secretariat team costs	<u>229,677</u>	<u>108,148</u>
7. Outreach		
National Climate Change Week	<u>12,487</u>	<u>167,538</u>
8. Pavilion		
23rd Conference of Parties to the UNFCCC	<u>1,193,749</u>	<u>81,681</u>
9.		
This Statement of Receipts and Payments do not include receipts and payments that the donors paid directly to other agencies.		

**COP 23 Presidency Trust Fund
Financial Report
For the period ended 20 December 2016 to
31 July 2017**

COP 23 Presidency Trust Fund

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COP 23 Presidency Trust Fund**Statement by Trustee and Permanent Secretary for Ministry of Economy**

We certify that, to the best of our knowledge and belief:

- (a) the accompanying Statement of Receipts and Payments of the trust is drawn up so as to present fairly the results of the COP 23 Presidency Trust Fund for the period ended 20 December 2016 to 31 July 2017;
- (b) at the date of this statement there are reasonable grounds to believe that the amounts were fully and solely expended on the Trust for which approval had been given by the Trustees and the Permanent Secretary for Ministry of Economy; and
- (c) the COP23 Presidency Trust Fund, for the period ended 20 December 2016 to 31 July 2017, has complied with the Trust Fund Act, associated Financial Policy Guideline, the Procurement Regulations 2010 and with the applicable Conditions in the Funding Agreements with Donors.

Dated this 18th day of October 2018



.....
John Connor
Executive Director and Trustee



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Makereta Alifereti Konrote
The Permanent Secretary for Economy



Special Purpose Auditor's Report

To the Permanent Secretary for Economy and the Ministry of Economy

Report on the COP23 Presidency Trust Fund Financial Report

Opinion

We have audited the accompanying financial report of the COP 23 Presidency Trust Fund (the 'Fund'), which comprise the statement of financial position of the Fund as at 31 July 2017 and the statement of receipt and payments for the period 20 December 2016 to 31 July 2017 and notes to the financial report, including a summary of significant accounting policies.

In our opinion:

- the financial report presents fairly, in all material respects, the actual payments and donations received for the purpose of the Fund in accordance with the accounting policies set out in Note 2 to the financial report; and
- the Fund payments provided by Donors have, in all material aspects been used in compliance with the Act, the Guidelines, the Procurement Regulations 2010 and in conformity with the applicable conditions in the Funding Agreements with the Donors.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the ethical requirements of the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial report in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of Matter - Basis of accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report is prepared in accordance with the accounting policies described in Note 2 to the financial report. Our opinion is not modified in respect to this matter.



Ministry of Economy's Responsibility for the financial report

The Ministry of Economy (the 'Ministry') is responsible for the preparation of the financial report in accordance with the accounting policies as described in Note 2 to the financial report, and for such internal control as the Ministry determine is necessary to enable the preparation of financial report that are free from material misstatement, whether due to fraud or error. In preparing the financial report, the Ministry is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Ministry either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Ministry is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or 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 these financial report.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 our 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Ministry.
- Conclude on the appropriateness of Ministry's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.



We communicate with the Ministry regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Use

This report is made solely to the Permanent Secretary for Economy and the Ministry, as a body. Our work has been undertaken so that we might state to the Permanent Secretary for Economy and the Ministry, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Permanent Secretary for Economy and the Ministry, as a body, for our audit work, or for the opinions we have formed.

18 October 2018
Suva, Fiji


PricewaterhouseCoopers
Chartered Accountants

COP 23 Presidency Trust Fund
Statement of Receipts and Payments
For the period 20 December 2016 to 31 July 2017

	Note	2017 FJD
Receipts		
Donations	3	17,621,420
Interest		10,666
Total Receipts		17,632,086
Payments		
External Professional Services	4	5,027,289
Conference Cost	5	408,024
Cultural Intervention	6	17,105
Travel Related Costs	7	342,174
Bank charges		44
Total Payments		5,794,636
 Available funding		 11,837,450

COP 23 Presidency Trust Fund
Statement of Financial Position
As at 31 July 2017

	2017
	FJD
Current assets	
Cash at bank	<u>11,837,450</u>
Total current assets	<u>11,837,450</u>
Current liabilities	
Donor funds	<u>11,837,450</u>
Total current liabilities	<u>11,837,450</u>

COP 23 Presidency Trust Fund
Notes to the financial report
For the period 20 December 2016 to 31 July 2017

1. General Information

The COP 23 Presidency Trust Fund account was established for the funding of the Republic of Fiji ("government") in their role as President of Conference of Parties 23 and to assist the government to finance programmes, projects and activities that relate to the Paris Agreement and for related matters.

The purposes of the fund are:

- (a) to receive monies from donors, foundations and other States parties to the Convention to finance the performance of the State's role as President of COP23;
- (b) to disburse the monies received for the performance of the State's role as President of COP23;
- (c) to ensure the success of the State in its role as President of COP23, which includes but is not limited to the utilisation of the Fund for:
 - (i) hosting and attending events associated with COP23;
 - (ii) supporting international diplomacy by the Government to advance the priorities of the COP23 Presidency;
 - (iii) the training and development of the COP23 Presidency team and COP23 Presidency office staff; and
 - (iv) the provision of a COP23 Presidency office and specialist advisors to support the COP23 Presidency.
- (d) to provide funding to assist programmes, projects and activities associated with or arising out of the COP 23 Presidency and which may include addressing climate change mitigation and adaptation activities under the Paris Agreement; and
- (e) any other climate change relate purpose approved by the Minister.

2. Basis of accounting and summary of significant accounting policies

Set out hereunder are the basis of preparation and significant accounting policies adopted by the COP 23 Presidency Trust Fund in the preparation of this financial report of the Trust for the period ended 20 December 2016 to 31 July 2017. All amounts are stated in Fijian Dollars (FJD)

(a) Statement of compliance

The financial report has been drawn up for distribution, have been prepared on a historical cost basis, and do not take into account changing money values or current valuations of non-current assets.

The financial report has been prepared in accordance with instruction 58(4) of Finance Instructions 2010.

COP 23 Presidency Trust Fund
Notes to the financial report - continued
For the period 20 December 2016 to 31 July 2017

(b) Operating expenditure

Operating expenses are recorded on a cash basis when paid. The expenses recorded in the Statement of Receipts and Payments comprise only those expenditures of the Fund.

The Statement of Receipts and Payments do not include receipts from donors paid directly to other agencies and payments do not include payments made directly by donors or the other agencies.

(c) Functional and presentation currency

Transactions in foreign currencies are translated to the functional currency (FJD) at exchange rates at the date of transactions (typically on the dates of payment and receipts).

(d) Donor funds

A number of funding agreements between the donors and the Government of the Republic Fiji stipulate the manner in which the donor funds may be utilised. Additionally a number of the funding agreements stipulate that unexpended portion of the donor's financial contribution and interest earned on the financial contribution that is not expended on the program at the completion date or earlier termination of the agreement will be refunded to the donor.

3. Donations

Australia	9,361,835
India	2,025,932
New Zealand	1,893,580
Others	4,340,073
	<u>17,621,420</u>

4. External Professional Services

Baker McKenzie	4,974,853
Others	52,436
	<u>5,027,289</u>

Baker McKenzie has been engaged to advise the Government on Fiji's Presidency of COP23. Payments to Baker McKenzie from 29 December 2016 up until 31 July 2017 amounted to USD1,877,500 (which was provided by way of a deferred- at risk payment). The total contract value which covers advisory fees, secondment costs, sub-contractors and third party costs, secretarial fees, travel costs, accommodation and all expenses amounts to USD5,305,000.

5. Conference Cost

Climate Action Pacific Partnership Event	<u>408,024</u>
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6 Cultural Intervention

Climate Action Pacific Partnership Event	<u>17,105</u>
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COP 23 Presidency Trust Fund
Notes to the financial report - continued
For the period 20 December 2016 to 31 July 2017

7 Travel Related Costs

Bonn Intersessional (May 2017)	282,528
Climate Action Pacific Partnership Event	59,646
	<u>342,174</u>