Executive Board
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President's report
Proposed loan
Multiphase adaptive programme – first phase
Republic of Fiji
Blue Economy and Green Community Development

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

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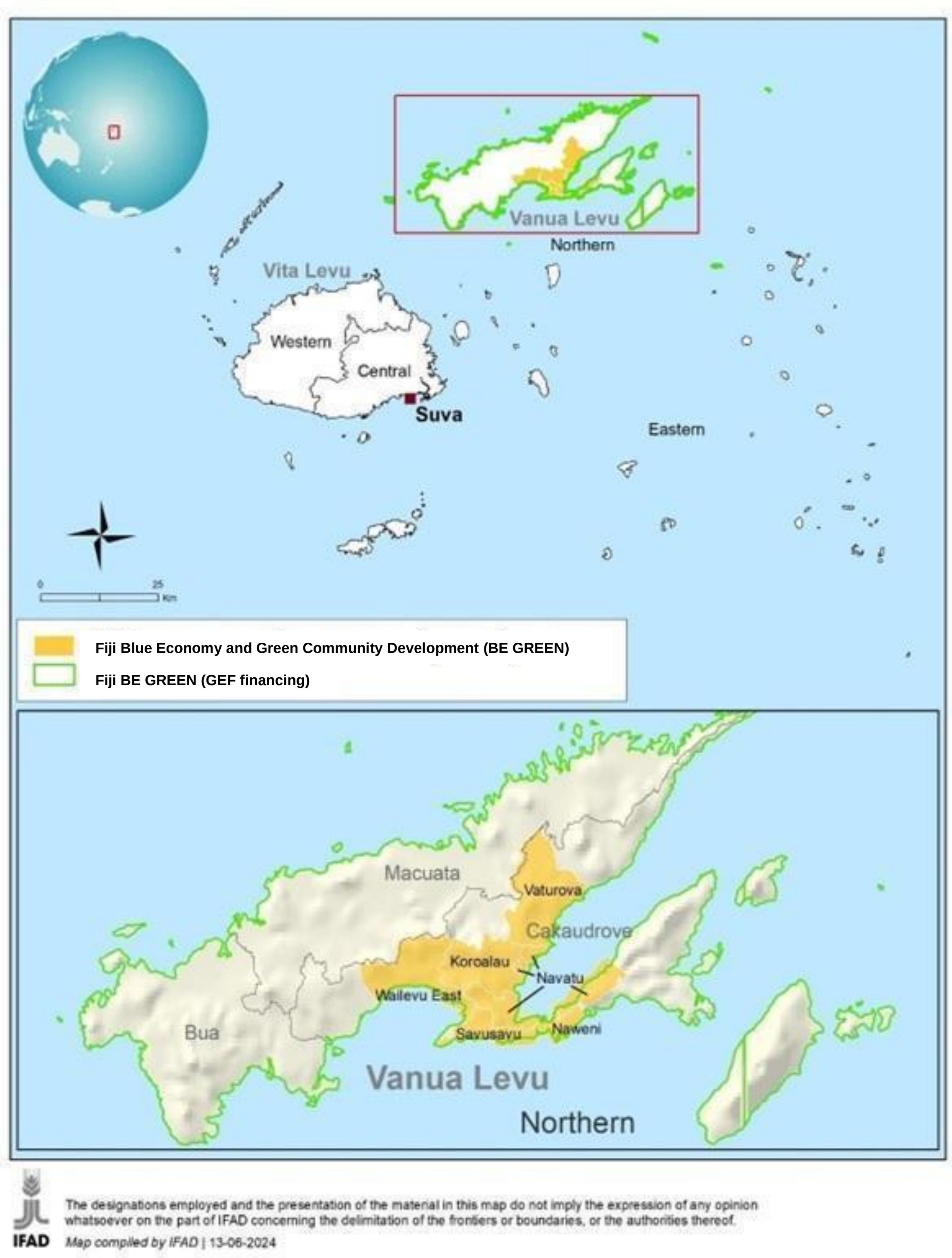
Map of the project area



Financing summary

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

	IFAD loan		*GEF-8*		*Beneficiaries*			*Borrower*			*Financing gap*		*Total*	
Component/subcomponent	*Amount*	*%*	*Amount*	*%*	*Cash*	*In kind*	*%*	*Cash*	*In kind*	*%*	*Amount*	*%*	*Amount*	*%*
1. Holistic island management														
1.1. Mainstreaming integrated island management	-		674.52	8.2	-	-		-	-		-		674.52	2.8
2. Sustainable market-oriented production from resilient systems														
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
3. Inclusive access to markets and finance														
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
4. Enabling policy and institutional environment														
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
Total	**5 300.00**	**21.8**	**8 226.63**	**33.9**	**1 864.15**	**-**	**7.7**	**1 169.90**	**-**	**4.8**	**7 700.00**	**31.7**	**24 260.68**	**100**

Table 2
BE GREEN first phase costs by expenditure category and financier
(Thousands of United States dollars)

	IFAD loan		*GEF-8*		*Beneficiaries*			*Borrower*			*Financing gap*		*Total*	
Expenditure category	*Amount*	*%*	*Amount*	*%*	*Cash*	*In kind*	*%*	*Cash*	*In kind*	*%*	*Amount*	*%*	*Amount*	*%*
Investment costs														
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
Total investment costs	**4 195.25**	**79.2**	**7 840.18**	**95.3**	**1 864.15**		**100.0**	**650.66**	**-**	**55.6**	**7 180.00**	**93.2**	**21 730.58**	**89.6**
Recurrent costs														
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
Total recurrent costs	**1 104.75**	**20.8**	**386.11**	**4.7**	**-**	**-**	**-**	**519.23**	**-**	**44.4**	**519.99**	**6.8**	**2 530.09**	**10.4**
Total	**5 300.00**		**8 226.63**		**1 864. 15**			**1 169.90**			**7 700.00**		**24 260.68**	

Table 3
BE GREEN first phase costs by component and subcomponent and project year (PY)
(Thousands of United States dollars)

	PY1		*PY2*		*PY3*		*PY4*		*PY5*		*PY6*		*PY7*		*Total*
Component/subcomponent	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*
1. Holistic island management															
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
2. Sustainable market-oriented production from resilient systems															
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
3. Inclusive access to markets and finance															
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
4. Enabling policy and institutional environment															
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
Baseline costs	**1 118.06**		**3 366.67**		**5 558.44**		**5 485.91**		**5 377.85**		**2 598.33**		**734.85**		**24 240.11**
Contingencies															
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
Total costs	**1 118.62**		**3 369.72**		**5 562.98**		**5 491.97**		**5 384.21**		**2 598.33**		**734.85**		**24 260.68**

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

Risk areas	*Inherent risk rating*	*Residual risk rating*
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
Overall	**Moderate**	**Moderate**

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 is attached as appendix I.

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[1] 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

[1] In accordance with the procedures set out in document EB 2024/142/R.25.

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 on15 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: ____________[2]

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

____
Alvaro Lario
President of IFAD

Date: ______________

[2] 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 Covenants[3]

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 customize 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 respected[4];

   (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.

[3] To be agreed with negotiation team which to include and adapt wording to each specific negotiation.
[4] 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.

Logical Framework

	Indicators				Means of Verification			Assumptions
	Name	**Baseline**	**Mid-Term**	**End Target**	**Source**	**Frequency**	**Responsibility**	
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[5]				
	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[6] 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				
	Improved ecosystem services and practices							
	Areas of landscapes under improved practices (hectares)	0	45,00	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).
	CO_2e 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.
Outcome 1 Alignment of actors, efforts, and resources for holistic island management[7]	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				
Outcome 2.1 Increased sustainable and market-oriented production from resilient systems.	**Households reporting improved linkages and physical access to markets, processing and storage facilities (CI 2.2.6)**				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				
	Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices (CI: 3.2.2)				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				
	Households satisfied with project-supported services (SF 2.1)							
	Household members - Number of people		0	0				
	Household (%)	0	30%	70%				
	Households – Number of Households		0	0				
	Households reporting they can influence decision-making of local authorities and project-supported service providers (SF 2.2)							
	Households (%)	0	30%	70%				
Output 2.1.1	**Number of Vanua Plans developed and endorsed by community**				Vanua Plans	Bi-annual	PMU	Communities prepared to participate in planning.
	Vanua Plans	0	78	78				

[5] Based on 6,550 households with an average of four persons benefiting from project services in every household, and an additional 100 entrepreneurs.
[6] Here, and throughout this logical framework, rural enterprises include MSMEs, producers' organizations and individual producers.
[7] 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								
Output 2.1.2 Producers trained for climate-resilient and market-responsive production, and primary processing.	**Number of producers trained on climate resilient production**				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				
	Number of persons in rural areas trained in financial and business literacy and/or use of financial products and services (CI 1.1.7)				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				
	Number of migrant/remittance receiving households trained in financial literacy and/or use of financial products and services							
	Migrant HH	0	75	300				
Output 2.1.3 Climate smart investments for production, eco-restoration and eco-tourism delivered	**Communities and individuals supported to sustainably manage natural resources and climate-related risks (CI 3.1.1)**				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				
	Number of marine-based and land-based producers who are part of groups supported by project to manage natural resources and climate-related risks							
	IPs	0	735	2,455				
	Marine based	0	250	840				
	Land based	0	735	2,435				
Outcome 2.2[8] Strengthened participatory conservation and restoration, higher adoption of environmentally	TBD							

[8] 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								
Output 2.2.1 Forests and freshwater habitats under improved management to benefit biodiversity with enhanced local livelihood opportunities.	TBD							
Output 2.2.2 Fiji's key biodiversity areas and keystone species better managed and protected against climate change and anthropogenic impacts, in alignment with the NBSAP[9].	TBD							
Output 2.2.3 Better manage impacts of agricultural land degradation (including abandoned sugar cane fields) and runoff on marine ecosystems and freshwater biodiversity.	TBD							
Outcome 3 Inclusive access to markets and finance, including options to save and invest remittances	**Rural producers' organizations[10] engaged in formal partnerships/agreements or contracts with public or private entities[11] (CI 2.2.3)**				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				
	Households reporting using financial services (CI 1.2.5)				Project M&E	Bi-annual	PMU	
	Total number of household members - Number of people		0	0				
	Percentage of households[12]	46%[13]	50%	66%				
	Households - Number of Households		0	0				
	Persons with new jobs/employment opportunities (CI: 2.2.1)				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				

[9] National Biodiversity Strategy and Action Plan.
[10] Both formal and informal.
[11] 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.
[12] To be updated based on results from the BE-GREEN demand assessment of financial services.
[13] Reserve Bank of Fiji, Financial Services Demand Side Survey Fiji 2020.

Output 3.1 Rural enterprises have access to business development services	**Rural enterprises accessing business development services[14] (CI 2.1.1)**				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				
Output 3.2 Rural enterprises have access to finance.	**Rural enterprises accessing a new financial service**				Project M&E	Bi-Annual	PMU/PFIs/	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/PFIs/Remittance 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
	Number of financial service providers supported in delivering financial products and services to rural areas (CI 1.1.6)							Service providers see viable market opportunities for their financial products and services, including remittance linked services.
	Number of Service Providers	0	1	3	Project M&E	Bi-annual	PMU	
Output 3.3 Climate smart investments for agri- business including eco-tourism delivered	**Rural enterprises supported to sustainably manage natural resources, improve market linkages and value added services**				Project M&E/corporate data	Bi-annual	PMU/PFIs	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				
Outcome 4 Enabling policy and institutional environment	**Number of policy/regulatory instruments proposed to policy makers for approval, ratification or amendment (CI Policy 3)**							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	
Output 4.1.1 Innovative policies developed	Number of policy/regulatory instruments prepared	0	0	3	Project M&E	Bi-annual	PMU	
Output 4.1.2 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	

[14] 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.

Output 4.1.3 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[15]	Project M&E	Bi-annual	PMU		

[15] To be updated when SSTC financing available.

Integrated project risk matrix

Risk categories and subcategories	Inherent	Residual
Country context	**Moderate**	**Moderate**
Political commitment	**Moderate**	**Moderate**
Risk(s): 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.		
Mitigations: IFAD Country Office will continue exploring partnerships and innovations in rural development.		
Governance	**Moderate**	**Moderate**
Risk(s): 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.		
Mitigations: The Fiji Independent Commission Against Corruption (FICAC) focuses on integrity, accountability, and transparency		
Macroeconomic	**Substantial**	**Substantial**
Risk(s): 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		
Mitigations: Focus on fiscal consolidation, debt reduction, and structural reforms. Investments in diversified agriculture and climate-smart assets.		
Fragility and security	**Moderate**	**Moderate**
Risk(s): 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.		
Mitigations: Inclusive targeting strategy to provide income generation opportunities and maintain social stability		
Sector strategies and policies	**Moderate**	**Moderate**
Policy alignment	**Low**	**Low**
Risk(s): Fiji's National Adaptation Plan and Green Growth Framework address climate change, poverty, and economic growth. The Agriculture Sector Policy focuses on sustainable agriculture.		
Mitigations: Project investments align with government development planning.		
Policy development & implementation	**Substantial**	**Substantial**
Risk(s): Government may lack the ability to create and execute effective sector policies		
Mitigations: Institutional capacity building and collaboration with stakeholders		
Environment and climate context	**Substantial**	**Substantial**
Project vulnerability to environmental conditions	**Moderate**	**Moderate**
Risk(s): Deforestation, unsustainable agriculture, and overuse of resources threaten ecosystems		
Mitigations: Exclude protected areas, promote ecosystem management, and encourage organic farming		
Project vulnerability to climate change impacts	**Substantial**	**Substantial**
Risk(s): Fiji is highly vulnerable to natural disasters and climate change		
Mitigations: Develop community-level climate resilience plans and promote climate-smart agricultural practices		
Project scope	**Moderate**	**Moderate**
Project relevance	**Low**	**Low**

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

Risk categories and subcategories	Inherent	Residual
External audit	**Moderate**	**Moderate**
Risk(s): Delay in the preparation of consolidated annual financial statements delays timely audits which in turn limits the effectiveness of oversight.		
Mitigations: Conduct audit in accordance with international standards		
Environment, social and climate impact	**Moderate**	**Moderate**
Biodiversity conservation	**Moderate**	**Moderate**
Risk(s): Land use change, poor agricultural practices, and pollution threaten biodiversity		
Mitigations: Exclude protected areas and promote sustainable practices		
Resource efficiency and pollution prevention	**Moderate**	**Moderate**
Risk(s): Land degradation from traditional agricultural practices		
Mitigations: Promote climate-resilient and sustainable agricultural practices		
Cultural heritage	**Low**	**Low**
Risk(s): 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.		
Mitigations: Align project activities with cultural practices and conduct consultations		
Indigenous Peoples	**Moderate**	**Moderate**
Risk(s): 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).		
Mitigations: Proactive targeting approach and focus on poor and marginalized		
Community health and safety	**Low**	**Low**
Risk(s): The project may operate in areas where gender-based violence has been reported.		
Mitigations: Conduct consultations and collaborate with stakeholders to address violence.		
Labour and working conditions	**Moderate**	**Moderate**
Risk(s): The wage gap between men and women in the agriculture sector is notable.		
Mitigations: Promote equal pay and safe opportunities for women		
Physical and economic resettlement	**Low**	**Low**
Risk(s): No foreseen resettlement		
Mitigations: Conduct community consultations and seek consent		
Greenhouse gas emissions	**Moderate**	**Moderate**
Risk(s): Small-scale infrastructure may generate emissions		
Mitigations: Promote climate-smart agriculture and nature-based solutions		
Vulnerability of target populations and ecosystems to climate variability and hazards	**Moderate**	**Moderate**
Risk(s): Communities affected by cyclones, floods, and sea level rise		
Mitigations: Conduct risk screening and promote climate-smart practices		
Stakeholders	**Moderate**	**Moderate**
Stakeholder engagement/coordination	**Moderate**	**Moderate**
Risk(s): Collaborative effort needed from various stakeholders		
Mitigations: Develop stakeholder analysis and engagement plan		
Stakeholder grievances	**Moderate**	**Moderate**
Risk(s): Lack of awareness about grievance redress		
Mitigations: 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	Review MAP Assessment Report provided by PMU. Review project progress reports. Interview leaders of communities who are piloting these models. Field visit and verification on progress. Interview external parties involved in pilot e.g. market/buyers, tourism stakeholders Interview Govt. reps – Ministry of iTaukei Affairs, Ministry of Agriculture, Ministry of Fisheries, Ministry of Rural & Maritime Development
2	Review MAP Assessment Report provided by PMU. Review project progress reports. Randomly select and sample POs and interview PO leadership and a sample of young farmer members. Interview main market outlets/buyers. Selective site visits to farms.
3	Review MAP Assessment Report provided by PMU. Review project progress reports. Interview CPYC on its activities. Identify and interview a sample of ‘active’ and ‘non-active’ Youth Groups. Interview Ministry of Youth & Sports rep in Province.

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