
Republic of Fiji
Blue Economy and Green Community Development
(BE-GREEN)
Negotiated financing agreement

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Negotiated financing agreement

Blue Economy and Green Community Development (BE-GREEN)

(Negotiations concluded on 18 August 2025)

FINANCING AGREEMENT

Loan No: _____

Programme name: Blue Economy and Green Community Development (BE-GREEN) ("the Programme")

The Republic of Fiji (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

WHEREAS the Borrower has requested a loan from the Fund for the purpose of financing the Programme described in Schedule 1 to this Agreement;

WHEREAS the Fund has agreed to provide financing for the Programme.

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document, the Programme Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2), and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide a Loan to the Borrower, which the Borrower shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

Section B

1. The amount of the Loan is five million three hundred thousand United States Dollars (USD 5 300 000.00) (the "Financing").

2. The Loan is granted on highly concessional terms.
3. The Loan shall be free of interest but shall bear a fixed service charge as determined by the Fund at the date of approval of the Loan by the Fund's Executive Board, payable semi-annually in the Loan Service Payment Currency. It shall have a maturity period of forty (40) years, including a grace period of ten (10) years starting from the date of approval of the Loan by the Fund's Executive Board, and it will be repaid at two per cent (2%) of the total principal per annum for years eleven (11) to twenty (20), and four per cent (4%) of the total principal per annum for years twenty-one (21) to forty (40).
4. The Loan Service Payment Currency shall be in United States dollar (USD).
5. The first day of the applicable Fiscal Year shall be 1 August.
6. Payments of principal and service charge shall be payable on 15 March and 15 September of each year.
7. There shall be one Designated Account in USD for the exclusive use of the Programme opened in the Reserve Bank of Fiji, the Central Bank, with authorization of the Ministry of Finance (MoF) Treasury Division to receive funds from IFAD. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.
8. There shall be a Programme Account in local currency (Fiji dollars), opened with a commercial bank, for the PMU to receive funds from the Designated Account.
9. The Borrower shall provide counterpart financing for the Programme in the amount of one million one hundred and sixty-nine thousand United States Dollars (USD 1 169 000.00), financially or in-kind, in the form of taxes and duties.

Section C

1. The Lead Project Agency shall be the Ministry of Agriculture and Waterways (MoAW), in partnership with the Ministry of Environment and Climate Change (MoECC).
2. Partners in Community Development Fiji (PCDF) is designated as an additional Programme Party.
3. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Programme.
4. The Project Completion Date shall be the sixth anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Borrower.
5. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the IFAD Project Procurement Guidelines and IFAD Project Procurement Handbook (adopting IFAD Standard Procurement Documents and IFAD Standard Bidding Document) as amended from time to time. Procurement of Grants shall be undertaken in accordance with procedures as outlined in the Project Implementation Manual or Grant Manual and as amended from time to time.

Section D

1. The Fund will administer the Loan and supervise the Programme.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:
 - (a) The PIM and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Programme.
 - (b) In the event that the Borrower did not request a disbursement of the Financing for a period of at least 12 months without justification.
2. The following are designated as additional grounds for cancellation of this Agreement:
 - (a) In the event that the Borrower did not request a disbursement of the Financing for a period of at least 12 consecutive months without justification subsequent to the first eighteen (18) months from the Effective Date.
3. The following are designated as additional general conditions precedent to withdrawal:
 - (a) The IFAD no objection to the Programme Implementation Manual (PIM) shall have been obtained.
 - (b) Key Project staff has been appointed as per Section II, Schedule 1 of this Agreement.
 - (c) The first Annual Work Plan and Budgets (AWPB) shall have been submitted and received a no-objection from IFAD.
 - (d) IFAD must receive, a duly completed authorised user(s) letter, from the designated representative or a sufficiently senior delegated official, designating the name(s) of official(s) authorised to approve withdrawal application(s) and interim financial reports (IFR).
 - (e) An IFAD no objection to the subsidiary financing agreement concluded between the Borrower and the PCDF.
4. This Agreement is subject to ratification by the Borrower.
5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

Honourable Minister
Deputy Prime Minister and Minister of Finance, Strategic Planning, National
Development and Statistics
Ro Lalabalavu House, 370 Victoria Parade, Suva

For the Fund:

The President
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

If applicable, The Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.

This Agreement, [dated _____], has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

REPUBLIC OF FIJI

Biman C. Prasad
Deputy Minister and Minister of Finance, Strategic Planning, National
Development and Statistics

Date: _____¹

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

Alvaro Lario
President of IFAD

Date: _____

¹ In case the FA is not signed in IFAD HQ.

Schedule 1

Programme Description and Implementation Arrangements

I. Programme Description

1. *Programme Overview.* The Programme is a Multiphase Adaptive Programme (MAP) supporting the sustainable growth and resilience of Fiji's rural economy through ecosystem management and profitable economic initiatives. The development objective is to improve rural livelihoods and community resilience through sustainable blue and green initiatives, enhanced market access, and biodiversity protection. The Programme is implemented by the Ministry of Agriculture and Waterways (MoAW), in partnership with the Ministry of Environment and Climate Change (MoECC). Phase one of the programme is co-financed by IFAD and Global Environment Facility (GEF), with a total Programme cost of USD 24.26 million. The IFAD funding targets Vanua Levu, Fiji's second-largest island, focusing on six districts in Cakaudrove Province, engaging 3,050 households, with a priority on women, youth, and Indigenous Peoples. The GEF funding addresses land degradation and biodiversity loss across Vanua Levu, engaging approximately 3,500 households in participatory biodiversity conservation and land restoration, agri-value chains, training, etc. Vanua Levu has historically received limited public investment, resulting in disparities in infrastructure and market access. BE-GREEN aims to transition subsistence production systems into sustainable agriculture, marine-based production, and eco-tourism investments

2. *Target Area.* Activities will target Vanua Levu's three provinces: Bua, Macuata, and Cakaudrove. IFAD's first phase investment focuses on six Cakaudrove districts with high poverty levels and climate vulnerability. The target area includes 65 villages and 235 settlements belonging to the same villages in the target districts. Traditionally, each Fijian village comprises several family units which are part of one clan (mataqali). Thirteen self-standing settlements, predominantly inhabited by Indo-Fijians and other ethnic groups, will also form part of the BE-GREEN target group consisting of a total of 78 communities.

3. *Target Group.* BE-GREEN aims to benefit 3,000 households with high poverty levels, who are engaged in subsistence or semi-commercial farming, fishing, or handicraft-producing. It also targets 50 low-income households in Savusavu district and an additional 3,500 households across Vanua Levu through GEF support, directly benefiting a total of 6,550 households, corresponding to 39,300 people, including 50% women and 30% youth. About 75% of beneficiaries will be Indigenous Peoples (iTaukei).

4. *Goal and Objectives.* The overall goal of the Programme is to support the sustainable growth and resilience of Fiji's rural economy through improved ecosystem management as well as resilient and profitable economic initiatives. The development objective is improved rural livelihoods and climate resilience through sustainable blue and green productions, improved market access and biodiversity protection.

BE-GREEN aims to demonstrate an effective approach to enhancing rural livelihoods by leveraging economic initiatives as incentives to restore degraded ecosystems, adapt to climate change and protect biodiversity. Phase one will develop the approach in six districts, also delivering an Integrated Island Management Plan for Vanua Levu. Building on successes and lessons learnt, phase two will scale up the approach to the remaining districts of Vanua Levu, in alignment with the Plan.

5. *Programme Components.* BE-GREEN comprises four main components. The first component targets the entire island of Vanua Levu and the other three focuses on six target districts in Cakaudrove Province.

5.1 Component 1: Holistic Island Management: Aligning actors and resources to develop an Integrated Island Management Plan for sustainable land use, biodiversity conservation, and climate adaptation.

5.2 Component 2: Sustainable and Market-Oriented Production: Enabling communities to achieve ecosystem restoration and sustainable production systems targeting available markets.

5.3 Component 3: Inclusive Access to Markets and Finance: Enhancing the competitiveness and sustainability of rural enterprises through improved market access and business development services.

5.4 Component 4: Enabling Policy and Institutional Environment: Promoting and scaling up BE-GREEN's model, aligning economic growth with ecosystem preservation, and including youth and women in sustainable economic initiatives.

5.5 Component 0: Rapid Disaster Response: Component 0 is a zero-budget component designed to enable the reallocation of uncommitted IFAD programme funds to address urgent recovery needs arising from natural disasters affecting rural programme areas.

II. Implementation Arrangements

6. *Lead Project Agency.* The Lead Project Agencies shall be the Ministry of Agriculture and Waterways (MoAW), in partnership with the Ministry of Environment and Climate Change (MoECC).

7. *Financial Management and Procurement and Governance.* The MoAW will manage Financial Management (FM) through a Programme Management Unit (PMU), responsible for disbursing IFAD loan and GEF grant funds to implementing agencies (IAs) according to the Annual Work Plan and Budget (AWPB) and manage/coordinate monitoring and financial reporting. Building on prior experience with an IFAD-funded project, MoAW will enhance FM practices. The PMU will be staffed adequately with key functions necessary for the management of the Programme, including but not limited to the following key programme staff: a Programme Director; a Financial Management and Administration Manager; as well as officers coordinating IFAD financing and GEF grant; Rural and Agribusiness, Environment and Climate Change, Procurement, Knowledge management and M&E.

8. *Implementing partners.* In addition to MoAW and MoECC, as Lead Project Agencies, the other programme key partners include Ministry of iTaukei Affairs, Ministry of Rural and Maritime Development, Ministry of Youth and Sports, Ministry of Fisheries and Forests, Ministry of Women, Children and Social Protection, private sector entities, financial institutions, and youth and women organizations. Two NGOs will be engaged as Lead Implementing Partners, one of which will be Partners in Community Development Fiji (PCDF).

9. *Planning, Monitoring and Evaluation.* The M&E system will measure programme results against targets, provide data and analyses to assess achievements, and support policy dialogue and knowledge sharing. The system will be developed in line with IFAD, GoF, and GEF requirements.

10. *Knowledge Management.* BE-GREEN's Knowledge Management (KM) framework is designed to capture, disseminate and promote innovative models and practices identified through Components 2 and 3. It aims to support learning, adaptation, and improved project performance during implementation; track good practices and lessons learned, documenting successful models; contribute to policy development and scaling-up

processes; and identify priorities for BE-GREEN's second phase under the MAP. Indigenous Peoples' cultural heritage and knowledge will be specifically identified and promoted, in particular as assets for coping with climate change.

11. *Programme Implementation Manual*. A draft Programme Implementation Manual has been developed and will be reviewed and updated during Year 1 of implementation.

Schedule 2

Allocation Table

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

Category No.	Category Description	Loan Amount Allocated (expressed in USD)	Percentage eligible for IFAD financing
I	Equipment and Materials	544 000	100 %
II	Consultancies and Studies	1 304 000	100 %
III	Grants and Subsidies	1 798 000	100 %
IV	Trainings and Workshops	547 000	100 %
V	Operating Costs	1 107 000	100 %
Total		5,300,000	

The terms used in the Table above are defined as follows:

- (i) Category I: "Equipment and Materials" shall refer to eligible expenditures incurred for the procurement of goods, inputs, equipment, materials, and non-consultancy services exclusively.
- (ii) Category II: "Consultancies and Studies" shall refer to eligible expenditures incurred for international and national technical assistance, advisory and consultancy services, monitoring and evaluation activities, analytical studies, and other related professional services.
- (iii) Category III: "Grants and Subsidies" shall be recognized as eligible expenditures under the Competitive Grant mechanism, specifically within Components 2.1 (Community Planning), 2.3 (Climate-Smart Grants), 3.3 (Matching Grants), and 4.2 (Institutional Support – Youth Ambassadors).
- (iv) Category IV: "Training & Workshops" shall mean eligible expenses incurred for all training and workshop-related expenditures under program activities.
- (v) Category V: "Operating Costs" shall mean eligible expenses incurred for salaries and allowances related to the Programme management and coordination, and other operating expenditures, and excludes salaries of government deputed staff to be covered by the Government of Fiji.
- (vi) The percentage shall be applied to project expenditures, excluding indirect taxes and the financial contributions of other financiers.
- (vii) Government co-financing funds shall be allocated to support expenditures related to Equipment and Materials, Consultancies and Studies, Trainings and Workshops, and Operating Costs, with an estimated allocation of approximately USD 1.17 million equivalent.
- (viii) The estimated contribution from the private sector toward the Matching Grant is approximately USD 1.72 million.

2. *Disbursement arrangements*

- (a) *Start-up Costs.* Withdrawals in respect of expenditures for start-up costs incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of Five hundred thousand United State Dollar (USD 500,000) from IFAD loan. Activities to be financed by Start-up Costs will require the no objection from IFAD to be considered eligible. The activities relating to the Programme's start-up and preparatory activities are as follows: (i) purchase of essential items (including equipment and procurement of MIS system) for the PMU; (ii) recruitment of Project staff; (iii) costs related to tendering, selection, and recruitment of service providers; (iv) costs related to the finalization of the program implementation manual, customization of accounting software to fit IFAD requirements and license fees, start-up trainings and workshops; (v) establishment of the M&E system, including carrying-out of the baseline survey and development of MIS; (vi) exposure visits for knowledge and experiences sharing; (vii) surveys and feasibility studies.
- (b) The Office of Auditor General of Fiji will audit project financial statements each year, in accordance with audit standards acceptable to IFAD. It will send audit reports to IFAD within six months of the end of the financial year.

Schedule 3

Special Covenants²

I. General Provisions

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan Account if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Programme:

1. Within 6 months of entry into force of the Financing Agreement, the Programme will procure and install a customized accounting software as it is the practice in IFAD on-going supported projects, to satisfy International Accounting Standards and IFAD's requirements.
2. Within six (6) months of entry into force of the Financing Agreement, the Programme will enter into Memorandum of Understandings (MoU) with implementing partners that will structure the collaboration, define roles, responsibilities and duties with regards to implementation, financial management, accounting and reporting.
3. *Planning, Monitoring and Evaluation.* The Borrower shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.
4. *Gender.* The Borrower shall ensure women's participation in project activities in line with the set target of 50% women beneficiaries.
5. *Indigenous Peoples (IPs) Concerns.* The Borrower shall ensure that the concerns of IPs are given due consideration in implementing the Programme and, to this end, shall ensure that:
 - (a) The Programme is carried out with the consent of iTaukei communities documented, in accordance with the project's Free, Prior, and Informed Consent (FPIC) implementation plan. ;
 - (b) IPs are adequately and fairly represented in all local planning for Programme activities;
 - (c) IPs' rights are duly respected;
 - (d) IPs' communities participate in policy dialogue and local governance;
 - (e) The terms of Declarations, Covenants and/or Conventions ratified by the Borrower on the subject, namely Convention ILO 169, 1989, are respected³;
 - (f) The Programme will not involve encroachment on traditional territories used or occupied by indigenous communities.
6. *Anticorruption Measures.* The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.
7. *Sexual Harassment, Sexual Exploitation and Abuse.* The Borrower and the Project Parties shall ensure that the Programme is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.

² To be agreed with negotiation team which to include and adapt wording to each specific negotiation.

³ Refer to ILO 169, 1989 when ratified.

8. Use of Programme Vehicles and Other Equipment. The Borrower shall ensure that:
- (a) all vehicles and other equipment procured under the Programme are allocated to the Lead Programme Agencies and other Implementing Agencies for Programme implementation;
 - (b) The types of vehicles and other equipment procured under the Programme are appropriate to the needs of the Programme; and
 - (c) All vehicles and other equipment transferred to or procured under the Programme are dedicated solely to Programme use.
9. IFAD Online Project Procurement End to End System (OPEN). The Borrower shall ensure that a request is sent to IFAD to access the IFAD Online Project Procurement End to End System (OPEN). The Borrower shall ensure that all project procurement activities and planned and reported through OPEN. Additionally, contracts, memoranda of understanding, purchase orders and related payments/physical progress are updated through the contracts module in OPEN System in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Borrower shall ensure that OPEN data is updated periodically and on a timely basis for reporting purposes during the implementation of the Programme.
10. The Key Project Personnel are: Programme Manager, Technical Manager, Financial Management & Administration Manager, Rural Finance & Agribusiness Specialist, Monitoring and Evaluation Officer, Knowledge Management Officer, Procurement Officer, Social Inclusion and Gender Specialist, and Environment and Climate Assessment Specialist. In order to assist in the implementation of the Programme, the PMU, unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Project Personnel shall be seconded to the PMU in the case of government officials or recruited under a consulting contract following the individual consultant selection method in the IFAD Procurement Handbook, or any equivalent selection method in the national procurement system that is acceptable to IFAD. The recruitment of Key Project Personnel is subject to IFAD's prior review as is the dismissal of Key Project Personnel. Key Project Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance. Any contract signed for Key Project Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated SECAP. Repeated short-term contracts must be avoided, unless appropriately justified under the Programme's circumstances.

II. SECAP Provisions

1. For projects/programmes presenting high or substantial social, environmental and climate risks, the Borrower shall carry out the implementation of the Programme in accordance with the measures and requirements set forth in the Environmental, Social and Climate Management Plan (ESCMP and the Free, Prior and Informed Consent (FPIC) Plans in accordance with SECAP requirements and updated from time to time by the Fund.
2. The Borrower shall not amend, vary or waive any provision of the Management Plan(s), unless: (i) agreed in writing by the Fund and (ii) Borrower has complied with the requirements applicable to the original adoption of the Management Plan(s).
3. The Borrower shall disclose the draft and final ESCMP and all other relevant Management Plan(s) with Programme stakeholders and interested parties in an accessible place in the Programme-affected area, in a form and language understandable to

Programme affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).

4. The Borrower shall ensure or cause the Executing Agency and Implementing Agency to ensure that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times, in carrying out the Programme, with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.

5. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Programme implementation that, with respect to the relevant IFAD Programme:

- (i) has direct or potential material adverse effect;
- (ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or
- (iii) gives rise to material potential liabilities.

In the occurrence of such event, the Borrower shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;
- Consult with Programme-affected parties on how to mitigate the risks and impacts;
- Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements;
- Adjust, as appropriate, the Programme-level grievance mechanism according to the SECAP requirements; and
- Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

Serious ESHS incident means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in the context of the loan or within the Borrower's activities. Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Borrower (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and violence involving Programme workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegations that require intervention by the police/other law enforcement authorities such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties; or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

6. The Borrower shall ensure or cause the Executing Agency, Implementing Agency, contractors, sub-contractors and suppliers to ensure that the relevant processes set out in the SECAP 2021 Edition as well as in the Management Plan(s) (if any) are respected.

7. Without limitation on its other reporting obligations under this Agreement, the Borrower shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual basis - or such other frequency as may be agreed with the Fund;
- Reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Programme and propose remedial measures. The Borrower will disclose relevant information from such reports to affected persons promptly upon submission of the said reports; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

8. In the event of a contradiction/conflict between the Management Plan(s), if any, and the Financing Agreement, the Financing Agreement shall prevail.