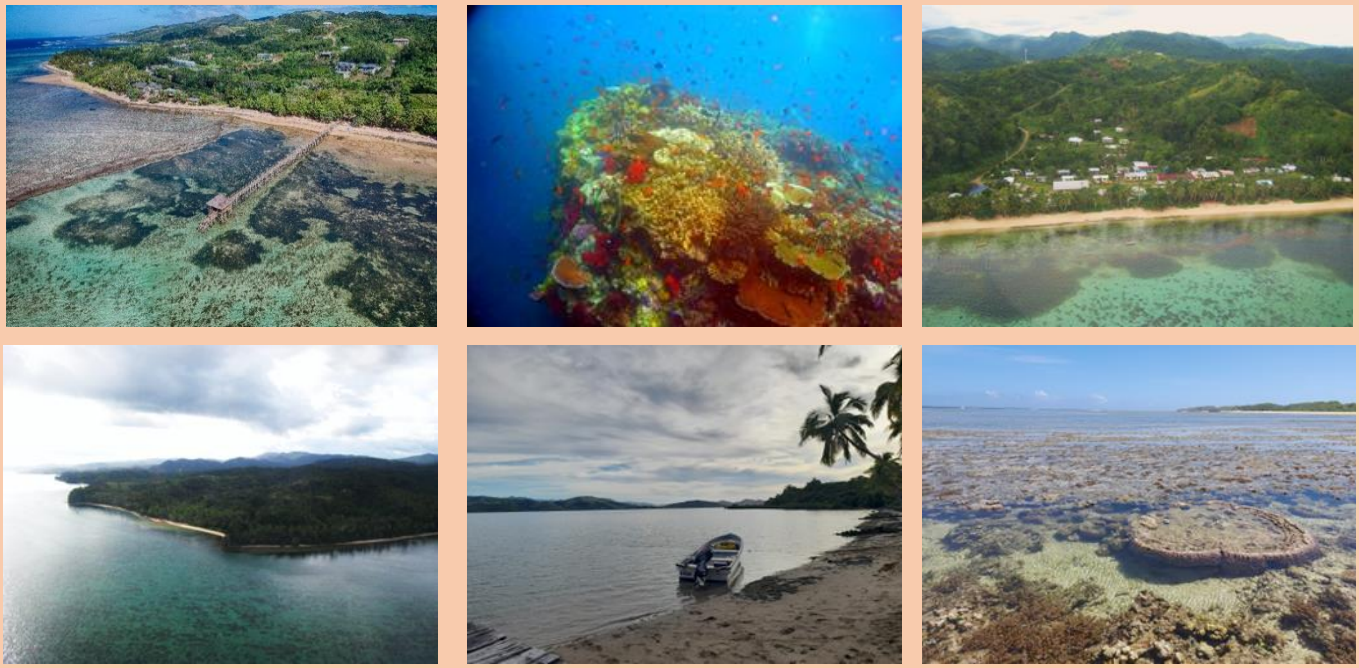


Source: World Bank & Wiki Commons

Fiji: INVESMENT PLAN (IP)

Prepared for the

Nature, People, and Climate (NPC) Program

of the

Climate Investment Fund (CIF)

April 30, 2024

ACRONYMS

ADB	Asian Development Bank
CIF	Climate Investment Funds
COVID-19	Coronavirus
DGM	Dedicated Grant Mechanism
DPO	Development Policy Operation
EEZ	Exclusive Economic Zone
ERP	Emissions Reduction Program
ERPA	Emissions Reduction Payment Agreement
FAO	United Nations Food and Agriculture Organization
FDB	Fiji Development Bank
FLMMA	Fiji LMMA network
GBV	Gender Based Violence
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gas
GoF	Government of Fiji
ICM	Integrated Coastal Management
IDA	International Development Association
IDPM	Integrated Disease and Pest Management
IFC	International Finance Corporation
IP	Investment Plan
IW	International Waters
IWM	Integrated Watershed Management
LMMA	Locally Managed Marine Area
MDBs	Multilateral Development Banks
MPA	Marine Protected Area
NAP	National Adaptation Plan
NBS	Nature Based Solutions
NBSAP	National Biodiversity Strategy and Action Plan
NDC	Nationally Determined Contribution
NDP	National Development Plan
NGO	Non-Governmental Organization
NPC	Nature, People, and Climate
PES	Payment for Ecosystem Services
PICs	Pacific Island Countries
PIU	Project Implementation Unit
PROP	Pacific Islands Regional Oceanscape Program
REDD+	Reducing Emissions from Deforestation and forest Degradation
RISE	Revitalizing Informal Settlements and their Environments project
SIDS	Small Island Developing State
SMEs	Small and Medium Enterprises
SORT	World Bank Systematic Operations Risk-Rating Tool
SPC	South Pacific Commission
SPREP	Secretariat of the Pacific Regional Environment Programme
ToC	Theory of Change
UNDP	United Nations Development Program
WCS	Wildlife Conservation Society

Table of Contents

I. Proposal Summary

1. The Investment Plan (IP) is owned by the Government of Fiji (GoF) and collectively agreed upon among the participating Multilateral Development Banks (MDB), the World Bank being the lead MDB, joined by the Asian Development Bank (ADB) and the International Finance Corporation (IFC). It will be implemented by the Ministries of Environment and Climate Change (MECC); Fisheries and Forestry (MoFF); and Agriculture and Waterways (MoAW). The IP will trigger co-finance from the International Development Association (IDA), ADB funding, the Oceans Resilience and Coastal Areas Trust Fund (ORCA-TF), the Global Environment Facility (GEF) Special Climate Change Fund (SCCF), and potentially International Waters (IW). Additional funding is being sought through PROBLUE and PROGREEN trust funds.

2. The IP follows a systems approach from Mountain to Ocean through integrated management.[1] It will contribute to improve the management of ecosystems for climate resilience in rural and coastal communities, promoting Integrated Watershed Management[2] and Integrated Coastal Management perspectives that recognize the link between activities in higher lands and the health of ecosystems and populations. The IP will support the development and scaling up of successful Nature Based Solutions[3] (NBS) through private sector, community and government initiatives; improve the enabling conditions required to expand and sustain NBS by addressing key barriers and policy and capacity gaps; contribute to conserving, restoring, and sustainably managing natural ecosystems in priority watersheds and coastlines; reduce Greenhouse Gas (GHG) emissions; and develop and strengthen resilient livelihood opportunities for local communities.

3. This IP is aligned with the country's policy environment, particularly regarding climate change, natural resource management, and participatory processes. It recognizes and will contribute to implementing Fiji's National Adaptation Plan (NAP), Nationally Determined Contribution (NDC), National Biodiversity Strategy and Action Plan (NBSAP), National Development Plan (NDP) and other vital instruments mainstreaming climate change into the nation's development agenda.

Objectives

4. The main objective of the IP is **to strengthen national capacities and shared regional management of ecosystems for climate resilience.**

Key expected outcomes:

i. Increased climate resilience of communities and livelihoods.
ii. Improved health of key ecosystems.
iii. Sustainable provision of critical ecosystem services.
iv. Land and marine areas managed to reduce biodiversity loss and 30 percent conserved (KMBF T 1 &3)

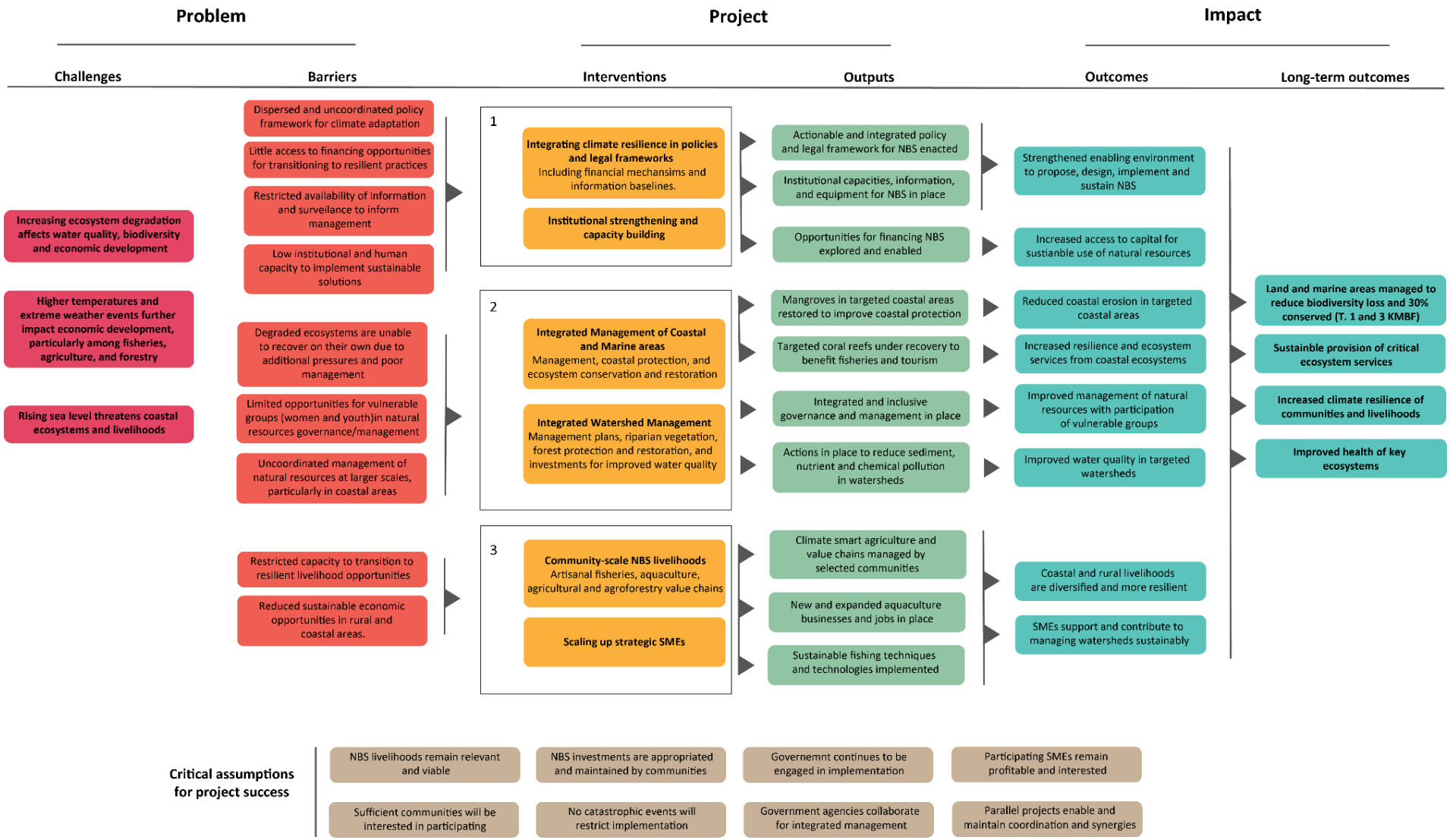
[1] Incorporating multiple aspects, scales, flows and parties in the management process with a strategic systems perspective.

[2] Fiji offers a model opportunity for selecting watersheds as the landscapes for integrated management efforts. This is because of its natural conditions, mountainous geography, high rainfall, and significant pollution coming from agricultural and rural runoff, and wastewater discharge to rivers; the low availability of potable water solutions in rural areas; and also, the high sensitivity of ecosystems to pollution and sediments, including mangroves, which are critical for coastal protection, and coral reefs, which ultimately make livelihoods from tourism and fisheries also highly sensitive. For a comprehensive analysis on the opportunity for IWM in Fiji, please refer to Jupiter, S. D., Jenkins, A. P., Negin, J., Anthony, S., Baleinamau, P., Devi, R., ... & Horwitz, P. (2023). Transforming place-based management within watersheds in Fiji: The Watershed Interventions for Systems Health project.

[3] Actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services and resilience and biodiversity benefits (UN, 2022).

Expected Outcomes

5. The IP Theory of Change (ToC) follows a logical framework that sustains the interventions, and activities to resolve specific challenges identified in the country and target areas and delivers the desired outputs and outcomes. The ToC is presented as a diagram below:


Problem
Project
Impact
Challenges
Barriers
Interventions
Outputs
Outcomes
Long-term outcomes
Increasing ecosystem degradation affects water quality, biodiversity and economic development
Higher temperatures and extreme weather events further impact economic development, particularly among fisheries, agriculture, and forestry
Rising sea level threatens coastal ecosystems and livelihoods
Dispersed and uncoordinated policy framework for climate adaptation
Little access to financing opportunities for transitioning to resilient practices
Restricted availability of information and surveilance to inform management
Low institutional and human capacity to implement sustainable solutions
Degraded ecosystems are unable to recover on their own due to additional pressures and poor management
Limited opportunities for vulnerable groups (women and youth)in natural resources governance/management
Uncoordinated management of natural resources at larger scales, particularly in coastal areas
Restricted capacity to transition to resilient livelihood opportunities
Reduced sustainable economic opportunities in rural and coastal areas.
1
Integrating climate resilience in policies and legal frameworks
Including financial mechansims and information baselines.
Institutional strengthening and capacity building
2
Integrated Management of Coastal and Marine areas
Management, coastal protection, and ecosystem conservation and restoration
Integrated Watershed Management
Management plans, riparian vegetation, forest protection and restoration, and investments for improved water quality
3
Community-scale NBS livelihoods
Artisanal fisheries, aquaculture, agricultural and agroforestry value chains
Scaling up strategic SMEs
Actionable and integrated policy and legal framework for NBS enacted
Institutional capacities, information, and equipment for NBS in place
Opportunities for financing NBS explored and enabled
Mangroves in targeted coastal areas restored to improve coastal protection
Targeted coral reefs under recovery to benefit fisheries and tourism
Integrated and inclusive governance and management in place
Actions in place to reduce sediment, nutrient and chemical pollution in watersheds
Climate smart agriculture and value chains managed by selected communities
New and expanded aquaculture businesses and jobs in place
Sustainable fishing techniques and technologies implemented
Strengthened enabling environment to propose, design, implement and sustain NBS
Increased access to capital for sustianble use of natural resources
Reduced coastal erosion in targeted coastal areas
Increased resilience and ecosystem services from coastal ecosystems
Improved management of natural resources with participation of vulnerable groups
Improved water quality in targeted watersheds
Coastal and rural livelihoods are diversified and more resilient
SMEs support and contribute to managing watersheds sustainably
Land and marine areas managed to reduce biodiversity loss and 30% conserved (T. 1 and 3 KMBF)
Sustainble provision of critical ecosystem services
Increased climate resilience of communities and livelihoods
Improved health of key ecosystems
Critical assumptions for project success
NBS livelihoods remain relevant and viable
NBS investments are appropriated and maintained by communities
Governemnt continues to be engaged in implementation
Participating SMEs remain profitable and interested
Sufficient communities will be interested in participating
No catastrophic events will restrict implementation
Government agencies collaborate for integrated management
Parallel projects enable and maintain coordination and synergies

IP budget

6. The total budget to be promulgated over five years is US$60.7 million, including CIF NPC resources and estimated co-financing of US$33.7 million, as explained in Table 1. A detailed structure and financing plan are available in Table 3.

Table 1. IP Indicative Budget (US$ million)

Component	CIF	IDA	GEF	ORCA-TF	ADB	Private sector	DFI[4]	Total component
Component 1. Policy, Institutional, and Capacity Framework for NBS	4.5	0.8	1.5	-	-			**6.8**
Component 2. Mainstreaming NBS into integrated management with a Mountain to Ocean approach	13.5	2.8	0.5	1.7	-			**18.5**
Component 3. Resilient community livelihoods	7	0.8	0.5	-	3.5	10	10.5	**32.3**
Component 4. Project Management	2	0.6	0.5	-	-			**3.1**
Total by source	**27.0**	**5**	**3**	**1.7**	**3.5**	**10**	**10.5**	**60.7**

Table 2 CIF Funding (US$ million)

Component	MDB	PPG	Loan	Grant	TOTAL
Preparation	World Bank	0.5			0.5
Component 1	World Bank			4.5	4.5
Component 2	World Bank			11	11
Component 2	ADB			2.5	2.5
Component 3	World Bank			2	3
Component 3	ADB		3	2	5
Component 4	World Bank			2	2
Total	**27.0**	**0.5**	**3**	**24**	**27.5**

7. In addition, co-financing from parallel projects and interventions (parallel financing) that will also contribute to the IP objective and or the IP will create synergy, to bring to scale transformational result, is expected to reach up to US$ 240 million. The sources of parallel financing identified include United Nations Fisheries and Aquaculture Organization (FAO), World Wildlife Fund (WWF), Fiji Development Bank (FDB), Wildlife Conservation Society (WCS), United Nations Development Program (UNDP), Global Green

[4] US$10 million will be channeled through a Development Financial Institution (DFI) as part of the ADB Frontier

Growth Institute (GGGI), Revitalizing Informal Settlements and their Environments (RISE), Waitt Institute, and national and regional World Bank projects.

II. Country Context

8. Fiji is a democratic island nation located in the Southwest Pacific Ocean. It consists of 333 islands divided administratively into four divisions: Central (including the capital of Suva), Western (main tourism hub), Northern (including Vanua Levu), and Eastern. The two main islands, Viti Levu and Vanua Levu, are significantly larger and home to 924,610 people, 87 percent of the population. Its territory extends over 18,000 square kilometers, while its predominant Exclusive Economic Zone (EEZ) covers 1.28 million square kilometers of the Pacific Ocean. It is characterized by its multi-ethnicity, including its native population (iTaukei). Fiji is the region's second largest, most industrially advanced economy and hub, connecting with most Pacific Island Countries (PICs). The country has diverse terrestrial and marine ecosystems shaped by tropical weather that sustain essential ecosystem services associated with the freshwater, food, fuel, tourism, and construction materials that the Fijian society depends upon for development and prosperity.

9. Overlapping land uses across watersheds and coastal areas drive the livelihoods of the population, which depend on natural resources and biodiversity. The main economic activities in Fiji depend on nature´s health, particularly tourism, which accounts for 40 percent of the national Gross Domestic Product (GDP) and nearly 20 percent of the national jobs, and the combination of agriculture, fisheries, and forestry, which make up to 32 percent of the GDP and account for nearly 40 percent of the national jobs.[5,6]

10. As a Small Island Developing State (SIDS), the country is particularly vulnerable to climate change.[7] Some of the most relevant impacts of climate change include extreme weather events, rising sea levels, and changing rainfall patterns. These derive in shoreline erosion, flooding, loss of agricultural and fisheries production, and damage to infrastructure, among other effects. Coastal communities are most at risk because of the combination of climate change impacts in this area, with risks of flooding and reduction of their livelihood opportunities. Even though the frequency of tropical cyclones affecting Fiji is projected to decrease, the magnitude of the decrease remains uncertain, and cyclones' intensity (wind speed) may increase. Sea-level rise impacts pose a significant threat to Fiji since several assets, including tourism zones and infrastructure, are in areas prone to coastal flooding and could result in coastal erosion and saline intrusion. The average asset losses due to tropical cyclones and floods are estimated at more than F$ 500 million annually, equivalent to more than five percent of Fiji's GDP.[8] The tourism visitors surpassed 900,000 in 2023,[9] almost the same as the resident population, resulting in additional strains on the management and sustainable use of natural resources and, hence, the climate resilience of the islands.

11. Ultimately, the impacts of climate change will affect poor, most vulnerable and remote (including from smaller islands and rural) communities most significantly.[10] The Fiji Climate Vulnerability Assessment characterizes informal settlements as "vulnerability hotspots", and women in these areas as being at risk of adverse consequences of climate change and exclusion. Limited diversity of economic opportunities

[5] Government of Fiji, Ministry of Commerce, Trade, Tourism and Transport. 2019. Fiji International Visitors Survey.
[6] Fiji Bureau of Statistics, available at https://www.statsfiji.gov.fj/statistics/economic-statistics/national-accounts-gdp.html and FBOS EUS 2004/05 and EUS 2010/11.
[7] Climate Risk Country Profile: Fiji (2021): The World Bank Group.
[8] World Bank. 2017. Climate Vulnerability Assessment: Making Fiji Climate Resilient.
[9] Fiji Bureau of Statistics, available at https://www.statsfiji.gov.fj/statistics/tourism-and-migration-statistics/visitor-arrivals-statistics.html
[10] World Bank. 2017. Climate Vulnerability Assessment: Making Fiji Climate Resilient.

contributes to persistently higher vulnerability and poverty rates in rural areas and communities away from tourism hubs and urban areas. Tourism, the main driver of the Fijian economy, is critically vulnerable to climate change, further increasing the risk for the population whose livelihoods depend on it. For example, due to external macroeconomic stressors that reduced tourism, GDP contracted by 17.0 percent in 2020 and 5.1 percent in 2021, driving a 2.4 percentage point increase in poverty rates in the country.

12. The country is on a development pathway but needs to build resilience to environmental and external shocks to maintain this trend.[11] About 48 percent of the population lives in rural areas, often isolated and with limited access to public services. Poverty is diminishing all over the country and recently reached 29.9 percent from 20 percent in 2002, but it is still particularly prevalent in rural areas, where it reaches 41.5 percent. Inequality is present in the country, with a Gini coefficient of 0.301, one of the lowest in the region, but it is magnified in cities. Unemployment in Fiji is recovering from the effects of the COVID-19 pandemic, which hit young people and tourism workers the hardest. However, the potential of Fijians to contribute to the country´s prosperity is yet untapped according to the latest Human Capital Index,[12] particularly among women, considering that a child born in Fiji today will be 51 percent as productive when she/he grows up as they might have been, were they to enjoy complete education and access to health services, largely linked with environmental and climate-related risks.

13. Much of the untapped potential for Fijians to contribute to Fiji's development resides within the small and medium enterprises (SMEs), which account for around 30 percent of the labor force, yet as little as 10 percent of total outstanding bank loans. The absence of capital access restricts the growth of a crucial innovation sector in the economy and its potential contribution to providing sustainable and resilient livelihoods to rural and coastal communities. There are several factors limiting lending to MSMEs including: (i) idiosyncratic risks that can unexpectedly fully or partially write off investments including disaster triggered by natural hazards, civil unrest, or other events that are exacerbated by weather state capacity (ii) market risks undermining investment returns including inadequate infrastructure, limited management talent/human capital, macroeconomic instability, and weak business regulatory environments; and (iii) higher transaction costs due to elevated origination and due diligence costs, and the need for more active portfolio support as companies tend to be smaller and less mature. Combined, MSMEs struggle to access credit required to grow their businesses.

14. Gender inequality is persistent, as indicated by reduced opportunities for women in work, community-level and political decision making forums and increased risks of Gender Based Violence (GBV, with considerable gaps in comparison with neighboring Pacific countries and other countries with similar GDPs.[13] Women´s participation in the labor market is only 44.4 percent compared with 80.5 percent for men, with young women having higher unemployment rates (29 percent for young women: 20–24 years).

15. Most women are engaged in the informal sector. Informal work, including agricultural and aquatic food microenterprises, handicrafts, and some services, provide flexibility for women in terms of location and hours, given that women are predominantly carers in Fijian society. Most micro, small and medium enterprises operate in the informal sector and about one half are owned by women. Women also represent 88 percent of Fijian market vendors, particularly for fresh and cooked or processed produce and handicrafts. However, the informal nature of women's work, combined with their exclusion from

[11] World Bank. 2017. Republic of Fiji. Systematic Country Diagnostic. Washington, DC: World Bank.
[12] The Human Capital Index (HCI) offers a comprehensive view of Fiji's human capital, defined as the amount of human capital a child born in Fiji today can expect to achieve, given the prevailing risks of poor health and poor education. Available at https://www.worldbank.org/en/publication/human-capital
[13] IFC. 2019. The Business Case for Employer Supported Childcare in Fiji.

decision-making over land and sea resources, limits their potential in tangible ways such as low levels of collateral and assets, savings, and insurance. This leads to reduced agency to contribute to decision-making about natural resources on which many rely for income and constrains capacity to adapt to changing environments and sudden extreme weather events.

16. GBV increased during the COVID-19 pandemic, according to reports from women-led family violence services, which has been documented to lead to reduced productivity in informal work and has direct impacts on women's access to economic opportunities and resilience capacity.[14] In times of disasters where people may take refuge in shelters, and in cases of climate-induced mobility, women are likely to face increased risks of sexual harassment, violence and exploitation, another rationale for increasing resources and resilience for women.

17. Despite these challenges, the latest rapid gender assessment from the Ministry of Women-led Gender Transformative Institutional Capacity Development Initiative (2022) confirms that women account for 51 percent of inshore fishers and 94 percent of freshwater fishers while 43 percent of Fijian women who fish do so for a source of income and 99 percent to provide food. Communal contributions from their fishing activities are also high with 64 percent of women providing food for cultural events, and they play a critical role in times of disasters.

18. Fiji relies on agriculture, forestry, and fisheries for food security and over a third of the local jobs. However, limited waste and wastewater management combined with poor agricultural practices in rural watersheds are increasingly leading to soil erosion and water pollution, negatively affecting agricultural activities; water quality in populated areas; the health of marine ecosystems, particularly coral reefs, which are especially sensitive to water pollution; and ultimately, tourism activities and the productivity of coastal fisheries. Fijian forests comprise about 60 percent of the landmass and cover about 1.1 million hectares,[15] playing a critical role in providing timber, capturing carbon, protecting biodiversity, enhancing air and water quality, and preventing erosion, among other ecosystem services. However, illegal logging and deforestation for agricultural expansion remain significant challenges, leading to the loss of biodiversity and degradation of forest ecosystems. The GoF has proposed restoring riparian vegetation as buffers to agrarian activities and improving agricultural practices such as regenerative farming and agroforestry as potential solutions to recovering natural sediment retention capacity.

19. The import of food and vegetable products accounts for around 35 percent of Fiji's imports, indicating significant potential to grow domestic production from the agriculture and aquaculture sectors[16]. Fiji has developed a significant poultry industry which has seen 350 percent increase in exports 2014-2020. Enterprises such as Rooster Chicken, an investment of the company BSP Life, have been pivotal to Fiji's successful poultry industry. Other such opportunities across agriculture and aquaculture can serve to increase Fiji's food resilience and lessen dependency on imports, and related supply chain emissions.

20. The GoF has identified climate change as the most significant threat to the country's development aspirations and concentrated efforts, particularly for climate adaptation, through various policies and strategies to reduce vulnerability and enhance resilience against climate impacts and disasters. Its National Climate Change Policy 2018-2030 (NCCP), aligned with Fiji's 20-year National Development Plan,

[14] IFC. 2019. The Business Case for Workplace Responses to Domestic and Sexual Violence in Fiji.
[15] Annual Report 2019 – 2020, Ministry of Forestry
[16] World Bank – WITS data 2019, 2021

outlines priorities and strategies for reducing present and future climate risks while maximizing long-term developmental gains. Fiji's commitment to achieving net-zero emissions by 2050 is further solidified in its Low Emission Development Strategy (LEDS). The Government has also introduced several financing initiatives to support its climate change commitments, including a sovereign green bond, an environmental and climate adaptation levy, a plastic bag levy[17] and recently a domestically floated Fiji Sovereign Blue Bond.

21. The country updated its NDC in 2020 to maintain a 30 percent emissions reduction target for the energy sector and commits to achieving net-zero emissions by 2050.[18] It also enacted a Climate Change Act, which provides a legal framework to enable the country's mitigation, adaptation, and disaster risk management efforts. Additionally, a framework guides the implementation of the NAP on an ongoing basis, helping track and continue the progress in implementing climate change adaptation activities.[19] This Framework was created through national consultations and interviews with key stakeholders, providing a roadmap for targeting resources towards the Plan's development.

22. In the new Sector Strategy Development Plan (SDP) for the Ministry of Agriculture and Waterways (MOAW) (2024 – 2028), the overall sector goal is to develop a "resilient, competitive, innovative, and inclusive agriculture sector." MOAW will focus on 5 strategic priorities in achieving that goal: (i) improving food and nutrition security; (ii) enhancing the livelihoods of farming households; (iii) adoption of Sustainable Resource Management (SRM) and Climate-Smart Agriculture (CSA); (iv) propelling Fiji's agricultural sector into a new er of commercial viability; and (v) improvement of the Ministry's performance and service delivery. The IP is closely aligned to this new SDP and will contribute directly to all 5 strategic priorities, especially the priority number 3 and 4.

23. Despite the government's efforts, Fiji faces barriers to implementing its climate strategies and plans. Restricted access to financial resources, capacity gaps, limited infrastructure and equipment, and reduced coordination among different sectors pose challenges to effectively addressing climate change impacts. There is a need for increased international support and investment to bridge these gaps and strengthen Fiji's resilience to climate change.

24. Currently, efforts to engage NBS in landscape-level planning and management are primarily focused on addressing climate change impacts retroactively, particularly for coastal communities facing the effects of sea level rise and more frequent and intense tropical storms. On the coast, erosion and the degradation of marine ecosystems such as coral reefs and mangroves reduce food availability, livelihood opportunities (e.g., through tourism), and coastal protection. The government has begun implementing and supporting community-led initiatives to protect and manage coastal areas, including establishing locally managed marine areas, Marine Protected Areas (MPA) and promoting sustainable fishing practices.

25. Like most Pacific Island nations, Fiji has a local tenure control system rooted in the cultural tradition of its indigenous people (iTaukei) and government structure. This provides an opportunity to manage Fiji's natural resources and ecosystem in that communities are engaged and organized to decide and act over their land, coastal, and marine space, with participation of women, men, and youth. Several studies indicate community-based management of natural resources that include active participation of women and youth also are more sustainable, as it reduces rule-breaking and builds consensus for

[17] https://www.state.gov/reports/2023-investment-climate-statements/fiji/
[18] Fiji Ministry of Economy. (2021). Fiji's Updated Nationally Determined Contribution. Suva, Fiji: Ministry of Economy. 20 p.
[19] Fiji National Adaptation Framework, available at https://fijiclimatechangeportal.gov.fj/ppss/fijis-national-adaptation-plan-framework/

management measures and community-led enforcement. However, community level action also must be linked to efforts in other locations for informed and integrated planning of watersheds, landscapes, and coastal areas that require coordination among several communities. Because of this, Fiji is behind other similarly developed countries in its natural resource management structure, needing a legal framework that enables integrated approaches. For example, inadequate or missing policies and the lack of integrated management institutions (i.e., a Marine Park Authority) limit the ability to regulate the marine environment. At the same time, the creation of watershed management committees and plans has only recently been discussed in the National Congress.

26. A National Integrated Coastal Management (ICM) committee was established in 2009, but a lack of funding and diffuse legal frameworks resulted in its extended temporary suspension. Integrated Watershed Management may become a reality with an upcoming bill at a later stage of discussion in Congress, and the Fiji Locally Managed Marine Areas (FLMMA) network is helping communities connect coastal management efforts on larger scales.

27. Dispersion of roles and mandates to manage natural resources further aggravates the challenges of advancing integrated management of natural resources and making the most out of NBS opportunities. For example, watersheds are managed by the Ministry of Agriculture and Waterways; the Fiji Water Authority; the Department of Water and Sewage under the Ministry of Public Works, Meteorological Services and Transport; and the Department of Environment under the office of the Prime Minister, but little coordination exists among these institutions, and significant gaps are evident where no institution takes on an active role, such as with sediment and chemical run-off. The situation is even more challenging along the coastline, where management is disaggregated among institutions, including the Ministry of Agriculture and Waterways; the Ministry of iTaukei Affairs; the Department of Environment under the office of the Prime Minister; the Ministry of Fijian Affairs; local communities; the Ministry of Fisheries and Forestry; and the Ministry of Tourism; among others. Please refer to Annex E for a table of relevant government institutions.

Nature-based Solutions Context

28. Fiji has recognized the importance of NBS as a relevant tool for development that can tackle climate action, foster economic opportunities, conserve biodiversity, and ensure the provision of ecosystem services to Fijian communities. The country has tried to engage NBS in landscape-level planning and management to achieve multiple objectives. Relevant examples include the National Reducing Emissions from Deforestation and forest Degradation (REDD+), Emissions Reduction Program (ERP) is working with forests to avoid GHG emissions, the use of mangroves and vetiver grass for coastal resilience against sea level rise and flooding in priority coastal settlements, the agroforestry programs, and the nature-based tourism initiatives to restore reefs are supporting livelihoods, and all of these are contributing to managing biodiversity.

29. Water plays a crucial role in connecting natural ecosystems and human activities from mountains to the ocean, running through watersheds across forests, agricultural landscapes, and towns, and arriving in the sea, delivering nutrients into mangrove and coral reef ecosystems that ultimately feed the oceanic fisheries. Wastewater facilities are sparse, and most grey and black waters pollute streams and watersheds. In addition, most waste ends up in dump sites where pollutants permeate the ground, leading to health risks and environmental degradation, further contaminating watersheds. Along these watersheds, forests are essential for resilience and self-sufficiency by providing timber and wood but also allow the maintenance of the valuable biodiversity of the islands, capturing and storing carbon that would otherwise end up in the atmosphere, regulating and filtering water, and reducing soil erosion. In

agricultural landscapes, riparian vegetation and forest corridors are vital to maintaining some of the services that forests provide, particularly decreasing soil erosion and providing suitable habitat for biodiversity. When the rivers arrive on the coast, mangroves filter pollutants and retain significant carbon in sediments, contribute to mitigating the risk of coastal erosion and flooding, provide habitat and nursing grounds for fisheries, and capture atmospheric carbon at the same time, among other benefits. The water then feeds nutrients to coral reefs and seagrass meadows around the islands, serving as habitat and feeding grounds for diverse species, supporting fisheries, contributing to nature tourism, and providing further protection against wave surges and rising sea levels.

30. Fiji has the opportunity to take a systems approach and make the most out of the benefits that nature can provide by working in an integrated manner and implementing different NBS at each stage of the water cycle that provide incremental connected benefits: upstream solutions contribute to improving downstream water quality while creating sustainable livelihoods and improving health and food security, and downstream solutions further enhance resilience and integrity for the provision of ecosystem services that enable upstream communities to maintain their ecosystems in good health. Sediment and chemical run-off from agriculture and the pollution from wastewater and dumpsters into rivers are primary causes of ecosystem degradation, affecting agriculture, water provision, mangroves, and coral reefs, and ultimately fisheries and tourism.[20]

31. Forests are recognized as a building block for the sustainability of the country in the long term, and the Government, through the Ministry of Forestry and Fisheries, has implemented policies and programs to promote sustainable forestry practices, complemented by reforestation and forest conservation initiatives. In 2019, the Government established a target of 30 million trees in 15 years and, with support from communities and stakeholders, planted 12 million trees by 2023. Notably, significant reforestation is being financed through the REDD+ ERP, which is expected to protect and restore 9,500 hectares of forests in selected regions and the biodiversity via a benefit-sharing mechanism that provides technical assistance and funding for communities and small owners to maintain and restore forests in their lands. Even though deforestation is still an issue, these efforts are contributing to avoiding GHG emissions from land use change and are expected to result in negative emissions from the Land Use, Land Use Change, and Forestry (LULUCF) sector. To a minor extent, NBS use for wastewater treatment (or built wetlands) has been piloted in Fiji for vulnerable but densely populated communities. These rise as an opportunity to complement grey sewage infrastructure and improve water quality across watersheds.

32. Coastal ecosystems, particularly mangroves and coral reefs, play an essential role in the resilience of a SIDS country, where the ocean is always close by and relevant. With a combination MPAs and restoration activities, the Government is strengthening coastal resilience and livelihoods by working with nature along the coast of the islands.[21] Like with the ERP, Fiji is engaged in efforts to restore mangroves[22] and vetiver grasses for coastal protection and stabilization, sometimes complemented with little or no grey infrastructure such as seawalls. The Ministry of Agriculture and Waterways gathers a roster of coastal communities interested in enhancing their protection from rising sea levels, providing a bottom-up interest in engaging in NBS that can help implement and ensure the maintenance of the mangrove ecosystems required. Similarly, the Government of Fiji launched the *One Million Coral Planting Program*

[20] Jupiter, S. D., Jenkins, A. P., Negin, J., Anthony, S., Baleinamau, P., Devi, R., ... & Horwitz, P. (2023). Transforming place-based management within watersheds in Fiji: The Watershed Interventions for Systems Health project.

[21] World Bank, 2021, Banking on Protected Areas. Promoting sustainable protected area tourism to benefit local economies.

[22] Mangroves represent 5 percent of Fiji's forest. Coastal land use changes associated with tourism development and urban expansion are the most prominent threats to mangrove ecosystems. Mangrove harvesting is permitted for subsistence purposes (cremation and firewood) of communities but not for any economic activity.

in 2020, which aims at recovering reefs across the archipelago by working with local villages and has promoted other programs by working with the Secretariat of the Pacific Regional Environment Programme (SPREP), Non-Governmental Organizations (NGOs) and private companies to strengthen the resilience of current reefs and recover those that are degraded.

33. In Fiji, fisheries play an important role in livelihoods and food security. The fisheries can be broken down into three broad groups, industrial (tuna pole and line fishery and tuna longline fishery), artisanal (finfish and non-finfish) and other (subsistence and sports fishery).[23] Fish is an integral source of nutritional value (i.e., protein), where fish consumption is 15 kg per capita per year in urban areas and 25.3 kg per capita per year in rural areas.[24] Fiji has a large export trade, with 12,450 tons of fish from coastal and offshore longlining exported annually. Coastal and inland fisheries are connected to the local communities who live off and depend on their surrounding natural resources, where fishing provides an accessible, relatively low-cost, high-protein food source. An agricultural census carried out in 2020 found that of households participating in agriculture, 41 percent were involved in fishing activities.[25] It is estimated that 30,100 tons, worth F$ 138 million was made from coastal fisheries production in Fiji in 2021 with 58 percent being coastal subsistence production. Due to the non-monetary production in fisheries the estimates of economic contribution in relation to fishing is predicted to be underestimated.

34. The Government of Fiji committed to the Convention on Biological Diversity (CBD) to create MPAs in 30 percent of the Fijian ocean by 2030 and to have these as no-take fishing zones.[26] Despite this commitment, only 31,915 square kilometers have been regulated as marine reserve areas, representing about 0.0081 percent of the EEZ of Fiji. There is an informal network of at least 216 MPAs known as tabu sites (with no official information on their extent), which indigenous communities establish as protected areas in customary fishing grounds (*qoliqoli*) where fishing rights are restricted. In addition to customary management, Tabu sites may also be designated by chiefs through agreements between communities and tourism operators or through partnerships with the FLMMA network.[27] The government also plans to develop a data-gathering framework to track and monitor the level of catch and fish stock from coastal and inshore fisheries, which can help monitor the progress of MPAs over time.

35. The private sector must also play a pivotal role in developing and scaling NBS. SMEs have a greater tendency toward innovation and experimentation of new solutions. However, commercial finance in Fiji presently requires 100% collateral, which many young or smaller companies do not have. There is little available risk capital, mostly limited to small grants, which in turn limits the ability of SMEs to finance new approaches, particularly those that may help increase resilience. Furthermore, due to limited technical capacity to develop properly costed proposals, these SMEs often require technical support alongside capital to expand their businesses, for which there are limited choices available. Most support to SMEs in Fiji comes either in the form of small grants (<USD 50K) or via subsidized business support services.

[23] Fisheries Department. 2001. Annual Report for the Year Ending 2001. Parlimentary Paper No. 49 of 2002.

24 Bell J., M. Kronen, A. Vunisea, W. Nash, G. Keeble, A. Demmke, S. Pontifex and S. Andréfouët. 2009. Planning the use of fish for food security in the Pacific. Marine Policy 33: 64–76.

[25] MOA. 2021. 2020 Fiji Agriculture Census. Ministry of Agriculture, Suva.

[26] https://iefworld.org/node/1411

[27] The FLMMA network brings together representatives from village communities, research institutes, and nonprofit organizations convened to share information and ideas about conserving ocean life and engaging communities in decisions about resource management, with support from the Ministry of Itaukei Affairs.

Table 3. Potential NBS opportunities identified in Fiji[28]

NBS opportunity	Potential	Scale
Reforestation of native forests to provide connectivity, habitat, water filtration, and carbon capture and storage.	Extensive areas can be restored at low costs across the country. .	Moderate opportunities in coordination with the ERP.
Restoration of riparian vegetation to reduce sediment runoff, filter agricultural runoff, improve water quality, and enhance river ecosystems.	Large strips of land are available for restoration and may present cost-effective opportunities.	Significant opportunities across the country. Removal of riparian vegetation is an extended practice.
Built wetlands for wastewater treatment.	The solution is particularly relevant in vulnerable but large populated rural and or semi urban areas.	Limited to high density rural and peri urban settlements.
Mangrove conservation and restoration for coastal protection and other cobenefits.	Internationally recognized solution for coastal protection, extensive cobenefits potential.	Opportunities nationwide. Priority areas with highest cost benefit were prioritized.
Coral reef protection and restoration for coastal protection and other cobenefits.	Protection is more cost-efficient, but restoration may be needed depending on the location.	Fiji hosts 10,020 square kilometers of coral reefs, most of which can be considered for this NBS. Priority coral reefs will be targeted.
Agroforestry and restorative agriculture to reduce environmental impacts while creating value-added.	Ample interest from communities, smallholders, and the government to expand these practices.	Extensive smallholder and communal agricultural land concentrated in some areas (e.g., Nadi Province).

Vulnerability and gaps assessment

36. The environmental richness, including its biodiversity and natural resources, drives up to half of Fiji's economic growth, but its benefits and ecosystem services are unequally distributed. The fate of these resources, communities, and the country are inseparable from the increasing impacts of climate change and the opportunities presented by NBS. The country's largest industry, tourism, for example, depends not only on Fiji's unique culture and hospitality but also on its tropical rainforests, white sandy beaches,

[28] Note that due of the non-urban nature of this Project, only rural and coastal NBS were considered.

coral reefs, marine life, clean environment, and clear blue waters. Consequently, the IP activities are designed to address persistent gaps in access to ecosystem services and natural resources across landscapes and seascapes to encourage economic opportunities and enhance living conditions, with a focus on poorer rural areas that are already more vulnerable to climate change, natural hazards, and external shocks (e.g., the COVID-19 pandemic).

37. Remote communities often live in vulnerable conditions and are even more dependent upon ecosystem services and sometimes poorly managed landscapes and seascapes. For example, climate change can rapidly disrupt precarious water security and livelihoods dependent on subsistence fishing and agriculture. Specifically, water security could become an issue since around 70 percent of Fiji's population and industry depend on surface water resources, including tourism activities. Unplanned settlements continue expanding (24 percent increase between 2007 and 2015) across areas prone to environmental disasters, further exacerbating the need to improve management practices across the landscape and work with nature to ensure sustainability. There is high potential for NBS to offer cost-effective opportunities to harness the potential of nature to ensure clean and predictable water resources and productive and healthy landscapes are available in the near future and long term.

38. Women have reduced access to paid employment opportunities, especially in rural and remote communities, representing less than a third of the employed population.[29] Unpaid domestic work and care is almost entirely done by women, a key constraint on them working outside the home, as there are also few childcare services particularly outside major cities. Rural women are commonly engaged in garden weeding and maintenance, processing of subsistence crops, floriculture, handicrafts (such as weaving baskets and masi), and gleaning for invertebrates in the soft bottom, reef, and mangrove habitats, while most men often undertake clearing of land, plowing, planting, and harvesting, as well as offshore fishing activities. Women in rural areas are at least twice as likely to work informally and in self-employment than men. Even in the formal sectors, women are paid, on average, 10 percent less than men.[30] Moreover, women and youth are under-represented in the decision-making processes related to community land use, management of natural resources, and engagement with government and civil society.[31,32] This is partly because traditional village and district chiefs need to hold customary titles, but only 10 percent are held by women, however there are a myriad of roles women can take in management committees and institutions at local government and community levels to reduce the risk of being excluded from decision-making and having a greater "conservation burden" than that of men (e.g. by reduced access to natural resources due to restrictions imposed by men).

39. The scale of natural resource management is mismatched with that of the threats, landscape and seascape connectivity, and planning challenges.[33] Because of this, rural communities are often unable to manage many of the threats to their ecosystems. For example, the Fisheries Act permits all fishers to fish for subsistence anywhere in Fiji's fresh and coastal waters, compromising the effectiveness of locally managed sites and, even more so, integrated coastal management efforts. This is particularly complex considering several native fish migrate between freshwater and marine areas during their lifecycles.

[29] Women and Business in the Pacific, ADB, August 2018- https://www.adb.org/sites/default/files/publication/445821/women-business-pacific.pdf

[30] Fiji - Public Expenditure Review: Towards Fiscal Sustainability and Improved Spending Quality - Background Chapters (English). Washington, D.C.: World Bank Group.

[31] Chattier, P. (2013) Does schooling and work empower women in Fiji? Or have gender inequalities persisted and why? Global Change, Peace & Security, 25:1, 61-76.

[32] Vuki, V & Vunisea, A. (2016) Gender issues in culture, agriculture and fisheries in Fiji, Women in Fisheries Information Bulletin, 27, 15-20

[33] Jupiter, S. D., Wenger, A., Klein, C. J., Albert, S., Mangubhai, S., Nelson, J., ... & Watson, J. E. (2017). Opportunities and constraints for implementing integrated land–sea management on islands. Environmental Conservation, 44(3), 254-266.

Despite this, the traditional tenure system of land and natural resources is deeply embedded into the culture of Fiji, and iTaukei communities are often reluctant to allow centrally managed instruments such as MPAs, as it implies losing the management rights to the government.

40. The Government of Fiji has recognized the importance of nature for jobs and livelihoods in the National Jobs for Nature Rehabilitation Policy (2022-2032), also acknowledging the vital role of women in managing natural resources and ecosystems. Men and women's distinct roles in agriculture and fisheries have translated into specialized knowledge of managing natural resources and climate resilience. Continuing to limit women's equal participation in natural resource management within communities could, therefore, undermine its effectiveness and exacerbate the impact of climate change on their livelihoods. Previous experience from Fiji and elsewhere in the Pacific has shown that rural women's traditional connection to native plant species and coastal areas as a source of livelihood has facilitated their successful participation in several community adaptation programs, including mangrove planting, forest restoration, and giant clam growing.

Institutional framework and capacity

41. Because NBS are spread across different areas and sectors, different ministries are relevant for implementing NBS interventions, including the Ministries of MECC, MoFF, MoAW ; and iTaukei Affairs to list a few. All these ministries are already working towards building resilience in the different communities of Fiji by working with nature. For example, the Ministry of Agriculture and Waterways promotes agroforestry, organic agriculture, landscape management to reduce erosion, watershed restoration, and NBS seawalls to protect coastal communities. Similarly, the Ministry of iTaukei Affairs builds on the ancestral knowledge of the traditional communities of the islands to improve the sustainability of economic activities, including establishing and managing tabu sites. These ministries have demonstrated a strong commitment and a functional structure to promote NBS across Fiji but possess limited capacities to deploy these at the required scale and pace. Consequently, the IP is designed to complement gaps where these exist, build capacities across Fiji to further NBS uptake, and develop the enabling conditions, including policies, infrastructure, and information, to facilitate new and sustain existing NBS.

42. Fiji has established an institutional framework and capacity supportive of NBS, including the Green Growth Framework, which is being mainstreamed into Fiji's National Development Plan. A National NBS Policy is under preparation and is expected to strengthen the framework and planning for NBS solutions across the country, in line with this IP. The national regulations align with the expansion of NBS and are designed to incorporate climate change as a cross-cutting challenge in all sectors under the Climate Change Act approved in 2021 in alignment with the Paris Agreement. The Act creates a legal basis to support sustainable development objectives, long-term climate ambition, net-zero emissions targets, and commitment to protecting Fiji's environment. It includes clauses on coordination among different sectors and declares a climate emergency (under part 2) by recognizing the urgent need for rapid and ambitious global action.

43. The National Climate Change Policy 2018 – 2030 and the National Adaptation Plan establish the mechanisms, vision, objectives, and governance for implementing climate change action in the country. For example, it sets out a framework to embed climate change across the regulations of all sectors and establishes National Climate and Adaptation Plan Committees. The Fiji National Climate Finance Strategy sets out mechanisms and incentives to increase resilience and reduce emissions. Additionally, climate change is an integral part of the current and upcoming 5-year & 20-year National Development Plan (NDP). Furthermore, the NBSAP for Fiji 2020 – 2025 recognizes the profound interconnection between

biodiversity, climate change, and society, mainly through the water and the carbon cycles, and establishes concrete action to increase the resilience of ecosystems.

Role of the private sector

44. The private sector in Fiji is critical for adopting NBS, mainly when economic activities associated with tourism, agriculture, fisheries, timber, and drinking water depend on and affect nature´s ability to continue providing for Fijians. In Fiji, the private sector is simultaneously the custodian and beneficiary of ecosystem services. This connection between private activities and ecosystem services is heightened by the land tenure system in Fiji, which is dominated by leaseholds of iTaukei and state-owned land, particularly in rural areas, as well as a community-regulated public use of coastal and marine areas.

45. Several private companies recognize the relevance of nature and have taken action to protect and manage it more effectively for the long term. For example, the tourism industry is built on Fiji's beautiful landscapes, marine environment, and beaches, which can only be sustained by healthy ecosystems. Tourism thrives when reefs are colorful, beaches are not degraded nor polluted, and marine life is abundant. They understand this, considering the many examples of tourism operators and hotels engaging in coral reef conservation and restoration and their efforts to reduce wastewater pollution. Similarly, public companies that aim for Fiji's long-term benefits dominate the timber and water provision industries.

46. On the other hand, smaller-scale agriculture and fisheries may still require additional incentives and support to bridge the short-term needs for revenue versus the long-term environmental and societal impacts of their activities. The Government has encouraged private sector engagement in NBS through a sovereign blue bond focused on coastal protection, aquaculture, sustainable planning, and solid waste and wastewater management; and is supporting the development of sustainable tourism and renewable energy projects across the country.

47. A series of community scale enterprises and SMEs with high potential for collaborations have already been identified. These present opportunities to contribute to resolving the waste management, fertilizer pollution, overfishing, and land degradation and erosion challenges.

Collaborations and partnerships

48. The IP builds on intensive collaboration efforts, which are reflected in its design:[34] The IP preparation is led by the GoF under the leadership of World Bank and the lead MDB, the ADB and the IFC, while implementation would be hosted by the GoFi through a joint Project Implementation Unit (PIU) working with the Ministries of Environment and Climate Change; Fisheries and Forestry; and Agriculture and Waterways, with the participation of the Ministry of iTaukei Affairs. A Steering Committee, shared with other projects and national initiatives, including upcoming Green Climate Fund (GCF) grants, will oversee and provide strategic guidance to the IP implementation.

49. The World Bank is supporting the climate change efforts of the Government of Fiji through the Fiji REDD+ ERP to finance emission reductions by up to US$ 12.5 million in selected regions. A follow-up US$30 million proposal is being prepared by the FAO to the GCF to continue these efforts. In parallel, GCF projects from the FDB and WWF will support climate policies for mitigation and costal ecosystem protection for adaptation for up to US$70 million. Other relevant efforts in partnership with the World Bank Projects include a tourism development program in Vanua Levu (US$ 61.5 million), which includes the restoration

[34] Refer to Additional Development Activities section for a complete list of collaborations and partnerships.

of coral reefs and supporting resilient economic activities, a Social Protection Project (US$ 100 million) that supports job resilience, including for coastal protection through NBS, and a US$ 135 million Development Policy Operation (DPO) for recovery and resilience with a Catastrophe Deferred Drawdown Option (i.e., for environmental hazards and catastrophes such as cyclones or earthquakes) of up to US$ 10 million. The DPO, among other policies, supports the development of the National NBS Policy. For additional details, please refer to Chapter V of this IP.

50. ADB is piloting Frontier, which will provide risk capital directly to SMEs, charging an increased cost of capital to the companies and taking a portfolio approach to diversify risk, akin to venture capital / private equity models. It is implemented through the Fiji Investment Corporation Limited (FICL), with the aim to support companies that are considered too risky for commercial banks / Fiji Development Bank. As such, ADB Frontier can de-risk SME investments for other existing investors, including banks, and help to spur innovation, while also evidencing risk capital in Fiji is possible. Frontier will build upon lessons learnt from other similar approaches, such as ADB's Kula Fund I and II which operated between 1996-2007; these funds helped create 3,700 jobs through their investments, but fund returns were limited by the equity investment approach, which led to shares in companies being held over long periods; Frontier will invest via self-liquidating investment structures to ensure commercial viability. Frontier already has a pipeline of NBS SMEs primarily across aquaculture, coastal areas and aquaculture. These companies are supporting rural livelihoods through their supply chain, conducting sustainable farming training, and connecting rural communities to supply chains through their distribution and sales networks.

51. Non-profit organizations such as the WCS and Waitt Institute (taking a Blue Prosperity approach), among others, are engaged in a long-term effort to strengthen the resilience of ecosystems, particularly mangroves, coral reefs, and terrestrial forests. Since preparation, these organizations have been engaged to avoid duplications and build synergies and complementarity when possible.

52. At a regional scale, the IP builds on the World Bank's engagements with the Forum for Fisheries Agency (FFA), The Pacific Community (SPC) and recently the SPREP through the Pacific Islands Regional Oceanscape Program (PROP) as an umbrella for supporting sustainable development in the region. For additional details, please refer to Chapter V of this IP.

III. Program Description Overview

53. The IP proposed a systems approach to implement NBS for climate change adaptation, resilience, and livelihoods by working across various vital sectors of the country following a "Mountains to Ocean" approach. Through this systems approach, the water cycle, one of the most important large-scale processes for climate and life on the planet, linking human activities and biodiversity, offers a connection and incremental impact among the different activities to be implemented. This approach ensures complementarity by connecting activities via water: for example, by improving land use practices upstream watersheds, other activities, communities, and ecosystems downstream and ultimately in the ocean will benefit. The mountain to ocean approach combines Integrated Watershed Management (IWM) and ICM. Investments are designed based on the country's priorities established in Fiji's NDC, National Climate Change Policy 2018 – 2030, 5-Year and 20-Year NDP, and Fiji National Climate Finance Strategy.

54. Target Areas were selected to focus activities that can be connected for incremental impact in priority locations for the highest cost benefit investments towards the climate resilience. The selection of target areas follows an evidence-based approach to prioritize support for climate adaptation of

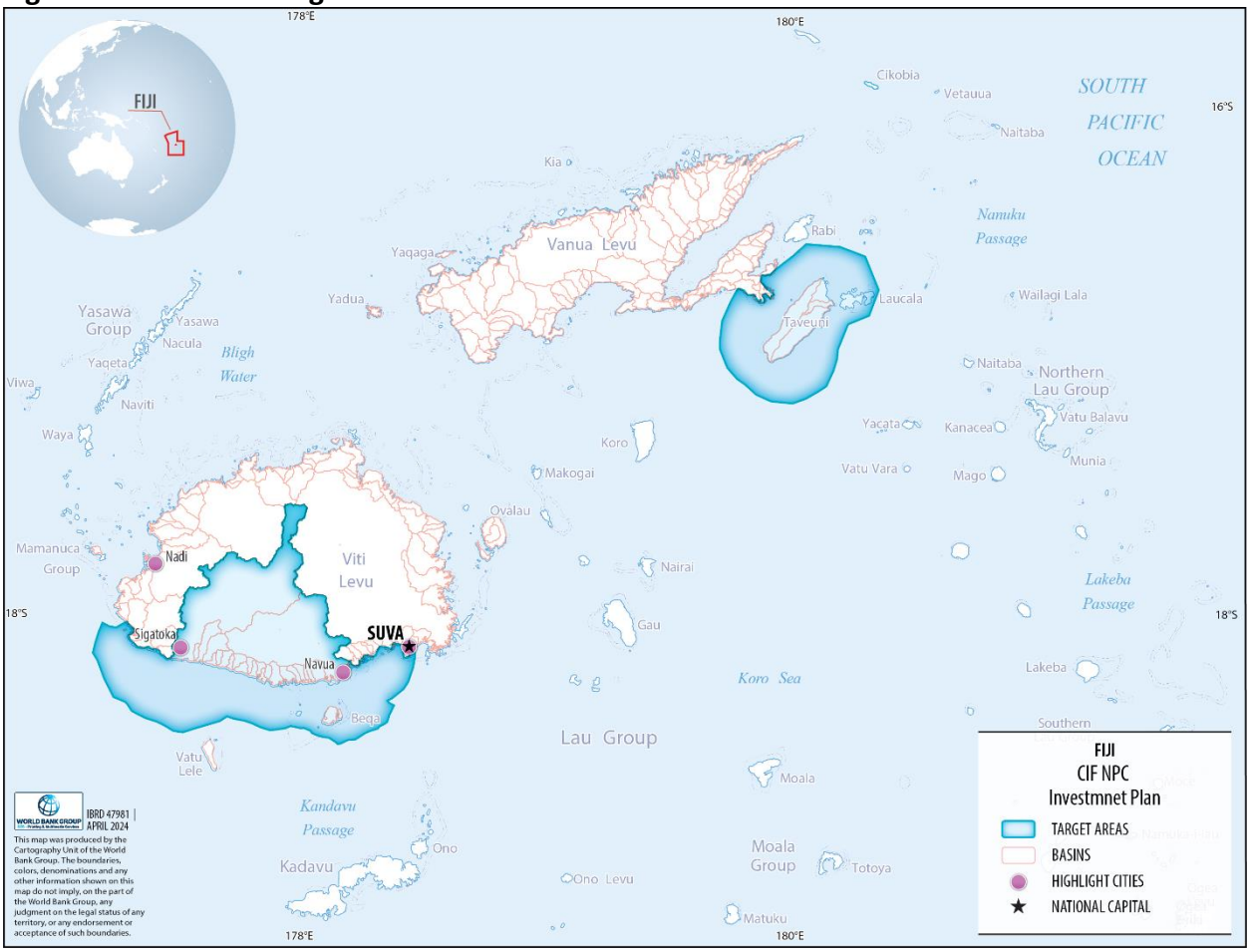
ecosystems and communities in alignment with the national plans and policies, potential investments, and climate change vulnerability.[35] To ensure connectivity as per the Mountain to Ocean approach, potential Target Areas were divided based on natural resource and ecosystem connectivity at terrestrial and landscape levels using watersheds, and coastal and marine seascape boundaries as the coastal area influenced by the plumes of water coming out of these. A conservative estimation of the population within the Target Areas is 80,000 people, of which at least 30 percent is estimated to live in poverty (Target areas partially include the Nadroga, Serua, Namosi, and Caukadrove Provinces, with poverty rates of 0.42, 0.26, 0.32, and 0.55 respectively).[36]

Target area rationale

55. The process for identifying target areas builds on the best scientific evidence available through NBS opportunity scans, community bottom-up demand, and a participatory approach with the Government of Fiji, ADB, the World Bank, and key stakeholders. NBS opportunity scans were implemented for the mainland and the coast to determine the priority locations based on the cost-effectiveness, extent, and scale of the expected benefits of each solution. On the mainland, a model to identify priority areas to reduce erosion and sediment runoff (focusing on improving coral reef health downstream) and increase connectivity was used to assess the potential sites for forest protection and restoration and improved agricultural practices. In the coastline, a different model was used to identify the potential areas for the protection and restoration of mangroves, coral reefs, and sandy shores and assess their likely contribution to reducing the impacts of coastal erosion and flooding on communities and ecosystems under different scenarios of sea level rise. This information was then reprioritized based on community-scale requests for support for improved agricultural practices, reforestation, and coastal protection and adapted to complement Government and partner organizations´ investments as well as national and local plans.

[35] For additional information on the Target Area selection process, please refer to Annex J.
[36] World Bank. 2011. Republic of Fiji Poverty Trends, Profiles and Small Area Estimation (Poverty Maps) in Republic of Fiji (2003-2009).

Figure 1. CIF NPC IP Target areas



Activities and investments

56. Investments were designed collaboratively to contribute and complement existing and successful experiences in Fiji, and to introduce innovations that can be scaled up, advancing a comprehensive systems transformation in the selected target area. For example, investments in coral reefs build on the expertise of different nonprofit organizations and universities working in Fiji, which shared lessons that show that protecting the most resilient coral reefs against direct threats is often more efficient than restoration efforts. The main investments are distributed across four components as described below:[37]

Component 1. Policy, Institutional, and Capacity Framework

57. This component will provide enabling conditions for developing durable and impactful NBS in Fiji. It will be implemented in collaboration with the central government and benefit local and traditional (Itaukei) governing institutions, communities, and the private sector. Some of the activities to be financed will serve to prepare investments and NBS solutions under Components 2 and 3.

Subcomponent 1.1 Integrating climate resilience in policies and legal framework

Through technical assistance and analytics, this component will support the Government of Fiji to embed NBS and EbA into national and sub-national policies and regulations, support the

[37] Please refer to Annex H for a detailed description of the draft proposed Project components, subcomponents, and activities.

development of frameworks that can help channel financial resources for NBS, and build up relevant knowledge to guide management of Fiji's natural capital for the future.

Activity 1.1.1. Policy update, coordination, and implementation

The IP will support strategic planning, including updating the NDC to better incorporate NBS as a key action for both mitigation and adaptation of the Fiji NBSAP, the National Adaptation Plan, integrating NBS into the new 5-year Development Plan in 2026 and supporting the implementation of the new Integrated Watershed Management bill and NBS Policy.

It will also finance the high-level design and policies required for implementing the IWM plans and ICM under Component 2, including an analysis of the best governance structures adapted to the local context. This planning will ensure an integrated approach for managing the landscapes and seascapes, build synergies and collaborations with the organizations and communities in the area, and support flood risk reduction.

In addition, this activity will fund the development and implementation of a consolidated framework for Climate Change Resilient Coastal Resources. For example, it will contribute to establishing, planning, and operationalizing Marine Protected Areas. This may include spatial planning processes, participatory processes and consultations, baseline analyses, drafting and supporting formal designation processes, preparing management plans and governance arrangements, and conducting the necessary assessments and analysis to inform the design and implementation of these documents.

Preparation of technical and general guidelines and information to facilitate the implementation of NBS tailored to the reality of Fiji, its challenges, and its context. These will help implement Components 2 and 3 and contribute to promoting and facilitating investments in NBS for other IPs, the private sector, NGOs, the government, and communities.

Activity 1.1.2. Developing opportunities for sustainable financing of NBS

Based on international experience and innovative finance models, the activity will identify opportunities for Fiji to access sustainable funding for maintaining and expanding NBS investments in the future. This activity will be implemented closely with the Ministry of Finance, Strategic Planning, National Development, and Statistics.

The activity will fund a screening of durable financing opportunities for climate resilience in Fiji in collaboration with the IFC and a consultation process with donors, MDBs, cooperation agencies, NGOs, and businesses (including, at least, from the tourism, agriculture, forestry, and fisheries sectors). Potential mechanisms and frameworks include debt conversion (swaps), access to carbon markets (in partnership with the Emission Reduction Payment Agreement or ERPA under implementation with the World Bank), tourist fees in restored or protected areas, Biodiversity offsets, Impact bonds (blue, green, sustainability), among others. It will then finance the implementation of the most relevant opportunities identified, including the policy, regulatory, and analytical conditions required for their rollout, and, when relevant, piloting its implementation.

The activity will also support Fiji's preparation to participate in Blue Carbon markets by contributing to implementation of the Blue Carbon Readiness Framework[38] and the necessary enabling conditions. It will finance the design of the requirements in terms of policies, regulations, consultations, and procedures for this.

This activity will pilot a parametric climate risk insurance for men and women engaged in fisheries, agriculture, and other natural resource dependent sectors, building on the experiences of the Caribbean Ocean and Aquaculture Sustainability FaciliTy (COAST) and other global experiences of the World Bank.[39]

In addition, an ecosystem services valuation assessment of forests, riparian vegetation, mangroves, and aquatic living resources. This will provide an information baseline for future Payments for Ecosystem Services and inform the prioritization of protection and management activities. Moreover, it will quantify the contribution of the productive sectors associated with these ecosystems to the GDP and their multiplier effects on the national economy, including fisheries and forestry.

Activity 1.1.3. Information for improved decision making and planning.

This activity will combine existing information and contribute to fund selected analytical work and research on climate change effects in Fiji that may be relevant for policy planning and management of natural resources and NBS investments. It will prioritize assessments and analyses depending on resource availability, their cost benefits and demand for management purposes. These will serve as the foundation for long-term decision-making, prioritization of future NBS investments, risk management, and development of livelihood opportunities. It will be implemented in collaboration with NGOs, government, and research institutions to complement and expand existing work and leverage resources and capacities. A list of pre-identified assessment to be funded under this activity include (i) a gap analysis and prioritization for marine, terrestrial, and wetland ecosystems to identify critical biodiversity areas for biodiversity management and protection, (ii) assessment of climate risks and their impact on people and nature, (iii) mapping and assessment of climate indicator species, coral reef, and mangrove baselines, (iv) watershed water quality and modelling of impacts in human and natural systems, (v) fisheries assessments, (vi) inclusion in community-level institutions and initiatives, (vii) updated assessment of the LMMA network to determine their management status, gaps, needs, and opportunities and inform national commitments towards the 30x30 Target, (viii) tracking of the larval dispersion in mangrove and coral reef ecosystems, (ix) land degradation assessment, (x) developing a national mangrove wetland database.

Subcomponent 1.2 Institutional strengthening and capacity building

58. The subcomponent will equip and enable the Fiji Government to manage natural resources and implement NBS investments to maximize climate resilience and adaptation potential. Cross cutting training will be provided in this subcomponent to strengthen the skillset of local government staff and key

[38] https://www.worldbank.org/en/publication/unlocking-blue-carbon-development
[39] https://projects.worldbank.org/en/projects-operations/project-detail/P171321

stakeholders, including for GIS, remote sensing, safeguards, carbon assessments, among others. For this, the Project will partner with local universities such as the University of South Pacific and the Fiji National University. It will also contribute to communicating relevant sector policies and regulations to rural and coastal communities, facilitating their engagement and understanding of the framework that dominates their activities.

Activity 1.2.1 Coastal and Marine

Training on sustainable fishing will be targeted at fishery officials to increase the knowledge base around improved fishing practices, contribute to monitoring fish stocks, and strengthen governance, building on the New Zealand Ministry of Primary Industries standards for compliance and management.

The activity will also finance the development of a new curriculum for training fishers in the Lami training center for coastal communities. This center will train over 800 communities in fishing and harvesting in sustainable management practices, governance, and administration. It will also create value-added markets for their produce through commerce, marketing, financial, and economic training to increase women and indigenous participation in value chains.

Activity 1.2.2. Watersheds and Landscapes

The activity will fund the development of a curriculum and material on climate resilience, restoration agriculture, agroecology and other selected NBS, such as community wetlands. The IP will work with a maximum of three selected schools to implement these activities, including financing field visits that model the participation of women and men in science, conservation, and management. It may include south south cooperation and knowledge sharing.

Component 2. Integrated Mountain to Ocean management

59. This component will finance investments in NBS that can offer climate resilience benefits in the target areas, informed by a participatory approach and a spatial prioritization scan. Activities will be implemented with bottom-up and integrated approaches, ensuring incremental impact by building synergies and complementarity among the investments from the upper watersheds to the coast and ocean. The integration will be primarily achieved by working through water, which connects the health of watersheds, communities, coastal and marine ecosystems, and vital economic activities and livelihoods.

Subcomponent 2.1 Integrated Management of Coastal and Marine Areas

60. The coastline of Fiji is greatly affected by erosion and sea level rise, posing a considerable threat to people and nature, particularly as climate change increases in the coming decades. Hence, coastal protection through NBS will be a priority investment of the IP. Mangroves will be highly relevant to this activity for ecosystems and fisheries as they serve as habitat, feeding, and breeding grounds for many species and contribute to healthy reefs by filtering sediments and pollutants, contributing to the successful implementation of other activities of this IP. Ultimately, NBS investments in the ocean and along the coast will improve coastal protection and the availability of habitat and food for aquatic species, contributing to the sustainability of fisheries, tourism, and aquaculture.

Activity 2.1.1. Management and monitoring

This activity will finance developing and implementing plans and management instruments. It will support the operationalization of the Integrated Coastal Management Committee,[40] which is expected to contribute to and help coordinate this subcomponent.

The activity will also finance the equipment and capacities for improving the monitoring, surveillance, and management of fisheries and aquaculture activities, and a new fisheries e-permitting and automated monitoring system, as well as reduce the energy consumption of these activities. This will, in turn, strengthen inshore compliance to reduce IUU fishing and ensure ecosystems' resilience.

The activity will finance research, analytics, and a pilot hatchery station to support management decisions and identify potential innovative or improved business opportunities for aquaculture.

Finally, this activity will finance the improved governance, planning, management, and monitoring of MPAs and LMMAs and taboo sites with an integrated approach, as well as Marine Spatial Planning and zoning when relevant, in collaboration with the FLMMA network.

Activity 2.1.2. Coastal protection

This activity will finance the implementation of hybrid NBS seawalls that integrate and provide habitat for mangroves and vetiver grass, offering a comprehensive solution for the coastal communities most at risk from sea level rise. This will be implemented in partnership with the Ministry of Waterways and building on previous ADB experiences across Fiji and the Pacific.

Activity 2.1.3. Conservation of coastal ecosystems

This activity will build on a coastal NBS scan currently underway to identify the priority areas for mangrove restoration. These will be selected based on their cost-effectiveness in providing climate resilience benefits for built infrastructure in the coastlines of the target areas of the IP.

Local community members, including women and youth, will be involved and hired for this work, effectively building capacities and knowledge among them and ensuring the adoption/buyout of these investments so that they contribute to maintaining them beyond the IP's lifespan.

Reefs are the heart of most marine ecosystems around Fiji, serving as the habitat, breeding, and feeding grounds for many marine species and ecosystems, including fishery-relevant stocks, and driving a significant portion of the international tourism arriving in the country. They also contribute to coastal protection and will complement investments under activity 2.1.1 and other activities of this IP. Investments will target reef enrichment (promoting natural recovery and strengthening reef's adaptive capacity),

[40] Formed in 2002 and highly productive during its first years, the committee is currently inactive. It is composed of representatives of relevant government departments, NGOs and private and local institutions. Some of the key government institutions include the Ministry of Tourism, Department of Environment, Ministry of Health, Fijian Affairs Board, and Department of Town and Country Planning

protection and conservation of key reefs and restoring reefs by planting keystone coral species and working in partnership with local and international NGOs and with resorts. On a smaller scale, this activity will also support the restoration and protection of seagrass meadows to support local fisheries' productivity and contribute to blue carbon sequestration.

Subcomponent 2.2 Integrated Watershed Management

61. Land NBS investments will be spread across the target area to concentrate on areas of significant risk (erosion, degradation), the potential for connectivity (corridors), reduce sediment runoff (riparian vegetation), and promote ecosystem services (agroforestry landscapes).

Activity 2.2.1. Management and monitoring

This activity will finance the implementation of watershed management plans under the Watershed Management Committees. It will also support integrating watershed-level planning into local, provincial, and national-level planning. It will also contribute to adopting a one-health approach to managing watersheds for rural communities, particularly regarding water and mosquito-borne diseases.

Activity 2.2.2. Reducing erosion, degradation, and sediment export

This activity will fund the reforestation of riparian vegetation, forests, corridors, and land areas prone to degradation and erosion (e.g., slopes). It will work with landowners to ensure that the restoration and tree planting are accepted and protected over time, promoting the sustainability of the interventions. Only native trees will be used, as these can benefit communities and local ecosystems. Reforestation will be aligned with the Benefit Sharing Plan under Fiji's REDD+ ERP.

Activity 2.2.3. Improving water quality

The IP will select up to three wastewater treatment facilities to implement an NBS approach that can complement or replace the existing grey infrastructure by using wetlands, plants, soil, bacteria, and other natural elements and processes to remove pollutants from wastewater. These will be designed and implemented specifically based on the best science-based information available for the local context.

Component 3. Resilient community livelihoods

62. This component will utilize NBS to support livelihoods by promoting sustainable business opportunities and enhancing ecosystem service provision. It will support coastal fisheries and aquaculture businesses in improving management and implementing best practices.

Subcomponent 3.1 Community-scale NBS

Activity 3.1.1. Artisanal fisheries and aquaculture

For fishers, the activity will support the management of Tabu Sites (marine areas protected from fishing by the local communities) and seasonal bans (prohibitions on fishing specific species at critical times of their reproduction cycles or when they are most vulnerable to other threats). In addition, it will finance the implementation of no

entanglement and biodegradable Fish Aggregation Devices (FADs), which will contribute to creating conditions for marine ecosystems to develop and attract pelagic species that are of commercial interest.

The activity will also finance the implementation of the training in the Lami center prepared under Activity 1.2.1., including safety and equipment use, and provide essential business and safety equipment for fishers.

In the case of aquaculture, the IP will contribute to scaling up current community-led enterprises by supporting value-added production, improving farming practices and equipment, aggregating offers to reach better markets, building capacities, and supporting certifications when required. These could involve support to aquaponics (combining aquaculture [raising fish or other aquatic animals] with hydroponics [growing vegetables/plants in water-based mineral solutions] with the mini circular economy at play when the nutrient-rich aquaculture water is fed to hydroponically grown plants. This will provide business development opportunities for women, who have been historically the leaders of this economic sector. It will also pilot a giant clam community project in a selected community.

Activity 3.1.2. Agricultural and agroforestry value chains

The IP will seek to promote diverse nature-based business opportunities, including for women and youth currently facing higher levels of unemployment and informal employment. It will develop a program to research, identify, and evaluate the potential for native species, traditional products, and activities or to cultivate valuable commodities as niche businesses, including women led SMSEs. It will concentrate on activities already undertaken by the communities that still need to exploit their commercial value and increasing participation of women and indigenous people in the value chain. The selected nature-based business opportunities will be financed by supporting their marketing, value-addition, certification, and aggregation. Nature based tourism linked with traditional activities will also be explored.

These trainings will offer men and women in agriculture and forest users the knowledge, concrete techniques, and guidelines to improve management and increase climate resilience. This may include agroforestry and improved agricultural practices such as regenerative, organic, and climate-smart agriculture. Specific training will be targeted at reducing erosion, soil health improvement and enrichment, reducing and stopping the use of chemicals such as pesticides or fertilizers, and promoting Integrated Disease and Pest Management (IPDM) in the target area. The activities under this component will be implemented in collaboration with Agribusiness Producer Organizations (ABPOs) when possible, supporting their formalization, business plans, and critical activities or equipment required to implement these. It will also offer ABPOs training opportunities, particularly for youth members, to be able to maintain equipment, manage business plans, and identify future business opportunities.

The IP will support climate-smart agriculture by offering improved information on climate building in Activity 1.1.3. Extension services supported by the IP will provide weather

information, propose modifications to the cropping schedule and intercropping, incorporate new crops, and transplant seedlings to adapt to new climate conditions. It will also contribute to improving IDPM, integrated nutrient management practices, regenerative agriculture, and different seed varieties that can withstand climatic hazards such as flood and drought, all beneficial for other communities downstream and ecosystem health.

This activity will support ABPO members to explore and promote improved practices by training farmers and supporting them in implementing regenerative, organic, and climate-smart agriculture, composting and vermiculture, soil improvement, local feed production, and productivity partnerships/alliances that pair agribusiness leads who provide inputs and extension services.

This activity will explore opportunities for inter-cropping within existing forestry areas, in partnership with state-owned forestry corporations, and for developing agroforestry crops that can compete in a local market, focusing on tourism (cocoa, coffee, handicrafts, among others)

Subcomponent 3.2 Scaling up strategic enterprises.

63. This subcomponent will coordinate with the ADB Frontier Facility to identify, invest in, and support SMEs linked to the target area, particularly those that can benefit climate resilience and offer sustainable and scalable solutions. The activity may support private investments in waste management, wastewater treatment, agriculture, fisheries, aquaculture, and tourism. It will also contribute to scaling up the Investing in Coral Reefs and the Blue Economy project from UNDP, expanding the public-private ventures for integrated waste management and recycling, reutilizing organic waste from agriculture as pesticides, and larger-scale tilapia aquaculture to reduce the pressure on marine areas and coral reefs, both in terms of overfishing and pollution.

Component 4. Project Management

64. Component 4 will finance a PIU that will reside under the lead implementing agency i.e Ministry of Environment and Climate Change to implement projects derived from the IP. It will also finance the monitoring and evaluation, implementation of Environmental and Social Standards, and compliance with MDB and national regulations for procurement, and other relevant administrative processes.

Implementation arrangements.

- The Ministry of Environment and Climate Change in collaboration with the Ministry of Finance, Strategic Planning, National Development, and Statistics led and coordinated the development and preparation of the IP.
- The Ministries of Agriculture and Waterways, Fisheries and Forestry, and iTaukei Affairs, contributed, reviewed, and supported the IP design process.
- Implementation of project developed from the IP will require a PIU within the Ministry of Environment and Climate Change, while a smaller implementation teams will be set up at the Ministry of Agriculture and Waterways, and Ministry of Fisheries and Forestry.
- A Steering Committee will oversee and guide the strategic implementation of the IP. The Steering Committee will be shared with other relevant projects to ensure complementarity and synergies.

- The World Bank, as the lead MDB, in collaboration with ADB, will continue to facilitate and coordinate engagement with GoF to provide technical support for the activities, grant requests as needed, channel additional co-financing, coordinate synergies and collaboration with other projects, and supervise and support its implementation.
- The ADB, as a partner MDB, will work closely with the World Bank in supporting the engagement with GoF and providing technical assistance to the NBS for coastal protection and the private sector component.
- Activities will be implemented through three Projects as described in Annex H.

Investment preparation activities

65. Preparation was informed by extensive consultation and collaborative design processes. This included three missions and a series of meetings with the Government of Fiji and key organizations to inform and improve the IP design.

66. The first scoping mission was held from September 11 to 15, 2023, to (i) discuss the proposed IP objectives and design, including the proposed components and activities; (ii) discuss proposed budget envelope, breakdown among components, and possible additional funding sources, if needed; (iii) discuss and agree on the priority sectors that the IP will cover, and linkage of their strategic goal with Fiji's NDP priorities; and, (iv) discuss the process, procedural requirements, and timeline for the development of the IP and agree on an action plan for preparation.

67. A second technical mission was held from November 27 to December 01, 2023, to (i) Discuss areas of priority investment to inform the preparation of the draft IP, (ii) Discuss different options for the proposed implementation arrangements, (iii) Discuss criteria to identify priority target areas or location where IP would be implemented; and (iv) Discuss potential funding proposals to leverage additional sources of funding. This mission also allowed to obtain the pending datasets required for the NBS scans.

68. A third mission was held from March 25 to 28, 2024, to review and discuss (i) the draft Investment Plan design, including the IP land/marine landscape target areas, proposed components, activities, and costs, with an eye to the upcoming submission for CIF review, (ii) proposed budget envelope and possible additional funding sources, as needed, (iii) program implementation arrangements, (iv) the timeline and responsibilities for Investment Plan finalization in line with the CIF submission requirements. In addition, this mission allowed to identify opportunities for additional co-financing and collaborations and synergies with other initiatives and projects (laid out as parallel financing in the IP).

69. Target areas were selected to maximize the impact of the resources based on bottom-up community demand, climate vulnerability, and cost benefit analyses of NBS opportunities. The selection process included consultations during all the IP preparation missions and bottom-up demand from communities interested in developing or improving LMMAs, and communities requesting support for coastal protection. Two NBS scans were performed to identify the NBS opportunities in Fiji´s watersheds and coastal areas and to estimate the cost-effectiveness, scale, and extent of the opportunities to inform the selection of Target Areas and the design of the IP.[41] These scans also entailed an extensive data collection and acquisition process that took two months. With this information, the selection of target areas was made in collaboration with the Government of Fiji, including considerations such as avoiding duplication (e.g., avoiding areas to be restored by the ERP and the GCF projects), prioritizing bottom-up

[41] For additional details on the NBS scans performed, please refer to Annex K.

demand and interest from communities to ensure maintenance of the investments, aligning with policies, strategies, and planning; and fostering collaborations with other efforts when possible (e.g., targeting coral reefs that were assessed with high potential for restoration and conservation).

70. Downstream benefits from improved practices and restoration in Fiji can differ significantly by location.[42] Consequently, a watershed NBS prioritization scan was performed to identify the priority locations for forest restoration and improved agricultural practices that could maximize runoff reduction into waterways and the ocean. It has three stages: (i) development of a model to estimate sediment export in Fiji across multiple spatial extents, from stream reaches to large watersheds; (ii) design of spatially explicit models to predict the effects of changes in land-use on sediment export relative to current and reference conditions; and (iii) estimate the expected reduction in sediment runoff to coral reefs resulting from forest restoration. The model was then also used to estimate the potential benefits of implementing improved agricultural practices and, hence, the opportunities for agroforestry and restorative agriculture.

71. The coastal NBS opportunity scan maps the ecosystem extent of coral reefs, mangroves, and beaches, and the opportunity areas for protection and restoration of these ecosystems and models the effectiveness of the selected NBS for reducing flood risk and providing other benefits. The resilience benefits in the NBSOS are quantified using a coastal flood model that characterizes areas at risk at present and under future scenarios. The additional benefits are added to the flood risk reduction benefits in calculating the potential impact of NBS opportunities for building coastal resilience. Together, the outputs enable spatial benefit-cost analysis of investment options in NBS. This information was then presented during the third mission, and the final selection of watershed and coastal areas to be targeted was performed through a participatory multi criteria analysis, which accounted for socioeconomic, cultural, political, and other variables.

Gender-gap specific activities

72. In Fiji, the structure of traditional leadership hierarchies and the fact that only men own land restricts women in leadership and decision-making roles pertaining to natural resource accessibility and management. Gender norms regarding decision-making and women's burden of care means women have reduced agency to participate in training and awareness-raising events at the community level compared to men. People with disabilities also face barriers to inclusion, particularly regarding accessibility, norms that they should be confined to the domestic sphere and lack of invitation or facilitation of their inclusion in decision-making, training or awareness events.

73. However, the government has progressed efforts to ensure that gender equality is mainstreamed into its National Development Plan, Green Growth Framework, and other national directives. Fiji's National Adaptation Plan will generally support efforts to meet Goal 5 of the Sustainable Development Goals, which is to achieve gender equality and empower all women and girls. In particular, the NAP aims to support efforts to ensure women's full and effective participation in decision-making processes, equal opportunities for leadership and training, access to disaster management information, equitable rights to economic resources and financial services, as well as opportunities arising from adaptation planning.

74. Existing frameworks and institutions allow to work with consolidated support structures for women that will outlive the IP, delivering sustainable results and impact. For example, the Women in

[42] Brown, C. J., Jupiter, S. D., Lin, H. Y., Albert, S., Klein, C., Maina, J. M., ... & Mumby, P. J. (2017). Habitat change mediates the response of coral reef fish populations to terrestrial run-off. Marine Ecology Progress Series, 576, 55-68.

Fisheries Network-Fiji offers an important opportunity to work with women that are part of the value chain of fisheries and could also extend to aquaculture and other related activities.

IV. Financing plan and Instruments

75. The IP is requesting US$ 27 million from the CIF NPC to finance NBS-related investments in Fiji´s watersheds and coastlines. A detailed activity-level financing plan is presented in Table 3. The recipient of the funds will be the Ministry of Finance, Strategic Planning, National Development and Statistics, and the flow the various MDBs financial procedures and policies and will be supervised by the designated Financial Management Specialist.

Table 4. Activity-level financing plan by source

Project Structure	Budget (US$)							
	CIF	IDA	GEF	ORCA-TF	ADB	DFI	Private sector	TOTAL
Component 1. Policy, Institutional and Capacity framework								
Subcomponent 1.1 Integrating climate resilience in policies and legal frameworks								
Activity 1.1.1. Policy update, coordination, and implementation	1.00	0.20	0.40					**1.60**
Activity 1.1.2. Developing opportunities for sustainable financing of NBS	0.70		0.30					**1.00**
Activity 1.1.3. Information for improved decision making and planning	0.80	0.20	0.60					**1.60**
Subcomponent 1.2 Institutional strengthening and capacity building								
Activity 1.2.1 Coastal and marine	1.00	0.40	0.10					**1.50**
Activity 1.2.2. Watersheds and landscapes	1.00		0.10					**1.10**
Component 2. Integrated Mountain to Ocean management								
Subcomponent 2.1 Integrated Management of Coastal and Marine areas								
Activity 2.1.1. Management and monitoring	1.50	2.80	0.30					**4.60**
Activity 2.1.2. Coastal protection	2.50			1.70				**4.20**

Activity 2.1.3. Conservation of coastal ecosystems	3.50							**2.50**
Subcomponent 2.2 Integrated Watershed Management								
Activity 2.2.1. Management and monitoring	1.50		0.20					**1.70**
Activity 2.2.2. Reducing erosion, degradation, and sediment export	2.00							**2.00**
Activity 2.2.3. Improving water quality	2.50							**1.50**
Component 3. Resilient community livelihoods								
Subcomponent 3.1 Community-scale NBS								
Activity 3.1.1. Artisanal fisheries and aquaculture	1.00	0.80	0.20					**2.00**
Activity 3.1.1. Agricultural and agroforestry value chains	1.00		0.30					**1.30**
Subcomponent 3.2 Scaling up strategic enterprises	5.00				3.50	10.50	10.00	**29.00**
Component 4. Project Management	2.00	0.60	0.50	-			-	
Total Investments	27.00	5.00	3.00	1.70	3.50	10.50	10.00	**62.70**

V. Additional Development Activities

A selection of the most relevant activities that will complement this IP are listed below:

76. PROP. The PROP seeks to strengthen regional collaboration and national capacities for a sustained socio-economic contribution of the fisheries sector in selected PICs. PROP will contribute to promoting collaborations, best practices, and gather relevant lessons to improve the management of marine ecosystems, the contiguous near ocean space, building on the SPC and the Pacific Islands Forum Fisheries Agency (FFA), and particularly with current concrete projects in the Solomon Islands, Marshall Islands, Tuvalu, Micronesia, Samoa, Tonga, and Kiribati, with proposed projects in Vanuatu, and Palau from a regional perspective.

77. **Kiwa Initiative.** The Kiwa Initiative supports Biodiversity protection and climate change adaptation using NBS by providing grants, capacity building, and technical assistance in 19 Pacific Island Countries and Territories. The Kiwa Initiative works with SPC, SPREP, and the International Union for the Conservation of Nature (IUCN) to support these grants' design, implementation, and delivery. In Fiji, the Kiwa Project supports training, policy integration, and identifying sustainable finance mechanisms for NBS and EbA. The IP will build on the lessons and experience from the Kiwa Initiative and design activities that complement and expand its impact.

78. **Fiji REDD+ ERP.** The ERP is implementing a first Emissions Reduction Payment Agreement (ERPA) for US$12.5 million for reductions of 2.5 MtCO2e across 1.7 million hectares in Fiji. The REDD+ National Program will provide guidance on best practices for forest restoration, prioritization processes, and governance of restoration activities, among other key information. Moreover, the resulting restoration and reforestation from the IP will add to the country's emissions reduction accountability, enabling it to negotiate a follow-up ERPA or similar transactions with the GCF through FAO, which is designed to continue the work of the ERPA.

79. Other relevant World Bank-supported projects that will contribute with information and economies of scale for this IP include the **Fiji Social Protection COVID-19 Response and System Development Project (P175206),** which finances activities such as mangrove, seagrass, and tree plantings, as well as forest restoration to contribute to climate change mitigation and adaptation while providing employment opportunities for beneficiaries, and the **Fiji Tourism Development Program in Vanua Levu (P178694)** which supports the sustainable use of ecosystems, preserving ecosystem services, and enhancing the resilience of local communities to climate change and natural disasters.

80. **NBS Seawalls from the Ministry of Agriculture and Waterways and ADB.** A previous Project in Fiji piloted a mixed approach to maximize the potential of NBS for coastal protection. The solution combines mangroves, vetiver grasses, and grey infrastructure, and the Ministry of Agriculture and Waterways is implementing it in selected communities. At least 150 additional coastal settlements have requested this type of investment, and the IP is designed to build on the knowledge generated in this process to offer the best solution for coastal resilience.

81. **Programs from the Ministry of Itaukei Affairs.** A series of relevant programs and policies are managed by the Ministry, including the supervision of Taboo sites, promotion of sustainable fishing practices (both freshwater and coastal) and landscape management, improvement of waste management, increasing climate change adaptation, and disaster risk management. The ministry will be

part of the IP implementation team to ensure alignment and complementarity among activities. Moreover, the ministry's current work has informed the IP's design.

82. **The Fiji Ridge-to-Reef Project** is implemented by the Government of Fiji with support from the Australian Government. It focuses on integrated land and water management to protect Fiji's natural resources, including forests, rivers, and coastal areas. The project aims to improve watershed management, reduce land degradation, and enhance the resilience of communities to climate change. It is expected to offer complementary solutions in some of the Target Areas, as well as inform the IP design.

83. **The Government of Fiji implements the Fiji Climate Change Adaptation Program** with support from the New Zealand Government. It supports climate change adaptation initiatives, including nature-based solutions, to enhance the resilience of vulnerable communities and ecosystems in Fiji. The program focuses on activities such as mangrove restoration, coastal protection, and sustainable agriculture and will inform the IP.

84. **The Forest Protected Area Governance and Management Project** aims to strengthen the governance and management of protected areas in Fiji, including marine protected areas and terrestrial conservation sites. It focuses on enhancing biodiversity conservation, sustainable livelihoods, and climate resilience and is supported by the GEF and the UNDP.

85. **Conservation International (CI) Fiji** works on several projects to protect Fiji's marine and coastal ecosystems, including the GEF-financed Safeguarding Marine & Terrestrial Biodiversity in Fiji (SAMBIO) Project.

86. **The Nature Conservancy (TNC)** is working on conserving and restoring mangrove and coral reef ecosystems across Fiji. Their assessments and experience, particularly in prioritizing mangrove restoration, will inform the detailed design of this IP.

87. **The Revitalizing Informal Settlements and their Environments (RISE)** initiative is a partnership of Australian and Fijian universities that has piloted sustainable community-scale solutions for health objectives, including the first built wetland for wastewater treatment in Fiji. Their experience will inform the detailed design of the IP.

88. **The Waitt Institute Blue Prosperity Program** is being designed to support NBS in coastal areas of Fiji, specifically helping the government to develop strategy and policy related to Blue Prosperity and the nexus of NBS. It will be designed to create synergies and incremental impact in collaboration with this IP.

89. **WCS Fiji** focuses on conserving terrestrial and marine ecosystems in Fiji. They have implemented projects such as the Vatu-i-Ra Seascape Conservation Initiative, which aims to protect and manage the Vatu-i-Ra Seascape, a critical area for marine biodiversity in Fiji. Their experience, particularly in coral reef restoration and protection, has informed the design of this IP.

90. The **FLMMA Network** collaborates with NGOs and local communities to manage and conserve Fiji's marine resources. They implement projects such as community-based marine protected areas, sustainable fisheries management, and climate change adaptation initiatives. This IP will finance and support the FLMMA network and implement improved management through participating MPAs.

91. **MAC Blue** is mapping coastal ecosystems and their ecosystem services across Fiji. The IP will align with them and help cover the gaps and build synergies, particularly around Activity 1.1.3.

VI. Implementation potential with Risk Assessment

92. The implementation potential of the Government of Fiji is sufficient in the Target Areas. The different institutions of the Government of Fiji that will participate in the IP implementation offer a combination of capacities on the ground at technical, management, and planning perspectives and possess legal instruments to implement these. This is the case, particularly on the main islands of Vanua Levu, and Viti Levu, where the IP Target Areas are located. Moreover, local communities are interested in participating in managing their natural resources and offer a high potential to support implementation. The rating was reduced because there are some constraints to this potential, including the need for more availability, the dispersion of attributions for managing natural resources among different communities and public institutions, and the low human and technological capacities in some ministries.

93. The absorptive capacity of the country for the NPS Program and the investment of this IP is high. This rating was established considering the significant participation of the Government of Fiji and the interest from all stakeholders involved in working with nature to advance the country's climate resilience. In addition, there is a strong group of international and nonprofit organizations with the ability to continue and strengthen the results of the IP, including other World Bank Projects. Moreover, Fiji's strong local governance culture contributes to the absorptive capacity at local scales because of the high participation and appropriation of communities, which are expected to be active participants of the IP activities, particularly under Components 2 and 3. The main challenges identified in absorptive capacity relate to the dispersion of public policies related to climate resilience across diverse public institutions in charge of natural resource management. However, this is expected to be addressed during the implementation.

Implementation risks

94. Implementation risks were evaluated using the World Bank Systematic Operations Risk-Rating Tool (SORT)[43], which provides a framework to consistently manage and monitor risks across all operational instruments, including grants and blended (combined loan and grant) operations. It accounts for the risks after mitigation measures were planned: actions that reduce the likelihood and or impact of a risk being realized. The following SORT categories were evaluated for this IP:

A. Political and governance risk is moderate. Fiji is a democratic country with a stable political system, and no significant disruptions are expected during the implementation of the IP. However, past periods where the government was autocratic cover the current situation with a call for caution. Beyond this, and despite elections expected during the implementation of the IP, there is a continuous, cross-cutting, and ample consensus on the relevance of climate resilience for Fiji. Hence, no significant risks are envisaged from a Political and governance perspective. The IP design considers, however, mitigation measures to allow for a continued engagement during government transitions by (i) working with permanent technical staff in all government agencies that can give continuity to the interventions and (ii) maintaining discussions about the IP with new authorities early as they take office and (iii) maintaining a clear and continuous track of agreements, plans, and progress to ensure continued operations.

[43] SORT is the World Bank tool to assess Development Outcome Risk - the risk to the client's ability to achieve expected outcomes (effectively, efficiently, and sustainably) in World Bank-supported projects and programs - and the risk of harm or unintended consequences. Risk assessment is a key element of risk management—to limit exposure to an acceptable level of risk in relation to the expected gain by taking action to reduce the probability of the risk occurring and its impact.

B. Macroeconomic risk is moderate. Despite the effects of the COVID-19 pandemic and the subsequent recession and inflation scenarios, Fiji is rapidly recovering, and tourism visitor numbers (main economic activity) are close to pre-pandemic. Macroeconomic risk is not rated substantial because the primary funding sources for this IP are grants that do not depend on the Government's financial capacities. However, continued inflation could affect the IP costs. These risks are mitigated by the continued support from the World Bank, ADB, and IFC.

C. Sector strategies and policies risk is moderate. Fiji recognizes the relevance of nature and climate resilience across most of its policies and strategies. Hence, there is little risk of the IP activities not being recognized or linked to these. However, significant dispersion of policies was evidenced with at least seven different plans associated with climate resilience in place, potentially creating a risk of fragmenting efforts and reducing the IP's potential impact. In addition, there are gaps in the integrated management of landscapes, watersheds, and coastal areas due to Fiji's inherent local management culture. The IP will mitigate the risks by promoting an integrated approach to policies and management activities in the Target Areas (Component 2) and throughout Fiji (Component 1).

D. Technical design of IP risk is moderate. The IP has been designed based on the best evidence available, experiences and lessons learned from previous World Bank and partner initiatives in Fiji and the region, and extensive consultation, particularly including women and youth. The detailed design of the IP will also undergo the scrutiny of three peer review processes as part of the World Bank preparation procedures and will be submitted to World Bank standards for its design. Despite this, due to the innovative approaches and novelty of applying NBS in Fiji, a lack of information and experiences drives uncertainty to the IP. The IP will be implemented and managed using an adaptive approach that will permit the incorporation of new information and improve its design during implementation to mitigate this risk.

E. Institutional capacity for implementation and sustainability risk is substantial. Despite the strong commitment from the participating institutions and the sectoral expertise of each in their themes/areas, the diversity of activities and the limited human and technological capacities available to these institutions may pose a risk. The IP will strive to bridge these gaps by building capacities, complementing them when possible, building partnerships and collaborations with local, international, and nonprofit organizations, and financing vital equipment when relevant. In addition, a Steering Committee will be established among the various participating agencies to ensure coordination, synergies, and appropriation of the IP.

F. Fiduciary: Financial management and procurement risk is substantial. The implementation arrangements of this IP require a complex flow of funding across different Government institutions and potentially to local communities and nonprofit organizations. The detailed implementation arrangements and flow of funds will be defined and mitigated during the IP's detailed design by being scrutinized by World Bank fiduciary specialists against the World Bank financial management and procurement standards.

G. Environmental and Social risk is moderate. The IP is focused on providing social and environmental benefits through NBS, inherently positively impacting this category. There are, however, potentially unintended consequences, particularly when working with communities and supporting their livelihoods and development, including the potential exclusion of women

and other marginalized groups. The potential unintended environmental and social risks are less likely in this scenario. Still, they will be evaluated by social and environmental specialists from the World Bank during the detailed preparation process and assessed against the World Bank Environmental and Social Standards. Additional consultations will also be carried out during detailed preparation to account for potential social risks.

H. Stakeholders risk is moderate. There is a strong commitment and interest from diverse stakeholders, from communities to the Government and international organizations. There is, however, a minor risk of miscommunication and duplication of efforts when working with so many different stakeholders. The IP will be designed to strive for close collaboration and coordination among stakeholders to mitigate this risk, and the Government of Fiji will support these efforts.

I. Climate change and extreme weather events risk is substantial. Fiji is highly vulnerable to natural disasters, extreme weather events, and other effects of climate change. There is a low likelihood of a natural disaster affecting the IP with high severity, but an aggregation of minor disasters may also create a substantial impact. To mitigate this risk, the IP will include resilience and maintenance criteria in the prioritization of investments during the detailed design of the IP, which was already included in the selection of the Target Areas. Moreover, the IP will promote improved integrated management, capacities, and policies to strengthen communities' and ecosystems' adaptive capacity and resilience to reduce this risk further.

95. Considering the above risk ratings, the overall risk for the IP is moderate, with only exposure to climate change and extreme weather, fiduciary, and institutional capacity risks rated as substantial. The risk rating and mitigation measures will be reviewed again during the detailed preparation and overseen by the World Bank operational specialists to confirm and strengthen this assessment.

VII. Monitoring and Evaluation

96. A Results Framework was developed based on the IP Theory of Change and following the Monitoring and Evaluation guidance from the CIF NPC Program Integrated Results Framework, World Bank Corporate Results Indicators (WB CRI), PROBLUE Results Framework, and the GEF IW Performance Results.

Proposed IP Results Framework[44]

PDO indicators	
1. Area under climate resilient management practices (km^2 of land, ocean)	
Baseline	0,0
Target	1,000 ; 3,000
Description	This indicator will be disaggregated to report to the following indicators: • *Area of land or other physical environments covered by climate-responsive natural resource management practices (ha) and Strengthened climate resilience of land (ha)* for CIF NPC reporting purposes. • *Land area under sustainable landscape management practices (ha)* for WB CRI reporting purposes • *Increasing the agricultural area under improved practices to reduce leakage of pesticides and/or fertilizers* for PROBLUE reporting purposes.

[44] The Results Framework will be updated and reviewed during the detailed preparation of the Project to incorporate additional information and adjust the estimations, without downgrading its ambition.

	• *Millions of hectares of terrestrial and aquatic areas under enhanced conservation and management* for the World Bank Corproate Scroecard Indicators.
2. Strengthened climate resilience of people (# of women and men)	
Baseline	0,0
Target	40,000 ; 40,000
Description	This indicator will be disaggregated to report to the following indicators: • *Number of people receiving livelihood benefits and Number of women and men benefiting* for CIF NPC reporting purposes. • *Millions of people with enhanced resilience to climate risks* for the World Bank Corproate Scroecard Indicators. • *Decreasing the number of households in coastal areas vulnerable to erosion and flooding* for PROBLUE reporting purposes

Component 1 Indicators	
C1.1. National Policy reforms for climate resilience implemented (number)	
Baseline	0
Target	6
Description	The IP is expected to support climate resilience as part of, at least, the updated National Biodiversity Strategy and Action Plan (NBSAP), National Adaptation Plan (NAP), 5-year Development Plan (in 2026), the new NBS Policy (under development), and the new Watershed and Fisheries Management Bills. This indicator will be disaggregated to report to the following indicators: • *National policy reforms in fisheries and aquaculture*, *National policy reforms in marine pollution management*, and *Other National policy reforms* indicators for PROBLUE reporting purposes. • *Implemented reforms supporting private sector development* for WB CRI reporting purposes. • *Number of policies, regulations, codes, or standards related to climate-responsive land or natural resource management that have been amended or adopted* for CFI NPC reporting purposes.

Component 2 Indicators	
C2.1. Value of ecosystem services generated or protected (US$)	
Baseline	0
Target	5,000,000
Description	This indicator will be disaggregated to report to the following indicators: • *Value of ecosystem services generated or protected in response to climate change (USD)* indicator for CFI NPC reporting purposes.
C2.2. Total area of ecosystems restored or protected (ha)	
Baseline	0
Target	15,000
Description	This indicator will be disaggregated to report to the following indicators: • *National / territorial rates of coastal erosion and National/ territorial rates of land degradation (ha per year)* indicator for CIF NPC reporting purposes. • *Year on year change in proportion of coastal area with healthy mangrove ecosystems (%)* indicator for GEF IW reporting purposes.

	• *Millions of hectares of terrestrial and aquatic areas under enhanced conservation and management* for the World Bank Corproate Scroecard Indicators.
C2.3. Number of sustainable management plans implemented	
Baseline	0
Target	15
Description	This indicator measures plans implemented, including for Protected Area Management, Fisheries management, Integrated Coastal Management, Watershed Management, among others, and will be disaggregated to report to the following indicators: • *Integrated sustainable landscape investments implemented* indicator for CIF NPC reporting purposes. • *Fisheries management plans implemented* for WB CRI reporting purposes.
C2.4. Proportion of men and women representatives on natural resource committees	
Baseline	TBC
Target	Improvement of 5% towards a balanced scenario
Description	This indicator measures the implementation of the Gender Action Plan that will be developed for imlpementation.

Component 3 Indicators	
C3.1. Number of people with access to new or improved resilient livelihood opportunities (number)	
Baseline	0
Target	2,000 ; 2,000
Description	This indicator will be disaggregated by ethnicity, gender and age to report to the following indicators: • *Indigenous People, women, and local communities provided direct access to finance to develop their own projects, Number of jobs created – direct and indirect* and *Number of firms, enterprises, associations, or community groups that have adopted a sustainable supply or value chain approach* for CIF NPC reporting purposes. • *Beneficiaries of job-focused interventions* for WB CRI reporting purposes.
C3.2. Number of people trained in climate-resilient livelihoods (number of women and men)	
Baseline	0,0
Target	3,000 ; 3,000
Description	This indicator will be disaggregated to report to the following indicators: • *Number of people from targeted institutions and communities trained in climate-responsive measures (women and men)* indicators for CIF NPC reporting purposes. • *Increasing men's and women's equal awareness of gender issues, economic opportunities, and related risks* for PROBLUE reporting purposes

Component 4 Indicators	
C4.1. Greenhouse Gas Emissions (GHG) reduced (tCO_2eq)	
Baseline	0
Target	850,000[45]

[45] This is an early estimation. A GHG assessment for the Project will be conducted during the detailed project preparation to update this target.

Description	This indicator will be disaggregated to report to the following indicators: • *Net greenhouse gas emissions* indicator for WB CRI reporting purposes. • *GHG emissions reduced or avoided* indicator for CFI NPC reporting purposes. • *Reducing net GHG emissions* for PROBLUE reporting purposes.

Monitoring and Evaluation arrangements

97. Monitoring, evaluation, and reporting responsibilities will reside in the Government of Fiji, particularly on the institutions in charge of implementing each activity. The IP will finance monitoring, evaluation, and reporting for CIF as part of Component 4. The PIU will have at least one monitoring and valuation specialist to oversee and compile this information and produce the required reporting. Component 1 will also contribute to generating relevant information to track the impact of the IP in terms of baselines and projected impacts of climate change.

98. The transformation to a more resilient system will be measured by understanding the dynamics of people and communities. This will be achieved through a survey of perception, knowledge, and new practices or businesses related to ecosystems, natural resources, and NBS management, to will be conducted at the beginning and closure stages of the IP. Based on the Theory of Change presented, the IP is expected to build durable NBS by creating a positive feedback cycle that evidences the benefits nature provides to communities and the business opportunities that derive from it, and spreads the knowledge, skills, and inclusive management arrangements required to maintain the integrity of the ecosystems that sustain it.

99. To achieve this, three key achievements are sought: (i) Fijian communities understand, acknowledge, and can account for the ecosystem services derived from natural ecosystems; (ii) Fijian communities -in partnership with Government, community, and NGOs- have the capacities, skills, and coordination ability to recover and maintain the health of ecosystems through NBS; and (iii) efforts to implement and maintain NBS are recognized and financed through a mix of public and private mechanisms that enable long term sustainability. By advancing these three achievements, the IP will contribute to durable and meaningful transformational change, mainly when working with youth that will shape the future of Fiji.

100. In parallel, the transformation to a balanced equilibrium with nature will be designed to distribute benefits equitably and foster inclusion by understanding the needs and challenges of each population group and community and empowering them to manage and benefit from the NBS they implement. This will build on the existing land tenure and management systems while promoting improved access for women and youth, as established in the Gender Action Plan that will be developed during the detailed IP preparation.

VIII. Annexes

A. Problem statement.

101. Fiji is a SIDS nation with high vulnerability to the impacts of climate change, particularly from sea level rise, coastal and rural flooding, drought, erosion, and extreme weather events. Even though the relevance of this threat is widely acknowledged, several barriers impede effective and efficient action to build resilience and increase the adaptive capacity of communities and the ecosystems these depend

upon. This is partly due to limited access and understanding of economic and financial cost-benefits, policy dispersion among the different Government agencies, lack of integration of the management at landscape, watershed, and coastal scales to connect locally managed natural resources with a strategic perspective, restricted availability of information and surveillance to inform rapid and optimized management decisions, low institutional and human capacity to implement durable and sustainable solutions, long-lasting degradation of some ecosystems prevent them from recovering on their own and continue to provide ecosystem services, and limited sustainable livelihood and economic opportunities. For a complete ToC of the IP, please refer to section 2 of this Investment Plan.

B. Proposed contribution to initiating transformation.

102. The IP will help put community participation, including women, men, and youth in communities, at the center of natural resource management, but with an improved integration among these to allow for landscape, watershed, and coastal-level strategic planning; and with enhanced capacities and understanding of the challenges of climate change and the opportunities to work with nature through NBS to increase resilience and adaptation capacity. This is aligned with the GoF´s strategy to use community-centric ecosystem-based approaches to enable communities who are the primary users to take ownership of environmental projects, contributing to their success and sustainability.

103. Moreover, CIF resources will allow Fiji to leverage additional resources from IDA, PROBLUE, and GEF trust funds. The resulting IP will grow into a collective approach through partnerships across government, development partners, the private sector, civil society organizations, and universities, and will be explored to share knowledge, build capacity, and deliver effective nature-based solutions to environmental problems. CIF resources will enable Fiji to: (i) Integrate the consideration of climate change projections and articulate risk reduction responsibilities; (ii) Increase ecosystem protection, nature resource redundancy, and environmental resilience through nature-based solutions; (iii) Secure inclusive and sustainable access to products, resources and services that support human health and well-being of women and men; (iv) Implement climate change adaptation solutions which are inclusive, equitable, and locally driven; (v) build and scale up nature based enterprises and business; and (v) Incorporate climate adaptation and disaster risk management priorities into local and integrated management and policies.

C. Implementation readiness.

<u>Investment Plan design</u>

104. The IP was designed in collaboration with government agencies, partner MDBs and all relevant stakeholders identified. CIF NPC Program-funded interventions have been identified, and target areas have been selected. Additional details are required to comply with World Bank procedures and for IDA funding, which will be revised during detailed project preparation. These will be addressed during the detailed IP preparation, which is expected to last one year, including at least three peer review processes (see Annex F). Additional aspects of the IP that require more detailed design include implementation arrangements, Environmental and Social Standards application, Fiduciary arrangements, GHG accounting estimations, Gender Strategy, and Results Framework, among others. In addition, new activities may need to be planned to complement the IP and meet the objectives and requirements of IDA, GEF, PROBLUE, PROGREEN, ADB and ORCA-TF, and adjustments to the IP design could be required to ensure an integrated approach and compliance with donor requirements.

<u>Institutional</u>

105. The IP implementation poses challenges due to its complexity, which requires involving multiple agencies and distributing investments across different target areas, ecosystems, and communities. Consequently, effective coordination and planning are recognized as essential parts of IP implementation. This will be achieved through a Steering Committee, composed of at least one representative from each of the participating government agencies (see Annex E), iTaukei community representatives, the implementing MDBs, and other vital partners identified during the detailed preparation of the IP or during implementation. The Steering Committee will oversee annual plans, final deliverables, and modifications to the IP design. The PIU will be hosted at the Government of Fiji, which has had relevant experience before working with the World Bank and adhering to its standards and has significant expertise pertinent to the IP and local presence in the target areas.

D. Rationale for NPC financing.

106. Fiji brings together a combination of factors that make it the perfect investment for a CIF NPC grant:

i. As a SIDS, the country is prone to the risks of climate change, particularly from sea level rise and extreme weather events. Its isolation reduces the ability of communities to build resilient livelihood conditions and further increases their vulnerability. The CIF NPC grant here will offer an opportunity to bridge this gap, building local capacities and circular economies and improving the condition and management of the key ecosystems.

ii. The Government of Fiji is committed to fighting climate change, and this is evident throughout ministries, agencies, and even across the local population. By working through and strengthening existing policies and frameworks and engaging with communities motivated to improve their resilience, this grant will maximize its impact and collaborate with many stakeholders to reach a more significant impact. Moreover, despite its isolation, Fiji is the hub of the Pacific region, serving as the stage to disseminate, promote, and share opportunities for investing in NBS to benefit communities and ecosystems through climate adaptation and mitigation.

iii. CIF NPC grant funding will trigger additional funding opportunities from IDA, GEF, ORCA-TF and ADB, and may also contribute to leverage PROBLUE and PROGEEN cofounding (to be confirmed in July-August 2024). These resources can contribute to building incremental impacts, expand the scope and scale of the activities to be financed, and bring in additional expertise and the best international standards for implementation. It will also mobilize public and private capital to increase access to financial resources for the sustainable use of natural resources across Fiji, including through carbon markets, PES, private companies, circular economy, and new/improved sustainable supply chains.

iv. Despite the extensive efforts in terms of policies and legal frameworks to address climate change, the management of natural resources in general is disaggregated. The CIF NPC grant will bring significant resources to change this situation and foster a coordinated and integrated approach to managing landscapes, watersheds, and coastal areas.

E. Relevant Government institutions participating in the IP.

Institution	Role(s)
Ministry of Finance, Strategic Planning,	1. Recipient of the funds and the primary representative of the Government of Fiji for the IP.

National Development, and Statistics	2. Oversee the flow of funds to the different participating government institutions. 3. Monitor delivery on the KPI, compliance with procurement and financial regulations as the signatory to the financing agreement.
Ministry of Environment and Climate Change	1. Hosts the PIU, coordinating all IP activities and in charge of implementing Environmental and Social Standards (safeguards) and Monitoring, Evaluation, and Reporting. 2. Lead policy updates and incorporation of climate resilience into NDP and other strategic regulations. 3. Implement the NBS for wastewater treatment and support NBS for coastal protection, climate smart agriculture, fisheries conservation, etc). 4. Coordination and support for integrated coastal and watershed use and management. 5. Coordinate and support the use and management of mangroves for multiple goods and services mangroves support, including resilience to climate change. 6. Coordinate and support investments in blue carbon projects related to coastal natural capital such as mangroves and seagrass. 7. Climate Change information assessments, compilation, and strengthening.
Ministry of Fisheries and Forestry	1. Implements forest and riparian vegetation restoration investments, policies, training, and improved management practices. 2. Implements improved management practices and training for fishers and related communities. 3. Overseers coral reef restoration. 4. Manages and coordinates support for livelihood opportunities through aquaculture and related investments.
Ministry of Agriculture and Waterways	1. Implements coastal NBS through mangroves, vetiver grass, and sand/dune stabilization. 2. Implements improved management practices and training for farmers and related communities. 3. Implements policies and plans for integrated watershed management.
Ministry of Itaukei Affairs	1. Supports the implementation of Integrated Coastal Management (including Marine Protected Areas) through traditional management committees. 2. Support for improved community-scale agricultural practices. 3. Contributes and supports overall participatory and governance processes.
Fiji Water Authority	1. Support for the design and implementation of constructed wastewater wetlands.

Water and Sanitation Department, Ministry of Public Works	1. Support for the design and implementation of constructed wetlands. 2. Support for integrated watershed management plans
Ministry of Women, Children and Social Protection	1. Supervise, coordinate and promote the gender action, and advise in the design and implementation of the Gender Action Plan.

F. IP preparation timetable.

Date (Expected)	Milestone	Compliance
Dec 2022	Expression of Interest	CIF
May 2023	Consultations, cofinancing scoping	-
Sep 2023	Scoping mission	CIF
Nov 2023	Technical mission	CIF
Mar 2024	Joint mission	CIF
Apr 2024	IP Review Meeting (peer review of IP)	-
Apr 2024	Government consultation	CIF
Apr 2024	IP Submission	CIF
Mar-Sep 2024	Submission of proposals/EoIs	PROBLUE/GEF
Jun 2024	CIF GCAP Endorsement	CIF
Sep 2024	Concept Review Meeting (peer review)	IDA/GEF/PROBLUE
Oct 2024	Concept Review	IDA/GEF/PROBLUE
Feb 2025	Quality Enhancement Review (QER, peer review)	IDA/GEF/PROBLUE
Mar 2025	Submission of GEF package and annexes	GEF
Apr 2025	Submission of Environmental and Social Framework tools and documentation	IDA
Apr 2025	Decision Review Meeting (DM, peer review)	IDA/GEF/PROBLUE
May 2025	Appraisal / Negotiations	All
July 2025	World Bank Board Approval	All

G. Stakeholder consultations.

107. In the Consultation Workshop held during the CIF Joint Scoping Mission in September 2023, the GoF proposed a “Mountain to Ocean or M2O” approach. A list of activities consistent with the objectives of CIF was discussed for potential inclusion in the IP scope, however the IP will concentrate on

the most urgent ones to maximize impact. Guided by the workshop stakeholders' feedback and additional consultations with key sectors during the mission, this IP refines the screening criteria to prioritize projects linked to the M2O approach based on areas of vulnerability with the potential to contribute to economic benefit, supporting livelihood and food security. Additional consultations were conducted during the following missions, with a total of 77 participants.
A comprehensive consultation process will be carried out as part of the World Bank Requirements during the detailed preparation, including extensive consultations and dissemination of CIF-funded activities and other IP activities.[46]

108. The IP will also engage through existing community, provincial, and national networks to ensure participation of women, youth, and vulnerable populations. These will include the resource centers established through the Women's Plan of Action (2010-2019) to enhance women's leadership, business management skills, and to coordinate income generating projects; Provincial and district level Environment (Yaubula) Committees; the Fiji Locally Managed Marine Areas Network and the Women in Fisheries Network-Fiji.

[46] See the World Bank Environmental and Social Standard 10. Available at https://pubdocs.worldbank.org/en/476161530217390609/ESF-GN10-June-2018.pdf

H. Investment Concept Briefs.

Proposed Investment Project 1: Fiji PROP Blue Prosperity Project

MDB: World Bank

Estimated amount: US$27.5 million (of which US$19.5 million CIF NPC grant, US$5 million IDA loan, and US$3 million GEF SCCF grant).

Main IP contribution: Implementation of all IP components, NBS investments, and integrated management (Mountain to Ocean).

1. **Introduction.** Under the PROP umbrella, this Project will roll out all IP components, where CIF NPC will finance investments in watersheds and coastlines, and integrate them with investments in coastal fisheries financed through IDA and GEF resources. The Fiji PROP Blue Prosperity Project will closely coordinate with key partners and projects to build an incremental and transformational impact in the country, expanding the reach and helping sustain the results of the investments.

2. **Development Objective.** To strengthen national capacities and shared regional management of ecosystems for climate resilience.

3. **Financing Plan.** The Fiji PROP Blue Prosperity Project will be financed by a US$19.5 million grant from CIF NPC Program, a US$5 million concessional loan from IDA, and a US$3 million GEF SCCF grant. Additional grant resources are being sought from PROBLUE and PROGREEN trust funds for up to US$ 10 million. Cost estimations at the activity scale were provided in Table 4.

4. **CIF NPC Program grant funding.** The Government of Fiji, as part of this IP, is requesting US$19.5 million in grant funding from CIF NPC. The grant resources provided by CIF NPC will unlock additional resources from IDA and GEF and potentially from PROBLUE and PROGREEN. The impact of this grant is critical for a SIDS which is expected to be severely affected by climate change, allowing the Government of Fiji to address rural and coastal challenges in an integrated manner for which there wouldn´t have been resources otherwise. Moreover, since Fiji is the hub of the Pacific, they will help produce knowledge, lessons, and examples for the entire region.

5. **Implementation arrangements.** The implementation arrangements for the project will be designed to integrate government agencies to enhance coordination and synergetic interventions. The Ministry of Finance, Strategic Planning, National Development, and Statistics will be the recipient of funds. The Ministry of Environment and Climate Change will be the lead Implementing Agency (IA) and host the Project Implementation Unit (PIU) consisting of a Project Manager, Project Assistant Procurement officer, Environmental and social safeguard officer, and a Project Finance Officer. The IA would coordinate implementation of the core of the activities associated with forest, riparian vegetation, coastal ecosystem management, protection and restoration investments, policies, training, and improved management practices through the PIU. The PIU will also be tasked with managing the implementation of the project fiduciary process. The Ministries of Agriculture and Waterways, and Fisheries and Forestry, will host technical team experts to implement fisheries, aquaculture, coastal protection, watershed management, as well as improved agricultural practices and livelihoods-related activities. The Ministry of ITaukei Affairs will support and advise on activities, particularly when working with communities in rural and coastal areas and contribute to policies and training under Component 1.

Concept Project design

6. The Fiji PROP Blue Prosperity Project is fully aligned with the CIF NPC IP, and will implement Component 1 in its entirety, all Component 2 except for Activity 2.1.2, and Subcomponent 3.1. The final design will be further improved through consultations, government revisions, assessments and peer reviews during the Project preparation.

7. **Component 1.** The Project will support developing country-wide enabling conditions required to implement NBS. It will address policy and regulatory gaps, help bring together policy dispersion, and promote institutional coordination, which are key for the government to deliver effective and scalable solutions to the communities in most need. In parallel, it will contribute to build up opportunities for sustainable financing of improved management practices and NBS and a review of opportunities for community-scale capture and value addition from natural and sustainable products. For example, it will contribute to implementing a Blue Carbon Readiness Framework to prepare Fiji to enter blue carbon markets in the future, which may entail one or more of its three pillars: Data and Analytics, Policies and Institutions and Finance.[47]

8. To aid and support informed decision-making for the Government of Fiji, even beyond the Project activities, the Component will support data gathering and assessments of key climate change scenarios, climate indicator species, sectorial threats, governance, biophysical conditions, and other analyses to inform the Project as well as management, planning and future policies. A prioritization and gap analysis of marine, terrestrial, and wetland ecosystems will be produced to identify critical biodiversity areas for future management and protection efforts. In addition, a full assessment of Locally Managed Marine Areas (LMMAs) will be conducted to understand the current number, extent, management, qoliqoli areas, associated custodian groups linked to Vola ni Kawa Bula, representation of women, men and youth, and situation across Fiji.

9. This Component will also finance Institutional strengthening and capacity building, which will be designed based on a Capacity Gap Assessment to be conducted at early implementation across institutional staff, communities, and small and medium-sized enterprises. Based on the assessment results, a training set, workshops, and knowledge exchanges will be provided to government staff and community organizations. In addition, the IP will support the design of a curriculum for fishers, farmers, and foresters that encompasses improved management practices, value-added production, and business development (marketing, financial, legal, administrative, human resources, sales, commercial, and other relevant topics), incorporating climate change adaptation and gender as cross cutting themes by modelling participation of women and youth in community management of forest, coastal and marine resources. Training will also be extended to complement the technical skills and knowledge required for effective IP activities and their sustainability and scalability, particularly on Geospatial Information Systems (GIS), remote sensing, carbon assessments, safeguards, and others.

10. Components 2 and 3 will build on the capacities, information, and policies developed and improved under Component 1 by financing activities targeted at selected areas with interconnected interventions through a systems approach. Activities will be inclusive of women and youth, linking interventions across ecosystems and natural resources, promoting NBS that can be complementary and offer cascading effects approach that links water, forestry, agriculture, fisheries, and tourism sectors (i.e., improvement of upstream water management in a basin/watershed can benefit ecosystems and people

[47] This will be designed based on frameworks developed by the International Union for the Conservation of Nature (IUCN) , available at https://www.iucn.org/resources/grey-literature/international-policy-framework-blue-carbon-ecosystems; and by the World Bank through a PROBLUE task force, available at https://www.worldbank.org/en/publication/unlocking-blue-carbon-development.

downstream, and improve the health of coastal ecosystems such as mangroves and reefs as well as fish stocks).

11. **Component 2** concentrates the investments to enhance the ecosystem services offered through NBS that are a shared (non-appropriable) benefit such as coastal protection, food security, water quality, climate mitigation and biodiversity conservation. It will support inclusive community-level management activities, including facilitating participation of women in decision-making bodies, designing, and implementing management plans, monitoring support, equipment, and training for IWM and ICM, as well as LMMAs and MPAs. On the coast, restoring mangroves and revegetation with vetiver grasses for sediment stabilization will enhance resilience against natural disasters and sea level rise. Similarly, restoring and protecting seagrass meadows and coral reefs will also offer coastal protection benefits while maintaining healthy fisheries, capturing carbon, and ensuring the long-term sustainability of the nature-based tourism sector. It will support the creation of new LMMAs in the target area to contribute towards the national commitment of 100 percent of the coastline covered by LMMAs by 2030, and contribute to improve the planning, management, surveillance, and governance of existing LMMAs.

12. On land, the component will finance the restoration of priority riparian vegetation and degraded forests across watersheds on land to reduce sediment runoff, improving water quality downstream for productive activities, ecosystems, and human consumption. It will offer tailored training to promote improved practices, work with community organizations to implement these, and equip farmers with tools for improved drainage, terracing, composting, among others. It will also support the implementation of the new watershed policy, including the implementation of Watershed Committees and their operationalization. In addition, the IP will scale up and expand existing pilots of natural solutions for waste and wastewater management in key areas by using built wetlands to complement existing infrastructure or offer solutions where no wastewater treatment plants exist.

13. **Component 3** will promote and support the scaling up of NBS-related businesses that can contribute to the provision of key ecosystem services, increase resilience, and improve livelihoods for men, women, and youth. The activities will help ensure that the investments under Component 2 are linked with livelihoods for their long-tern maintenance and to maximize their co-benefits. In the ocean, the activities will contribute to improving coastal fishing practices to ensure the sustainability of fisheries, limit the impacts of fishing on ecosystems, reduce pollution, and increase transparency. It will also strengthen inshore compliance to reduce Illegal Unreported and Unregulated (IUU) fishing to ensure resilient ecosystem, working with women to improve monitoring capacity. On the coast, the IP promotes improved management and best practices of small-scale fishing through modern monitoring, reducing energy consumption from fisheries and aquaculture activities, and contributing to scaling up community-scale aquaculture of seaweed, oysters, and clams.

14. On land, it supports natural solutions that can improve livelihoods and increase climate resilience, building on the business opportunities identified under Component 1. The improvement of agricultural practices through agroforestry and regenerative agriculture is expected to help recover the natural balance that ensures the soil and water quality and protects crops from environmental hazards. It will contribute to expand ventures that benefit communities, such as those for integrated waste management and the reuse of agricultural waste as fertilizer.

15. **Component 4** concentrates on Project Management and includes Monitoring and Reporting, Fiduciary and Procurement protocols, Environmental and Social Standards (including participatory processes), and implementing the planned risk mitigation activities.

16. **Indicators.** This Project will contribute to all IP indicators in alignment with World Bank Corporate Scorecard Indicators (CSI); Climate Investment Fund (CIF) Nature People and Climate (NPC) Program Integrated Results Framework; PROBLUE Results Framework; and Global Environment Facility (GEF) Special Climate Change Fund (SCCF) results framework.

Table H. 1. Indicative costs for Project 1.

Project Structure	Budget (US$)			TOTAL
	CIF	IDA	GEF	
Component 1. Policy, Institutional and Capacity framework				
Subcomponent 1.1 Integrating climate resilience in policies and legal frameworks				
Activity 1.1.1. Policy update, coordination, and implementation	1.00	0.20	0.40	**1.60**
Activity 1.1.2. Developing opportunities for sustainable financing of NBS	0.70		0.30	**1.00**
Activity 1.1.3. Information for improved decision making and planning	0.80	0.20	0.60	**1.60**
Subcomponent 1.2 Institutional strengthening and capacity building				
Activity 1.2.1 Coastal and marine	1.00	0.40	0.10	**1.50**
Activity 1.2.2. Watersheds and landscapes	1.00		0.10	**1.10**
Component 2. Integrated Mountain to Ocean management				
Subcomponent 2.1 Integrated Management of Coastal and Marine areas				
Activity 2.1.1. Management and monitoring	1.50	2.80	0.30	**4.60**
Activity 2.1.3. Conservation of coastal ecosystems	3.50			**2.50**
Subcomponent 2.2 Integrated Watershed Management				
Activity 2.2.1. Management and monitoring	1.50		0.20	**1.70**
Activity 2.2.2. Reducing erosion, degradation, and sediment export	2.00			**2.00**
Activity 2.2.3. Improving water quality	2.50			**1.50**
Component 3. Resilient community livelihoods				
Subcomponent 3.1 Community-scale NBS				
Activity 3.1.1. Artisanal fisheries and aquaculture	1.00	0.80	0.20	**2.00**
Activity 3.1.1. Agricultural and agroforestry value chains	1.00		0.30	**1.30**
Component 4. Project Management	2.00	0.60	0.50	**3.1**
Total Investments	19.50	5.00	3.00	**27.5**

Proposed Investment Project 2: Fiji Enhancing Climate Resilience of Coastal Communities Project

MDB: ADB

Estimated amount: US$ 4.5 million (US$2.5 million CIF NPC grant and US$1.7 million ORCA-TF grant).

Main IP contribution: Implementation of hybrid coastal protection investments in priority communities under Activity 2.1.2. of the IP.

17. **Introduction.** ADB is preparing to implement the FIJ: Enhancing Climate Resilience of Coastal Communities Project (the project) to provide enhanced climate-resilient protection and contribute to sustainable development of vulnerable coastal communities of Fiji. This is achieved building on initial assessments conducted by the GoF in 2021, and additional reviews and tentative engineering designs finalized in February 2023. Initial contracting for civil works and consulting services will be finalized during Q3, 2024.

18. **Financing Plan.** The Fiji PROP Blue Prosperity Project will be financed by a US$2.5 million grant from CIF NPC Program and a US$1.7 million ORCA-TF grant. Cost estimations at the activity scale were provided in Table 4.

19. **CIF NPC Program grant funding.** As part of this IP, the Government of Fiji is requesting US$2.5 million in grant funding from CIF NPC. The grant resources provided by CIF NPC will expand and strengthen the hybrid NBS for coastal protection to respond to most of the community demand in the Project area. This grant will allow the Ministry of Agriculture and Waterways to implement its coastal protection plan and will directly contribute to the communities' resilience against rising sea levels, complementing Project

1 investments in mangroves as part of Activity 2.1.2. The approach may be replicated and scaled up in other coastal areas in Fiji and across the Pacific region.

20. **Implementation arrangements.** The implementation of this Project will be led by the Ministry of Agriculture and Waterways, under the current team leading the NBS seawalls work, with technical support from ADB. The Ministry of ITaukei Affairs will support engagements with communities.

Concept Project design

21. The project will construct hybrid NBS rock revetment structures engineered to absorb and dissipate wave energy, improving the protection of at least four villages from coastal erosion and flooding from wave overtopping and storm surges. Hybrid nature-based solution features will be introduced through planting vetiver grass on the revetment crest and a mangrove restoration program around the revetment toe. This program will target women as leaders in initiatives such as the planting of mangrove saplings and vetiver grass in suitable areas, rehabilitating degraded mangrove forests, and establishing community-based management measures to promote long-term sustainability and conservation.

22. The project will actively involve local communities in the planning and implementation (construction) phases, ensuring their needs and knowledge are incorporated. The local communities will be provided basic but appropriate to the task construction plus operation and maintenance (O&M) training for coastal protection and mangrove areas, so minor O&M can be carried out directly by the villagers themselves and the risk of unintended construction impacts is reduced. Community participation contracting will (i) create ownership; (ii) provide additional social benefits to the communities; and (iii) ensure proper O&M. The project will also create sustainable livelihood opportunities related to mangrove conservation and eco-tourism, specifically involving women, in collaboration with civil society and community-based organizations to support economic development. Workshops, training sessions, and educational materials will be developed in a gender inclusive manner to build the capacity of local stakeholders, including government agencies, community groups and women, as well as NGOs, on resilient and nature-based coastal management practices. The lessons learned and applied best practices will be shared among relevant stakeholders in regional cooperation events.

Table H. 2. Indicative costs for Project 2.

Project Structure	Budget (US$)			TOTAL
	CIF	ORCA-TF		
Component 2. Integrated Mountain to Ocean management				
Subcomponent 2.1 Integrated Management of Coastal and Marine areas				
Activity 2.1.2. Coastal protection	2.5	1.7		4.5
Total Investments	2.5	1.7		4.5

Proposed Investment Project 3: ADB Frontier Seed (Pacific) Facility

MDB: ADB

Estimated amount: US$ 29 million (US$2 million CIF NPC and US$3.5 million ADB grants, and the following loans: US$3 million from CIF NPC, US$10.5 million from a DFI, and US$10 million from private investors).

Main IP contribution: Private sector investments under Subcomponent 3.2.

23. **Introduction.** ADB Frontier provides investment-readiness seed capital financing to select companies in Cambodia, Lao PDR, Fiji and other selected Pacific Islands. ADB may consider providing follow-on funding to the top-performing Seed portfolio companies. The ADB Frontier Seed (Pacific) Facility will provide risk capital on commercial terms to fast-growth SMEs with positive impacts and leveraging nature-based solutions.

24. **Financing Plan.** The ADB Frontier Seed (Pacific) Facility will be financed by a US$2 million grant and US$3 million private sector loan from CIF NPC Program. Additionally, cofinancing of US$3,5 million from ADB, US$10.5 million from a partner DFI, and US$10 million from private sector investment is expected.

25. **CIF NPC Program grant funding.** As part of this IP, the Government of Fiji is requesting a US$2 million grant and a US$3 million private sector loan from CIF NPC. The combination of grand and loan resources will allow the unlocking of selected investments with the highest potential long-term benefits in ensuring the livelihoods and climate resilience of the communities.

26. **Implementation arrangements.** The investments will be coordinated by the ADB Frontier Seed (Pacific) Facility team in Fiji, in coordination with the Government of Fiji and a partner DFI. Activities will be implemented by the selected companies.

Concept Project design

27. The facility will be grant-funded, while capital will be provided to SMEs on a "revenue-based lending" basis, meaning SMEs repay a share of revenue until the grant and additional costs are recouped. The purpose is twofold: proving that risk capital is both needed and commercially viable for Fiji to grow nature-based solutions within its SME sector; and ensuring the facility itself can have a greater mobilization effect by recycling funds that come back from SMEs (and can therefore be provided to additional SMEs within the program period). As such, the investment period will first be two-three years

with a five-year pilot horizon and may extend to ten years with up to six years investment period. With short-term financing between two-three years, funds can be recycled between 2-3 times (i.e., $2M funds lead to $6M investments by the facility).

28. In addition to the mobilization effect of capital recycling, the facility will target a two-four times mobilization target from other investors, helping SMEs to raise formal capital in the market by making them investment-ready - both in terms of improved governance and enhanced company performance. In total, investment grants of USD 3M would target total mobilization of between USD 15-25M in a ten-year program period. Concentrating capital into key growth SMEs is expected to help produce new industry leaders and create new industries for Fiji. Estimates for impact could assume jobs / improved livelihoods of 5,000 people, primarily in coastal and rural areas, and emission reductions of 200,000 tC02e.

Companies supported by the Frontier Facility will receive support directly from the ADB team, indirectly and directly from the wider networks within and external to ADB, and through targeted technical support from third parties, in order to ensure that capital is matched with increasing capacity, as is required for SME growth. ADB will maintain a team in Suva to provide financial, governance, operational and strategic support and the Frontier Facility will maintain a TA pool for SME support, equivalent to up to 10% of the investment amount made to any SME.

Table H. 3. Indicative costs for Project 3.

Project Structure	Budget (US$)				TOTAL
	CIF	ADB	DFI	Private	
Component 3. Resilient community livelihoods					
Subcomponent 3.2 Scaling up strategic enterprises	5	3.5	10.5	10	**29**
Total Investments	5	3.5	10.5	10	**29**

I. Detailed CIF financing structure.

29. The Government of Fiji is requesting a US$24 million loan and US$3 million private sector loan under three separate but complementary projects. Detailed Concept Briefs for each of the Projects were provided in Annex H of this document including cost estimates, financing plans, implementation arrangements and the request for CIF NPC program funding.

30. Project preparation will be funded by the MDBs through other sources, demonstrating their commitment to maximizing the impact of the CIF NPC resources.

31. Project implementation services will be distributed among the World Bank and ADB according to the leadership of each Project.

Table H.1. CIF NPC funding request structure

Fiji CIF NPC IP			
Country:	Fiji, East Asia Pacific	**CIF Project ID:**	To be assigned
Project Name:	**Project 1:** Fiji PROP Blue Prosperity Project (World Bank) **Project 2:** Enhancing Climate Resilience of Coastal Communities Project (ADB) **Project 3:** ADB Frontier (ADB)		
Tentative funding request from CIF:	**Project 1:** US$19.5 million grant **Project 2:** US$2.5 million grant **Project 3:** US$2 million grant, US$3 million private sector loan		
MDB Project Implementation Services (MPIS)	**Project 1:** US$0.975 million **Project 2:** US$0.125 **Project 3:** US$0.25		
Preparation Grant:	No preparation grant is requested. MDBs will leverage on other funding sources for the preparation of the Projects.		
Estimated preparation timelines	**Project 1:** 12 months from CIF GCAP approval **Project 2:** 6 months from CIF GCAP approval **Project 3:** 6 months from CIF GCAP approval		
National Project focal point:	**Ms. Poonam Singh** Acting Head of Planning Office Ministry of Finance & Strategic Planning, National Development and Statistics, Fiji poonam.singh@finance.gov.fj		
MDB Focal Point:	**Mr. Iretomiwa Olatunji** Senior Natural Resource Management Specialist World Bank iolatunji@worldbank.org		

J. Target area selection.

32. Target areas were selected building on a science and evidence-based participatory process as follows:

i. **Identification of key transformative climate objectives and challenges to be addressed.** Challenges and opportunities for Fiji were identified and prioritized building on the first two missions, a series of meetings with key potential partners and experts, and a literature review. Out of these, coastal protection, sediment erosion, and resilience of key ecosystems (mangroves and coral reefs) that support fisheries and tourism stood out as crucial areas of prioritization for NBS.

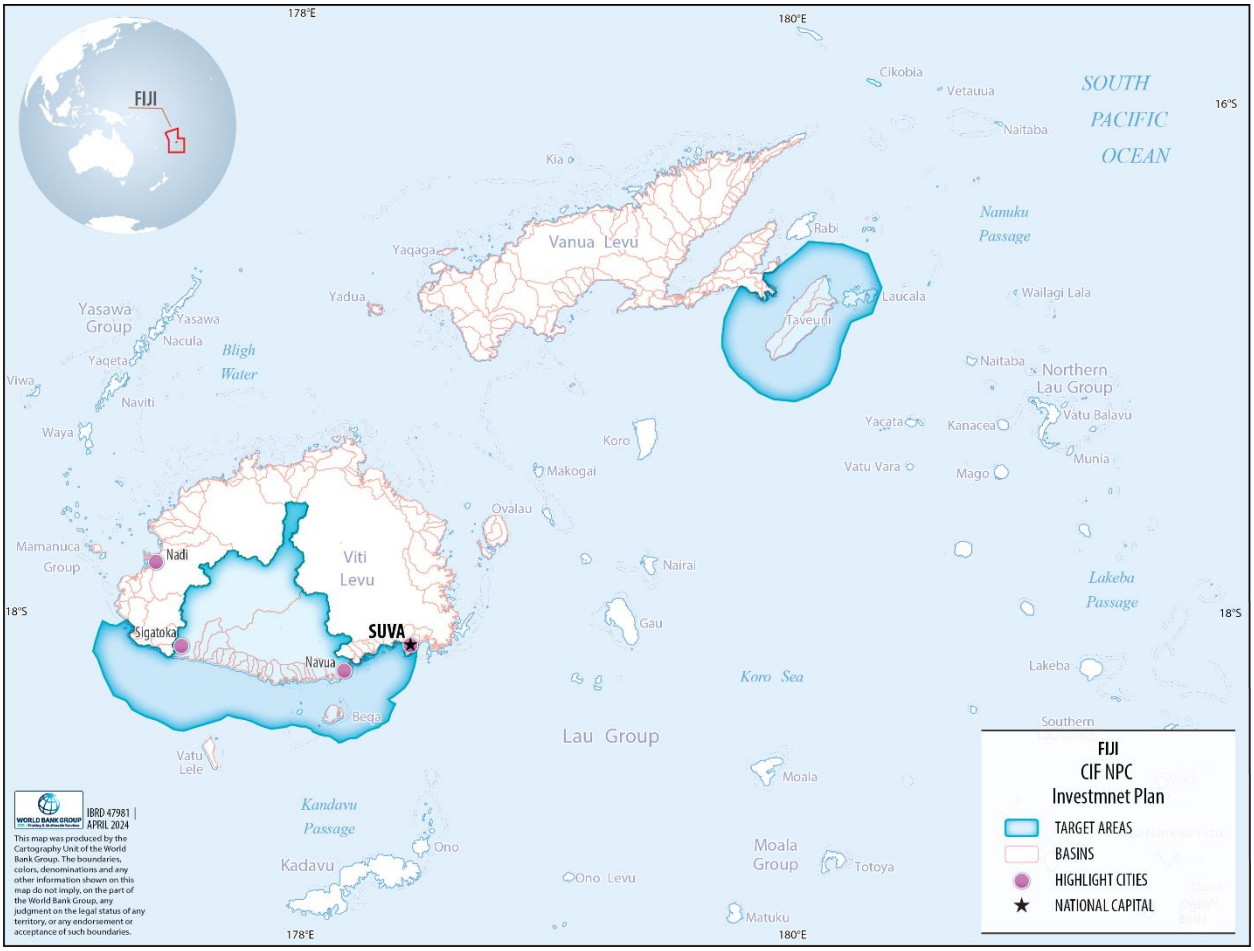
ii. **Modelling of opportunities and priorities for coastal and watershed NBS.** Two scans were conducted utilizing the best information available (refer to Annex J) to prioritize opportunities for NBS solutions (i) through improved agriculture and vegetation restoration in key watersheds to improve water quality and reduce sediment export to coral reefs and (ii) to map the most cost effective mangrove and coral reef management and restoration opportunities to provide coastal protection, sustain fisheries and tourism, and sequester blue carbon, considering vulnerability through different climate scenarios (Shared Socioeconomic Pathways and sea level rise models). Other relevant studies and research in the area were reviewed, including the forest cover change maps from the ERP, coral and mangrove analyses from NGOs, scientific literature on wastewater in rivers, mapping of community climate vulnerability, and results from previous projects. The results of these analyses clearly pointed at Viti Levu, the south coast (and coral coast) presented the highest cost benefit for coral and mangrove activities, while Sigatoka, Ba and Rewa watersheds presented the most opportunity to reduce sediment export. Considering this, a clear overlap between the Sigatoka watershed and the mangrove and coral reef opportunities was identified as a hotspot for highly impactful investments.

iii. **Stakeholder consultation.** Stakeholders, partners, and government participants in the second and third mission provided additional information about community driven opportunities, potential duplications or complementarity with other projects, vulnerability assessments, and strategic planning. For example, the Ministry of Waterways provided the location of communities requesting NBS support for coastal protection, opportunities, and priority LMMAs were identified, the RISE project proposed the location of potential NBS for wastewater treatment, upcoming GCF proposals from FAO, WWF and FDB were considered, spatial alignment with a UNDP project was achieved, the WB tourism project noted they are already covering mangroves and coral reefs in Vanua Levu, a mapping of NBS SMEs with scalability opportunities, among other information. This allowed to further inform target area selection, which now expanded from Sigatoka to Navua basins to incorporate potential synergies, reach key LMMAs, add opportunities to support wastewater and waste treatment, and encompass opportunities to work with the private sector. In addition, Taveuni was identified as an opportunity for additional activities and piloting efforts linked with tourism, MPAs, LMMAs, waste and wastewater management, and community agriculture, particularly because it offers opportunities to showcase good practices and because no other intervention was identified to be supporting this important island.

iv. **Target area validation.** During the third mission, a participatory session on identifying the target areas was conducted, with the participation of representatives from local communities, government,

and partner organizations. During this session, the participants helped validate and confirm the target area.[48] The final map is presented in Figure K.1.

Figure K.1. CIF NPC IP Target area



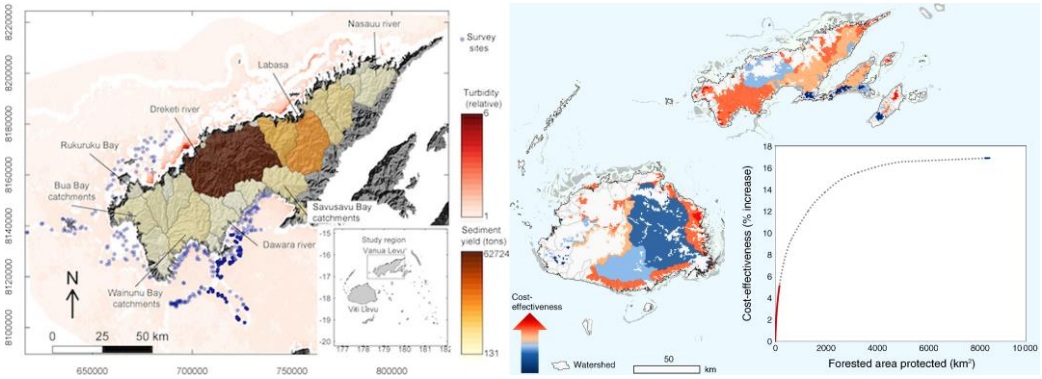
[48] During the discussions, the participants noted gaps of information and data in the country that would be helpful for future target area selection processes, which is included as part of this IP so that future management decisions can have it at hand, including on land degradation.

K. NBS opportunity scans.

Watershed NBS scan

33. Building on the systematic approach for identifying global forest restoration opportunities that would also result in significant decreases in the flux of sediments to coral reefs developed by Griffith University,[49] an NBS scan was adapted and performed for Fiji. The model uses spatially referenced regressions on watershed attributes models (SPARROW; Schwarz et al. 2006) to quantify sediment transport across the river network. The sediment export models are combined with a diffusion-based ocean transport model to quantify the associated risk of sediment exposure on coral reefs. Finally, the scan estimates the expected reduction in sediment runoff from forest restoration using maps of potential natural vegetation and land cover data under different restoration scenarios. The scenario utilized for the target area prioritization is conservative in estimating a maximum restoration of 20% of the watershed. Results by watershed are aggregated by basin to link up water reaching a single point release to the ocean. Dispersion of water plumes from the watersheds is projected using a diffusion model to determine the marine area of influence of the outgoing water discharge, and to identify the location, distance from source, and extent of marine ecosystems influenced by it, particularly for coral reefs. Major inputs and outputs are shown in Figure 1.2.

Figure 1. 2 The results were coherent with previous analyses: [50] [51]



[49] Suárez-Castro, A. F., Beyer, H. L., Kuempel, C. D., Linke, S., Borrelli, P., & Hoegh-Guldberg, O. (2021). Global forest restoration opportunities to foster coral reef conservation. Global change biology, 27(20), 5238-5252.

[50] Brown, C. J., Jupiter, S. D., Albert, S., Klein, C. J., Mangubhai, S., Maina, J. M., ... & Wenger, A. (2017). Tracing the influence of land-use change on water quality and coral reefs using a Bayesian model. Scientific reports, 7(1), 4740.

[51] Klein, C. J., Jupiter, S. D., Selig, E. R., Watts, M. E., Halpern, B. S., Kamal, M., ... & Possingham, H. P. (2012). Forest conservation delivers highly variable coral reef conservation outcomes. Ecological Applications, 22(4), 1246-1256.

Figure 1. 3 Watershed NBS scan methodology and workflow

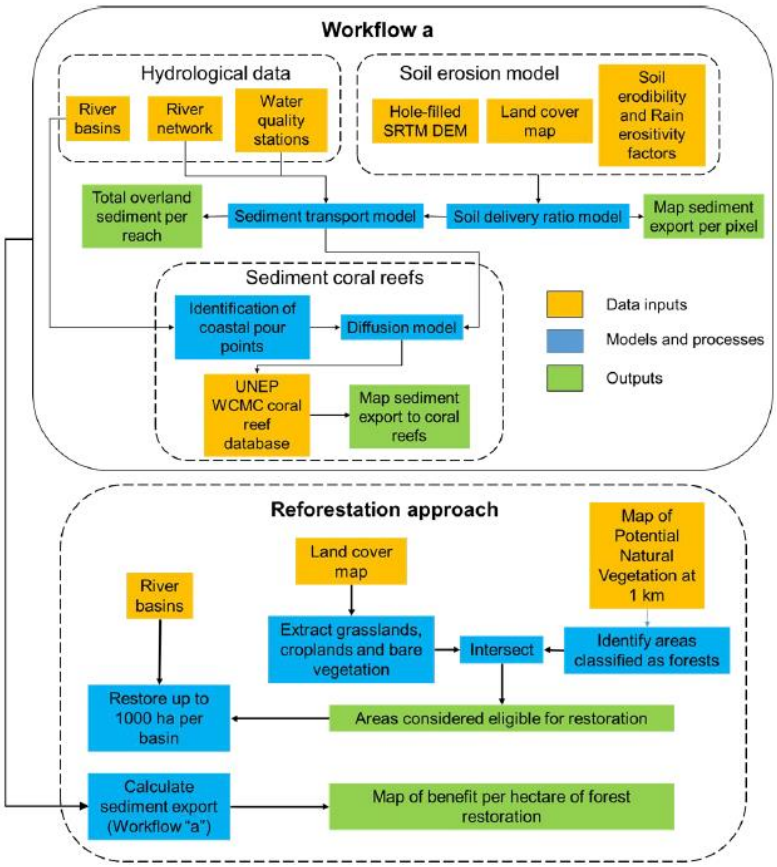
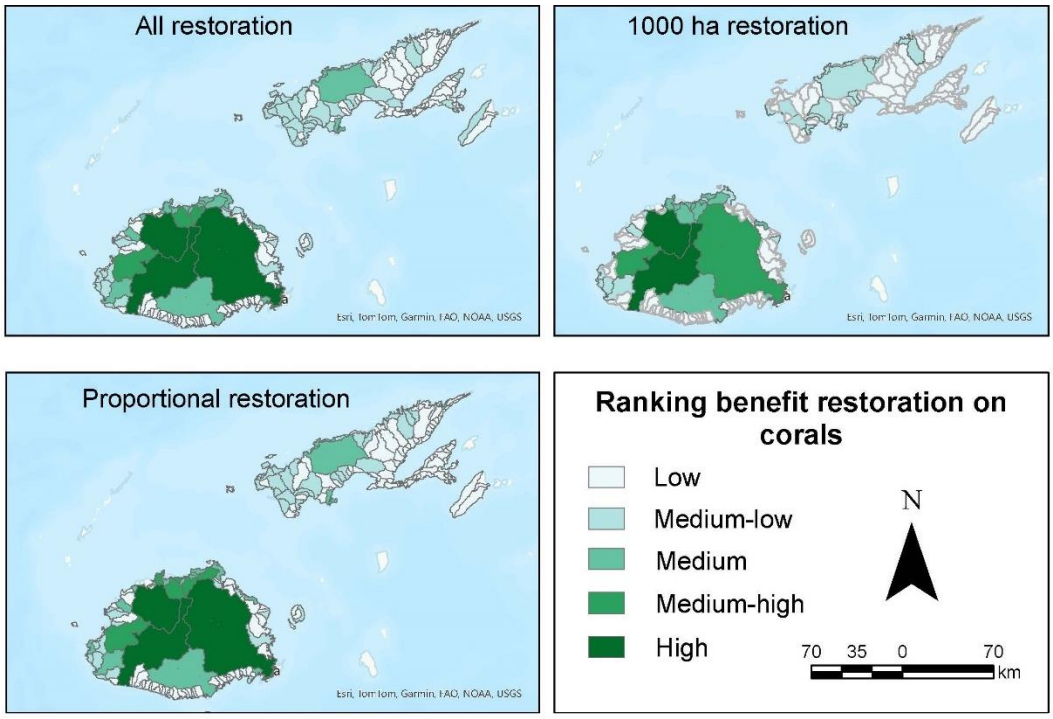


Figure 1. 4 Results of watershed NBS prioritization



Coastal NBS Opportunity scan

34. The scan was implemented with the support of the Global Program on Nature-Based Solutions for Climate Resilience (GPNBS), which developed and tested a methodology that has been tested and fine-tuned in projects in urban and coastal settings globally. In this case, the coastal NBS opportunity scan maps the ecosystem extent of coral reefs, mangroves, and beaches, and the opportunity areas for protection and restoration of these ecosystems and models the effectiveness of these to reduce climate vulnerability for reducing flood risk and providing other benefits.

35. Resilience benefits are quantified using a coastal flood model that characterizes areas at against diverse scenarios of modeled sea level rise under a diversity of Shared Socioeconomic Pathways (SSPs). Future scenarios include the effects of climate change through sea level rise and projected changes in waves and extreme sea levels, but also changes in population or economic exposure such as more development in the coastal zone.

36. The additional benefits are added to the flood risk reduction benefits in calculating the potential impact of NBS opportunities for building coastal resilience, and additional benefits are estimated tailored to each case. In Fiji, the valuation of additional benefits from coral reefs and mangroves benefits included fisheries, tourism, and blue carbon. Potential opportunities are then costed, and a cost benefit analysis is performed up to 2100. Together, the outputs enable spatial benefit-cost analysis of investment options in NBS. Results show a concentration of coral reef opportunities in the south and west of Viti Levu, and a myriad of mangrove opportunities, importantly with significantly higher cost benefit ratios (up to an incredible 140 ratio) in the south and west of Viti Levu. Note that Taveuni was not included in the analysis.

Figure 1. 5 Coastal NBS scan workflow and methodology

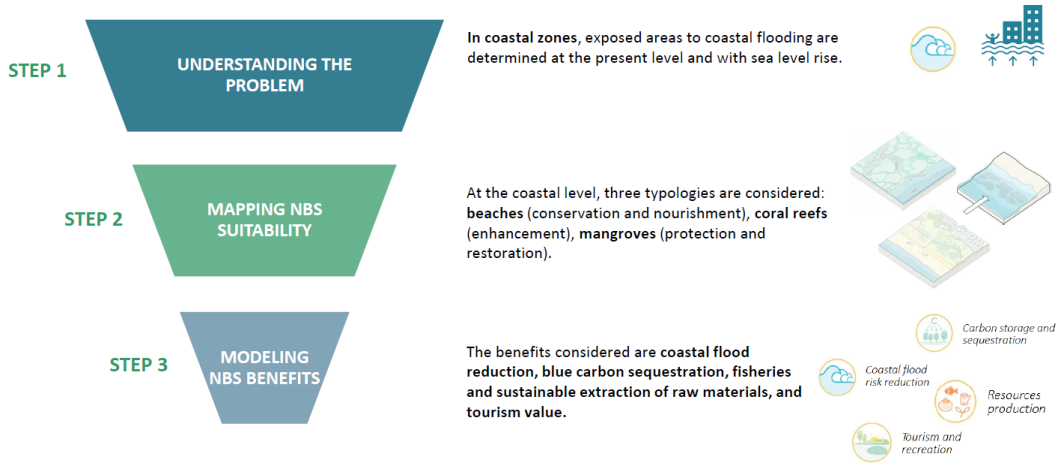


Figure 1. 6 Cost benefit of coral reef interventions

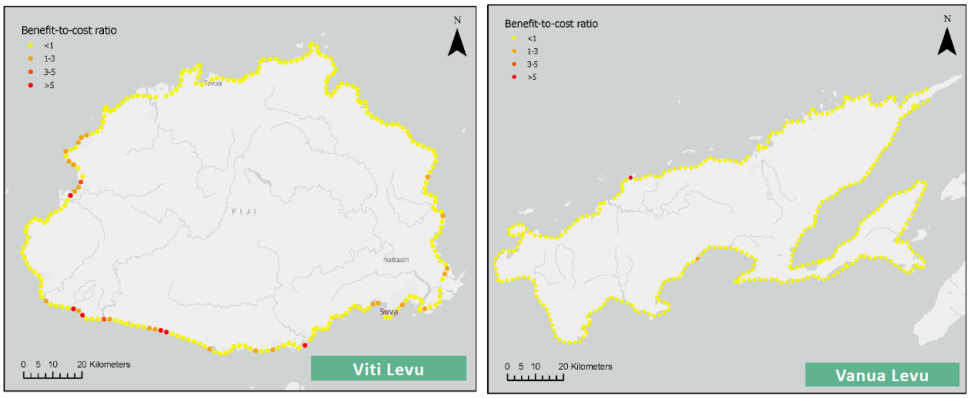


Figure 1. 7 Cost benefit of mangrove interventions