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## **President's report**

### **Proposed loan**

### **Multiphase adaptive programme – first phase**

### **Republic of Fiji**

### **Blue Economy and Green Community Development**

Project ID: 2000004863

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#### **FOR: APPROVAL**

**Action:** The Executive Board is invited to approve the recommendation contained in paragraph 75.

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- II. Logical framework
- III. Integrated project risk matrix
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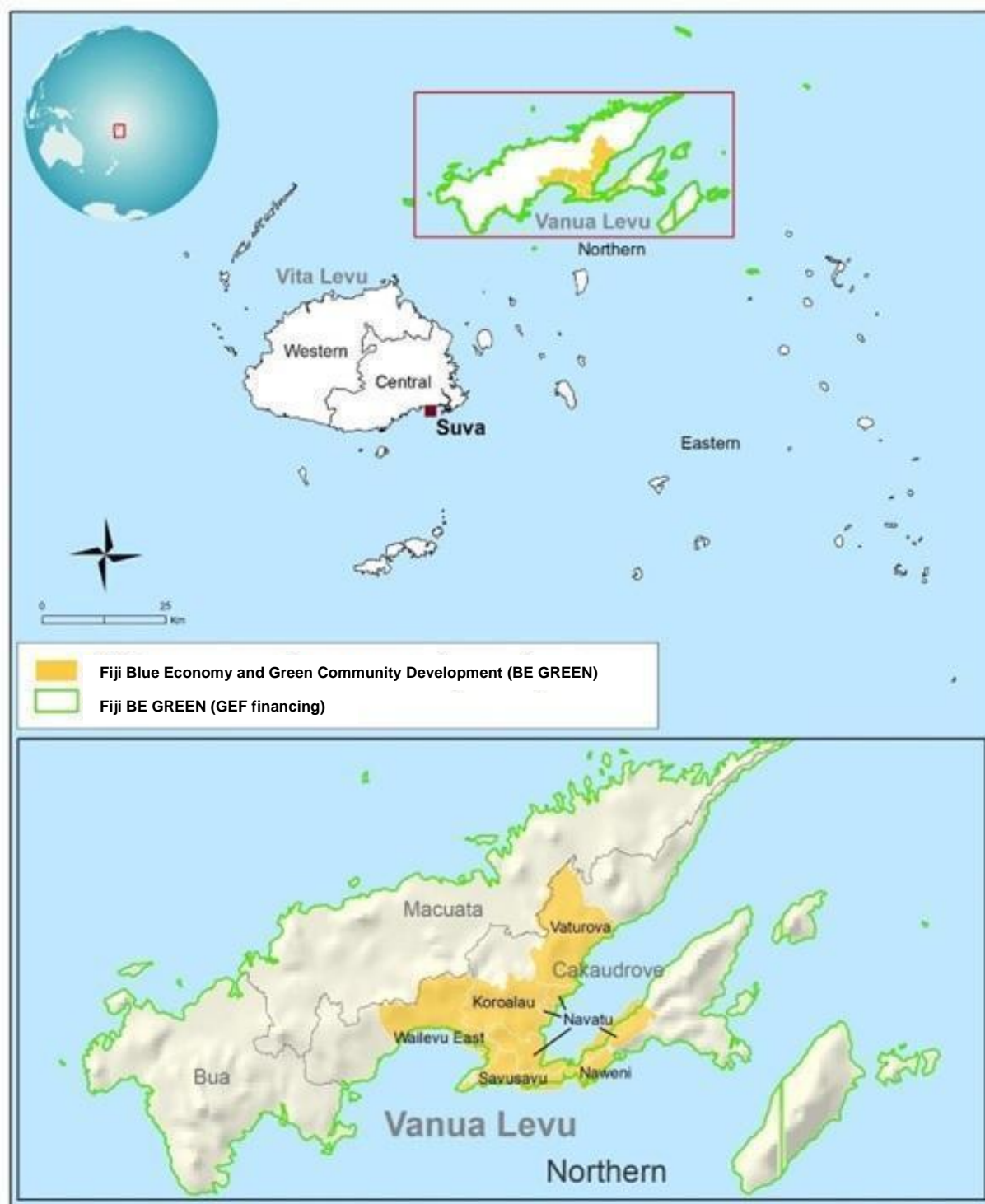
### Project delivery team

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## Map of the project area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 13-06-2024

## Financing summary

<b>Initiating institution:</b>	IFAD
<b>Borrower/recipient:</b>	Republic of Fiji
<b>Executing agency:</b>	Ministry of Finance
<b>Total multiphase programme cost:</b>	US\$41.95 million (estimate)
<b>Total first phase cost:</b>	US\$24.26 million
<b>Amount of IFAD loan performance-based allocation system (PBAS):</b>	US\$5.3 million
<b>Terms of IFAD loan:</b>	Highly concessional: 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).
<b>Cofinancier:</b>	Global Environment Facility (GEF)
<b>Amount of cofinancing:</b>	US\$8.226 million
<b>Terms of cofinancing:</b>	Grant
<b>Contribution of borrower/recipient:</b>	US\$1.169 million
<b>Contribution of beneficiaries/private sector:</b>	US\$1.864 million
<b>Financing gap:</b>	US\$7.7 million
<b>Total multiphase programme IFAD financing ceiling (not including first phase):</b>	US\$4.7 million
<b>Amount of IFAD climate finance:</b>	US\$4,494,000 (US\$0.8 million of which is a climate top-up)
<b>Cooperating institution:</b>	IFAD

# I. Context

## A. National context and rationale for IFAD involvement

### National context

1. The Republic of Fiji, a small island developing state, is projected to have had a population of 900,869 in 2024, mainly on Viti Levu (81 per cent) and Vanua Levu (15 per cent), with 44 per cent residing in rural areas. The population is young, with 60 per cent under the age of 35. However, limited domestic opportunities have led to substantial out-migration.
2. **Economic context.** Fiji is recovering post-COVID-19, with a projected 3.4 per cent GDP growth in 2025. Tourism, comprising 40 per cent of GDP, remains vital, and investing in agriculture and fisheries in Vanua Levu could boost local revenue. Remittances contribute 9.2 per cent of GDP. Nonetheless, climate variability and natural disasters, particularly cyclones, pose real challenges.
3. Accounting for only 11.7 per cent of GDP, the primary sector (which includes agriculture, fisheries and forestry) is the source of livelihood for over 80 per cent of the rural population. About 60 per cent of farming households rely on subsistence farming and grapple with issues ranging from climate variability to unsustainable practices. Smallholders struggle with productivity, technology access, market information, basic services and access to finance, transport and infrastructure for post-harvest handling.
4. **National policies and institutions.** The National Development Plan 2025–2029 is aimed at increasing social well-being and prosperity. The Agriculture Sector Policy 2025–2035 focuses on food security and farmer income through sustainable commercial agriculture. The National Climate Change Policy 2018–2030 addresses environmental risks, while the National Biodiversity Strategy and Action Plan 2020–2025 promotes conservation. Key government bodies include the Ministry of Agriculture and Waterways (MoAW), the Ministry of Environment and Climate Change, the Ministry of iTaukei Affairs, the Ministry of Youth and Sports, Ministry of Rural and Maritime Development and the Ministry of Fisheries and Forestry. The Reserve Bank of Fiji is also essential in relation to access to finance, with responsibility for regulating financial institutions, products and services.

### Special aspects relating to IFAD's corporate mainstreaming priorities

5. In line with IFAD's mainstreaming commitments, the Blue Economy and Green Community Development (BE GREEN) project has been validated as:
  - ☒ Including climate finance
  - ☒ Youth-sensitive
  - ☒ Prioritizing Indigenous Peoples
  - ☒ Including adaptive capacity
6. Close to 62 per cent of Fiji's population are Indigenous or iTaukei. BE GREEN makes Indigenous Peoples a priority target group since it operates in areas home to them and improves their livelihoods, building on their traditional knowledge, food systems, governance of land and natural resources.
7. Fiji is highly vulnerable to climate variability, with future expectations of extreme rainfall, heat waves, stronger cyclones, greater rainfall intensity and higher coastal storm surges due to rising sea levels. BE GREEN is designed for Indigenous youth to improve livelihoods through traditional knowledge and climate resilience activities. It supports community climate resilience and ecosystem management practices and plans.

### **Rationale for IFAD involvement**

8. Fiji's economy relies on agriculture and tourism. Agriculture supports 27 per cent of the population and employs over 83 per cent of rural residents, while tourism contributes roughly 40 per cent to GDP.
9. BE GREEN offers an opportunity to leverage Vanua Levu's agricultural and marine sectors in conjunction with the natural environment to offer opportunities in sustainable production, agritourism, ecotourism and the marine sector. BE GREEN investments can boost rural incomes, restore ecosystems and increase resilience, complementing the World Bank's "Na Vualiku" project and leveraging IFAD's expertise in rural transformation.
10. To address Vanua Levu's challenges, BE GREEN will employ a 10-year multiphase adaptive programme (MAP) consisting of two 6-year phases with a 2-year overlapping implementation period, promoting development, learning and the scaling of successful interventions through stakeholder engagement.

### **B. Lessons learned**

11. IFAD's previous work in Fiji includes the Fiji Agricultural Partnerships Project (FAPP) and various regional grant programmes. Despite FAPP's limited success, with a 22 per cent disbursement rate due to management challenges, its community-focused approach showed potential for replication in remote farming communities.
12. The BE GREEN initiative builds on lessons from FAPP and IFAD's regional experiences, incorporating insights from development partners such as the GEF-financed, the United Nations Development Programme-implemented Ridge to Reef (R2R) Programme.
13. **Ownership.** Sustained leadership support requires early and consistent government engagement.
14. **Community-based approach.** Engaging traditional leadership and community-driven planning strengthens market linkages and ensures the sustainability of outcomes. BE GREEN focuses on communities' balance of ecosystem management and economic development.
15. **Integrated approaches.** BE GREEN will use integrated strategies to address multiple environmental and market challenges, emphasizing strong institutional and peer-to-peer mechanisms.
16. **Women's participation.** BE GREEN will use the Family Farm Team approach to ensure equal participation by women and men in learning opportunities and decision-making. It will also give preferential scoring to women-led groups and small and medium-sized enterprises for access to credit enhancements.
17. **Long-term engagement.** BE GREEN adopts a 10-year multiphase adaptive programme based on FAPP's insight that highland agriculture transformation requires a long-term commitment and understanding of local contexts.
18. **Facilitating project start-up.** To avoid the delays observed in FAPP, BE GREEN includes an inception phase for staff recruitment and training and financial management set-up.

## **II. Project description**

### **A. Objectives, geographical area of intervention and target groups**

19. BE GREEN's goal is to support the sustainable growth and resilience of Fiji's rural economy through improved ecosystem management and resilient, profitable economic initiatives. The development objective is improved rural livelihoods and climate resilience through sustainable blue and green production, improved market access and biodiversity protection.

20. **Implementation phases.** BE GREEN will operate in two phases over a 10-year implementation period. Phase one focuses on six districts in Cakaudrove, while developing an integrated island management plan for Vanua Levu. Phase two will expand to Bua and Macuata provinces, based on phase one's outcomes.
21. **Geographic focus 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 13 settlements inhabited predominantly by Indo-Fijians and other ethnic groups, covering a total of 78 communities.
22. **Target group.** BE GREEN aims to benefit 3,000 households with high poverty levels that are engaged in subsistence or semi-commercial farming, fishing or handicraft production. It also targets 50 low-income households in Savusavu (commercial centre) and an additional 3,500 households across Vanua Levu through GEF support, directly benefiting a total of 6,550 households, or 39,300 people, 50 per cent of them women and 30 per cent of them youth. About 75 per cent of the beneficiaries will be Indigenous Peoples (iTaukei).

## **B. Components, outcomes and activities**

23. In the first MAP phase, BE GREEN has four main components. The first targets the entire island of Vanua Levu and the other three blend IFAD and GEF finance with dedicated activities focused on six target districts in Cakaudrove Province, as well as those for the entire island of Vanua Levu. BE GREEN will have the following components: (i) holistic island management; (ii) sustainable market-oriented production from resilient systems; (iii) inclusive access to markets and finance; and (iv) an enabling policy and institutional environment.
24. **Component 1. Holistic island management** is aimed at aligning actors and resources and fostering collaboration across stakeholders. Its main activity is the development of an integrated island management plan focusing on sustainable land use, biodiversity conservation and climate adaptation. The integrated island management plan will be institutionalized in provincial development plans to ensure long-term capacity and implementation.
25. **Component 2. Sustainable market-oriented production from resilient systems** is aimed at enabling communities to shift from land degradation and economic decline to the achievement of sustainable ecosystems, climate-resilient land- and marine-based production systems targeting available markets. Its main activities include:
  - Formulating community climate resilience and ecosystem management plans to support communities in fostering climate resilience and sustainable land use.
  - Transitioning producers from semi-subsistence to business-oriented production.
  - Providing small catalytic grants to communities, producers, youth and women's groups for initiatives in sustainable production, ecological restoration and value addition.
  - Implementing priority interventions outlined in the Integrated Island Management Plan.
  - Implementing actions aligned with the National Biodiversity Strategy and Action Plan 2020–2025 aimed at improving management and restoring forests and freshwater and coastal ecosystems to benefit biodiversity and improve livelihood opportunities.

- Implementing actions to better manage the impacts of agricultural land degradation from abandoned sugar cane fields and runoff on marine and freshwater biodiversity and ecosystems.
26. **Component 3. Inclusive access to markets and finance** is aimed at enabling rural enterprises already engaged in the market to boost their competitiveness and sustainability through greater access to profitable markets and business-development and financial services. Its main activities include:
- Providing business development services to rural enterprises to improve their operations.
  - Increasing financial literacy and fostering partnerships with partner financial institutions (PFI) to deliver innovative products tailored to the cash flow and investment needs of value chain actors; in addition, piloting a remittance initiative in partnership with the Reserve Bank of Fiji and private sector entities to give remittance recipients and senders options that integrate other financial services, such as savings, loans and insurance, with remittance flows.
  - Providing matching grants of up to 50 per cent of the total investment cost, with the option of leveraging additional unsecured financing from PFIs participating in innovative credit products.
27. **Component 4. Enabling policy and institutional environment** is aimed at fostering a policy and institutional framework for promoting and scaling up BE GREEN's proposed model, aligning economic growth with ecosystem preservation and including youth and women in sustainable economic initiatives. Its main activities include:
- Prioritizing the development of policy instruments to operationalize the Fiji Agriculture Sector Policy, with a focus on youth and social inclusion, improved access to land, livestock sector growth and agritourism.
  - Building the capacity of the MoAW, the Cakaudrove Provincial Youth Council and the Reserve Bank of Fiji.
  - Building a robust knowledge management system and facilitating knowledge exchange through a South-South and Triangular Cooperation (SSTC) initiative to foster innovative solutions and learning from similar contexts.
  - Support the mainstreaming of integrated island management into national and sector-level strategies.
28. **Component 0. Rapid disaster response.** This is a zero-budget component designed to enable the reallocation of uncommitted IFAD project funds to address urgent recovery needs within the project framework arising from natural disasters in the project target area. A rapid disaster response implementation manual will define the procedures for triggering.

## C. Theory of change

29. The BE GREEN MAP's theory of change is that empowered households, producers' organizations and youth and women's groups can overcome challenges such as climate variability, unsustainable resource management, poor connectivity, lack of access to markets and financial services and weak institutional capacity to achieve improved livelihoods and climate resilience through climate-smart, environmentally sustainable, market-driven land- and marine-based production. In the first phase, an innovative approach will be developed in six target districts, combining inclusive economic initiatives with the restoration of degraded ecosystems, climate adaptation and biodiversity conservation, including marine protection. Concurrently, a new integrated island management plan for Vanua Levu will promote sustainable land use, climate resilience and biodiversity conservation. In



the second phase, this approach will be scaled up to the remaining districts of Vanua Levu, in alignment with the Integrated Island Management Plan, building on lessons learned.

30. Three main impact pathways, seen below, will be promoted in the first phase with specific cross-cutting interventions incorporated for climate resilience and youth inclusion.
  - The impact pathway for delivering the integrated island management plan (outcome 1) and institutionalizing the plan in provincial strategic development plans to ensure long-term implementation and funding.
  - The impact pathway for transitioning communities from ecosystem degradation and economic decline towards sustainable market-oriented production (outcome 2).
  - The impact pathway for improving access by rural enterprises sourcing from farmers in the target districts to markets and financial services (outcome 3).
31. Key assumptions for a successful theory of change are that: (i) developing economic activities that boost family livelihoods is an appropriate incentive for communities to actively engage in environmental protection; (ii) traditional authorities endorse and support the implementation of community plans; (iii) the private sector is willing to engage in sourcing from small-scale producers; and (iv) financial service providers are available to provide access to financial services. Risks include limited institutional commitment and capacity to sustain new approaches and mainstream integrated island management priorities into development plans, weak market demand for sustainable products and land access barriers.

#### **D. Alignment, ownership and partnerships**

32. BE GREEN will contribute to Sustainable Development Goals (SDGs) 1 (no poverty), 2 (zero hunger), 5 (gender equality), 8 (decent work and economic growth), 12 (responsible consumption and production), 13 (climate action), 14 (life below water) and 15 (life on land).
33. The project supports key government policies, including Fiji's National Development Plan, National Biodiversity Strategy and Action Plan, National Climate Change Policy, the 10-Year Fiji Agriculture Sector Policy 2025–2035, the Policy for Gender in Agriculture and the Youth in Agriculture Policy (both 2022–2027), Fiji's National Financial Inclusion Strategy (NFIS) 2022–2030 and National Sustainable Tourism Framework 2024–2033. These policies promote community resilience, sustainable agriculture, improved food security, climate adaptation and mitigation, sustainable financing, women and youth inclusion in agriculture and sustainable inclusive tourism.
34. BE GREEN is aligned with IFAD's country strategy note (2025–2026) and will contribute to IFAD's strategic objectives (SOs) by sustainably and resiliently boosting rural poor people's productive capacity (SO1), improving their engagement in markets and access to services (SO2) and strengthening the environmental sustainability and climate resilience of female and male farmers' economic activities across all components (SO3).
35. **Ownership.** The MoAW and partner agencies have been actively involved throughout the BE GREEN design process.
36. **Partnerships.** To ensure effective dissemination and engagement, the project will forge partnerships with government agencies, youth organizations, private sector actors and development partners.

## **E. Costs, benefits and financing**

### **Project costs**

37. The total planned cost of the multiphase adaptive programme has yet to be fully determined in consultation with the Government, though IFAD aims to provide financing up to a ceiling of US\$10 million to cover all phases.
38. The total project cost of the first MAP phase is estimated at US\$24.26 million. This includes a highly concessional IFAD loan of US\$5.3 million from the Thirteenth Replenishment of IFAD's Resources (IFAD13), GEF-8 STAR allocation grant cofinancing of US\$8.23 million, a Government contribution of US\$1.17 million, a beneficiary contribution of US\$1.86 million and a financing gap of US\$7.7 million. Of the US\$5.3 million allocated from IFAD13, US\$4,494,000 (84.4 per cent) is dedicated to climate adaptation activities.
39. Approximately US\$4.7 million of the US\$7.7 million financing gap may be sourced from subsequent cycles of the performance-based allocation system and/or the Borrowed Resource Access Mechanism (BRAM) (under financing terms to be determined, and subject to internal procedures and subsequent Executive Board approval) or cofinancing identified during implementation, while the remaining US\$3 million is expected to be financed by an SSTC grant.
40. As BE GREEN's financing is fully blended between IFAD and GEF, each component has elements that are partially counted as climate finance. As per the multilateral development banks' methodologies for tracking climate change adaptation and mitigation finance, the total climate finance from IFAD and GEF for the first phase of BE GREEN is estimated at US\$12.724 million.

Table 1

**BE GREEN first phase costs by component and subcomponent and financier**

(Thousands of United States dollars)

<i>Component/subcomponent</i>	<i>IFAD loan</i>		<i>GEF-8</i>		<i>Beneficiaries</i>			<i>Borrower</i>			<i>Financing gap</i>		<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Cash</i>	<i>In kind</i>	<i>%</i>	<i>Cash</i>	<i>In kind</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<b>1. Holistic island management</b>														
1.1. Mainstreaming integrated island management	-		674.52	8.2	-	-		-	-		-		674.52	2.8
<b>2. Sustainable market-oriented production from resilient systems</b>														
2.1. Community climate resilience and ecosystem management plans endorsed	686.44	13.0	500.00	6.1	-	-		170.81	-	14.5	289.95	3.8	1 647.20	6.8
2.2. Producers trained for climate-resilient, market-responsive production and primary processing	772.92	14.6	5 000.00	60.8	-	-		241.97	-	20.7	598.23	7.8	6 613.11	27.3
2.3. Climate-smart investments for production, eco-restoration and ecotourism delivered	1 022.56	19.3	-		148.15	-	7.9	16.37	-	1.4	1 885.06	24.5	3 072.15	12.7
<b>3. Inclusive access to markets and finance</b>														
3.1. MSMEs, including POs, have access to business development services	397.75	7.5	500.00	6.1	-	-		120.91	-	10.3	287.39	3.7	1 306.05	5.4
3.2. MSMEs, POs and producers have access to finance	392.02	7.4	-		-	-		102.31	-	8.7	187.76	2.4	682.10	2.8
3.3. Climate-smart investments for agribusiness, including ecotourism, delivered	902.88	17.0	-		1 716.00	-	92.1	15.84	-	1.4	902.88	11.7	3 537.60	14.6
<b>4. Enabling policy and institutional environment</b>														
4.1. Innovative policies developed	44.20	0.8	932.16	11.3	-	-		19.50	-	1.7	66.30	0.9	1 062.16	4.4
4.2. Institutional support	99.88	1.9	-		-	-		12.30	-	1.1	145.82	1.9	258.00	1.1
4.3. Innovative models for environmentally sustainable, climate-resilient economic initiatives	-		-		-	-		15.03	-	1.3	3085.17	40.1	3 100.20	12.8
4.4. Project management	981.34	18.5	619.94	7.5	-	-		455.67	-	38.9	251.43	3.3	2 307.58	9.5
<b>Total</b>	<b>5 300.00</b>	<b>21.8</b>	<b>8 226.63</b>	<b>33.9</b>	<b>1 864.15</b>	<b>-</b>	<b>7.7</b>	<b>1 169.90</b>	<b>-</b>	<b>4.8</b>	<b>7 700.00</b>	<b>31.7</b>	<b>24 260.68</b>	<b>100</b>

Table 2

**BE GREEN first phase costs by expenditure category and financier**

(Thousands of United States dollars)

<i>Expenditure category</i>	<i>IFAD loan</i>		<i>GEF-8</i>		<i>Beneficiaries</i>			<i>Borrower</i>			<i>Financing gap</i>		<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Cash</i>	<i>In kind</i>	<i>%</i>	<i>Cash</i>	<i>In kind</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<b>Investment costs</b>														
A. Equipment and material	171.53	3.2	-	-	-	-	-	45.27	-	3.9	85.00	1.1	301.80	1.2
B. Grants and subsidies	1 797.49	33.9	-	-	1 864.15	-	100.0	-	-	-	5 757.86	74.8	9 419.50	38.8
C. Training and workshops	553.48	10.4	-	-	-	-	-	172.15	-	14.7	422.05	5.5	1 147.68	4.7
D. Consultancies and studies	1 301.61	24.6	42.84	0.5	-	-	-	306.80	-	26.2	421.08	5.5	2 072.32	8.5
E. Goods, services and inputs	371.14	7.0	7 797.68	94.8	-	-	-	126.44	-	10.8	494.02	6.4	8 789.28	36.2
<b>Total investment costs</b>	<b>4 195.25</b>	<b>79.2</b>	<b>7 840.18</b>	<b>95.3</b>	<b>1 864.15</b>		<b>100.0</b>	<b>650.66</b>	<b>-</b>	<b>55.6</b>	<b>7 180.00</b>	<b>93.2</b>	<b>21 730.58</b>	<b>89.6</b>
<b>Recurrent costs</b>														
A. Salaries and allowances	612.77	11.6	386.11	4.7	-	-	-	249.72	-	21.3	-	-	1 248.60	5.1
B. Equipment operation and maintenance	65.79	1.2	-	-	-	-	-	111.90	-	9.6	53.04	0.7	230.73	1.0
C. Operating costs	426.19	8.0	-	-	-	-	-	157.61	-	13.5	466.95	6.1	1 050.76	4.3
<b>Total recurrent costs</b>	<b>1 104.75</b>	<b>20.8</b>	<b>386.11</b>	<b>4.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>519.23</b>	<b>-</b>	<b>44.4</b>	<b>519.99</b>	<b>6.8</b>	<b>2 530.09</b>	<b>10.4</b>
<b>Total</b>	<b>5 300.00</b>		<b>8 226.63</b>		<b>1 864.15</b>			<b>1 169.90</b>			<b>7 700.00</b>		<b>24 260.68</b>	

Table 3

**BE GREEN first phase costs by component and subcomponent and project year (PY)**

(Thousands of United States dollars)

Component/subcomponent	PY1		PY2		PY3		PY4		PY5		PY6		PY7		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
<b>1. Holistic island management</b>															
1.1. Mainstreaming integrated island management	-		67.45	2.0	134.90	2.4	134.90	2.5	134.90	2.5	134.90	5.2	67.45	9.2	674.52
<b>2. Sustainable market-oriented production from resilient systems</b>															
2.1. Community climate resilience and ecosystem management plans endorsed	193.69	17.3	346.07	10.3	423.38	7.6	277.18	5.0	277.18	5.1	79.70	3.1	50.00	6.8	1 647.20
2.2. Producers trained for climate-resilient, market-responsive production and primary processing	385.59	34.5	817.52	24.3	1 797.00	32.3	1 297.00	23.6	1 297.00	24.1	519.00	20.0	500.00	68.0	6 613.11
2.3. Climate-smart investments for production, eco-restoration and ecotourism delivered	-		973.36	28.9	973.36	17.5	588.17	10.7	528.91	9.8	-		-		3 063.80
<b>3. Inclusive access to markets and finance</b>															
3.1. MSMEs, including POs, have access to business development services	50.00	4.5	262.00	7.8	262.00	4.7	305.00	5.6	294.00	5.5	81.00	3.1	50.00	6.8	1 304.00
3.2. MSMEs, POs and producers have access to finance	119.70	10.7	145.80	4.3	145.80	2.6	139.80	2.5	121.10	2.2	9.90	0.4	-		682.10
3.3. Climate-smart investments for agribusiness, including ecotourism, delivered	-		124.08	3.7	535.92	9.6	1 153.68	21.0	1 153.68	21.4	570.24	21.9	-		3 537.60
<b>4. Enabling policy and institutional environment</b>															
4.1. Innovative policies developed	-		201.43	6.0	216.43	3.9	216.43	3.9	216.43	4.0	211.43	8.1	-		1 062.16
4.2. Institutional support	26.00	2.3	41.20	1.2	53.20	1.0	53.20	1.0	53.20	1.0	31.20	1.2	-		258.00
4.3. Innovative models for environmentally sustainable, climate-resilient economic initiatives	-		-		627.40	11.3	927.40	16.9	927.40	17.2	618.00	23.8	-		3 100.20
4.4. Project management	343.07	30.7	387.75	11.5	389.05	7.0	393.15	7.2	374.05	6.9	342.95	13.2	67.40	9.2	2 297.41
<b>Baseline costs</b>	<b>1 118.06</b>		<b>3 366.67</b>		<b>5 558.44</b>		<b>5 485.91</b>		<b>5 377.85</b>		<b>2 598.33</b>		<b>734.85</b>		<b>24 240.11</b>
<b>Contingencies</b>															
Physical contingencies	0.45		0.90		0.90		0.90		0.9		-		-		4 038.2
Price contingencies	0.12		2.16		3.64		5.16		5.46		-		-		16 533.1
<b>Total costs</b>	<b>1 118.62</b>		<b>3 369.72</b>		<b>5 562.98</b>		<b>5 491.97</b>		<b>5 384.21</b>		<b>2 598.33</b>		<b>734.85</b>		<b>24 260.68</b>

### **Financing and cofinancing strategy and plan**

41. The financing gap for the first MAP phase is US\$7.7 million. The Government of Fiji has written to IFAD expressing interest in securing additional concessional financing from uncommitted country allocations under IFAD13 or the IFAD14 cycle to support full financing of BE GREEN. In addition, an SSTC proposal for US\$3 million will be prepared for submission in 2026. In the event that the financing gap materializes, it will not impact project performance as the project targets and design are based on the secured available resources.

### **Disbursement**

42. Two designated accounts in United States dollars will be opened for the BE GREEN project at the Reserve Bank of Fiji, with authorization from the Ministry of Finance (MoF) Treasury Division. These accounts will receive funds from IFAD, one for IFAD loan proceeds and the other for GEF grant funds. Upon MoF approval, the project management unit (PMU) will open two operating accounts in Fijian dollars for loan and grant funds at a commercial bank to receive funds from the designated accounts for project activities.
43. Funds from IFAD will be disbursed through a revolving fund mechanism on submission of the interim financial reports and withdrawal applications through the IFAD Client Portal.

### **Summary of benefits and economic analysis**

44. The economic internal rate of return is estimated at 15.75 per cent. This estimate assumes that 3,050 households in 78 targeted communities will benefit from the project's actions, with at least 70 per cent of farmers' cropland in these communities worked using the technologies and good agricultural practices directly promoted by the project. This does not include the additional beneficiaries that will be covered by GEF resources across the island, which will be determined at GEF design. Furthermore, 75 per cent of entrepreneurs are expected to adopt the improved technologies and/or practices introduced by the project. The incremental net present value is projected at US\$22.63 million, with a benefit-cost ratio of 1.14.

### **Exit strategy and sustainability**

45. Sustainability starts with aligning BE GREEN with government policies and using a systems approach suited to the area's geography and population. The project empowers local communities, especially women, youth and marginalized groups, to make informed business and environmental choices. By connecting agriculture and marine systems with tourism, it aims to create resilient, self-sustaining livelihoods.
46. A market-responsive strategy and clustering of producers' organizations (POs) will turn them into active value chain players. Key factors include capacity-building, incentive alignment, sustainable partnerships, access to financing and professional management support for POs and micro, small and medium-sized enterprises (MSMEs). This hybrid service delivery approach, in collaboration with market opportunities, will lead to a less-intensive but market-driven extension and technical assistance model after project completion.
47. BE GREEN's risk management framework and Social, Environmental and Climate Assessment Procedures (SECAP) tools will help identify and mitigate environmental, climate and socioeconomic risks. Risk management training will be provided to farmers' groups and entrepreneurs and cover the diversification of suppliers and buyers, resource optimization and the importance of meeting commitments, among other relevant topics.
48. An exit and sustainability strategy will be developed at project start-up and refined during the midterm review (MTR).

### III. Risk management

#### A. Risks and mitigation measures

49. The overall inherent risk and residual risk rating for BE GREEN is moderate.

Table 4

**Overall risk summary**

<i>Risk areas</i>	<i>Inherent risk rating</i>	<i>Residual risk rating</i>
Country context	Moderate	Moderate
Sector strategies and policies	Moderate	Moderate
Environment and climate context	Substantial	Substantial
Project scope	Moderate	Moderate
Institutional capacity for implementation and sustainability	Moderate	Moderate
Financial management	Moderate	Moderate
Project procurement	Substantial	Substantial
Environment, social and climate impact	Moderate	Moderate
Stakeholders	Moderate	Moderate
<b>Overall</b>	<b>Moderate</b>	<b>Moderate</b>

#### B. Environment and social category

50. Environmental and social risks are deemed “moderate.” The project is expected to generate social and environmental benefits through diversified production, value chain development, enterprise initiatives, skill development and the empowerment of youth and women. Proactive targeting and support will be ensured for a priority focus on the iTaukei, who form a large part of the population, with a particular focus on the poor and marginalized, women and youth.

#### C. Climate risk classification

51. Climate risks are deemed “moderate.” Project intervention areas are likely to experience cyclones, floods, landslides and heatwaves. Mission field observations, stakeholder consultations and published reports indicate that the country’s agriculture and livestock production sectors have been impacted by rainfall variability, changes in temperature and pest and disease outbreaks. An early action plan for disaster preparedness and emergency response is in place.

#### D. Debt sustainability

52. Total government debt as of July 2024 was projected at 78 per cent of GDP. The Government has a Medium-Term Debt Management Strategy, developed with the assistance of the Asian Development Bank (ADB) to guide borrowing decisions. The high debt rate was driven by borrowing for development projects, the COVID-19 pandemic and widening public deficits. The Government is currently receiving direct budget support from ADB, the World Bank and other bilateral partners such as Australia and New Zealand. As part of its debt management strategy, it will consider additional debt only if the terms are equivalent to or better than what it currently receives from bilateral partners and international financial institutions.

### IV. Implementation

#### A. Organizational framework

##### **Project management and coordination**

53. A PMU will be set up in Savusavu and hosted by the MoAW Crop Extension Division. It will be responsible for implementation and fully accountable for project performance, the integration and utilization of IFAD and GEF funds and stakeholder engagement and coordination. The PMU will be headed by a project director, who will be responsible for managing the project, ensuring synergies between GEF and

IFAD financing, coordinating with the Government of Fiji and other donor-funded activities (e.g. the World Bank Tourism Development Program in Vanua Levu), and regular consultations with the provincial steering committee and national project steering committee.

54. The MoAW is the implementing agency and will be responsible for overall accountability, oversight and coordination, and for the implementation of IFAD funds. It will cooperate with the Ministry of Environment and Climate Change (MoECC), as well as other government entities, as necessary, notably the Ministry of iTaukei Affairs.
55. MoECC will be responsible for the implementation of GEF funds, in partnership with the MoAW. Modalities will be defined in a memorandum of understanding that will be prepared and signed at project inception and further developed during the GEF design. Key elements will include the formation of a GEF technical team, led by a GEF technical manager in the PMU; the assignment of an environment and climate change specialist at MoECC headquarters; and the establishment of a back-office team with joint responsibility for fiduciary, administrative and monitoring and evaluation (M&E) matters for both GEF and IFAD financing.
56. Two implementing partners will be contracted to support the implementation of components 2 and 3.
57. Under the second MAP phase, and in line with its objective, the PMU will be restructured (with a potential relocation to Labasa) and possibly expanded to support operations across the island.

#### **Financial management, procurement and governance**

58. The MoAW will handle financial management (FM) through a PMU responsible for disbursing IFAD loan and GEF grant funds to implementing agencies as indicated in the annual workplan and budget. Building on prior experience with an IFAD-funded project, the MoAW will improve FM practices.
59. **Accounting and financial reporting.** The PMU will include the Government of Fiji's finance policies and IFAD procedures in the project implementation manual. It will use cash-basis International Public Sector Accounting Standards for financial reporting, record transactions via the Financial Management Information System and submit quarterly interim financial reports, unaudited and audited financial statements, audit reports and management letters to IFAD within the specified timeline.
60. **External audit.** The Office of the Auditor General will audit the project following IFAD standards, with the audit report including a management letter on internal controls. The audit report must be submitted to IFAD within six months of the end of the fiscal year.
61. **Governance.** Implementing agencies must follow the IFAD anti-corruption policy.
62. **Procurement.** There is a substantial risk of non-compliance with IFAD's Project Procurement Guidelines. The Government plans to implement a new procurement law by 2025. Until then, BE GREEN will follow the IFAD Project Procurement Handbook and standard procurement documents instead of the Fiji Procurement Regulations 2010. Procurement will be managed by the PMU and two lead implementing partners in Savusavu, adhering to the IFAD anti-corruption policy.

#### **Target group engagement and feedback and grievance redress**

63. BE GREEN is a community-driven development initiative with a focus on the development and implementation of community plans led by the communities themselves. This process will be supported by an experienced implementing partner, Partners in Community Development Fiji, with an emphasis on fostering meaningful participation, particularly by vulnerable groups, youth, women's groups and other key stakeholders engaged in community development.



**Grievance redress**

64. Grievances can be raised at any level, including the community, district, PMU or IFAD office. To promote awareness, posters displaying the contact information of the grievance redress mechanism focal points, including their photo and phone number, will be prominently displayed in BE GREEN's office and at project sites.

**B. Planning, monitoring and evaluation, learning, knowledge management and communications**

65. The PMU will establish and oversee the M&E system, in collaboration with the MoAW, MoECC and other stakeholders. A short-term international consultant will develop an M&E framework, including a management information system (MIS) and a geographic information system (GIS).
66. A local service provider will implement a web-based MIS integrated with the GIS to monitor financial and technical project data. The MIS/GIS will generate monthly performance dashboards by component and district.
67. Data analysis will support performance monitoring, problem identification, solution development and the tracking of best practices for dissemination through the knowledge management system.

**Innovation and scaling up**

68. BE GREEN aims to create innovative, eco-friendly and financially sustainable livelihood models for rural communities, focusing on the blue and green economy – models that can be replicated nationwide and in the Pacific region. The project includes a pilot to encourage households to invest remittances productively.
69. Activities such as policy instrument development, capacity-building and knowledge exchange through SSTC mechanisms will support implementation. These efforts are aimed at developing the integrated island management plan and scaling up the BE GREEN model in the second phase.

**C. Implementation plans****Implementation readiness and start-up plans**

70. A project expeditor will be hired to expedite the set-up of all administrative and financial systems for project management, build staff capacity and assist with the contracting of lead implementing partners.

**Supervision, phase assessment and completion plans**

71. The MAP phase assessment is proposed to be undertaken during the project supervision mission in year 4 of BE GREEN implementation. The assessment will be carried out jointly by IFAD and the Government of Fiji. The BE GREEN PMU will submit a report to the supervision mission outlining quantitative and qualitative data related to each criterion of the MAP assessment. This data will be collected through BE GREEN's normal monitoring cycle and stored in the project MIS. This report will be complemented with project progress reports, key stakeholder meetings and field verification visits to selected samples. The outcome of the assessment and subsequent discussion with the Government is to be concluded by December 2029 to allow sufficient time for the design of BE GREEN phase II, if necessary.

**V. Legal instruments and authority**

72. A financing agreement between the Republic of Fiji and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement will be made available prior to the session.
73. The Republic of Fiji is empowered under its laws to receive financing from IFAD.

74. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

## **VI. Recommendation**

75. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on highly concessional terms to the Republic of Fiji in an amount of five million three hundred thousand United States dollars (US\$5,300,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Executive Board delegates authority to the President<sup>1</sup> to approve additional financing to the Republic of Fiji in an amount of up to four million seven hundred thousand United States dollars (US\$4,700,000) to finance the subsequent phases of the multiphase adaptive programme with the overall programme objective as described herein and subject to the presentation of a satisfactory assessment of the previous phase(s) and upon such terms and conditions to be established and agreed upon.

Alvaro Lario  
President

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<sup>1</sup> In accordance with the procedures set out in document [EB 2024/142/R.25](#).

## **Negotiated financing agreement**

(To be made available prior to the session)

## Logical Framework

	Indicators				Means of Verification			Assumptions			
	Name	Base line	Mid-Ter m	End Target	Source	Frequen cy	Respo nsibilit y				
Outreach	1.a Corresponding number of households reached				Project M&E	Bi-annual	PMU	Economic opportunities and investments appropriate and accessible by project households.  Continued MoAW political commitment to development and poverty reduction in target communities through a market-based approach.			
	Women-headed households – Households		215	645							
	Non-women-headed households – Households		1,700	5,095							
	Households – Households		2,185	6,550							
	1 Persons receiving services promoted or supported by the project				Project M&E	Bi-annual	PMU				
	Males – Males		4,370	13,150							
	Females - Females		4,370	13,150							
	Young - Young people		2,620	7,860							
	Indigenous people		6,550	19,650							
	Total number of persons receiving services - Number of people		8,735	26,300 <sup>2</sup>							
	1.b Estimated corresponding total number of households members (Average 6 members per households)								Project M&E	Bi-annual	PMU
	Household members - Number of people		13,100	39,300							
Project Goal Support the sustainable growth and resilience of Fiji's rural economy through improved ecosystem management as well as resilient and profitable economic initiatives.	Average household income increase from project support for resilient production				Baseline, Midline, Endline	Baseline, Midline, Endline	PMU	No major changes in the government's development strategies and priorities. Households fully participate. This refers to nominal increase.			
	Households - Percentage (%)	0	10	30							
		Areas of land and ecosystems under restoration (ha)	0	1,000	3,250				Landowners are committed to land and ecosystem restoration.		
Development Objective Improved rural livelihoods and climate resilience through sustainable blue and green productions, improved market access and biodiversity protection.	Rural enterprises <sup>3</sup> reporting an increase in sales (CI: 2.2.5)				Project M&E	Bi-annual	PMU	Continued MoAW political commitment to development and poverty reduction in target communities through a market-based approach.			
	MSMEs/Producer Organizations/ Producers	0	20	60							
	Total number of POs members	0	540	1800							
	Women PO members	0	270	900							
	Men PO members	0	270	900							
	Young PO members	0	160	540							
	IPs	0	400	1350							
	Households reporting an increase in sustainable production (CI 1.2.4)										
		Households	0	600	2,400						
		Households (%)	0	25%	80%						

	Total number of households members	0	2,400	9,600				
	<b>Improved ecosystem services and practices</b>							
	Areas of landscapes under improved practices (hectares)	0	45,000	150,000	Integrated island management plan, Project M&E	Bi-annual	PMU	Stakeholders committed to collaborating on integrated management approaches.
	Areas of marine habitat under improved practices to benefit biodiversity (hectares)	0	15	500	Management plan developed, Project M&E	Bi-annual	PMU	Local stakeholders agree to manage the delineated marine habitats as OECMs (Other Effective Area-Based Conservation Measures).
	CO2e of greenhouse gas emissions mitigated (Tons)	0	338,262	1,127,542	GHG assessment	Baseline, Midline, Endline	PMU, IFAD, GEF	Assumptions outlined in the GHG emissions mitigated estimation are validated, e.g., reduced forest loss, adoption of improved agricultural practices, etc.
<b>Outcome 1</b> Alignment of actors, efforts, and resources for holistic island management <sup>4</sup>	Number of provincial strategic development plans (SDPs) updated and approved	0	3	3	Project M&E	Bi-annual	PMU	Provincial and local governments are committed to mainstream the integrated island management priorities into their SDPs and associated budgetary frameworks.
	Funding allocated for implementation of priority actions outlined in the updated SDPs	0	TBD	TBD				
<b>Outcome 2.1</b> Increased sustainable and market-oriented production from resilient systems.	<b>Households reporting improved linkages and physical access to markets, processing and storage facilities (CI 2.2.6)</b>				Project M&E	Bi-annual, Mid-term, and endline reports	PMU	Private stakeholders willing to source from small-scale producers. Consumer demand and willingness to pay for sustainable production. Communities/groups prepared to participate in planning, and willing to make in-kind and/or cash contributions for development of economic infrastructure, to maintain economic infrastructure, and to participate in self-monitoring and reporting activities.
	Households reporting improved linkages, physical access to markets, processing facilities and storage facilities - Percentage (%)	0	15	50				
	<b>Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices (CI: 3.2.2)</b>				Baseline, Midline, Endline surveys	Baseline, Midline, Endline	PMU	The development of economic activities that enhance family livelihoods is an appropriate incentive for communities to actively engage in environmental protection. Governance and land tenure conditions enable integrated approaches.
	HHs number	0	600	2,400				
	Household %	0	25%	80%				
	Household members	0	2,400	9,600				
	<b>Households satisfied with project-supported services (SF 2.1)</b>							
	Household members - Number of people		0	0				
	Household (%)	0	30%	70%				
	<b>Households – Number of Households</b>		0	0				
	<b>Households reporting they can influence decision-making of local authorities and project-supported service providers (SF 2.2)</b>							
	Households (%)	0	30%	70%				
<b>Output 2.1.1</b>	<b>Number of Vanua Plans developed and endorsed by community</b>				Vanua Plans	Bi-annual	PMU	Communities prepared to participate in planning.
	Vanua Plans	0	78	78				

<sup>2</sup> Based on 6,550 households with an average of four persons benefiting from project services in every household, and an additional 100 entrepreneurs.

<sup>3</sup> Here, and throughout this logical framework, rural enterprises include MSMEs, producers' organizations and individual producers.

<sup>4</sup> Activities related to Outcome 1 (Component 1) are financed by GEF. Targets for outcome indicators, as well as output indicators and targets will be updated/determined at GEF design planned for June/July 2025.

Community climate resilience and ecosystem management plans endorsed								
<b>Output 2.1.2</b> Producers trained for climate-resilient and market-responsive production, and primary processing.	<b>Number of producers trained on climate resilient production</b>				Project M&E, Training records	Bi-annual	PMU	Communities willing to explore and adopt new and improved practices. The sufficient quality and capacity of service providers on delivering capacity building training on climate resilient practices.  Assumption that migrant HH include both domestic and international migrants receiving remittances and represent 10% of HH in the targeted districts.
	Male	0	360	1,200				
	Female	0	360	1,200				
	Youth	0	216	720				
	IPs	0	540	1,800				
	Marine based producers	0	75	250				
	Land based producers	0	645	2,150				
	Total	0	720	2,400				
	<b>Number of persons in rural areas trained in financial and business literacy and/or use of financial products and services (CI 1.1.7)</b>				Project M&E, Training records	Bi-annual	PMU	
	Male	0	360	1,200				
	Female	0	360	1,200				
	Youth	0	216	720				
	IPs	0	540	1,800				
	Total	0	720	2400				
	<b>Number of migrant/remittance receiving households trained in financial literacy and/or use of financial products and services</b>							
	Migrant HH	0	75	300				
<b>Output 2.1.3</b> Climate smart investments for production, eco-restoration and eco-tourism delivered	<b>Communities and individuals supported to sustainably manage natural resources and climate-related risks (CI 3.1.1)</b>				ME reports and Midterm and Endline surveys	Bi-annual	PMU	Communities/groups prepared to participate in planning. Communities/groups willing to make in-kind and/or cash contributions for development of economic infrastructure, to maintain economic infrastructure, and to participate in self-monitoring and reporting activities.
	Community	0	40	65				
	Individual producer	0	985	3,275				
	Male	0	490	1,635				
	Female	0	495	1,640				
	Youth	0	295	985				
	<b>Number of marine-based and land-based producers who are part of groups supported by project to manage natural resources and climate-related risks</b>							
	IPs	0	735	2,455				
	Marine based	0	250	840				
	Land based	0	735	2,435				
<b>Outcome 2.2<sup>5</sup></b> Strengthened participatory conservation and restoration, higher adoption of environmentally	TBD							

<sup>5</sup> Activities related to Outcome 2.2 (Component 2.2) are financed by GEF. Targets for outcome indicators, as well as output indicators and targets will be updated/determined at GEF design planned for June/July 2025.

sustainable and climate resilient practices								
<b>Output 2.2.1</b> Forests and freshwater habitats under improved management to benefit biodiversity with enhanced local livelihood opportunities.	TBD							
<b>Output 2.2.2</b> Fiji's key biodiversity areas and keystone species better managed and protected against climate change and anthropogenic impacts, in alignment with the NBSAP <sup>6</sup> .	TBD							
<b>Output 2.2.3</b> Better manage impacts of agricultural land degradation (including abandoned sugar cane fields) and runoff on marine ecosystems and freshwater biodiversity.	TBD							
<b>Outcome 3</b> Inclusive access to markets and finance, including options to save and invest remittances	<b>Rural producers' organizations<sup>7</sup> engaged in formal partnerships/agreements or contracts with public or private entities<sup>8</sup> (CI 2.2.3)</b>				Project M&E	Annual	PMU	Private sector willing to engage in sourcing from small-scale producers POs continue to participate and actively engage with private sector entities to secure and improve markets and additional business opportunities
	Number of POs	0	10	35				
	Total number of POs members	0	315	1,050				
	Women PO members	0	160	525				
	Men PO members	0	155	525				
	Young PO members	0	95	315				
	<b>Households reporting using financial services (CI 1.2.5)</b>				Project M&E	Bi-annual	PMU	
	Total number of household members - Number of people		0	0				
	Percentage of households <sup>9</sup>	46% 10	50%	66%				
	Households - Number of Households		0	0				
	<b>Persons with new jobs/employment opportunities (CI: 2.2.1)</b>				Project M&E	Bi-annual	PMU	
	Male	0	75	250				
	Female	0	75	250				
	Youth	0	45	150				
	IPs	0	110	375				
	Total	0	305	500				

<sup>6</sup> National Biodiversity Strategy and Action Plan.

<sup>7</sup> Both formal and informal.

<sup>8</sup> For the purpose of this indicator, 'formal' refers to any established and mutually acknowledged marketing arrangement between a producers' organization - whether formal or informal - and a buyer. This includes, but is not limited to, written contracts, and verbal agreements or partnerships.

<sup>9</sup> To be updated based on results from the BE-GREEN demand assessment of financial services.

<sup>10</sup> Reserve Bank of Fiji, Financial Services Demand Side Survey Fiji 2020.

<b>Output 3.1</b> Rural enterprises have access to business development services	<b>Rural enterprises accessing business development services<sup>11</sup> (CI 2.1.1)</b>				Project M&E	Bi-annual	PMU	Rural enterprises are willing to participate in innovative forms of planning and support in market-oriented business activities.	
	Number of POs/MSME/ Producers	0	200	1350					
<b>Output 3.2</b> Rural enterprises have access to finance.	<b>Rural enterprises accessing a new financial service</b>				Project M&E	Bi-Annual	PMU/P Fls/	Continued participation of rural people in financial literacy and increased appetite for capital. Sustainable and qualified finance service providers are available to provide access to finance services. Sufficient viable economic opportunities to attract interest of investors.	
	Number of POs/MSMEs/ Producers	0	100	350					
	Migrant HHs	0	500	1500	Project M&E	Bi-Annual	PMU/P Fls/Remittanc e Pilots	Migrant HH have increased appetite to use a portion of their remittances for productive purposes through financial literacy and new tailored financial services. Migrant households include households in BE GREEN districts and elsewhere in the framework of the remittances pilot test. Access to remittances-linked financial services (inclusive of digital remittances). Migrant households are differentiated in the M&E system	
	<b>Number of financial service providers supported in delivering financial products and services to rural areas (CI 1.1.6)</b>								
	Number of Service Providers	0	1	3	Project M&E	Bi-annual	PMU		
<b>Output 3.3</b> Climate smart investments for agri- business including eco-tourism delivered	<b>Rural enterprises supported to sustainably manage natural resources, improve market linkages and value added services</b>				Project M&E/corporate data	Bi-annual	PMU/P Fls	Continued participation of rural people in financial literacy and increased appetite for capital. Sustainable and qualified finance service providers are available to provide access to finance services and willing to serve project target populations, including individual producers. Sufficient viable economic opportunities to attract interest in developing enterprise groups.	
	Number of MSMEs		3	10					
	Number of POs		15	45					
	Number of producers		150	450					
<b>Outcome 4</b> Enabling policy and institutional environment	<b>Number of policy/regulatory instruments proposed to policy makers for approval, ratification or amendment (CI Policy 3)</b>							National, provincial and local institutions are willing to participate in policy dialogue and policy development and to sustain new skills and processes.	
	Number of policy/regulatory instruments submitted to government departments	0	0	3	Project M&E	Bi-annual	PMU		
<b>Output 4.1.1</b> Innovative policies developed	Number of policy/regulatory instruments prepared	0	0	3	Project M&E	Bi-annual	PMU		
<b>Output 4.1.2</b> Institutions strengthened	Number of institutional strengthening programs delivered at national and provincial/local level								
	Number of programs delivered	0	3	10	Project M&E	Bi-annual	PMU		

<sup>11</sup> For the purpose of this indicator, 'formal' refers to any established and mutually acknowledged marketing arrangement between a producers' organization - whether formal or informal - and a buyer. This includes, but is not limited to, written contracts, and verbal agreements or partnerships.



<b>Output 4.1.3</b> Innovative models for environmentally sustainable and climate resilient economic initiatives	Number of environmentally sustainable and climate resilient economic models documented							Stakeholder engagement (local communities, private sector actors, and government agencies) and buy-in to participate in the development and documentation of innovative models.	
	Number of documented models	0	2	6 <sup>12</sup>	Project M&E	Bi-annual	PMU		

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<sup>12</sup> To be updated when SSTC financing available.

## Integrated project risk matrix

Risk categories and subcategories	Inherent	Residual
<b>Country context</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Political commitment</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Fiji's political landscape has changed with a coalition government led by Prime Minister Sitiveni Rabuka. Concerns about democracy and potential military intervention arose. Fiji's National Development Plan focuses on inclusive growth, infrastructure, education, health, and climate resilience, aligning with global commitments.		
<b>Mitigations:</b> IFAD Country Office will continue exploring partnerships and innovations in rural development.		
<b>Governance</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Fiji has a comprehensive framework for financial institutions, including policies on capital adequacy, corporate governance, cybersecurity, and liquidity risk management. Efforts to combat corruption are integral.		
<b>Mitigations:</b> The Fiji Independent Commission Against Corruption (FICAC) focuses on integrity, accountability, and transparency		
<b>Macroeconomic</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b> Fiji's economy is projected to grow 3.5% in 2024, driven by tourism. Challenges include high debt, natural disasters, and reliance on external markets		
<b>Mitigations:</b> Focus on fiscal consolidation, debt reduction, and structural reforms. Investments in diversified agriculture and climate-smart assets.		
<b>Fragility and security</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Fiji's defense and security review aims to address internal security risks and define the military's role. Ethnic tensions and political instability are concerns.		
<b>Mitigations:</b> Inclusive targeting strategy to provide income generation opportunities and maintain social stability		
<b>Sector strategies and policies</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Policy alignment</b>	<b>Low</b>	<b>Low</b>
<b>Risk(s):</b> Fiji's National Adaptation Plan and Green Growth Framework address climate change, poverty, and economic growth. The Agriculture Sector Policy focuses on sustainable agriculture.		
<b>Mitigations:</b> Project investments align with government development planning.		
<b>Policy development &amp; implementation</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b> Government may lack the ability to create and execute effective sector policies		
<b>Mitigations:</b> Institutional capacity building and collaboration with stakeholders		
<b>Environment and climate context</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Project vulnerability to environmental conditions</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Deforestation, unsustainable agriculture, and overuse of resources threaten ecosystems		
<b>Mitigations:</b> Exclude protected areas, promote ecosystem management, and encourage organic farming		
<b>Project vulnerability to climate change impacts</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b> Fiji is highly vulnerable to natural disasters and climate change		
<b>Mitigations:</b> Develop community-level climate resilience plans and promote climate-smart agricultural practices		
<b>Project scope</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Project relevance</b>	<b>Low</b>	<b>Low</b>

<b>Risk categories and subcategories</b>	<b>Inherent</b>	<b>Residual</b>
<b>Risk(s):</b> Project design not aligned with Fiji's development priorities		
<b>Mitigations:</b> Ongoing consultations to ensure alignment with policies and strategies		
<b>Technical soundness</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Availability and support capacity for modern agricultural technologies		
<b>Mitigations:</b> Comprehensive assessment and market survey to measure demand for finance products		
<b>Institutional capacity for implementation and sustainability</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Implementation arrangements</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b> Implementation arrangements involve multiple ministries and agencies		
<b>Mitigations:</b> Establish PSC with representation from relevant agencies		
<b>M&amp;E arrangements</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b> Existing M&E systems may not provide timely and accurate data		
<b>Mitigations:</b> Invest in building an M&E system and MIS		
<b>Procurement</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Legal and regulatory framework</b>		
<b>Risk(s):</b> Non-compliance with procurement regulations		
<b>Mitigations:</b> Follow IFAD Procurement Handbook and Standard Procurement Documents		
<b>Accountability and transparency</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b>		
<b>Mitigations:</b>		
<b>Capability in public procurement</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b>		
<b>Mitigations:</b>		
<b>Public procurement processes</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b>		
<b>Mitigations:</b>		
<b>Financial management</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Organization and staffing</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Issues with financial reporting and staff turnover		
<b>Mitigations:</b> Recruit qualified FM staff and provide training		
<b>Budgeting</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b> Funds may be mixed up in budgeting and expenditure allocations		
<b>Mitigations:</b> Prepare annual work plan and budget based on government procedures		
<b>Funds flow/disbursement arrangements</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b> Commingling of funds and delays in withdrawal applications		
<b>Mitigations:</b> Hold funds in Project Designated Accounts and follow disbursement procedures		
<b>Internal controls</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Weak management of investments and inadequate internal controls		
<b>Mitigations:</b> Develop effective internal control systems and provide FM training		
<b>Accounting and financial reporting</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Delays in financial reporting and preparation of annual financial statements		
<b>Mitigations:</b> Prepare detailed financial management procedures and provide training		

<b>Risk categories and subcategories</b>	<b>Inherent</b>	<b>Residual</b>
<b>External audit</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Delay in the preparation of consolidated annual financial statements delays timely audits which in turn limits the effectiveness of oversight.		
<b>Mitigations:</b> Conduct audit in accordance with international standards		
<b>Environment, social and climate impact</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Biodiversity conservation</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Land use change, poor agricultural practices, and pollution threaten biodiversity		
<b>Mitigations:</b> Exclude protected areas and promote sustainable practices		
<b>Resource efficiency and pollution prevention</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Land degradation from traditional agricultural practices		
<b>Mitigations:</b> Promote climate-resilient and sustainable agricultural practices		
<b>Cultural heritage</b>	<b>Low</b>	<b>Low</b>
<b>Risk(s):</b> Fiji boasts a rich cultural heritage, with villagers upholding their traditions, including local governance methods, for generations. Land tenure and communal livelihood approaches are among the key traditional practices.		
<b>Mitigations:</b> Align project activities with cultural practices and conduct consultations		
<b>Indigenous Peoples</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> The majority of iTaukei people live in rural areas and experience relatively lower socio-economic status according to the most recent Household Income and Expenditure Survey (HIES).		
<b>Mitigations:</b> Proactive targeting approach and focus on poor and marginalized		
<b>Community health and safety</b>	<b>Low</b>	<b>Low</b>
<b>Risk(s):</b> The project may operate in areas where gender-based violence has been reported.		
<b>Mitigations:</b> Conduct consultations and collaborate with stakeholders to address violence.		
<b>Labour and working conditions</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> The wage gap between men and women in the agriculture sector is notable.		
<b>Mitigations:</b> Promote equal pay and safe opportunities for women		
<b>Physical and economic resettlement</b>	<b>Low</b>	<b>Low</b>
<b>Risk(s):</b> No foreseen resettlement		
<b>Mitigations:</b> Conduct community consultations and seek consent		
<b>Greenhouse gas emissions</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Small-scale infrastructure may generate emissions		
<b>Mitigations:</b> Promote climate-smart agriculture and nature-based solutions		
<b>Vulnerability of target populations and ecosystems to climate variability and hazards</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Communities affected by cyclones, floods, and sea level rise		
<b>Mitigations:</b> Conduct risk screening and promote climate-smart practices		
<b>Stakeholders</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Stakeholder engagement/coordination</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Collaborative effort needed from various stakeholders		
<b>Mitigations:</b> Develop stakeholder analysis and engagement plan		
<b>Stakeholder grievances</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk(s):</b> Lack of awareness about grievance redress		
<b>Mitigations:</b> Develop and integrate GRM into M&E systems		

## Phase assessment criteria

### Assessment criteria

Table 1: Assessment Criteria and Rationale	
Criteria	Rationale
1. At least one sustainable blue or green economic activity initiated in each target district that demonstrates sustainable economic production with ecosystem preservation and enhancement (e.g. agroforestry model with cash crops/tree crops, agri-tourism, ecotourism, integrated farm-aquaculture, livestock, crops).	The underlying focus of BE GREEN is to provide a model for harmonising the pursuit of socio-economic objectives of poverty alleviation and community livelihood enhancement without compromising the health of the environment and surrounding ecosystem that supports these communities. Demonstrating successful models of sustainable blue or green development will give confidence to the Government to replicate or scale up these models in other parts of Fiji.
2. Young farmers comprise at least 25% of total membership of producer organisations in target districts.	Demonstrated success of young farmers managing the transition from subsistence farming to market-oriented agricultural farming will provide a strong impetus for engaging rural youth in productive activities, and incentivize and mobilise youth in the province as well as the whole island to engage with the MAP and learn the keys to success.
3. At least 50% of registered youth groups located within target districts are active members of the Cakaudrove Provincial Youth Council (i.e. participate in meetings, events etc).	Project is 'youth sensitive'. The Cakaudrove Provincial Council passed a resolution to revive the Cakaudrove Provincial Youth Council (CPYC). The project will support the institutional strengthening of the CPYC. The CPYC is preparing a new Strategy Plan to guide its activities. Engaging youth in productive activities (economic empowerment, environmental awareness and stewardship, social advocacy) is key to tackling poverty and strengthening resilience, not only in the project districts but in the Province as a whole.
4. At least 8 newly organised farmer groups (e.g. newly registered agricultural cooperatives) establish partnerships with end buyers (e.g. hotels, agro-processes, exports, retailers/wholesalers in Vanua Levu or Viti Levu).	A key focus area of BE GREEN is to link rural smallholders to profitable market-led value chains to support their livelihoods and reduce poverty. Consistent with the focus of the Government, the project will seek to overcome the challenges of diseconomies of scale by encouraging farmers to organise and work in groups or clusters or cooperatives.
5. At least 30% of communities in the target districts actively adopt sustainable farming and non-farming practices (both on land and sea) that bolster biodiversity conservation and climate resilience.	BE GREEN aims to address loss of biodiversity and ecosystem deterioration stemming from unsustainable practices and over-exploitation of forest, mineral and marine resources linking to both green and blue economic parameters.
6. At least 150 entities (can be producer organisations, MSMEs, cooperatives or individual producers) successfully access a new financial service.	To foster economic growth and resilience among MSMEs, including registered cooperatives, farmer-led enterprises, and women and youth groups, BE GREEN seeks to establish an ecosystem that enhances the competitiveness and sustainability of rural enterprises by improving business operations, market access, and financing opportunities.

## Assessment methodology

The MAP Phase Assessment is proposed to be undertaken as part of the project Supervision Mission in mid-2029 (Year 4 of the BE GREEN implementation). The assessment will be carried out jointly between IFAD and the Government of Fiji. The BE GREEN PMU will submit a report to the Supervision Mission outlining quantitative and qualitative data related to each criterion of the MAP assessment. This data will be collected through the normal monitoring cycle of BE GREEN and stored in the project MIS. This report will be complemented by project progress reports, key stakeholder meetings, and field verification visits on selected samples. The outcome of the assessment and subsequent discussion with the Government is to be concluded by December 2029 to enable sufficient time for the design of BE GREEN Phase II, if necessary.

Elaborated below is the proposed approach to assessing each criteria:

Assessment Criteria (refer Table 1 above)	How will criteria be assessed? (Indicative and to be adapted in line with mission format)
1	<p>Review MAP Assessment Report provided by PMU.</p> <p>Review project progress reports.</p> <p>Interview leaders of communities who are piloting these models.</p> <p>Field visit and verification on progress.</p> <p>Interview external parties involved in pilot e.g. market/buyers, tourism stakeholders</p> <p>Interview Govt. reps – Ministry of iTaukei Affairs, Ministry of Agriculture, Ministry of Fisheries, Ministry of Rural &amp; Maritime Development</p>
2	<p>Review MAP Assessment Report provided by PMU.</p> <p>Review project progress reports.</p> <p>Randomly select and sample POs and interview PO leadership and a sample of young farmer members.</p> <p>Interview main market outlets/buyers.</p> <p>Selective site visits to farms.</p>
3	<p>Review MAP Assessment Report provided by PMU.</p> <p>Review project progress reports.</p> <p>Interview CPYC on its activities.</p> <p>Identify and interview a sample of 'active' and 'non-active' Youth Groups.</p> <p>Interview Ministry of Youth &amp; Sports rep in Province.</p>

4	<p>Review MAP Assessment Report provided by PMU.</p> <p>Review project progress reports.</p> <p>Based on PMU report, select sample of new farmer groups and interview office bearers and sample of group members.</p> <p>Interview main market outlets/buyers.</p> <p>Interview Govt reps – Ministry of Agriculture, Department of Cooperatives, Ministry of Rural &amp; Maritime Development, Ministry of iTaukei Affairs</p> <p>Interview BE GREEN Implementing partners – PIFON</p>
5	<p>Review MAP Assessment Report provided by PMU.</p> <p>Review project progress reports.</p> <p>Based on the PMU report, identify random samples of communities, interview community leadership, including reps for women, and youth.</p> <p>Verify iVDP and Vanua Plan implementation through focused group discussions and field verification</p> <p>Interview Govt. reps – Ministry of iTaukei Affairs, Ministry of Agriculture, Ministry of Rural &amp; Maritime Development.</p> <p>Interview BE GREEN Implementing partners – C2 LIP, Environment NGO</p>
6	<p>Review MAP Assessment Report provided by PMU.</p> <p>Review project progress reports.</p> <p>Select and interview a sample of beneficiaries who accessed financial service to obtain more information on financial product accessed and purpose.</p> <p>Identify and interview a sample of beneficiaries who have not accessed any financial service to understand reasons.</p> <p>Interview financial institutions servicing BE GREEN beneficiaries e.g. Fiji Development Bank, Merchant Finance Ltd,</p>