

Funding Proposal

FP306: Forest Landscape Restoration for Climate Benefits and Resilience (Fiji FLR)

Fiji | the Food and Agriculture Organization of the United Nations (FAO) | Decision B.45/08

23 July 2026



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Note to Accredited Entities on the use of the funding proposal template

- Accredited Entities should provide summary information in the proposal with cross-reference to annexes such as feasibility studies, gender action plan, term sheet, etc.
- Accredited Entities should ensure that annexes provided are consistent with the details provided in the funding proposal. Updates to the funding proposal and/or annexes must be reflected in all relevant documents.
- The total number of pages for the funding proposal (excluding annexes) **should not exceed 60**. Proposals exceeding the prescribed length will not be assessed within the usual service standard time.
- The recommended font is Arial, size 11.
- Under the [GCF Information Disclosure Policy](#), project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Accredited Entities are asked to fill out information on disclosure in section G.4.

Please submit the completed proposal to:

fundingproposal@gcfund.org

Please use the following name convention for the file name:

"FP-[Accredited Entity Short Name]-[Country/Region]-[YYYY/MM/DD]"

LIST OF ACRONYMS	
AE	Accredited Entity
AFOLU	Agriculture, Forestry, and Land Use sector
AMA	Accreditation Master Agreement
APR	Annual Performance Report
ARA	Adaptation Results Area
a.s.l	Above sea level
AWPB	Annual Work Plan and Budget
BAU	Business-As-Usual
BH	Budget Holder
CAS	Climate Adaptive Silviculture
CBD	Convention on Biological Diversity
CE	Collect Earth
CI	Conservation International
CLMP	Community Landscape Management Plans
CPF	Country Programme Framework
CSO	Civil Society Organizations
EE	Executing Entities
EIRR	Economic Internal Rate of Return
ENPV	Economic Net Present Value
ERP	Emission Reduction Programme
ESG	Environmental, Social, Governance
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESPRO	Ecosystem Services Procedure
ESS	Environmental and Social Safeguards
ETF	Enhanced Transparency Framework
FAO	Food and Agriculture Organization of the United Nations
FAO-SAP	FAO Subregional Office for the Pacific Islands
FDB	Fiji Development Bank
FHCL	Fiji Hardwood Corporation Limited
FI	Financial Institutions
FJD	Fiji Dollar
FLO	Funding Liaison Officer
FLR	Forest Landscape Restoration
FPL	Fiji Pine Limited
FGSR	Fiji Great Sea Reef
FSC	Forest Stewardship Council
GAP	Gender Action Plan
GCF	Green Climate Fund
GDP	Gross Domestic Product

GHG	Greenhouse Gas Emissions
GoF	Government of Fiji
GRMS	Global Resources Management System
HCVF	High Conservation Value Forest
IEA	International Energy Agency
IFAD	International Fund for Agricultural Development
IPPU	Industrial Processes and Product Use
IRR	Internal Rate of Return
LEDS	Low Emission Development Strategy
LTO	Lead Technical Officer
LULUCF	Land Use, Land Use Change and Forestry
M	Million
MEHA	Ministry of Education, Heritage and Arts
MiTA	Ministry of iTaukei Affairs
MoAW	Ministry of Agriculture and Waterways
MECC	Ministry of Environment and Climate Change
MoFF	Ministry of Fisheries and Forestry
MoFSPNDS	Ministry for Finance, Strategic Planning, National Development and Statistics
MoV	Means of Verification
MRA	Mitigation Results Area
MRV	Monitoring, Reporting and Verification
NbS	Nature-based Solutions
NCCP	National Climate Change Policy
NDA	National Designated Authority
NDC	National Determined Contributions
NGO	Non-governmental Organization
NPV	Net Present Value
NTFP	Non-timber Forest Product
NWFPs	Non-Wood Forest Products
ODA	Official Development Assistance
P	Monthly accumulated precipitation
PES	Payment for Ecosystem Services
PMU	Project Management Unit
PSC	Project Steering Committee
PSEA	Protection from Sexual Exploitation and Sexual Abuse
PSO	Private Sector Organizations
PTF	Project Task Force
R2R	Ridge-to-Reef
RCP	Representative Concentration Pathways
RES	Renewable Energy Sources
SEAH	Sexual Exploitation, Abuse and Harassment
SNRM	Sustainable Natural Resources Management
SRP	Short Rotation Plantations
SFM	Sustainable Forest Management

TA	Technical Assistance
TCP	Technical Cooperation Program
TJ	Tera Joule
iTLTB	iTaukei Land Trust Board
UNITAT	United Nations Institute for Training and Research
UNOSAT	United Nations Satellite Centre of the United Nations Institute for Training and Research
UNCCD	United Nations Convention to Combat Desertification
UNFCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
VCM	Voluntary Carbon Markets
WB	The World Bank

A. PROJECT/PROGRAMME SUMMARY			
A.1. Project or programme	Project	A.2. Public or private sector	Public
A.3. Request for Proposals (RFP)	Not applicable		
A.4. Result area(s)		GCF contribution	Co-financers' contribution¹
	Mitigation total	50 %	50 %
	☐ Energy generation and access	<u>Enter number</u> %	<u>Enter number</u> %
	☐ Low-emission transport	<u>Enter number</u> %	<u>Enter number</u> %
	☐ Buildings, cities, industries and appliances	<u>Enter number</u> %	<u>Enter number</u> %
	☒ Forestry and land use	50 %	50 %
	Adaptation total	50 %	50 %
	☒ Most vulnerable people and communities	20 %	18 %
	☒ Health and well-being, and food and water security	11 %	15 %
	☐ Infrastructure and built environment	<u>Enter number</u> %	<u>Enter number</u> %
	☒ Ecosystems and ecosystem services	19 %	17 %
A.5. Expected mitigation outcome <i>(Core indicator 1: GHG emissions reduced, avoided or removed / sequestered)</i>	6 million tCO _{2eq}	A.6. Expected adaptation outcome <i>(Core indicator 2: direct and indirect beneficiaries reached)</i>	346,591 (174,682 women) 37% of the total population 196,877 direct (99,226 women 29% of total) 149,715 indirect (75,456 women 22% of total) 21%16%
A.7. Total financing (GCF + co-finance²)	USD 52,531,627	A.9. Project size	Medium (Upto USD 250 million)
A.8. Total GCF funding requested	USD 29,350,964		

¹ Co-financer's contribution means the financial resources required, whether Public Finance or Private Finance, in addition to the GCF contribution (i.e. GCF financial resources requested by the Accredited Entity) to implement the project or programme described in the funding proposal.

² Refer to the Policy of Co-financing of the GCF.

A.10. Financial instrument(s) requested for the GCF funding	☒ Grant 29,350,964 ☐ Loan <u>Enter number</u> ☐ Guarantee <u>Enter number</u>		☐ Equity <u>Enter number</u> ☐ Results-based payment <u>Enter number</u>	
A.11. Implementation period	7 years		A.12. Total lifespan	20 years
A.13. Expected date of AE internal approval	1/30/2025		A.14. ESS category	B
A.15. Has this FP been submitted as a CN before?	Yes ☒ No ☐		A.16. Has Readiness or PPF support been used to prepare this FP?	Yes ☐ No ☒
A.17. Is this FP included in the entity work programme?	Yes ☒ No ☐		A.18. Is this FP included in the country programme?	Yes ☒ No ☐
A.19. Complementarity and coherence	Yes ☒ No ☐			
A.20. Executing Entity information	The Food and Agriculture Organization of the United Nations (FAO); Government of Fiji acting through (a) the Ministry of Fisheries and Forestry (MoFF) and (b) the Ministry of Agriculture and Waterways (MoAW); Fiji Hardwood Corporation Limited (FHCL); Fiji Pine Limited (FPL).			
A.21. Executive summary (max. 750 words, approximately 1.5 pages)				
i. Fiji is a small island nation in the South Pacific Ocean made up of over 332 islands, featuring a broad range of ecosystems from reefs, mangroves, and coastal wetlands to fertile lowlands, grasslands, rocky hills, and volcanic mountains topped with unique forests. The two largest islands, Viti Levu and Vanua Levu, account for 80% of the country's landmass. Forests cover 60% of Fiji's total land area and represent a biodiversity hotspot, providing critical ecosystem services for climate resilience, livelihoods and key economic sectors such as tourism, forestry and agriculture. These forests also prevent soil erosion, helping to protect vital coastal ecosystems such as coral reefs, seagrass beds, and mangroves. However, Fiji's watersheds face a "vertical chain" of environmental degradation where forest loss increases soil erosion and flood peaks, generating recurrent losses and increasing community vulnerability. Upstream land-use decisions exacerbate risks across ridge-to-reef (R2R) ecosystems, requiring an integrated response that addresses systemic interconnections across forestry, agriculture, food security, and coastal management. Climate change is threatening these ecosystems and the livelihoods they support. These include tourism, agriculture, forestry and fishery representing over 40%, 9%, 2%, and 1% respectively of the Gross Domestic Product (GDP) and employing about 52% of the total Fijian workforce. Trends of increasing temperatures (+0.27°C per decade, 1980-2022), sea level rise (+5cm to +10cm per decade, 1998-2022), and precipitation variability and increase (+81mm per decade, 1980-2022) exacerbate Fiji's already high level of exposure to multiple natural hazards and magnify the adverse impacts of current unsustainable practices in forestry and agriculture management. Locally corrected and validated climate projections show, under all the Representative Concentration Pathways (RCPs) scenarios, further temperature increase, with warming up to 1.0°C by 2030 and with increases amplifying at least until mid-century. Rainfall patterns are expected to change with an increase in the scale of extreme events (maximum one-day precipitation event +14.42mm per decade under RCP4.5, +12.87mm under RCP8.5, 2023-2055) and an increase of the number of moderate and intense dry months per year (+ 0.54 months/year per decade under the RCP4.5, +0.71 months per year under the RCP8.5, 2023-2055), increasing the risks of floods, soil erosion and dry spells respectively. Sea level is projected to rise an additional 10cm per decade, increasing the exposure and vulnerability of coastal ecosystems and infrastructures and reducing the capacity of water basins to discharge accumulated water. On the other hand, deforestation and forest degradation have been widespread mainly due to agriculture expansion and infrastructure development. Therefore, as reported in the National Adaptation Plan (NAP, 2018), Fiji's development goals are increasingly at risk from the impacts of climate change. The tourism sector is particularly vulnerable due to its heavy reliance on coral reefs and coastal areas that face degradation and loss from a combination of climate change-induced stressors (e.g., cyclones, ocean acidification, and rising sea				

temperatures) and human-induced stresses such as deforestation, forest degradation and unsustainable small-scale agriculture expansion (WB, 2018, FAO, 2024). The resulting loss of environmental assets would affect both rural and urban populations and the economy (WB, 2018). Fiji currently ranks 75th out of 130 for the [Climate Risk Index](#) and 71st out of 182 for the ND-GAIN. Fiji is reportedly ([ND-GAIN, 2024](#)) responding effectively to climate change, but the adaptation needs and urgency to act necessitates scaled up efforts with external support.

- ii. In alignment with the planning established by Fiji and formally communicated via the [20-Year Development Plan 2017-2036](#), the [Climate Vulnerability Assessment](#) and [National Adaptation Plan](#) in 2018, the [Third National Communication](#) and [Nationally Determined Contributions](#) in 2020, and the [Low Emission Development Strategy](#) (LEDS, 2018-2050), this proposal will support the paradigm shift from planning and implementing separate strategies for natural resources management (including resource extraction) and climate change adaptation and mitigation toward a more integrated approach, where natural resource management considers the complex interdependencies between land and water ecosystems – from cloud forests to coral reefs. The project shifts Fiji from fragmented, project-based responses to an integrated, risk-informed ridge-to-reef model by aligning policy reform and CLMP-based planning with early community-led forestry/agroforestry investments and institutionalized domestic finance that de-risk and scale nature-based solutions. This transformation reduces climate and fiscal risks, increases carbon removals, and sustains resilience outcomes beyond the project lifecycle by replacing ad-hoc grants with market-and institution-anchored financing mechanisms.
- iii. Such an approach is essential to remove climate change bottlenecks and strengthen synergies between adaptation and mitigation interventions. The project will also assess opportunities for Fiji to enhance engagement with carbon markets and ecosystems services levy, thereby diversifying revenue streams for Forest Landscape Restoration (FLR) and Sustainable Forest Management (SFM) interventions beyond the project's completion, while also enhancing the bankability of such interventions.
- iv. National stakeholders set the objective of this proposal during the engagement process (Annex 7), namely, **to enhance the overall resilience of Fiji's forest landscapes and communities with a climate adaptive approach from ridge to reef (R2R)**ⁱ. This would be done by (I) enhancing community participation in land management planning and addressing the policy and governance gaps currently preventing a paradigm shift ; (II) removing drivers of ecosystems degradation and ensuring sustainable forest landscape management investments; and (III) contributing to the creation of economic and financial incentives and tools for promoting and overseeing public and private investments in sustainable natural resources management. This will address the main barriers to climate resilience and sustainable natural resources management in Fiji while enhancing carbon removals, low carbon and sustainable development pathways, and allow stakeholders, including communities, private sector operators, and institutions to benefit from sustainable natural resources management without externalizing adverse impacts or imposing their economic burden onto downstream populations or the state.
- v. **Proposed Interventions:** The project addresses barriers for climate action through three interlinked components: **Component 1** - Strengthened regulatory framework for climate-responsive and integrated landscape management (Ridge to Reef – R2R); **Component 2** - Enhanced sustainable and resilient management of ecosystems and forests by stakeholders; and **Component 3** - Strengthened financial mechanisms, incentives, and opportunities for sustainability and scaling up. The project will introduce several key innovations: (i) the introduction of Climate Adaptive Silviculture (CAS), Forest Landscape Restoration (FLR), agroforestry practices, and ensuring the use of food-providing tree species (e.g., sago, fruit, and nut trees) to help stabilize local food security; (ii) the establishment of participatory approaches that enhance collaboration between communities, government and private sector for the implementation and monitoring of climate adaptive landscape interventions, (iii) the development of policies, guidelines, and financial mechanisms to design and implement schemes that value carbon removal potential, carbon stocks, biodiversity and other ecosystem services, using carbon finance and FSC/ESPRO certification to provide communities with premium market access and diversified livelihood revenue streams. In particular, the third innovation will enable the scaling up of technologies, practices and investments to the national scale and help transform communities and the private sector into agents of change. Analyses indicate that the project is likely to yield **positive returns on investment. The Economic Net Present Value (ENPV) is estimated at USD 141 million, and the Economic Internal Rate of Return (EIRR) is 11.5%, with a benefit-cost ratio of 1.63 and switching values of benefit and cost of -39% and 63%, respectively.**
- vi. Under the coordination of the NDA and overall guidance of a joint steering committeeⁱⁱ (FDBⁱⁱⁱ/WWF^{iv}/FAO), the project exemplifies national ownership and coordination and synergy. It builds complementarity with the [WWF Coral Reef Resilience Project \(CRRP\)](#) and the Climate-Smart Agriculture Guarantee (CSAG) under the Fiji Development Bank – a Direct Access Entity that will also benefit from this proposal. Additionally, the project will

help scale up successful Adaptation Fund and GEF investments in innovative nature-based solutions that aim to catalyze R2R ecosystem resilience for climate change adaptation, de-risk high-impact adaptation projects and align finance with sustainable development in SIDS.

- vii. The project will contribute substantially to the GCF Updated Strategic Plan 2024-2027 (USP), as it is expected to **increase the climate resilience of 196,877 of the most vulnerable people** (~21% of Fiji's population) **and indirectly benefit 149,715 people** (~16% of the population) (USP targets 1-2-4-5-9-10) while enhancing the resilience of **80,737 ha** of forest and agricultural landscapes, contributing to the protection of over **90,000 ha^v** of coastal and marine ecosystems, and increase carbon removal by **6 mln tCO_{2eq} over 20 years**. In target areas, the project will reduce the exposure of tourism and fisheries infrastructure, as well as the ecosystems that support these economic activities - particularly coral reefs, to floods and flash floods. This is critical for the well-being of the local population, given that the economic value associated with coral reefs in Fiji is estimated at USD 525.7 million (constant 2017 prices) with 90.3% derived from international holiday visitors. The project will also enhance the knowledge and capacities of about 16,000 young foresters, agronomists, economists, and administrators in managing and mediating climate change-related issues and the complex interlinkages between R2R ecosystems. Moreover, by integrating ecosystem values into domestic financial systems, the project ensures that reliance on recurrent public expenditure and external grants will progressively decline.
- viii. Fiji requires international financial support to address climate change in its forestry sector, as its identified annual climate finance needs of approximately FJ\$3.28 billion (US\$1.94 billion) significantly exceed its current public spending on these issues.

B. PROJECT/PROGRAMME INFORMATION

B.1. Climate context (max. 1000 words, approximately 2 pages)

1. **Context:** Fiji is a small island nation in the South Pacific Ocean with a population of approximately 0.9 million. The country has an area of 18,000 km² spread over 332 islands, which form a broad range of ecosystems from reefs, mangroves, and coastal wetlands to a gradually elevating topography from fertile lowlands to grasslands, rocky hills, and volcanic mountains topped with unique rainforests. About 110 islands are inhabited, but 87% of the population lives on the two largest islands, Viti Levu and Vanua Levu, which comprise 80% of Fiji's landmass. Around 88% of the land area is under communal village ownership and customary law governs natural resource management ([iTLTB, 2018](#)). Approximately 12% of the urban population and 6% of the rural inhabitants, totaling 143,000 individuals, reside within low-elevation coastal zones situated lower than 10 meters above sea level (a.s.l.) and 63,000 individuals live lower than 5 meters a.s.l.^{vi}, making them particularly exposed to rising sea levels, associated natural hazards as well as to the externalities of unsustainable natural resource management practices of upstream watersheds ([WB, 2017](#)).
2. **Fiji has a relatively small economy.** It is classified as a middle-income country with an average per capita income of approximately USD 10,000 but with significant income disparities, particularly across rural and urban areas. Around 42% of Fiji's population lives in rural areas, and over 75% participate in farming, livestock production, forestry, or fishing^{vii}. Fiji has a total forest cover of 1.16 million ha, covering 60% of the total land area and contributing to crucial ecosystem services corresponding to an annual value of FJD 544 million^{viii} (USD 250 million - approx. 6% of GDP). For more information on the importance of forests for the economy, see Annex 2, par. 112-113. Forests also protect the marine environment, particularly the Fiji Great Sea Reef (FGSR). Approximately 10% of the population is directly dependent on the reefs for food and livelihood, and the ecosystem services coral reefs provide correspond to FJD 47.5 million^{ix} annually ([WWF, 2022](#)).
3. **The climate of Fiji** is categorized as an island state with a tropical climate, in which the dry season lasts from May to October and the rainy season from November to April ([PACCSAP, 2015](#)). The climate is strongly affected by the ocean temperature surrounding the islands (further information on the current climate in Annex 2, par. 47.).
4. **Historical trends**^x (1980-2022) show an apparent increase in average, maximum, and minimum temperatures (+0.27°C, +0.29°C, +0.33°C per decade, respectively) (Annex 24, p29-33). Moreover, the country receives a substantial and increasing volume of rainfall annually, with a rising frequency of extreme precipitation events. Over the last 40 years, its high annual accumulated precipitation increased at +81 mm/year per decade, reaching a current average of ±2300 mm/year (Annex 24, p15). The frequency of wet and extremely wet days has also increased at a rate of +3.20 days/year per decade and +0.65 days/year per decade, currently reaching 140 days and 20 days per year, respectively (Annex 24, p21-23). While the average annual maximum one-day precipitation did not change over the last 40 years, it remained very high at 155 mm, with values above 300 mm in a single day being often recorded. During the same period, the country experienced an increase of +0.15 dry months per year/decade (Annex 24, p.41), of +3.2 wet days/decade (Annex 24, p.21) and significant variability in precipitation levels from one year to the next, ranging from 1,307mm in 1998 to 3,315 mm in 1999. This variability can be linked to the influence of the El Niño effect, contributing to lower precipitation values, and the La Niña effect, associated with higher precipitation values. The major increase in precipitation is also accompanied by a rise in the annual frequency of extreme precipitation events, marked by an increase of +2.01 flood events/year from 1980 to 2009 (Annex 24, p27). Although the average and maximum wind speed during the last 40 years and the number of cyclonic events (gales and storms) affecting Fiji stayed constant, the number of events classified as hurricanes (cyclonic events featuring wind speeds greater than 117 km/hour (64 knots)) has increased at a rate of +0.30 hurricanes/year per decade (Annex 24, p.27). During the last 30 years, the sea level rose consistently in Fiji, to a rate of +5 cm per decade in Lautoka and +10 cm in Suva, both increases being higher than the global average (+4.5 cm per decade for the period 2013-2021 ([World Meteorological Organization 2021](#))). This rise in sea level contributes to flood exposure, as extremely high tides accompanied by strong winds and increased runoff due to land use changes and forest degradation can lead to coastal flooding, leading to adverse impacts on coastal and marine ecosystems and livelihoods. The increase in accumulated rainfall, wet days, very wet days, and hurricane paths is mainly observed along the coastal lowlands of Viti Levu^{xi}.

Figure 1 – Annually accumulated precipitation: historical time series. Source: MoF 1980-2022 period

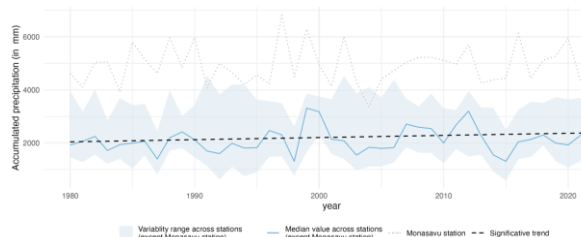
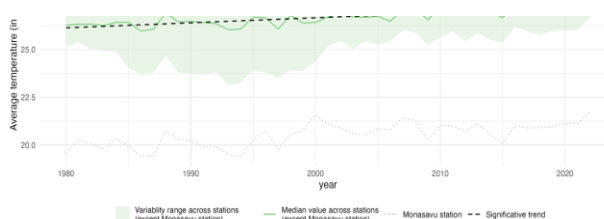


Figure 2 – Annual average temperature: historical time series Source: MoF 1980-2022 period



5. **Future climate projections^{xii}:** The analysis of the 4.5 and 8.5 RCP scenarios until 2055 leads to the conclusion that observed climate trends will worsen in the future: average, minimum, and maximum temperatures are expected to increase to a rate of $+0.35^{\circ}\text{C}$, $0+.4^{\circ}\text{C}$ and $+0.42^{\circ}\text{C}$ per decade respectively during the period 2023-2055. The number of accumulated degree days is expected to increase to $+128^{\circ}\text{days/year}$ per decade from 2023-2055. At the same time, dry months are likely to increase up to $+0.71$ month/year/decade, and the climatic water balance is expected to decrease to -184 mm/year per decade, reducing the availability of water for plants, with potential negative impacts to vegetation health in both natural and anthropic environments. An increase in wet days can be expected under the mitigation scenario (RCP4.5) to a rate of $+7.97$ days/year/decade, while an increase in extremely wet days can be expected under the business-as-usual scenario (BAU) (RCP8.5) at a rate of $+1.84$ days/year/decade. Annual accumulated precipitations are projected to increase further to 264 mm per decade, and maximum one-day rainfall is expected to increase up to $+14.42$ mm per decade (FAO, 2023). These phenomena will likely lead to further water management challenges, particularly increased erosion and more intense flooding events.

Figure 3 – Annually accumulated precipitation: projected time series. Data Source: NASA NEX-GDDP (Thrasher et al. 2012).

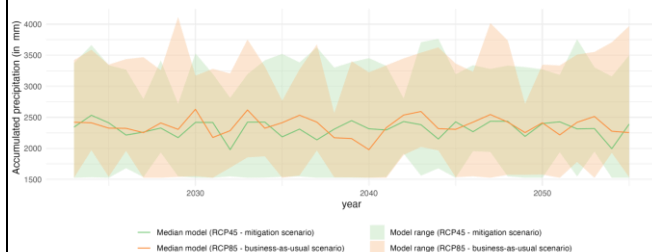
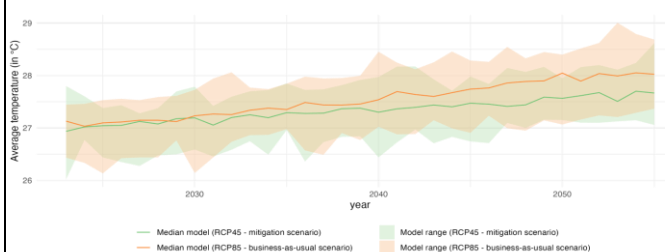


Figure 4– Annual average temperature: projected time series. Data Source: NASA NEX-GDDP (Thrasher et al. 2012)



6. **Exposure and Susceptibility:** Climate Change has already exacerbated Fiji's high exposure to multiple natural hazards. The average asset losses due to tropical cyclones and floods are estimated at more than FJD 500 M (USD 220 M) per year, representing more than 5% of the GDP (more information Annex 2, par. 51). Sea level rise between approximately 0.09-0.17m by 2030 is projected for RCP 4.5 and coastal erosion will worsen, impacting, in particular, the population living at elevations lower than 5 meters (corresponding to 630 square kilometers, or 3.4% of Fijis land) (FAO, 2023). These low-lying areas, primarily situated near the seaboard and near population centers, face a direct and imminent threat from rising sea levels. They furthermore face an increased likelihood of floods, as more frequent and intense rainstorms might rapidly overwhelm Fiji's river network. Flood is also expected to increase due to the worsening conditions of forests and riparian ecosystems, leading to significant and growing economic losses, with a pessimistic scenario for floods leading to an increase in river discharge of 23% and 36% for 2050 and 2100, respectively, with an increase in risks, especially for low-magnitude, high-frequency floods (WB, 2017). Climate hazards already impose major socio-economic impacts in Fiji. Between 1970 and 2016, disasters affected more than three million people and generated annual losses exceeding FJD 500 million (over 5% of GDP), pushing roughly 25,000 people into poverty each year. Extreme events such as Tropical Cyclone Winston in 2016 caused damages of about USD 1.3 billion. Forest degradation and land-use changes further intensify flood risks and sedimentation, damaging coastal ecosystems and reinforcing the need for integrated ridge-to-reef landscape management (see Appendix 14 of Annex 2 for further information).

7. **Climate Change impact and vulnerability:** Fiji currently ranks 77th out of 185 countries on the [ND-Gain index](#), indicating that the country is progressing towards “responding effectively to climate change, but the adaptation needs and urgency to act are greater.” The Third National Communications to the UNFCCC (TNC, 2020) and the National Adaptation Plan (NAP, 2018) identified the natural environment as one of the most vulnerable priority sectors

that are at the same time vital to the resilience of the population and to sustaining livelihoods. Climate change already impacts terrestrial ecosystems: forests are sensitive to high temperatures, which makes them more vulnerable to fires. High temperatures and changes in rainfall patterns lead to increased occurrence of invasive species and pests, cause shifts in habitats and boundaries of certain tree species, pollinators, and seed dispersers, and even affect the flowering behavior of certain tree species ([WB, 2017](#)). A decrease in climate resilience of tropical forests, such as those found in Fiji, has also been highlighted by a recent study conducted by [Forzieri et al. \(2022\)](#)^{xiii}. Given their current state, forests in Fiji are likely to degrade further under future climate scenarios: increased temperatures and dry months, a decrease in climatic water balance, possible heavy precipitation events, and intensified cyclones might lead to even more weakened forest systems. In addition, due to human-driven degradation frequently present in Fiji, fragmented forest ecosystems have altered microclimates, reduced connectivity, and increased vulnerability to disturbances, further exacerbating the impacts of climate change ([Gillespie et al. 2014](#)). The FAO analysis of the effects of climate variability on forests in Fiji suggests that an increase in monthly temperatures is linked to a decrease in canopy and tree cover. In contrast, the impact of rainfall variations on the same forest characteristics is less likely to occur (FAO, 2023). Climate change-related stress also impacts mangrove forests, particularly the rise in relative mean sea level ([Gilman et al. 2006](#)). Changes in rainfall patterns and increased frequency and intensity of torrential rains are expected to increase waterlogging, erosion, and landslides, damaging riparian tree cover and reducing accessibility to sites. Moreover, increased periods of dry spells are expected to impact water storage and availability ([TNC, 2020](#)), increasing the risk of wildfires, altered growth patterns, and possible shift ranges of species. These impacts significantly affect both forest-dwelling communities and forest ecosystems and reduce revenues in the forestry sector. Information on the effects of climate change on agriculture in Annex 2, par.53. Human activities heavily influence the natural environment, and forest degradation and deforestation in Fiji are mainly caused by (i) root crop production (taro^{xiv} and kava^{xv}); (ii) poorly planned infrastructure development (e.g., roads, urban development, hydropower, and tourism development); (iii) conventional logging; (iv) some traditional forest uses, such as fire for hunting and land clearing; and (v) invasive species ([CI, 2020](#)). These activities exacerbate climate change, leading to significant changes in coastal and marine ecosystems and ultimately affecting people's livelihoods. Approximately 40% of indigenous forests exhibit degradation, and mangroves have reduced 25% of their area from 2003 to 2013 ([WB, 2017](#)).

8. **National Greenhouse Gase (GHG) emissions profile and forestry sector emissions:** Fiji's annual GHG emissions were estimated to be 3.2 MtCO_{2eq} in 2019^{xvi} ([GoF, 2023](#)), which corresponds to an average of 3.5 tCO_{2eq} per person and per year against a world average of 6.6 tCO_{2eq} per person / year. The energy sector is the highest emitter with 67% followed by agriculture with 17%, Waste with 12% and industrial processes with 4%. Carbon sinks of the Forestry and Land Use sector corresponded in 2019 to -0.85 MtCO_{2eq}, which means that there has been an increase in carbon removal and decreased deforestation occurring since 2013 when the industry was considered a net emitter with a slight contribution of 0.02 MtCO_{2eq}. Fiji's Ministry of Fisheries and Forestry (MoFF) undertook a preliminary National Forest Carbon Stock Assessment in 2011: Total carbon stock for the national forest estate in the current datasets is 199^{xvii} mln tCO_{2eq} divided further between indigenous forests (157 mln tCO_{2eq}); pine forests (28 mln tCO_{2eq}); and mahogany forests (14 mln t CO_{2eq}). The current GHG inventory shows that initiatives in the forestry sector have successfully reduced carbon stocks depletion (See Annex 2, Table 15).

9. **The business-as-usual scenario:** One of the primary consequences of forest degradation is increased runoff and sedimentation, and Fiji is losing over 50 tons of soil per hectare annually through run-off, which is four times the average in tropical areas ([FAO, 2018](#)). Similarly, changes in agriculture and other land use, such as construction, are negatively impacting downstream ecosystems via pollution and additional sediments^{xviii}. This aggregated sediment-laden runoff increases flood risks and can hinder the survival and growth of photosynthetic organisms like corals and algae. Sedimentation further undermines the calcification capacity of coral reefs, compounding the impacts of climate change drivers such as ocean warming, frequent marine heatwaves, and acidification. According to [Suárez-Castro et al. \(2021\)](#), 41% of coral reefs worldwide are significantly impacted by sedimentation problems. The research of [Brown et al. \(2017\)](#) confirmed that the most degraded catchments of Vanua Levu in Fiji, in which the native vegetation was removed for infrastructural or agricultural development, were the ones with the highest erosion and consequently the highest marine turbidity rates^{xix}. The national economy is dependent on the utilization of natural resources, and their further degradation would have significant negative impacts on the sustainable development of the population. Fiji is expected to have much larger losses due to heavier rainfall if adaptation measures are not introduced. Fluvial and pluvial floods lead already to losses of 2.6% and 1.6% of GDP per year, respectively ([World Bank, 2021](#)), and are expected to further increase by almost 40% and 45%, respectively, until 2050 ([World Bank, 2017](#)). The overall economic impact of climate change in the Pacific region is estimated to reach 12.7% of annual GDP by 2100 ([ADB, 2013](#)). Disaster losses are not evenly distributed throughout the population and affect poor people disproportionately. Fiji faces annual asset losses of FJD 500 M (USD 220 M) from tropical cyclones and floods, which translate into a reduction in national consumption by FJD 900 M (USD 400 M), disproportionately impacting the poor. Each year, an average of 25,700 people

are pushed into poverty due to these climate related disasters. A severe 100-year tropical cyclone could force nearly 50,000 Fijians, about 5% of the total population, into poverty. In addition to socioeconomic impacts, cyclones severely impact ecosystem services. For example, following Tropical Cyclone Winston in 2016, it was estimated that native forests, mangroves, and coral reefs would take up to 15 years to regenerate and restore their full ecosystem functions (TNC, 2020).

10. Fiji has advanced the mainstreaming and implementation of climate actions in the forestry sector to strengthen the resilience of ecosystems and communities. However, essential gaps must be addressed at the national and community levels to ensure the proposed paradigm shift defined in the major national strategies. The LEDS, for example, foresees the carbon sink of the forestry sector to increase from -85 kt CO_{2eq} in the BAU scenario, to up to -1.7 mln tCO_{2eq} in the year 2050 to reach its climate neutrality goals. This requires significant efforts for efficient and sustainable development of the sector.

11. **Barriers:** Four key barriers were identified through a review of lessons learned from key state- and donor-funded projects (e.g., EU, GEF, and WB ^{xxii}), literature, and stakeholder interviews during the national engagement phases of the design process (Annex 7). The root causes and bottlenecks preventing climate-adaptive, effective, transparent, and integrated management of Fiji's forest and other natural resources are multifaceted, contributing to high exposure and vulnerability of ecosystems and communities. The four identified barriers cause adverse impacts (see Theory of Change Annex 23), which are further amplified by climate change (Section B.1). As a result, the country (I) experiences increased net emissions, (II) faces greater exposure and vulnerability of ecosystems and communities, (III) sees heightened conflict between upstream and downstream ecosystems and communities, (IV) suffers reduced contributions of ecosystems to the national GDP; and (V) bears escalating costs of responding to climate change related impacts.

12. **Barrier 1: Inadequate and incomplete policy and knowledge framework.** While Fiji disposes of a developed policy framework for the forestry sector (Annex 2, p.36-39), it does not adequately account for the complexity of ecosystem services, the impacts of climate change, or how both are interconnected to natural resource management practices at the granular level of communities as well as the wider landscape scale. Coordination across concerned institutions and other stakeholders remains unstructured due to the country's project-based approach to NRM management. The current national policy framework also does not fully embed adequate measures to guarantee that customary laws related to land property could effectively contribute to Fiji's resilience and climate change mitigation. Standards regulating sustainable management of forests and other ecosystems have been only partially developed and, in many cases, implementation has been delayed ^{xxiii} due to institutions and market players lacking the technical capacity to shift from BAU to the newly proposed approaches. Furthermore, the absence of effective coordination across ministries and institutions has led to divergent and sometimes conflicting approaches ^{xxiv}, with some focusing on SFM, conservation of forests, and carbon stock enhancement, while others focus on maximizing yields^[6]. An integrated and coordinated approach for landscape (R2R) and natural resource management is therefore of paramount importance. Different sectors must be fully informed and engaged on the objectives of sustainable forest management and equipped with the tools necessary to comply with new standards and regulations.

13. **Barrier 2: Lack of community engagement and awareness, including youth and females in NRM planning.** Although land in Fiji follows customary law according to the iTaukei Land Trust Act (1940) and subsequent acts (e.g., the Land Transfer Act, 1979; the Land Conservation and Improvement Act, 1975, and others) which recognize the role of communities (i.e. clans) in receiving dividends from land use via the iTaukei Land Trust Board (TLTB), their participation in land use planning remains limited. Current planning processes are conducted primarily at the district level, with only marginal involvement of communities, and do not systematically incorporate ecosystem-based or climate-responsive approaches. While customary landowners recognize the importance of forest resources to their material and spiritual well-being, it is recognized that the significance of the forests has dissipated with the advent of monetary benefits via the payment of logging royalties ^{xxv}. Moreover, the absence of long-term planning combined with the low awareness of customary landowners about the multiple benefits that forest ecosystem services provide and their contribution to community well-being has weakened incentives for conservation. In addition, limited knowledge of market benefits in conjunction with inadequate financial incentives have further driven deforestation and forest degradation ^{xxvi}.

14. The current system does not recognize or compensate downstream communities for impacts related to unsustainable upstream practices of natural resources, nor does it compensate upstream communities for conservation measures that benefit downstream communities. A clear example is sedimentation of rivers and reefs due to forest clearing (i.e., river dragging), which imposes costs on the national budget and undermines the livelihoods of coastal communities relying on coral reef-based tourism (i.e., reef damages due to siltation). Land-use and forestry planning currently in place remain fragmented and does not sufficiently account for climate change impacts and ecosystems. As a result, communities face heightened exposure and vulnerability to wildfires, flooding, landslides, and loss and damage to agriculture and livelihoods, among others. Communities have been identified as lacking the necessary knowledge

and technical capacity to implement activities related to ecosystem management and forest landscape restoration (FLR) approaches. In this regard, the Technical Needs Assessment of the Third National Communication (UNFCCC, 2020) highlighted the importance of knowledge transfer concerning related techniques and capacities. An immediate consequence of this barrier is the lack of understanding among communities about the impacts on the environment and adjacent and distant communities. Moreover, while Fiji made considerable progress concerning land use management with the adoption of the land use plan for Viti Levu – the main island of the archipelago –, unplanned agricultural expansion is still a considerable driver of forest degradation and deforestation due to the perceived financial benefits compared to SFM^{xxvii}. Furthermore, as highlighted by the [NAP \(2020\)](#), short-term licenses are often assigned to logging companies for the rights to remove logs for commercial purposes from native forests, limiting long-term planning and investments in sustainable techniques, such as reduced impact logging^{xxviii}. Gender inequalities also persist. Although women play an important role in all productive stages of the food system and in the production of plants (up to 70% in nurseries), they are often underrepresented and underreported and usually face restrictions. The National Adaptation Plan ([NAP, 2020](#)) recognizes the need to enhance women's participation in agriculture (including forestry), as doing so would increase the productivity and profitability of the entire sector.

15. **Barrier 3: Undervalued forest value chains.** Forest value chains are mainly organized around timber extraction driven by export markets with limited value-added investments in processing of timber products for export or any consideration of the economic returns from ecosystem services. Due to the general lack of institutional and regulatory support to the forest industry, which leads to weak quality control, limited trust and demand of consumers, stakeholders often lack the incentives, tools, and capacity to engage in value-added investments. Further, they do not perceive forests as nature-based solutions that can guarantee resilience, climate change adaptation or diversify and enhance traditional livelihood. While opportunities have been identified for more sustainable approaches (Annex 2 – Appendix 7), there is still limited capacity for Fijian companies and communities to engage in sustainable forest practices or to participate in the NTFPs markets^{xxix}. High-opportunity commodities like dilo oil, sandalwood (yasi), and handicrafts (voivoi, magimagi, masi) currently suffer from barriers related to supply consistency, quality control, and a lack of technical processing capacities. Likewise, benefits from ecosystem services remain largely untapped due to the absence of adequate capacities and tools to ensure safe and fair engagement in sustainable forest management (SFM).^{xxx}

16. **Barrier 4: Lack of public and private financial tools to support forestry.**

The forestry sector in Fiji is currently underperforming and underfinanced. The entire forest value chain—from nurseries to harvesting, downstream processing, and value addition—operates inefficiently, as evidenced by the continuous decline in log productivity from Fiji's forests. The last FAO Forest Sector review^{xxxi} suggested that the logging of native forests would phase out as plantations matured, with the potential of plantations to deliver over 1,000,000 m³ of Roundwood per year by 2020. However, the actual production level in the forest sector ^{xxxii}₂₀₁₉ remains well below this potential, due predominantly to the sector's limited financial capacity to fully harness plantation resources. High land lease costs and the financial value of harvestable Roundwood stocks has driven the cost of doing business to unsustainable levels. Additionally, there is a need for greater investment in entrepreneurial skills and awareness of sustainable forestry practices and climate-friendly forests products. Common challenges related to forestry investments that would need to be addressed include (i) unfavorable terms of financing (e.g., high interest rates and short repayment periods); (ii) high upfront costs of preparing forestry sector investment; (iii) disproportionately high administrative and transaction costs, especially for small enterprises; and (iv) the non-acceptance of standing trees as collateral. On the other hand, financial institutions also face difficulties, notably the poor quality of the funding proposals, as many local forestry businesses, enterprises, and smallholders lack the technical capacity to prepare bankable projects. The high risk of forestry investments raises concerns about repayment ability, which results in the difficulty for forest smallholders and Small and Medium Forest Enterprises (SMFEs) to capitalize sufficiently to achieve financial sustainability, and remain trapped in a vicious cycle of economic dependence on informal financiers.

17. **Target areas** (in complementarity to those of WWF-CRRP) were identified based on a host of factors that included exposure and vulnerability to climate change, degradation and deforestation hotspots, presence of areas with high biodiversity, low climate resilience and adaptive capacity of the local population and presence of complementary initiatives (See Annex 25b for the methodology for the target areas selection). The preliminary areas have been discussed and agreed upon on several occasions (see Annex 7) with the NDA, WWF and the Fiji Development Bank (FDB) during formulation in order to (i) ensure synergies with the whole national GCF programme^{xx} and with initiatives focusing on other complementary marine and terrestrial ecosystem services. Additional details on complementarity with all programmes are available in Annex 2, Appendix 8) and information on beneficiaries can be found in Annex 2, par. 192 – 196.^{xxi} Final project sites will be confirmed at project implementation by the government by utilizing the methodology established by the project (Annex 25b). Coherently, the project aims to directly enhance and restore the

productive capacity and ecosystem quality of Fiji's forest landscapes to improve the climate resilience of **vulnerable 346,591 persons while increasing carbon removals from the forestry and land use sector (6 MtCO_{2eq} (20Y))**.

18. **Scale up, Complementarity, and Coordination:** To tackle climate change challenges and to enhance forest-based carbon balance, the country launched in 2009 its national REDD+ programme, with the support of the Secretariat of the Pacific Community (SPC) and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) project "Coping with Climate Change in the Pacific Island Region"^{xxii}. Through the REDD+ program, it was possible to develop a strategy to address drivers of deforestation and degradation through a participatory consultation process and several community forest management projects, for example, the following ones launched in 2012: (i) The Drawa Rainforest Project protecting 4,144 hectares of forests over 30 years has received validation under the Plan Vivo standard and began selling carbon credits through auctions and benefiting 8 landowning clans. (ii) The national REDD+ pilot project in Navosa province aims to conserve 7,347 hectares along the Tuva Catchment by 2026. In 2018, eight landowning units received USD 20,700 from their first carbon credit trade, and the communities continue receiving payments for ecosystem services.

19. Furthermore, the project will build on FAO's experience in reducing forest and land degradation with the Global Environmental Facility (GEF) project on 'Forestry and Protected Area Management' in Fiji, Samoa, Vanuatu, and Niue^{xxiii}, R2R approach through GEF5 Integrated Water Resources Management (IWRM) and FAO's support to Fiji's Action Against Desertification^{xxiv}. Under the coordination of the NDA and the overall support of a joint (FDB/WWF/FAO) steering committee^{xxv}, the project will operate in complementarity with other GCF projects in the pipeline (FAO, WWF, and FDB/DAE), representing an effective example of national ownership and coordination of GCF projects. A detailed list of the complementarities and synergies between the GCF projects is included in Appendix 8 in Annex 2. A comprehensive record of all relevant projects, along with their interconnections and synergies with the present initiative, can be found in Annex 2, Table 15. Of particular importance for impactful coordination within the project is the support to the FDB, a Direct Access Entity (DAE), in designing and adopting new financial mechanisms to ensure innovative climate action by the private sector. Overall, the project aims to foster collaboration in tackling climate-related requirements by leveraging distinct contributions from diverse partners and optimizing existing local knowledge, specialized expertise, and financial resources for maximum impact.

B.2 (a). Theory of change narrative and diagram (max. 1500 words, approximately 3 pages plus diagram)

20. **Goal statement:** IF Fiji establishes an integrated ridge to reef governance and planning framework, empowers communities to plan and execute sustainable and climate resilient land and forest management, and embeds ecosystem based investments into domestic financial and market systems, **THEN** forest landscapes will be restored and sustainably managed, food security will be increased, climate risks to communities and downstream assets will be reduced, carbon removals will be stabilized and increased, and reliance on recurrent public expenditure and external grants will progressively decline, **BECAUSE** preventive ecosystem management lowers climate and sustainable NRM investment risks over time, while evidence based, institutionalized financing mechanisms expand viable investment opportunities for communities and the private sector and replace fragmented, project based funding.

21. Forest degradation across Fiji's watersheds increases soil erosion, flood peaks, and sedimentation, which in turn generate recurrent losses to agriculture, infrastructure, tourism, and coastal ecosystems, while reducing carbon removals. This creates a vertical chain from environmental degradation (ref: Section B.1, Annex 2 and Annex 23) to rising climate and fiscal risks and vulnerability; horizontally, upstream land use decisions affect downstream and coastal systems across ridge to reef landscapes, linking forestry, agriculture, food security, infrastructure, water, and coastal management and requiring integrated responses rather than isolated interventions.

22. This context persists due to four interacting barriers: 1) fragmented and outdated policy/planning frameworks; 2) limited community incentives, capacity, and participation; 3) undervalued forest value chains; and 4) restricted access to ad hoc finance. Vertically, these barriers prevent mitigation and adaptation actions from consistently translating into sustained outputs and outcomes. Horizontally, they reinforce one another: policy uncertainty increases investment risk; uncertain planning at community level prevents adaptive NRM management and favors business as usual extractive approaches; constrained access to finance and weak market incentives limit community and private sector uptake of sustainable practices, undermining long term stewardship. Addressing these barriers in isolation would therefore lead to fragmented and short-lived results; a systematic and integrated approach that considers ecosystem interconnections across communities and livelihoods is required to unlock durable ridge to reef climate resilience outcomes.

23. Coherently, the project will institutionalize intersectoral coordination (Outp.1.1), update natural resource and forestry policies (Outp.1.2), and operationalize climate risk informed Community Landscape Management Plans (CLMPs) (Outp.1.3). These interventions will produce concrete outputs, such as adopted policies and standards, NRM management plans, and operating procedures that ensure evidence based and climate-oriented decisions and reduce

direct and indirect land use risks. Horizontally, coherent rules and plans will align national priorities with NRM based local action and reduce regulatory uncertainty for public and private financiers.

24. Additionally, through early, visible forestry investments under Component 2, including ecological monitoring, climate adaptive nurseries (Outp.2.1), community led FLR, SFM, conservation activities, and the establishment of HCVPs, the project will translate planning outputs into tangible and near-term improvements in ecosystem health, food security, community resilience, livelihoods, and carbon removals (Outp.2.2). These investments are catalytic, as they demonstrate technical feasibility, generate immediate ecosystem service benefits, and create bankable, on-the-ground pipelines for subsequent scaling. Horizontally, reduced ecosystem risk at watershed scale improves conditions for enterprises and financiers, while shared planning and monitoring strengthens coordination among communities and with line agencies (Outc. 1).

25. Furthermore, by investing alongside state–community forestry corporations, notably FHCL and FPL, as well as with communities and private sector operators in forestry, agroforestry, and other NRM related sectors, the project will accelerate adoption of sustainable forest management practices through scale, established operational systems, and demonstration effects (Outp. 3.3). This will fast track transversal ridge to reef benefits, as enhanced forest ecosystem services, including reduced erosion and sediment loads, improved base flows, and habitat connectivity, propagate downstream to agriculture, infrastructure, coastal ecosystems, and reefs, strengthening resilience and climate outcomes across the entire landscape–seascape continuum (Co-B. 1).

26. Communities, private operators, and public–community owned forestry corporations will adopt sustainability standards and ecosystem service approaches (e.g., FSC and ESPRO) (Outp.3.1). Vertically, improved practices and certification strengthen market access and revenue stability, reinforcing incentives for sustained management. Horizontally, enterprises connect community production with markets, policy objectives, and financing, increasing stewardship and investment confidence and contributing to gender equality and the generation of green jobs in rural areas (Co-B 2 and 3)

27. Finally, by strengthening public and private financial institutions, including FDB and other NFIs, to apply climate risk screening, safeguard aligned eligibility, and tailored forestry/agroforestry products identified through evidence based and community agreed CLMP pipelines, and by preparing Fiji for ecosystem service and carbon related finance, the project will improve access to credit and enable scaling of SLM, SFM, and FLR investments (Outp.3.2). Vertically, these measures convert institutional capacity and product upgrades into more, better priced lending for climate resilient land and forest management. Horizontally, derisking factors introduced by the project, such as (i) policy clarity and standards from Component 1 (reduced regulatory risk), (ii) CLMP anchored pipelines and community aftercare (lower implementation risk), (iii) FSC/ESPRO practices and enterprise track records (lower operational/market risk), and (iv) ESS aligned screening and covenants in credit processes, increase bankability and portfolio quality for NFIs (see B.6; D.6; Annex 2). As these risk reductions are demonstrated, including in areas where commercial forestry investments were done by companies and communities (Outp. 3.3), NFI uptake will rise, and institutionalized mechanisms (NFI products, potential levy/fund once approved, and performance linked revenues such as carbon/ES claims) will progressively replace fragmented, project-based funding

Together, these pathways will create reinforcing feedback loops: preventive and adaptive ecosystem management lowers long term climate and fiscal risks, decreasing reliance on emergency outlays; risk reduction then improves finance terms and uptake, while evidence based, institutionalized financing progressively replaces project-based grants (goal). This durability rests on assumptions including continued institutional uptake of policies/CLMPs, tangible benefits that sustain community engagement, and FI retention of new tools, which are managed through phased implementation, targeted watersheds, aftercare and monitoring, and embedding tools within permanent institutions (as per B.6 and D.6).

Figure 5 Theory of Change

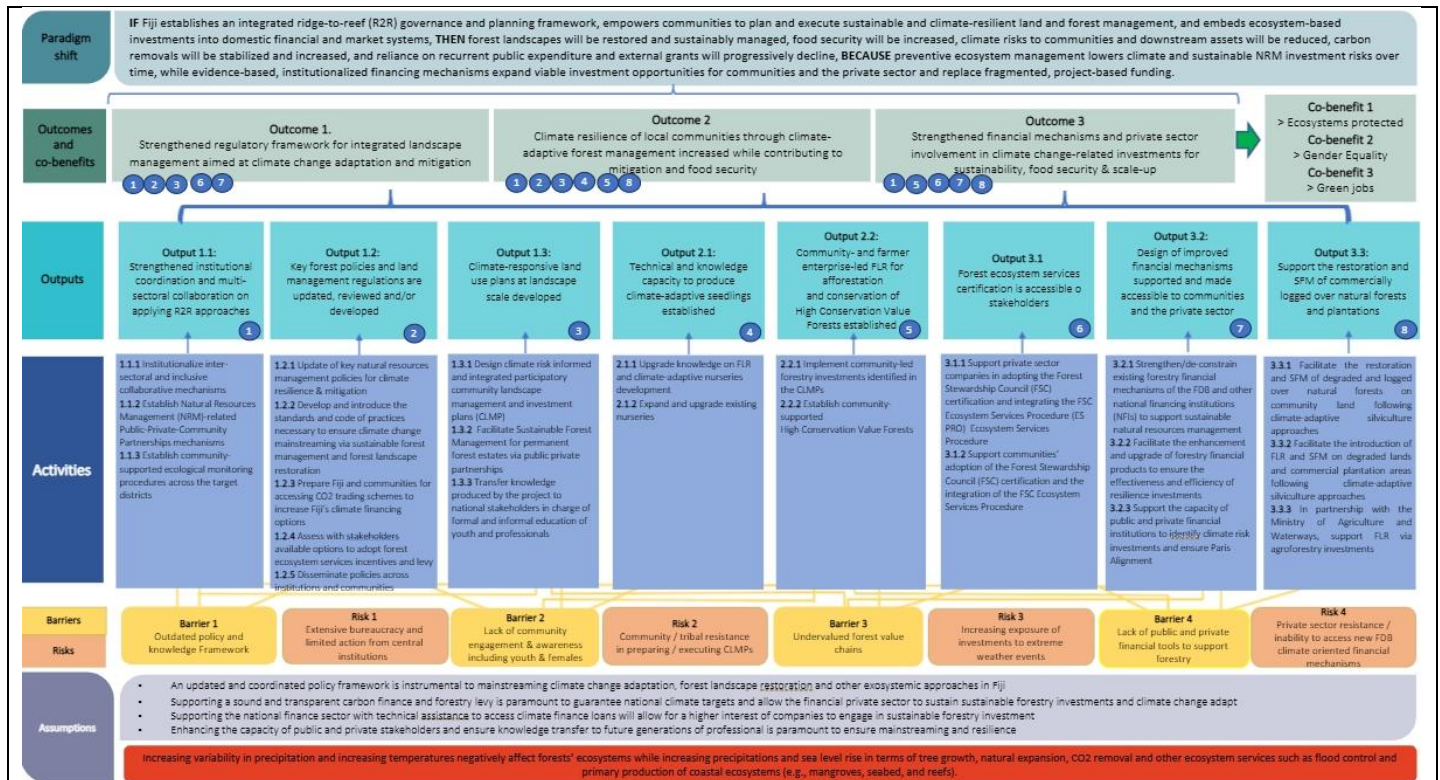


Table 1 Overview of activities proposed by the project to address barriers

Barrier	Activities addressing barrier	Main Climate Outcome
Inadequate and incomplete policy and knowledge framework	1.1.1: Institutionalize inter-sectoral and inclusive collaborative mechanisms. 1.2.1: Update of key natural resources management policies for climate resilience and mitigation. 1.2.2: Develop and introduce the standards and code of practices necessary to ensure climate change mainstreaming via SFM and FLR.	The country will dispose of the necessary policy and legal mechanisms to maximize climate change investments while ensuring processes and procedures that will reduce the risk of maladaptive management of NRM and contribute to increasing the resilience of communities.
Lack of community engagement & awareness, including youth & females in NRM planning	1.1.3: Establish community-supported ecological monitoring across the target districts. 1.2.5: Disseminate policies across institutions and communities. 1.3.1: Design climate risk-informed and integrated participatory community landscape management and investment plans 2.1.1: Upgrade knowledge on FLR and climate adaptive nurseries development. 2.1.2: Expand/upgrade existing nurseries. 2.2.1: Implement community-led forestry investments identified in the CLMPs 2.2.2: Establish community-supported High Conservation Value Forest 3.1.2: Support communities' adoption of the Forest Stewardship Council (FSC) certification and the integration of the FSC Ecosystem Services Procedure (ES PRO). 3.3.1: Facilitate the restoration and SFM of degraded and logged over natural forests on community land following climate adaptive silviculture approaches.	Stronger and more engaged communities will increase the national capacity to adapt to climate change and to contribute to low emission pathways. By ensuring the engagement of communities in natural resources planning, monitoring and adaptive investments and by expanding their capacity to contribute to carbon removals will ensure a capillary ownership and execution of key strategic targets established with the NAP or with the Fiji's National Climate Change Policy (NCCP). Furthermore, engaging communities in the planning and monitoring of land and NR investments will allow a deeper comprehension of the impacts of livelihood activities on local and downstream ecosystems and will facilitate negotiations and compensation between institutional levels (e.g. local --> National and vice versa) as well as

	3.3.2: Facilitate the introduction of FLR and SFM on degraded lands and commercial plantation areas following climate-adaptive silviculture approaches.	among communities sharing the same watershed.
Undervalued forest value chains.	1.1.2: Establish Natural Resources Management (NRM)-related Public-Private-Community Partnerships mechanisms 1.2.2: Develop and introduce the standards and code of practices necessary to ensure climate change mainstreaming via SFM and FLR. 1.2.4: Assess with stakeholders available options to adopt forest ecosystem services incentives and levy. 3.1.1: Support private sector companies in adopting the Forest Stewardship Council certification and integrating the FSC Ecosystem Services Procedure . 3.1.2: Support communities' adoption of the Forest Stewardship Council certification and the integration of the FSC Ecosystem Services Procedure .	Developing shared mechanisms that recognize the value of forests beyond resource extraction—by capturing the full range of services they provide, including non-timber forest products (NTFPs), energy, wood, and protective functions at the local level; water regulation and environmental protection at the national level; and carbon sequestration at the international level—is a key precondition for sustainable forest management and resilient forest value chains. Operationalizing this broader valuation will enhance the profitability and bankability of forest-based enterprises by facilitating access to niche and sustainability-oriented markets, while simultaneously strengthening community resilience and long-term stewardship of forest landscapes. It will also create enabling conditions for nature-based financing instruments, such as guarantees, revolving mechanisms, and blended finance, thereby reducing the sector's structural dependence on external grant financing.
Lack of public and private financial tools to support forestry.	1.1.2: Establish Natural Resources Management (NRM)-related Public-Private-Community Partnerships mechanisms 1.2.3: Prepare Fiji and communities for accessing carbon markets to increase Fiji's climate financing options. 1.2.4: Assess with stakeholders available options to adopt forest ecosystem services incentives and levy. 1.3.2: Facilitate Sustainable Forest Management for permanent forest estates via public-private partnerships. 3.1.1: Support private sector companies in adopting the Forest Stewardship Council certification and integrating the FSC Ecosystem Services Procedure. 3.2.1: Strengthen/de-constrain existing forestry financial mechanisms of the FDB and other national financing institutions to support sustainable natural resources management. 3.2.2: Facilitate the enhancement and upgrade of forestry financial products to ensure the effectiveness and efficiency of resilience investments. 3.2.3: Support the capacity of public and private financial institutions to identify climate-risk investments and ensure Paris-aligned pipeline portfolios. 3.3.3: In partnership with the Ministry of Agriculture and Waterways, support FLR via agroforestry investments.	Access to credit is essential to enabling communities and private sector actors to engage in sustainable, climate-adaptive, and low-carbon development investments. Therefore, involving both private and public financial institutions in establishing appropriate financing mechanisms and procedures—while also supporting stakeholders in adopting new practices and approaches—will foster stronger private sector engagement and a greater willingness to invest in sustainable forest management and other sustainability-oriented, low-carbon initiatives. This, in turn, will help ensure the long-term viability of proposed interventions while contributing to de-risking and removing barriers to private sector investment in sustainable forest management.

B.2 (b). Outcome mapping to GCF results areas and co-benefit categorization

Outcome	GCF Mitigation Results Area (MRA 1-4)				GCF Adaptation Results Area (ARA 1-4)			
	MRA 1 Energy generation and access	MRA 2 Low-emission transport	MRA 3 Building, cities, industries, appliances	MRA 4 Forestry and land use	ARA 1 Most vulnerable people and communities	ARA 2 Health, well-being, food and water security	ARA 3 Infrastructure and built environment	ARA 4 Ecosystems and ecosystem services
Outcome 1 Strengthened regulatory framework for integrated landscape management aimed at climate change adaptation and mitigation	☐	☐	☐	☒	☒	☐	☐	☒
Outcome 2 Climate resilience of local communities through climate-adaptive forest management increased while contributing to mitigation and food security	☐	☐	☐	☒	☒	☒	☐	☒
Outcome 3 Strengthened financial mechanisms and private sector involvement in climate change related investments for sustainability, food security & scale-up	☐	☐	☐	☒	☒	☐	☐	☒

Co-benefit number	Co-benefit					
	Environmental	Social	Economic	Gender	Adaptation	Mitigation
Co-benefit 1: Ecosystems protected	☒	☐	☐	☐	☐	☐
Co-benefit 2: Gender Equality	☐	☒	☒	☒	☐	☐
Co-benefit 3: Green Jobs	☒	☒	☒	☐	☐	☐

B.3. Project/programme description (max. 2500 words, approximately 5 pages)

28. The proposal is articulated in three components. Each component aims to contribute to the project's objective by addressing one or more barriers. Activities will involve a different range of beneficiaries (Annex 25) that will be identified - when suitable – via specific and objective selection criteria. All the activities will be executed in identified target areas (Annex 16 and Annex 16b). Besides those activities that have a national scale and benefit the entire population, priority will be given to beneficiaries living in the district where WWF-Fiji and FDB will operate with their GCF proposals. The project will adopt a landscape approach that will allow planning and management at the Mataqaali level and identify the most suitable restoration and management options for each target area. Integrated land use planning, informed by climate risks and subsequent FLR and SMF interventions, will be enabled by strengthening inter-ministerial

collaboration and improved policies, guidelines, regulations, and codes of conduct. Drawing on experiences such as community forestry and community-driven Protected Areas establishment, the project will raise awareness of the above-mentioned key actors, reach agreements with them for FLR and SFM, and promote/facilitate market approaches for sustainable adoption of climate-smart practices.

Component 1 - Strengthened regulatory framework for climate-responsive and integrated landscape management (Ridge to Reef – R2R)

Outcome 1. Strengthened regulatory framework for integrated landscape management aimed at climate change adaptation and mitigation

29. Complementarily with the CRRP project (WWF-Fiji), component 1 will support and enhance the establishment of clear and shared enabling conditions for SFM and FLR to effectively and efficiently contribute to climate change adaptation and mitigation. In addition, results of the project will support the progressive integration of the value of forest ecosystems into policy and investment decision-making. Through CLMPs and associated data systems, the project will generate spatially explicit evidence on key ecosystem services, such as erosion control, flood regulation, carbon storage and livelihood support, that can inform national stakeholders in quantifying ecosystem contributions to the local and national economy. This provides a practical foundation for future natural capital accounting approaches and for the evidence-based design of incentives, levies and financing mechanisms linked to forest ecosystem services. To this end, the outcome will invest in: **(Output 1.1)** structuring and enhancing the inadequate collaboration and coordination among stakeholders^{xxvi} for landscape approaches for climate change; While Output 1.1 plays an enabling role, it functions as a Concrete Adaptation Intervention by establishing a national spatial risk management System. This system internalizes the environmental externalities of commercial logging and agriculture that currently drive downstream vulnerability. By establishing partnerships (Activity 1.1.2) and local monitoring protocols (Activity 1.1.3), the project moves beyond coordination into active risk mitigation. **(Output 1.2)** updating the outdated and incomplete governance, policy framework, and incentive mechanisms for stakeholders to restore, manage and protect forest ecosystems and landscapes; and **(Output 1.3)** increasing participation of customary landowners and communities in planning landscapes and ecosystems at the sub-national level. Furthermore, building on the framework of the Climate Change Act (2021) and its enactment, project's investments will include (output 1.1) supporting the Ministry of Environment and Climate Change (MECC) and the Prime Minister's Office (PMO) in enabling the carbon sequestration property rights and legal environment for domestic carbon market and ecosystem services in Fiji. Finally, through collaborative and participatory approaches, the project will ensure a precise and evidence-based understanding of the current status of land and resources, ecosystem services, and climate change impacts to stimulate and facilitate land use planning at the landscape scale. As a whole, **Component 1 will contribute to USP 2024-2027 targets: 1-4-5 and 10.**

BAU: In the BAU scenario, the lack of adequate and modern policies and governance is one of the pillars of the adaptation deficit and maladaptive management of natural resources. Under this scenario, maladaptive and unsustainable practices will continue negatively affecting all ecosystems, with direct externalities on the livelihood of rural communities and the economy in general.

Available Options for Component 1 (more details in Annex 2, Table 24)

No Action. Not acting will leave the business-as-usual scenario unchanged and jeopardize development targets and climate-related strategic ambitions (e.g., Carbon Neutrality by 2050). Forest degradation will continue increasing the population's exposure and vulnerability, their livelihood, and Fiji's capacity to act as a climate change leader in the region and globally. Finally, no action will de facto prevent communities from contributing to climate change action, potentially creating inter-community conflicts related to natural resources management.

Top-down policy intervention: Addressing only the significant policies at the national level will require limited financial resources and will contribute to achieving targets. Nonetheless, it will remain incomplete as it will not support policy adoption, governance mechanisms, and transversal ownership of objectives. Not involving all the stakeholders may fail to create the needed enabling condition for transformative paths and for ensuring the additional value of climate change mainstreaming across policies, sectors, and stakeholders via the aimed R2R approach.

Cross-cutting policy intervention (project investments): Supporting policy dialogue and enhancement with a cross-cutting and participatory approach will increase the complexity of the process, but it will also allow ownership and engagement of all stakeholders, ensuring their contextual participation as well as their capacity to engage in medium- and long-term perspectives. This approach will ensure the upgrading of the

policy and the establishment of appropriate governance mechanisms. It will allow stakeholders to effectively engage in the process and contribute to climate change adaptation and mitigation targets. To this end the project will invest in: (1) Enhancing coordination and collaboration among stakeholders; (2) Updating the policy framework necessary to ensure full application of PES and Carbon Credits that will provide further revenue streams for climate investment; and (3) ensuring stakeholders participation in natural resources management and land use planning at climate change adaptation and mitigation (Ridge to Reef – R2R).

Output 1.1: Strengthened institutional coordination and multi-sectoral collaboration on applying R2R approaches

Activities:

- 1.1.1: Institutionalize inter-sectoral and inclusive collaborative mechanisms
- 1.1.2: Establish NRM-related Public-Private-Community Partnerships mechanisms
- 1.1.3: Establish community-supported ecological monitoring procedures across the target districts

30. **Activity 1.1.1: Institutionalize inter-sectoral and inclusive collaborative mechanisms.** This activity will develop and strengthen mechanisms of inter-ministerial collaboration and coordination for climate change adaptation and management in forestry and include those institutions active in managing other natural and human-made ecosystems. The activity will also establish a virtual multi-stakeholder platform for strengthening cross-sector collaboration, discussions, and knowledge sharing, including public actors as well as civil society organizations (CSO), academia, local communities, private sector and industry, and others relevant to climate change adaptation and forestry (e.g., SFM, FLR). The virtual platform will be hosted by the PMO and chaired by the MECC. The members of the platform will meet regularly to discuss emerging issues and general matters and stimulate synergies, complementarities, and collaborations. To this end, the existing Climate Change Portal will be expanded to allow all stakeholders to interact and provide input. The platform will also favor the creation of a repository of all ongoing projects and related documents relevant to the country's CCA, CCM, FLR, SFM, and related landscape management. The process will allow for continued identification of coordination, enhancing the effectiveness and the complementarity of the interventions employed with the intention to apply R2R approaches that link upland forest management to downstream coastal ecosystems, ensuring a holistic and integrated strategy across the entire watershed. The activity will capitalize on different experiences in the sector to transform landscape planning from a single project approach to a long-term and process-oriented approach, addressing all necessary practices and financing mechanisms for climate action and how the agriculture and forestry sectors can contribute. The activity will also be an opportunity to expand coordination with WWF-Fiji and FDB (both AEs of potential GCF projects in the country) and create an enabling environment for the scaling-up and rolling out of nature-based solutions, including coastal protection approaches across Fiji. The activity will also see the participation of the Pacific Community, which will support the integration of promoted actions within the regional context of the action of the United Nations Satellite Centre (UNOSAT) of the United Nations Institute for Training and Research. In coordination with the project team, UNOSAT will promote innovative geospatial technologies to support data collection and advance understanding of lessons learned as well as monitoring and verification of activities implementation and beneficiaries reached. In this regard, it will provide a dashboard integrating project- and climate-related information, including georeferenced maps of field activities that will be integrated with national databases. Furthermore, the dashboard will integrate dedicated "NTFP layers" to include the NTFP resource assessment carried out within the CLMPs of activity 1.1.3. and improve mapping of these important high value resources. **Selection Criteria:** The activity will be open to all institutions and national organizations/agencies and representatives of CSOs, academia, and PSOs. Participation will be granted to noninstitutional representatives when: (i) registered and active in Fiji in a sector related to climate change, agriculture, forestry and fishery, and tourism. Participation will be voluntary and subject to Steering Committee clearance. **Financing source(s):** GCF / MoFF.

31. **Activity 1.1.2: Establish Natural Resources Management (NRM)-related Public-Private-Community Partnerships mechanisms.** The project will facilitate targeted discussions with private sector operators and communities to dive deep into barriers to resource base and climate actions and identify solutions for sustainable forestry investments. The project will promote R2R principles by fostering partnerships that integrate upland forest conservation with downstream coastal resource management, ensuring climate resilience and sustainable livelihoods across interconnected ecosystems. The project will support negotiations and agreements between MoFF, private companies, investors, and concerned communities to identify solutions and agreements for sustainable reforestation and management practices. The project will arrange different public-private-community roundtables focusing on their respective areas' needs regarding adaptation, mitigation, and livelihoods, inviting industry, communities, and investment partners to identify key actions and solutions for further strengthening investments for climate action through SFM and

sustainable FLR. The project will work with national and regional stakeholders (e.g. SPC, PIF, SPREP and others) to identify best practices^{xxvii} guidelines (e.g. [WB-IFC](#)) and design tailored approaches for the Fijian context with specific focus on forests and other ecosystems. Specifically, the project will support communities from the CLMPs to engage with the state and potential private sector investors (e.g. Matanataki Fund) to establish sustainable and resilient NRM-related partnerships. Consequently, legal experts hired by the project will develop, strengthen and update tailored guidelines for public-private-community partnerships (e.g., establishment, legal compliance, and monitoring) and coordinate with national and international finance institutions to identify possible climate finance mechanisms outside the grant mechanism. Activities and deliverables include: a) Structured partnership diagnostics and investment scoping where investments will be identified primarily via the CLMPs (Deliverable: Identification of partnership opportunities aligned with CLMP priorities and national policies); b) Guidelines and legal instruments (Deliverable: National guidelines and legal templates for NRM-related PPPs); and c) Negotiation support and reparation of formal partnership agreements ((Deliverable: NRM-related PPP agreements defining roles, benefit-sharing, safeguards, and monitoring). The guidelines will also provide recommendations on how to develop structured "Shared Value" and "off-take" agreements. This involves establishing agreements between community NTFP producers and high-end niche market buyers (e.g., leveraging the Pure Fiji cosmetic sourcing model highlighted in par. 130 of Annex 2). To stimulate processing, the project leverages identified opportunities in Appendix 6 and 7 of Annex 2, like the mahogany "waste wood" cottage industry opportunity, by providing guidance on how to facilitate commercialization agreements with the private sector. All products will be presented and discussed with community representatives. **Selection Criteria:** Communities holding rights over land, the private sector registered in Fiji, operating in forestry, agriculture, and tourism, and free from any legal pending case with communities or the administration. **Financing source(s):** GCF / MoFF

32. **Activity 1.1.3: Establish community-supported ecological monitoring procedures across the target districts.** During the preparation of the CLMP, the activity will establish a community-supported ecological monitoring framework for the targeted areas, including procedures and guidelines discussed and agreed with communities then tailoring the guidelines and principles established with the [FAO/GEF project Community-based Integrated Natural Resource Management](#) in other areas of the country .The framework will incorporate R2R principles, linking upland ecological monitoring with downstream coastal ecosystem health to ensure holistic, community-driven environmental stewardship. In alignment with the national REDD+ MRV Framework^{xxviii}, and trained by UNOSAT in synergy with activity 1.1.1, the monitoring and evaluation unit of the project will use information gathered through established community-supported forest monitoring approaches to evaluate impacts on communities' livelihoods, well-being and the ecosystem as a whole. The activity will support communities via dedicated training and participation in regularly monitoring the execution of plans, strategies, and investments in their areas of interest. Participatory approaches will be secured through community technical advisors and involving local schools and youth clubs. This will contribute to tracking progress on issues of particular concern (e.g., forestry investments), ensuring that stakeholders are well-informed about forest changes, encouraging them to review their objectives in the light of outcomes, and facilitating knowledge transfer to community members, students and other youths of both sexes. After the training, communities will be able to autonomously manage monitoring activities. District and central government officials will also be capacitated on how to integrate best the data and info provided by the community. Community monitoring will be essential to: (1) allow a shared evidence-based monitoring that will have a clear and formally recognized baseline in the CLMPs; (2) increase communities' ownership and responsibility towards sustainable management of natural resources and the impact that this will have on downstream communities; and (3) allow to introduce in PPPs contracts and – more in general into leases procedures- to reconstitute infrastructures and ecosystems as they were received when contract started. **Selection Criteria:** Communities in priority areas holding rights over land will appoint at least two people from the residents to join the community technician. All schools (primary and secondary) in each respective intervention area will be involved. Participation of youth clubs will be encouraged. **Financing source(s):** GCF / MoFF.

Output 1.2: Key forest policies and land management regulations are updated, reviewed, and/or developed

Activities:

- 1.2.1: Update of key natural resources management policies for climate resilience and mitigation
- 1.2.2. Develop and introduce the standards and code of practices necessary to ensure climate change mainstreaming via SFM and FLR
- 1.2.3: Prepare Fiji and communities for accessing carbon trading schemes to increase Fiji's climate financing options
- 1.2.4: Assess with stakeholders available options to adopt forest ecosystem services incentives and levy.
- 1.2.5: Disseminate policies across institutions and communities

33. **Activity 1.2.1: Update of key natural resources management policies for climate resilience and mitigation.** This activity will review and update those policies that are paramount to ensure the mainstreaming of climate change and the effective contribution of SFM and FLR to climate change adaptation and mitigation. With the involvement of national institutions, CSOs, and national and international experts, the project will update the following: (a) forest harvest regulations to ensure inclusion of SFM and FLR; (b) the Land and Resource Use Policy^{xxix} to institutionalize the community landscape planning process; and (c) the policy framework for protected areas to contribute to a practical R2R approach to climate change management. During the first phases of the project, the activity will include the review and update of other documents and policies identified by stakeholders (e.g. institutions, industry associations and community representatives) that are key in reaching project objectives. In order to be up to date with the latest international treaties related to sustainable forestry management and climate change, the activity will ensure that in particular the following aspects will be integrated: (i) To align with Article 6, the activity will build on the National Carbon Market Strategy Roadmap to assess the possibility to establish the basis of a national carbon registry for tracking Mitigation Outcome Units in the land use sector and define the formal governance structure for authorizing internationally transferrable mitigation outcomes; (ii) For the REDD+ Warsaw Framework, it will complement the GEF Capacity Building Initiative for Transparency by assessing the possibilities to integrate the National Forest Monitoring System and Safeguard Information System into permanent workflows; (iii) Further alignment with FCPF support involves working alongside the ERP to propose legislative amendments aligned with the Forestry Act 2025 to clarify the legal transfer of carbon rights from customary landowners and creating operational guidelines for the Benefit Sharing Plan. **Selection Criteria:** The activity does not require any selection criteria. **Financing source(s):** GCF / MoFF

34. **Activity 1.2.2. Develop and introduce the standards and code of practices necessary to ensure climate change mainstreaming via SFM and FLR.** Currently, Fiji forestry sector stakeholders lack standardized codes of practices and guidelines related to afforestation, reforestation, and plantation^{xxx}. These will be established under the activity, together with reporting templates and field guides to support reporting and monitoring. The activity will develop or update the codes of practices, develop specific quality standards for NTFPs, the governance framework, and the guidelines related to forestry investments, together with templates and field guides to support reporting and monitoring. It will also prepare comprehensive national forestry planting, management, harvesting plans, and related regulations. Key national forest regulations will also be updated specifically to ensure quality standards of forestry products and to recognize the contribution of reforestation, other forestry investments (e.g., afforestation), and forest management initiatives to climate resilience by adopting the FSC Ecosystem Services procedure as a means of verification for ecosystem service provision. This is also necessary to incentivize private sector engagement in sustainable forestry investments as planned under component 3. Furthermore, the regulations will include potential emissions reductions and removal references for each specific forest practice (e.g., fire prevention, conservation, SFM). This activity will ensure that forestry investments are implemented properly to deliver their full GHG reduction and climate resilience potential.

35. The activity will also develop the strategy to ensure a significant contribution of woody biomass to renewable energy and Net Zero Emission Targets in Fiji. The very high-ambition scenario of the low-carbon development strategy (LEDS) aims to build up to 220 MW of new biomass plants (Annex 2, par. 170 and Appendix 9). However, the current level of production of energy from wood fuel makes up only a small portion of the overall balance, and it is linked to BAU exploitation of forest concessions. At the same time, there is a significant potential to improve degraded agricultural and other lands via short-rotation plantations (SRP) that could also provide communities with regular incomes while contributing to soil rehabilitation. The project will, therefore, develop a national strategy for promoting SRP^{xxxi} for energy and other purposes (including green building materials), including a detailed map at national level indicating land with a high potential for SRP. In this regard, the project will also support the capacity-building and development phases of the newly created research facility for the multipurpose use of SRPs. The activity will also review the MoAW Farm Management Plan and other national and sub-national management plans, guidelines, and strategies relevant to farm management, climate resilience, mitigation practices, and technologies, as well as enhance synergies with natural resources and ecosystem management strategies. Furthermore, the activity will prepare a scheme for introducing and implementing a soil fertility map at national level. This will include establishing a methodology for maintaining fertility over time, meaning lenders will be obliged to return the soils with the same fertility after a leasing period. Communities (tribal groups) are all represented by the iTaukei Ministry that will also be part of the process. Furthermore, the project will consult community leaders involved with the CLMPs as well as others involved with the MoFF and the MoAW in other areas. All products supported and developed by the project will be presented and discussed with community representatives and their representatives. Communities will be updated directly during the preparation and execution of the CLMPs. Likewise, private sector operators will be consulted and informed both directly (when participating in project activities) or indirectly via industry associations. Finally, the project will consult with industry associations to ensure

private sector engagement and ownership. **Selection Criteria:** The activity does not require any selection criteria. **Financing source(s):** GCF / MoFF / MoAW / FAO

36. **Activity 1.2.3: Prepare Fiji and communities for accessing carbon trading schemes to increase Fiji's climate financing options.** The Fijian government has implemented a comprehensive National Climate Finance Strategy, aligned with its Climate Change Act 2021, to transition to a net-zero, climate-resilient future by 2050. This strategy aims to attract international funding and regulate Fiji's participation in carbon markets. A key component is the development of a National Carbon Market Strategy Roadmap, which is currently in progress and will guide the country's engagement with carbon markets. The Climate Change Division of the MECC is leading this initiative through an inclusive national consultative process. The project will support the execution of the national strategy and other regulations currently being developed by the Office of Climate Change by exploring carbon markets in collaboration with line ministries, community organizations, and other concerned agencies, promoting investments in ecosystem restoration. It will support the development of carbon finance standards and governance mechanisms for blue and green carbon (including from soil), allowing the diversification of revenue streams for climate-smart silviculture and agriculture interventions after the completion of the project, further contributing with tailored activities such as those proposed under component 3, to the bankability of such interventions. Additionally, the project will support the iTLTB by including potential benefits deriving from carbon credits in the landscape plans and the MOFF by including the payment of missed carbon and adaptation benefits^{xxxii} in the price of logs and other forest-derived goods. Successful access to carbon markets will further contribute to scaling up and replicating project interventions. The potential of several carbon finance schemes will be explored in alignment with Article 6 of the Paris Agreement and through an inclusive national consultative process. In this regard, and in coordination with activity 1.2.1, this activity will support Fiji in the assessment of investment opportunities resulting from all relevant sub-articles of article 6 (i.e. 6.2, 6.4 and 6.8) and from the Voluntary Carbon market. This process will also determine whether the country will develop new Fiji specific standards and governance mechanisms, or whether to apply international evolving standards. **Selection Criteria:** The activity does not require any selection criteria. **Financing source(s):** GCF / MoFF

37. **Activity 1.2.4: Assess with stakeholders available options to adopt forest ecosystem services incentives and levy.** A review of existing taxes, subsidies, and levies, including the existing fees and royalties system at the national level, will be developed, and recommendations for increasing government revenue from forest utilization – outside the traditional extractive schemes - will be established. The review will ensure that iTaukei customary rights remain unaffected and assess how alternative financial tools can increase benefits. The project will then work through the necessary governance processes to formally establish the forest ecosystem services levy or timber extraction levy from all types of forests. The levy is intended to be collected in alignment with existing monitoring efforts. It aims to provide additional resources to local communities engaging in FLR activities, delivered in close coordination with the Fiji REDD+ Programme, and the GEF projects "Ridge to Reef" and "Community-based Integrated Natural Resource Management Project", as well as other forest projects and programs. In parallel, the project will support the technical design of a revenue redistribution mechanism including governance options, revenue flows, and allocation modalities linked to the proposed ecosystem services levy. The main purpose of the mechanism will be to ensure redistribution of revenues from ecosystem services and levy among stakeholders. This work will be undertaken at the national level, in close coordination with the MOFF and MECC, to ensure alignment with existing public finance and policy frameworks. Further information on the levy and its establishment can be found in Appendix 5 of Annex 2 from page 43 to 47. **Selection Criteria:** The activity does not require any selection criteria. **Financiers:** GCF / MoFF

38. **Activity 1.2.5: Disseminate policies across institutions and communities.** Under the lead of the MoFF and in collaboration with other relevant ministries and stakeholders, the project management unit (PMU) will prepare and implement a communication plan to disseminate the new policies and tools across stakeholders. Furthermore, the plan will include disseminating knowledge generated by the project and all other communication needs. Dissemination will be secured via the traditional channels of the various ministries involved and via dedicated activities for stakeholders. This will include workshops with CSOs, academia, youth clubs, and community-based organizations. The plan will use relevant networks and events in Fiji to disseminate the different materials and knowledge. It will include public awareness campaigns and targeted training and build on forums already prepared by the project. The materials produced will be communicated differently based on their target group and purpose. The communication plan will be presented in year one with the inception report and subject to approval from the Steering Committee. Yearly updates of the plan will be integrated into the annual working plan and budget. **Selection Criteria:** The activity does not require any selection criteria. **Financing source(s):** GCF / MoFF

Output 1.3: Climate-responsive land use plans at landscape scale developed.

Activities:

- 1.3.1: *Design climate risk informed and integrated participatory community landscape management and investment plans*
- 1.3.2: *Facilitate Sustainable Forest Management for permanent forest estates via public-private partnerships*
- 1.3.3: *Transfer knowledge produced by the project to national stakeholders in charge of formal and informal education of youth and professionals*

39. **Activity 1.3.1: Design climate risk informed and integrated participatory community landscape management and investment plans.** The activity will facilitate communities in developing Community Landscape Management Plans, among others, by utilizing remote sensing approaches to drive natural resources management analysis. The CLMP will define the land, its ecosystems and the services they provide, including their social, economic and financial value, provide an NTFP resources assessment, and will identify areas suitable for FLR, forest protection, agriculture, agroforestry and SFM. The process will be a unique and formal opportunity to assess the social, economic, environmental and cultural dimension of target communities^{xxxiii}. The process will include the identification of finance and governance mechanisms. It will include investment priorities for the targeted landscape that ensure that capital investments are consistent with community goals and priorities. Guided by the Vanua Levu and Viti Levu National Land Use Planning, the activity will address the gaps in capacity to plan for and implement integrated landscape restoration and management at local (district and community) levels. The planning process will facilitate and complete available climate change and other relevant data (e.g. ecosystems, agriculture, forestry, infrastructures) and guide communities in identifying areas for (i) community-based FLR; (ii) establishment of High Conservation Value Forest areas; (iii) commercial-scale afforestation/reforestation and SFM; (iv) agriculture expansion; and (v) infrastructure development in each of the target districts. The planning process will be guided by CSOs registered in Fiji, who will be selected via a national bidding process. The planning exercise will ensure the participation of national and central institutions, communities, and all concerned local stakeholders, and it will be open to private sector operators and NFIs. The CLMP will form the basis for communities to sign SFM and FLR agreements with the MOFF and TLTB. Based on CLMP, agreements will allocate land and document the FLR, forest protection, and sustainable management actions that communities will implement, as well as the benefits-sharing mechanism details. Additionally, the planning process will raise awareness, build capacities of forest/landowners and communities, and facilitate engagement of all stakeholders and understanding of the relevance of including in agreements benefits of carbon sequestration and ecosystem services for all communities, including those downstream. Capacity-building activities will also facilitate peer learning and create a pool of community champions who will contribute to upscaling and replication beyond the project. Each CLMP will be validated with communities, including all feasible and not harmful investments related to sustainable forestry, agroforestry, agriculture, and any other livelihood possible in the area^{xxxiv}. Plans will also include clear potential benefits from ecosystem services and warnings about risks of downstream adverse impacts. Each CLMP will include an economic and financial analysis of identified livelihood activities and investment proposal that will include ecosystem services value and related PES mechanisms. These will be executed by local economists, shared and consulted with communities and included in the final and formally endorsed CLMPs. The planning process and implementation will include information about the project Grievance Redress Mechanism (GRM) including gender-responsive and SEAH-specific GRM procedures. The land use plans will be aligned and respectful of all national and customary norms. They will support the implementation of the National Forest Policy to establish a Permanent Forest Estate (PFE) with a focus on landscape-scale rehabilitation of the extensive areas of degraded forests and grasslands using climate-adapted species via a three-pronged approach: (i) community-based FLR; (ii) establishment of HCVF areas; and (iii) commercial-scale plantation forestry and SFM, implemented side by side. Based on the experience gained with the Viti Levu master plan developed by the iTLTB, the project will also address the gaps in Vanua Levu. **Selection Criteria:** Communities in priority areas holding rights over land, CSOs officially registered in Fiji, and operative in priority areas. **Financing source(s):** GCF / MoFF / MoAW

40. **Activity 1.3.2: Facilitate Sustainable Forest Management for permanent forest estates^{xxxv} via public-private partnerships.** This activity will facilitate equitable and climate resilient partnerships between institutions, the private sector, and landowners for forestry investments in degraded lands identified through the CLMP that are not under lease contracts. These partnerships will promote a shift from BAU (i.e., timber extraction) to climate-adaptive SFM. The technical support and inputs provided by the project will stimulate engagement between private-sector forestry stakeholders, MoFF and communities in SFM investments on forest estates^{xxxvi}^{xxxvii}. Acting as a neutral technical advisor, the project will mediate in negotiations to balance interests, promote consensus on sustainability principles and empower communities to participate effectively. The project will also support MoFF in developing and disseminating information and materials to raise awareness among private sector actors on SFM and in providing technical assistance to facilitate and support compliance with the newly introduced guidelines and standards of practice. The support will also

include technical assistance via experts from the project's technical units and the MoFF to value ecosystem services and CO_{2eq} sequestering potential. The partnerships, formalized through agreements, between institutions will specify which SFM practice will be established, the timeline, roles, responsibilities, benefit-sharing mechanisms, and the investment commitments and inputs needed. Additionally, landowners and private sector actors will be offered training on legal requirements and production standards tailored to the commercial choices of communities (e.g., internal market vs. export). Furthermore, the project under this activity will support monitoring, offer ongoing technical assistance, and link partnerships with climate finance opportunities, thereby ensuring long-term sustainability and impact. **Selection Criteria:** Communities in priority areas holding rights over land; PSOs officially registered in Fiji and legally operating in the forestry sector; CSOs registered in Fiji and operative in priority areas, academia. **Financing source(s):** GCF / MoFF

41. **Activity 1.3.3: Transfer knowledge produced by the project to national stakeholders in charge of formal and informal education of youth and professionals.** This activity will work with the educational sector and service providers to ensure that up-to-date knowledge and skills are included in national technical curricula^{xxxviii} and that service providers are capacitated with the expertise provided by the project. Current national technical curricula include those related to FLR, SFM, and climate – specifically agriculture and forestry. Existing gaps will be identified, and suggestions for updates will be reviewed with relevant ministries and educational actors, including but not limited to universities and vocational schools. Actors to consult will be discussed and agreed upon with the ministry responsible and other relevant ministries and through the inter-ministerial collaborative mechanisms and the multi-stakeholder platform (activity 1.1.1). Drafts of updated national technical curricula will be developed based on the consultations. The final drafts will be shared with relevant stakeholders, including universities and vocational schools, for input and suggestions. The updated national technical curricula will be finalized based on the inputs and in agreement with the ministry responsible. Finally, the activity will see the participation of the SPC and other regional organizations (e.g., SPREP) to enhance the mainstreaming of introduced practices and technologies across the region. **Selection Criteria:** The activity does not require any selection criteria as the activity will involve all students already enrolled in schools and universities related to the topics of the project. **Financing source(s):** GCF / MoFF

Component 2 - Enhanced sustainable and resilient management of ecosystems and forests by stakeholders

Outcome 2: Climate resilience of local communities through climate-adaptive forest management increased while contributing to mitigation and food security

42. Outcome 2 will mainly address barriers 2 and 3. This entails (i) capacitating the public, private, and community nurseries to provide a flexible number of climate-adapted seedlings and (ii) empowering communities through forestry investments, improved access to information and technologies, and climate-adaptive silvicultural practices. It will enhance community resilience while allowing them to contribute to national climate change targets and reduce the adverse impacts on downstream communities. This will also further link this proposal to the CRRP project, as planned activities will immediately reduce land-based impacts on other coastal and marine ecosystems. Outcome 2 aims to support communities and institutional stakeholders in executing integrated land use, landscape investment, and management plans (prepared in Outcome 1) to achieve climate change adaptation and mitigation impacts across target priority areas. Building on the Climate Change Act (2021) framework and its enactment and to ensure the achievement of the NDCs, this component will implement a 360-degree approach to forestry, where climate change and its adverse impacts are fully addressed, and investments are upscaled. Promoting climate-adaptive silviculture, the project will help forest communities diversify their practices through appropriate restoration techniques emphasizing spatial heterogeneity and diversity. This approach will increase the proportion of species better suited to current and future climatic conditions.

BAU: In the BAU scenario, the forests' climate change adaptation gaps will exacerbate the impacts of extreme weather events and disasters in the country. The sector's contribution to the GDP will remain low. At the same time, maladaptive practices will negatively impact (above all through sedimentation) the development of the tourism sector, which is currently the main driving force of the national economy.

Available Options for Component 2 (more details in Annex 2, Table 25)

No Action. Not acting will leave the business-as-usual scenario unchanged and will not allow large-scale investments: Local nurseries would remain limited in expanding their capacities, representing a significant bottleneck for climate-adapted forestry restoration. Production processes would not factor in climate-adaptive procedures, and communities would be hindered from implementing investments on their territory. This would seriously endanger Fiji's ambition to plant 35 mln trees by 2035, as foreseen by the LEDS and the NDCs.

Enhance technical capacities of local nurseries: Addressing only the upgrading of the nurseries would be very costly and, on the other hand, not allow for efficient management of the structures and investments in climate-adaptive silvicultural practices. Therefore, the mid- and long-term sustainability of the nurseries and the investments they support (if any would occur) would be at high risk.

Upgrade technical and knowledge capacities for seedling production: Addressing only a few steps (e.g., awareness raising, planting seedlings, or training) with a piecemeal approach, as was done with previous initiatives, will not be functional for healthy forestry and ecosystems. A substantial effort is needed to update the technical and knowledge capacity to ensure the implementation of flexible production capacities based on the need to produce seedlings for restoration efforts. Considering that the communities are ultimately responsible for managing the resources on their land, they need to be empowered to overcome the lack of knowledge and access to finance and technologies to carry out climate adaptive investments. Therefore, the project will bridge public, private, and community actors to carry out integrated investments with a high impact to enhance resilience and livelihood options, for the poor and vulnerable parts of the rural population. This entails (I) technology and knowledge transfer to ensure climate-adaptive seedling production and forestry investments and (II) tailored and continuative forest investments (i.e., afforestation, forest restoration, and SFM). The Project will establish a comprehensive monitoring and management system aimed at increasing seedling survival rates from the current average of approximately 45 percent to at least 80 percent. To achieve this, the Project will apply best available practices and appropriate technologies across the entire restoration cycle, including seedling production, site preparation, planting, maintenance, and the timely replacement of failed seedlings. This integrated approach will maximize survival rates and ensure the long-term success and sustainability of forestry investments. The project will ensure continuity of mixed-species seedling supply during the full implementation period. These nurseries are intentionally designed as flexible and demand-driven structures, rather than permanent facilities. Long-term sustainability of seedling supply will be anchored in the network of nine public nurseries distributed across the country, which will continue operating beyond the project and remain responsible for guaranteeing availability of stocks of diversified seedling under the responsibility and financing of the MoFF as part of its mandate. Where and when additional demand arises, these public nurseries will support the reactivation of community nurseries by providing planting material, technical guidance, and coordination support through MoFF. This approach avoids the creation of unfunded permanent structures while ensuring that mixed-species seedling production can be scaled up again in response to future restoration needs. Finally, introduced knowledge and capacities will also increase the sector's productivity, allowing communities and public companies to produce better forest products and ensure the resilience (i.e. continuity of production) of the ecosystems granting commercial forestry outputs.

Output 2.1: Technical and knowledge capacity to produce climate-adaptive seedlings established

Activities:

- 2.1.1: Upgrade knowledge on FLR and climate adaptive nurseries development
- 2.1.2: Expand and upgrade existing nurseries

43. **Activity 2.1.1: Upgrade knowledge on FLR and climate adaptive nurseries development.** The available expertise and technical capacity regarding the implications of climate change in the forestry sector are outdated. Consequently, planned interventions are jeopardized by unnecessary health risks and compromise biodiversity (e.g. monoculture, oligoculture) and ecosystem services as seeds and seedlings are not selected and prepared in a climate-adaptive manner, leading to low survival rates after planting and greater vulnerability to climate change impacts. Climate Adaptive Silviculture (CAS) considerations will ensure that all measures, from seed production to forestry operations maintenance, adhere to the specific protocols and guidelines the project will establish under Component 1. The activity will, therefore, focus on organizing training courses and on-the-job training for producing high-quality plant material for public, private, and community-based nursery staff. These activities will focus on integrating CAS approaches into the daily practices for seedling preparation. Training will cover areas such as seed collection and plant material production, seedlings handling, transport, and planting. The work in the nurseries will also be an opportunity for the project to expose nursery operators to ecosystem management, forest management strategies, and silvicultural practices, as well as new policies, standards, and opportunities in the sector. In this regard, the trainings will tackle also sustainable harvesting and primary processing of the 30+ NTFPs identified in Annex 2 will be introduced. This includes training on "value-

addition" techniques (e.g., oil extraction, drying, and grading) to ensure products meet market standards. **Selection Criteria:** Beneficiaries are involved in the production activities of seedlings and have been freed from their employees to attend the training. **Financing source(s):** GCF / MoFF

44. **Activity 2.1.2: Expand and upgrade existing nurseries.** The current production of seedlings and saplings is dedicated to supporting the ongoing forest restoration activities, and the available capacities would not allow to upscale investment. Significantly upgrading and expanding the current nurseries is essential to have sufficient tree planting material available and the required diversity to carry out planned investments. The activity will support the establishment, expansion, and upgrade of the existing 9 public nurseries, 5 private ones and join them with 359^{xxxix} new and 114 existing community-based nurseries into a comprehensive network to boost production capacity to at least 1.4 million seedlings annually and increasing seedlings diversity from the 5/6 species to over 20 with the project.^{xl} Furthermore, by involving both communities and private sector operators, the activity will allow stakeholders to (i) access diverse and climate-adaptive seedlings, (ii) reduce transport and related costs, and (iii) increase the survival rate of forestry investments. The establishment, expansion, and upgrade of community nurseries will be confirmed during the preparation of the CLMPs and will be based on the project's needs. Due to the absence of a specific commercial value chain for forestry products, the value chain must remain flexible and demand based. As such, the activity will not support permanent infrastructures or cause land use changes. Expansions or new nurseries will be temporary or sizable depending on seedlings' demand. Seedling production will be co-financed by the project by strengthening the production capacities of nurseries managed by the MECC and temporary community nurseries established for project purposes. Additionally, the project will encourage seedling production in private nurseries that may be considered suppliers to meet the demand for seedlings generated during project implementation. The activity will also include training and capacity building for women and youth of both sexes active in nursery management. Training will focus on three main aspects: (i) sustainable sourcing and handling of seeds, (ii) nursery operation and maintenance, and (iii) business development and management. This will allow beneficiaries to acquire knowledge and skills beyond the impact on forestry and nursery management, allowing them to replicate and scale up in all other fields. **Selection Criteria:** *Public Nurseries:* (i) are directly linked to reforestation activities in the target area; (ii) have sufficient staff to guarantee sustainable activities. *Private Nurseries:* (i) are located in or close to forestry investment activities; (ii) are formally registered and clear from pending procedures; are willing to allocate staff for training and maintenance. *Community Nurseries:* (i) are directly linked to reforestation activities in the target area; groups operating on behalf of the community are recognized formally and can receive financing from the MoFF or others; (ii) have sufficient staff to guarantee the sustainability of activities; (iii) can operate on land free from leases, suitable for the establishment of the nursery and agreed with the community via the CLMPs. **Financing source(s):** GCF / MoFF

Output 2.2: Community- and farmer enterprise-led FLR for afforestation and conservation of High Conservation Value Forests established

Activities:

- 2.2.1: Implement community-led forestry investments identified in the CLMPs
- 2.2.2: Establish community-supported High Conservation Value Forest

45. Activity 2.2.1: Implement community-led forestry investments identified in the CLMPs.

This activity will engage communities in implementing landscape investment and management plans developed for priority watersheds and river basins. The selection and cultivation of "food-providing" tree species (e.g., sago, fruit, and nut trees) and traditional root crops within the FLR models will be explicitly mandated, mitigating impacts of seasons with poor agricultural harvests. In particular, the project will ensure reaching the following three targets (more technical information on the FLR in Appendix 3 of Annex 2):

(1) *planting of 5,750 ha of mixed species.* This activity involves planting mixtures of trees and shrubs to provide multiple services to communities. Mixed-species plantations have the potential to generate a variety of non-wooded forest products and a range of ecosystem services. Chosen species will be well-suited to the sites and a specific portion of the areas will be earmarked for NTFP-bearing species known to provide high value and ensure long-term, sustainable supply chains.



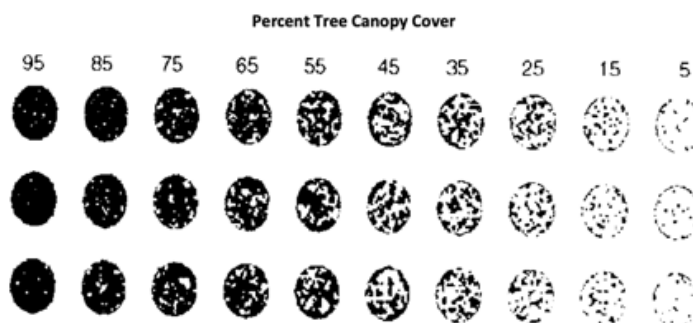


(2) *Restoration of 5,000 ha of upland waterways and riparian zones.* Measures include planting mixtures of tree species and shrubs to protect waterways and riverbanks. Communities will plant at least three native species and shrubs and two fruit trees, with a maximum spacing of 1 plant per m² to allow interlocking of the roots. The chosen species will be water-tolerant with robust root systems to withstand flooding.

(3) *Natural regeneration of 5,000 ha degraded forests.* These measures will consist of natural regeneration in areas where forests have been damaged. If necessary, native species will be planted by direct seeding from the same

ecosystem or by planting saplings produced in the nurseries. Furthermore, the activity will promote (a) the growth of seed trees also by removing invasive species—identified jointly with the MoFF, the MECC, and international actors such as the IUCN and WWF; (b) the attraction of seed dispersers; and (c) the regular weeding of the sites (no chemicals will be used for weeding).

46. **Selection Criteria:** 1 – *Mixed Species:* (i) non-forested and cleared eligible by the MoFE, (ii) not needed for agriculture or earmarked for any other development purposes including conservation and/or protection, and (iii) community agreement and consent for the planting of trees expressed via the CLMPs. 2 – *Restoration of upland waterways and riparian zones:* (i) highly degraded riverbanks, especially in agricultural areas; and (ii) community agreement and consent for the planting of trees expressed via the CLMPs. Formal settings (agricultural leases) make decisions independently, whereas informal settings (by villages) make decisions as a community. In the case of agricultural leases, the project will provide only technical assistance and inputs if all needs of communities related to food and food security are fulfilled. 3 – *Natural Regeneration:* (i) degraded forest areas where tree cover has been heavily reduced but still covers above 10% of the land and cleared eligible by the MECC; (ii) areas that are not needed for agriculture or earmarked for any other purposes including conservation and or protection; and (ii) community agreement via the CLMPs. **Financing source(s):** GCF / MoFF / MoAW



47. **Activity 2.2.2: Establish community-supported High Conservation Value Forest.** Fiji has identified a network of HCVF areas estimated at 306,161 ha (16.7 %) of the total landmass to fulfill Fiji's commitment under the Convention on Biological Diversity (CBD) Aichi Target 11. Via the CLMPs, this activity will identify and establish 12,000 ha of new Protected Areas/HCVF through agreements between resource customary owners and the government^{xli}. The lack of capital for conservation leases underpins the slow progress in establishing large tracts of HCVFs despite landowners' willingness to engage. Therefore, the project will cover the cost of the initial years of the lease while the state will cover the remaining ones. Communities will retain the right to use their land by restricting all those activities that could damage forests and related ecosystems. Communities participating in HCVF will be formally prioritized for future result-based payment and payment for ecosystem services. **Selection Criteria:** The beneficiary communities will be chosen by the MoFF, considering their location in priority watersheds and river basins in and outside CLMPs. Furthermore, the following specific criteria will apply: (i) Forest areas with demonstrated value or among the list identified by the Protected Area Committee (PAC); (ii) available documentation on the rationale for establishing the protected areas; and (iii) presence of draft management plans with community consultations. **Financing source(s):** GCF / MoFF

Component 3 - Strengthened financial mechanisms, incentives, and opportunities for sustainability and scaling up

Outcome 3: Strengthened financial mechanisms and private sector involvement in climate change related investments for sustainability, food security & scale-up.

48. The third outcome of the project will be reached via three outputs oriented at enabling PSOs to carry out climate adaptive FLR investments in collaboration with and participation of communities and to provide stakeholders with new financial mechanisms that facilitate the transition to sustainable practices with climate benefits. The project will support the country in overcoming the lack of suitable financing instruments offered by local financial institutions to finance climate action and underdeveloped climate-resilient forestry products and contribute to the SFM of former plantations and other community-owned commercial forests. To achieve its full sustainable market potential, the project

will first work with the forestry sector to review the BAU forest management practices, create new business models, and identify financially viable pathways for FLR and SFM. In partnership with the FDB, the project will support access to loan financing through the FDB's existing financing products and develop new financial mechanisms^{xliii} to enable communities and PSOs to invest in FLR and SFM (More information on FDB programmes and financial mechanisms can be found in Annex 2, p. 24-26). With leveraged private financing from FDB, the component will support forest/landowners and smallholder farmers to sustain their adoption of financially viable climate-resilient agroforestry, while unlocking investments by private companies to accelerate afforestation/reforestation, improve forestry supply chains, expand the development of sustainable NTFPs, and deliver SFM. Last but not least the project will also involve the private sector, i.e. the two state-owned enterprises Fiji Hardwood Corporation Limited (FHCL) and Fiji Pine Limited (FPL), companies along the forest value chain and farmers, to implement in collaboration with community's climate adaptive FLR investments. To enhance links to the CRRP project, the activities will also investigate the possibilities of supporting upstream climate-resilient forest and community-based enterprises to safeguard the resilience of coastal and reef ecosystems. Within the component, credit screening, due diligence and loan covenants under the mechanisms designed with FDB and other activities will integrate gender-aware provisions and sex-disaggregated monitoring, consistent with GAP Table 3 indicators. Component 3 will contribute mainly to USP 2024-2027 targets 5 – 9 and 10 and will overcome the lack of access to technologies and finance to implement FLR. It also addresses poor compliance with forest management rules and regulations leading to the risk of landowners and the PSOs not recognizing the value of FLR and SFM.

BAU Scenario: Forest stakeholders can only value forests as resources to be extracted, as there is no financial incentive or mechanism, technical capacity, or availability of inputs to consider ecosystem services such as disaster protection, soil erosion control, water retention, GHG removals, livelihoods, and others. While the project will establish the needed policy framework (Output 1.2) and related governance, applying these policies requires financial and technical support and climate adaptive practices and inputs (i.e. seedlings) for stakeholders, particularly PSOs, to embed the new policies in their operational procedures.

Available options for Component 3 (more details in Annex 2, Table 26)

No Action. Not acting will render the newly developed policies mere bureaucratic procedures without tangible impact, as stakeholders will lack the financial and technical capacity to comply with the new framework, jeopardizing the sustainability of the proposed paradigm shift. This will further increase climate change exposure and vulnerability and potentially raise tensions between upstream and downstream communities as it will result in GDP losses due to missed economic opportunities (e.g., reduced tourism, agriculture, and forestry values) and increased climate change adaptation costs due to poor management of natural resources.

Minimum Action: Information and dissemination. This option will raise awareness and promote behavioral change. However, it will not provide stakeholders with the needed incentives or financial mechanisms needed to offset for the short-term income losses from adopting sustainable forest and landscape management practices. Without such support, stakeholders may be unable to translate the newly acquired knowledge into operational changes or investments. As a result, benefits such as increased biodiversity and forestry sector resilience may be compromised, as would the effectiveness and sustainability of the proposed paradigm shift, by not offering clear financial mechanisms to support the stakeholders' transition.

Full Action: Information, dissemination, technical assistance, inputs, and financial resources. The project will support incentives, financial mechanisms, technical knowledge transfer, and climate-adaptive seedlings to stakeholders managing degraded and overexploited land. The approach will include providing support to ensure the sustainable and financially viable engagement of stakeholders under a market-recognized certification standard (FSC-ESPRO). The project will also offer technical assistance and support to all stakeholders for climate adaptive FLR investments and help identify and link them with de-risking financial mechanisms (e.g., paic insurance, sustainability-linked loans, and guarantees). Supporting certification and de-risking opportunities will enable safer and better-positioned placement of Fijian forest products in their respective markets. Supported activities will also encourage stakeholders to engage with the sustainability-linked products the FDB will make available via Output 3.2.

Output 3.1: Forest ecosystem services certification is accessible to stakeholders

Activities:

- 3.1.1. Support private sector companies in adopting the Forest Stewardship Council certification and integrating the FSC Ecosystem Services Procedure
- 3.1.2. Support communities' adoption of the Forest Stewardship Council certification and the integration of the FSC Ecosystem Services Procedure

49. **Activity 3.1.1. Support private sector companies in adopting the Forest Stewardship Council (FSC) certification and integrating the FSC Ecosystem Services Procedure^{xliii} (ES PRO).** The FSC certification is already available in Fiji, and the two companies holding the largest share of available forest concessions already have it^{xliv} or are working towards obtaining it^{xlv}. Nonetheless, due to difficulties in mastering the standards and a lack of understanding of market potential (Annex 3, Sensitivity Analysis)^{xlvi}, smaller companies^{xlvii} and communities operating in the forestry sector are still not engaged in the FSC certification process. Additionally, stakeholders identified the need to expand the level of certification further by including the FSC ES-PRO impact verification framework. The ES-PRO^{xlviii} establishes the requirements for forest and land managers to contextualize, measure, report, and verify the positive impacts of their management activities on five ecosystem services – biodiversity conservation, carbon storage and sequestration, watershed services, soil conservation, and recreational services. Its output includes quantifiable, externally verified, and annually audited impact data to substantiate positive impact claims. In addition, the ES PRO outlines market tools that define how claims can be used to demonstrate progress toward meeting sponsors' nature-positive targets. The FSC framework will provide a robust impact verification framework to support FLR for climate resilience in Fiji. It will guide stakeholders in creating effective project designs and demonstrate how their activities generate positive impacts.^{xlix} Moreover, the ES PRO is an ICMA-approved verification tool for issuing green and sustainability-linked bonds. It includes stringent environmental, social, and economic safeguards that reduce risk for investors, many of which are not explicitly covered in existing carbon standards. The activity will be executed with the support of FSC and experienced consultants and will support PSOs in adopting the FSC /FSC ES-PRO certification by developing guidelines tailored for the Fijian context and specific training on initiating, ensuring, and maintaining FSC / FSC ES-PRO certification. Training will be executed via workshops, field work, and online activities among others and will also include communication and community engagement activities to maximize impact at both market and field levels. Training materials will be prepared with the MoFF, MoITA, and MECC and will be also transferred to local universities as part of activity 1.3.3. . They will include changes and knowledge sharing with companies already FSC-certified in Fiji and other countries of the region. **Selection Criteria:** All registered companies can access training and technical assistance provided they are registered and cleared to operate in Fiji and do not have pending issues with the Fijian justice sector. **Financing source(s):** GCF / MoFF.

50. **Activity 3.1.2. Support communities' adoption of the Forest Stewardship Council certification and the integration of the FSC Ecosystem Services Procedure^l.** In line with Activity 3.1.1, this activity will address the need expressed by communities to have their forests certified with similar approaches. It will seek the assistance and participation of specialized CSOs that – selected via a national bid – will mainly liaise between technical experts and communities and ensure community engagement and participation, facilitating knowledge transfer. FSC and FSC ES PRO certification support will extend beyond timber to include certification for NTFPs. Certifying products like sandalwood (yasi), honey, or botanical oils will allow communities to access premium international and regional markets. **Selection Criteria:** Priority communities highlighting need to certify their forested areas in CLMPs. CSOs must be formally registered in Fiji and have community engagement experience in natural resources management. **Financing source(s):** GCF / MoFF.

Output 3.2: Design of improved financial mechanisms supported and made accessible to communities and the private sector

Activities:

- 3.2.1. Strengthen/de-constrain existing forestry financial mechanisms of the FDB and other national financing institutions to support sustainable natural resources management
- 3.2.2. Facilitate the enhancement and upgrade of forestry financial products to ensure the effectiveness and efficiency of resilience investments.
- 3.2.3. Support the capacity of public and private financial institutions to identify climate-risk investments and ensure Paris-aligned pipeline portfolios.

51. **Activity 3.2.1. Strengthen/de-constrain existing forestry financial mechanisms of the FDB and other national financing institutions (NFIs) to support sustainable natural resources management (SNRM) ^{li}.** Access to credit in Fiji is still limited to conventional financial mechanisms where inflows and outflows remain the main criteria for granting credit. This implies a standard application of interest rates and analysis of risks. The activity will conduct

jointly with the Fiji Development Bank (FDB) and WWF a comprehensive review of the current loan facilities of FDB and other NFIs, identify key constraints, and implement targeted improvements to ensure access to natural resources sustainable management credit in key sectors such as fisheries, forestry and agriculture. Key institutions include Bank South Pacific, ANZ Fiji, Bank of Baroda (Fiji), BRED Bank Fiji, and HFC Bank, which offer instruments such as business term loans, overdrafts, equipment financing, land loans, rural micro-loans, and SME credit. Among these, Bank of Baroda and HFC Bank offer dedicated agricultural loan products, while the other banks primarily finance agribusiness through broader commercial lending facilities. None, other than the FDB, have specialized forestry or fishery products. The objective is to align these financial mechanisms with best practices in climate change adaptation and mitigation via sustainable natural resources management including ICMⁱⁱⁱ, FLR and SFM (e.g. Australia Reef Credit, Cook Islands Marae Moana, Matanataki Fund, Sustainability linked loans among others)^{liii}. The activity includes the preparation of a catalog reporting all relevant forestry financing models applicable in Fiji and will also assess whether it is possible for NFI to create lending products that accept "standing NTFP crops" as partial collateral, directly eliminating one of the main bottlenecks identified. By doing so, the project aims to make these financial products more attractive, accessible, and effective in supporting sustainable forestry investments and addressing the socio-economic and environmental challenges faced by stakeholders in the sector and facilitating SME access to private financing for specialized technology and equipment. In addition, the activity will provide technical guidelines for the development of parametric insurance focused on forests and agroforestry.^{liv} Transaction, due diligence, and related credit line management activities will be executed autonomously by the FDB. **Selection Criteria:** Open to all NFIs registered in Fiji and active in the agriculture, forestry, and fishery sectors. **Financing source(s):** GCF

52. **Activity 3.2.2. Facilitate the enhancement and upgrade of forestry financial products to ensure the effectiveness and efficiency of resilience investments.** The activity will incorporate lessons learned from the improved existing loan products of the FDB and introduce innovative lending mechanisms tailored to the needs of the sustainable management of the forestry sector. The activity will include benchmarking existing sustainable forestry policies from leading financial institutions and international organizations, consultations with national stakeholders including NGOs, academia, experts, and international finance institutions, identification of bankable projects, development of the loans governance, and related guidelines, formats, and forms including tailored credit manual for forestry loans. Furthermore, the activity will provide TA to FDB to (i) identify potential investments and assess social, environmental, economic, and financial impact; (ii) identify risks and prepare a mitigation plan; (ii) monitor and verify advancements of investments and evaluate results. The activity will also ensure the engagement of gender working groups to ensure that access to loan products is secured for women. **Selection Criteria:** No criteria are required, as the FDB is a public institution. **Financing source(s):** GCF

53. **Activity 3.2.3. Support the capacity of public and private financial institutions (FIs) to identify climate-risk investments and ensure Paris-aligned pipeline portfolios.** The activity provides technical assistance to increase the capacities of national finance institutions to assess sustainable and climate-adapted forestry investments, evaluate climate risks, and ensure compliance and alignment with the Paris Agreement on Climate Change. Support will, above all, be provided through training and the provision of guidelines and toolkits. **Selection Criteria:** Open to all NFIs registered in Fiji and active in the agriculture, forestry, and fishery sectors. **Financing source(s):** GCF / MoFF

Output 3.3: Support the restoration and SFM of commercially logged over natural forests and plantations^{lv}

Activities:

- 3.3.1. Facilitate the restoration and SFM of degraded and logged over natural forests on community land following climate adaptive silviculture approaches
- 3.3.2: Facilitate the introduction of FLR and SFM on degraded lands and commercial plantation areas following climate-adaptive silviculture approaches
- 3.3.3: In partnership with the Ministry of Agriculture and Waterways, support FLR via agroforestry investments

54. **Activity 3.3.1. Facilitate the restoration and SFM of degraded and logged over natural forests on community land following climate adaptive silviculture approaches.** The activity will train stakeholders to reinforce the application of A/R codes of practice and facilitate private companies and communities to reforest or naturally regenerate logged forests on native community land estates, providing technical assistance and seedlings of diverse species. (more technical information on the FLR in Appendix 3 of Annex 2). Following the most updated FAO guidelines and technical products^{lvi}, all activities will include specific trainings^{lvii} on (i) sustainable seed sourcing, (ii) Natural regeneration; climate adaptive forestry investments (iii) Sustainable forest management for stakeholders. In particular, the project will work on the following two measures:

a) 6,000 ha of logged-over forest naturally regenerated and under SFM. These measures will consist of the natural regeneration of native species in logged-over areas and will be implemented by the logging companies. The measures depend on the existence of seed trees, and if necessary, native species will be introduced by direct seeding or planting saplings. The promotion of the seed trees will be supported by removing invasive species—identified jointly with the Department of Environment of the PMO and IUCN -, the attraction of seed dispersers, and the regular weeding of the sites. To be considered eligible for investments, an area has to have the following characteristics: (i) degraded forest areas where tree cover has been heavily reduced but still has canopy cover greater than 10%; (ii) no reforestation obligation to obtain logging permit; (iii) the area is not needed for agriculture or earmarked for any other purposes; and that there is (iv) private company and community agreement and consent for natural regeneration.

b) 500 ha of forest reforested. This activity involves planting mixtures of tree species logged over to provide multiple services to communities in high-priority watersheds. When choosing species, it is recommended to identify native dominant species growing in the area before plantation and deforestation. Specific site identification criteria for the planting of mixed species are that the land is (i) Deforested former natural forest; (ii) no reforestation obligation to obtain a logging permit; (iii) Demonstrated urgent needs for more stable tree cover (next to waterways, downstream sedimentation, etc.); (iv) private company and community agreement and consent for natural regeneration.

55. **Selection Criteria:** For training: (i) Demonstrated experience of working in the forestry field; (ii) priority will be given to representatives from the target area and to women; (iii), if applicable, cleared by the direct supervisor to participate in the training program. For investments: (i) The beneficiary communities will be chosen by the MoFF, considering their location in priority watersheds and river basins (see Annex 25b). Forestry companies are public companies active in the target areas and willing to contribute to the investments. **Financing source(s):** GCF / MoFF / FHCL

56. **Activity 3.3.2: Facilitate the introduction of FLR and SFM on degraded lands and commercial plantation areas following climate-adaptive silviculture approaches.** The activity will support communities, private sector operators, and state-owned enterprises in forestry, renewable energy, and agriculture to engage with the MoFF

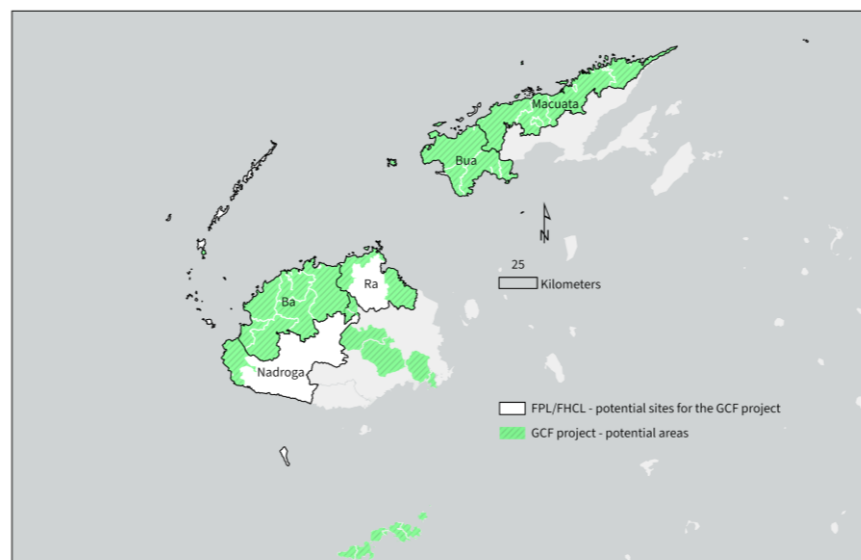


Figure 6 Overlapping of potential sites for FLR interventions from Fiji Pinewood and Hardwood Corporations with potential beneficiary sites of the project

have the potential to generate a variety of forest products and a range of ecosystem services. Chosen species will be well-suited to the sites and known to provide non-timber value.

b) 24,375 ha of plantation from public corporations under SFM. Current plantations focus mainly on the commercial aspects of the practices and do not consider the necessity of applying SFM approaches with benefits to biodiversity conservation and enhancing ecosystem services. So far, however, the stakeholders lack the knowledge to do so. The project will, therefore, support public enterprises with technical assistance in enhancing practices and ecosystem approaches. All costs needed to execute SFM practices will be covered by public corporations.

c) 800 hectares of community and privately owned short rotation plantations established via the provision of TA and seedlings. Related to the implementation of Short Rotation Plantations (SRP), the project will identify at least 800 ha of degraded agricultural lands to be cultivated with wooden species for energy use, green building construction material, and other potential beneficial uses. In the first step, based on the GIS map provided in Component 1, the

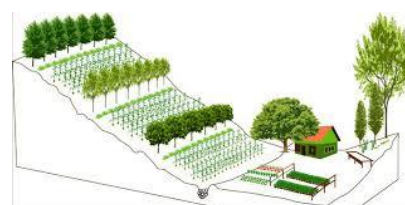
in FLR and SFM activities on degraded or logged-over forest lands under concession applying climate adaptive silviculture approaches (more technical information on the FLR in Appendix 3 of Annex 2). In this regard, the activity will provide training on introduced practices, technical assistance, seedlings, inputs, tools, and monitoring to beneficiaries, while these will provide labor, surveillance, logistics, and maintenance. In particular, the project will work on the following three investments:

a) 4,312 ha from left aside degraded forests and areas supported with restoration via the provision of TA and seedlings. This activity consists of supporting private entities in planting mixtures of tree species and providing multiple services in high-priority watersheds. Mixed-species plantations

concerned communities will confirm and map potential intervention sites, which will be reviewed and fine-tuned before making a final decision on each individual site considered for planting.

57. **Selection Criteria:** For training: (i) Demonstrated experience of working in the forestry field; (ii) priority will be given to representatives from the target area and to women; (iii), if applicable, cleared by the direct supervisor to participate in the training program. For investments: The beneficiary communities will be chosen by the MoFF, considering their location in priority watersheds and river basins (see Annex 25b). Mixed species reforestation: (i) Land is degraded former plantation areas, (ii) Demonstrated urgent needs for more stable tree cover (next to waterways, downstream sedimentation, etc.); (iii) Community agreement and requests from the private entities. SRP criteria: (i) degraded area; (ii) included in the GIS map for areas with a high potential for SRP (see activities 1.2.2.); (iii) Community agreement on SRP. **Financing source(s):** GCF / MoFF / FHCL / FPL

58. **Activity 3.3.3: In partnership with the Ministry of Agriculture and Waterways, support FLR via agroforestry investments.** The activity will train professionals from the MoAW, the MoFF, CSOs, and farmers from priority areas on agroforestry models beneficial for landscape restoration and on the possibilities to bring priority species into formal production schemes. In addition, it will concentrate on supporting communities and the private sector in introducing and establishing agroforestry investments to reduce soil erosion and climate-related exposure and vulnerability while reducing the need to encroach forests for kava and taro cultivations thanks to the benefits of agroforestry^{lviii}. The investments include planting trees in agricultural systems for sustainable livelihoods and environmental services. Agroforestry systems are multi-functional, and it is up to the farmers to decide on management options, such as production systems, woody perennials, silvopasture, etc. Chosen species must be well-suited to the local conditions and can provide multiple benefits, such as food security, fodder, environmental services, nitrogen-fixing, and economic returns also by integrating non timber forest products (NTFPs) among the products produced by farmers. With specific regard to NTFPs, these are diverse and include – among other - agarwood, bamboo, beach mahogany, candlenut, coconut veneer, and sandalwood. In addition, climate-smart-agroforestry practices will be introduced that explicitly prioritize drought-resistant and fast-yielding crops, and shade-grown crops (e.g., cocoa, vanilla) identified in Annex 2 to stabilize yields against projected increases in extreme precipitation and dry months. The MoFF and the MoAW are also researching on how to best support the integration of such products among traditional value chains. Therefore, the project will also support this by promoting agroforestry with specific focus on local varieties of bamboo very promising to reduce cost and footprint of the housing sector (ref: Activity 1.2.2). An overview on recommended species for Agroforestry is indicated in Appendix 4 of Annex 2. **Selection Criteria:** For training: (i) Demonstrated experience of working in the agricultural field; (ii) priority will be given to representatives from the target area and to women; (iii), if applicable, cleared by the direct supervisor to participate in the training program. For investments: (i) Be a full-time farmer whose productive unit is located in the target areas and shows the urgent need to restore the land with agroforestry practices; (ii) Small-scale producers (less than 10 ha); (iii) priority will be given to women and women-headed farming households; (iv) participated in training activities; (v) Be willing to invest their resources (labor, seeds, machinery, fertilizers, etc.) to implement the new practices and technologies. **Financing source(s):** GCF / MoAW



B.4. Implementation arrangements (max. 1500 words, approximately 3 pages plus diagrams)

59. **Accredited Entity (AE):** FAO has extensive experience in supporting countries in climate change adaptation and mitigation and CAS in Fiji and the Region. Furthermore, FAO, through its Investment Center, has been collaborating for over four decades with International Finance Institutions (IFIs) such as the World Bank (WB), the International Fund for Agricultural Development (IFAD), and the EBRD to support assignments (e.g. investment plans, assessments, studies, strategies) that are essential for advancing climate change adaptation and decarbonization of private sector operators. Under the implementation of more than 200 climate and resilience projects, the organization has the experience and technical capacity to manage the requested grant and properly support Fiji in the forest sector and decarbonization processes. In Fiji, FAO has been operational for over 20 years in various areas, including in SFM, agriculture, fisheries, biodiversity, sustainable management of natural resources, land degradation, disaster risk reduction, and climate change adaptation. Activities include policy building and development and capacity development of national institutions, NGOs, associations, companies, and farmers. Finally, FAO supported the country by promoting forestry investments (forest restoration, forest assessment, and afforestation). Annex 2, Par. 248 contains examples of FAO's work in Fiji.

60. Following consultations with national institutions, UN agencies, CSOs, and private sector stakeholders, the Government of Fiji (GoF) and FAO agreed to implement the UN Country Programme Framework (CPF) focusing on three priority areas during the period 2021-2026. The GCF project aligns in particular to priorities identified by the CPF

related to biodiversity protection, food security, transformation of agrifood systems, climate mitigation and resilience and Disaster Risk Management (Annex 2, Table 28). The GCF project builds on FAO's past experience in the country and its comparative advantages and is in line with key national strategies. Finally, FAO's experience in supporting investment mobilization through its [Investment Centre](#), working with national development banks and major international financial institutions, will expose FDB to comparable initiatives across countries in the region and globally, enabling it to benefit from consolidated lessons learned, established best practices, and extensive institutional networking opportunities.

61. FAO will be responsible for overall oversight, including i) All project evaluation aspects; ii) Administrative, financial, and technical supervision throughout the implementation of the Project; iii) Supervision of effective management of funds to achieve the results and objectives; iv) Quality control of Project monitoring and reporting to the GCF; and v) Project closure and evaluation. FAO will ensure that the project is executed in compliance with GCF and FAO rules and regulations, policies, and procedures, including relevant requirements on fiduciary, procurement, monitoring and evaluation, environment and social safeguards, and other project performance standards. FAO will assume these responsibilities per the detailed provisions listed in the Accreditation Master Agreement (AMA) between FAO and the GCF. The FAO's supervision role will be attributed to FAO Subregional Office for the Pacific Islands (FAO SAP) in Apia, Samoa, and relevant Offices and divisions at FAO headquarters (HQ), in Rome, Italy, such as the FAO Office of Climate, Biodiversity, and Environment (OCB) and other technical divisions as required. To perform the AE functions, FAO will set up a dedicated FAO-GCF Project Task Force (PTF) comprising relevant staff from SAP, the FAO Office in Fiji, and HQ. The segregation of responsibilities within FAO will ensure that the Organization can independently and effectively perform the AE functions. The project implementation and supervision function will remain independent of the Executing Entity functions. The PTF will be established by FAO as a management and consultative body with a Formulator/Budget Holder (BH), a Lead Technical Officer (LTO), and a Funding Liaison Officer (FLO).

62. **The Project Steering Committee (PSC)** will be established for the overall strategic guidance of this project as well as of the projects implemented by WWF-Fiji and the FDB. The PSC will be housed within the NDA and will be composed of primary stakeholders, such as the MoFF, the MiTA, the MoAW; the MECC, the MoT; the Ministry for Finance, Strategic Planning, National Development and Statistics (MoFSPNDS), the Ministry of Interiors (MoI), and representatives of provinces, project areas, FAO (Observer) and CSOs (Observer). The role of the PSC will be to: (i) Provide overall guidance and direction to the project; (ii) Ensure that co-financing support is provided in a timely and effective manner and reported against its availability and use; (iii) Address project issues as raised by the PMU and/or PSC members or EEs; (iii) Review the project progress, and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily and within the approved project framework; (iv) Review and approve annual work plan and provide necessary strategic guidance for its implementation; (v) Appraise the annual project reports; (vi) make recommendations for subsequent work plans to build on achievements and address any shortcomings, etc. One representative from the PMU will act as Rapporteur to the PSC and should ensure through its overall leading and central role a strong country ownership.

63. **Project Co-financing:** The project will benefit from generous in-kind contributions from national actors, including USD 8.4M from the GoF, through the MoFF and the MoAW and USD 13.8M from FHCL and FPL. The co-financiers are responsible for reporting to the AE in accordance with the detailed provisions outlined in the GCF policies as well as AMA, Funded Activity Agreement (FAA) between FAO and GCF and the co-financing agreement signed between the co-financiers and FAO in its capacity of AE, on co-financing activities execution, and the disbursed and allocated co-financing amount. The co-financing agreement with the GoF will be part of the subsidiary agreement. The GoF, through the MoFF, the MoAW, the FHCL and the FPL will be responsible for executing and managing their co-financing funds under the coordination of the Project Management Unit (PMU) and through the Project Steering Committee. FAO will contribute USD 0.9 M in cash co-financing to the project. Details are provided in Annex 4, co-financing letters can be found in Annex 13.

64. **Nationally Designated Authority (NDA):** The Climate Change Division of the Ministry of Environment and Climate Change, in its capacity as the NDA, will use its convening power to facilitate consultations at the national level as well as assist in conducting knowledge exchange processes for scaling up the innovations and investments, enhancing impact and introducing a paradigm shift in the management, allocation and use resources and improved adaptation to climate risks. The NDA will also support coordination among institutional stakeholders active in the sectors relevant to the project, its execution, and post-project sustainability (Table 2). The role of the other main institutional stakeholders is described in Table 1.

Table 2 Role of the main institutional stakeholders

Institution	Description
NDA	The NDA Secretariat is the fundamental intermediary between stakeholders in Fiji and the GCF. The NDA is the Honorary Minister for Environment and Climate Change within the Ministry of Environment and Climate Change,

	Office of the Prime Minister. The NDA provides strategic oversight of the country's GCF activities. The NDA will ensure coordination among Climate projects with specific functions to facilitate the coordination and complementarity of the projects funded by the GCF to the FDB, the WWF, and the FAO. Participate in and provide input for all the other activities.
MoFF	The Ministry is responsible for initiatives for the conservation and sustainable management and development of fisheries & forest resources. Its Department of Forest has various functional divisions organized to ensure the management of forestry resources and to support the management of recreation and conservation areas. Office locations. Within the project, the MFF will guide and support the project's work on forestry investments and forest-related activities. Participate in and provide input for all the other activities.
MoAW	The Ministry is responsible for (a) Maintaining food security, (b) Quick Economic Recovery through the implementation of the Demand Driven Approach Programme (DDA) and other commodity projects, (c) Poverty Alleviation by building the capacity of farmers, and (d) Sustainable management of Natural Resources through the Flood Protection programmes and other SLM practices. The MAW will guide and support the project's work regarding agriculture and other investments involving farmers, and flood control investments such as riparian forests. Participate in and provide inputs to all other activities.
MITA	The Ministry is tasked with formulating government policies and programs for the indigenous population. It directly links iTaukei institutions and its administration across the fourteen provinces with the government and other expressions on national and international governance. It keeps official records relating to iTaukei land and livelihood grounds (e.g., fishery, forestry, agriculture), and it keeps traditional knowledge and expressions of culture among its priorities. It is responsible for dealing with disputes and formulating advocacy programs to safeguard the iTaukei heritage. The MIA will guide the project about landscape planning-related activities within the project. Participate in and provide input for all the other activities.
iTLTB	The iTLTB (former Native Land Trust Board) is a statutory trust established to control and administer iTaukei land on behalf of Yavusa, Mataqali, and Tokatoka indigenous owners. It deals with iTaukei land via leases and licenses issued over such land on behalf of communities. It facilitates access to land and land-based resources for social and economic development. Its purpose is to secure, protect, and manage land ownership rights assigned to the iTaukei landowners and to facilitate the commercial transactions that revolve around its use. It is doing all this for the national good and public interests, particularly for the benefit of the iTaukei landowners. Within the project, the iTLTB will support and coordinate the project's work on landscape planning-related activities. Participate in and provide input for all the other activities.
Ministry of Lands & Mineral Resources (MLMR)	The Ministry is a key facilitator and contributor to the nation's socio-economic development. It is responsible for policy formulation, monitoring, and implementation of programs governing state land administration, the mineral sector, and Fiji's groundwater resources. This includes facilitating the development and management of land resources for sustainable socio-economic development. The MLMR will support the project's work on landscape planning-related activities and participate in and provide input for all other activities.
Ministry of Education, Heritage and Arts (MEHA)	The MEHA is mandated to provide a holistic and innovative system, among other things, that enables all children to realize and appreciate fully their inheritance and potential to succeed and contribute productively to a peaceful and sustainable Fiji. Within the project, the MEHA will support the mainstreaming of introduced practices and technologies into national university and vocational school curricula.
MECC	The Ministry's mandate covers urban and rural areas. It is responsible for hydrological forecasting, drainage surveillance and realignment, waterways dredging, and river embankment management to improve stormwater management, mitigate flooding, and improve irrigation. It provides various services, including drainage, irrigation, river improvement, river dredging, watershed management, and coastal erosion management. Within the project. Guide and support the project's work about biodiversity and natural regeneration, as well as ensure environmental safeguards and conservation of key ecosystems in project areas. Participate in and provide input for all the other activities.
Ministry of Trade, Co-operatives, Small and Medium Enterprises (MCTTT)	The Ministry is responsible for formulating and implementing policies and strategies that create and facilitate growth in industry, investment, trade, tourism, transport, cooperative businesses, micro, small, and medium enterprises (MSMEs) and enhance metrology, standards, and consumer protection. Within the project, the MCT will work on landscape planning-related activities and will facilitate the participation of co-operatives and small and medium companies. Participate in and provide input for all the other activities.

65. **Executing Entities:** The Executing Entities will be (1) the Food and Agriculture Organization of the United Nations, (2) the Government of Fiji acting through the Ministry of Fisheries and Forestry and the Ministry of Agriculture and Waterways, (3) Fiji Hardwood Corporation Limited and (4) Fiji Pine Limited. FAO will be responsible for all GCF proceeds. FAO-SAP will establish a dedicated PMU in Suva, Fiji to oversee project execution. The GoF, acting through the MoFF and the MoAW, will serve as the Executing Entity for activities financed through its own co-financing resources. Similarly, FHCL and FPL will act as Executing Entities for activities funded by their respective co-financing resources. Accordingly, each will be responsible for managing and implementing its own co-financing, but none will execute GCF proceeds.

Table 3 Executing entities of the different activities

Activity	Sub-Activity	Executing Entity (EE)					Financing source
		FAO	MoFF	MoAW	FHCL	FPL	
1.1.1: Institutionalize inter-sectoral and inclusive collaborative mechanisms	1.1.1.1	X	X				GCF, MoFF
	1.1.1.2	X	X				GCF, MoFF
	1.1.1.3	X					GCF
1.1.2: Establish Natural Resources Management -related Public-Private-Community Partnerships mechanisms	1.1.2.1	X	X				GCF, MoFF
	1.1.2.2	X	X				GCF, MoFF
	1.1.2.3	X	X				GCF, MoFF
1.1.3: Establish community-supported ecological monitoring across the target districts	1.1.3.1	X	X				GCF, MoFF
	1.1.3.2	X	X				GCF, MoFF
	1.1.3.3	X	X				GCF, MoFF
	1.1.3.4	X	X				GCF, MoFF
1.2.1: Update of key natural resources management policies for climate resilience and mitigation	1.2.1.1	X	X				GCF, MoFF
	1.2.1.2	X					GCF, MoFF
	1.2.1.3	X	X				GCF, MoFF
	1.2.1.4	X	X				GCF, MoFF
1.2.2: Develop and introduce the standards and code of practices necessary to ensure climate change mainstreaming via sustainable forest management and forest landscape restoration	1.2.2.1	X	X	X			GCF, MoFF, MoAW
	1.2.2.2	X	X	X			GCF, MoFF, MoAW
	1.2.2.3	X	X	X			GCF, FAO, MoFF, MoAW
	1.2.2.4	X	X	X			GCF, MoFF, MoAW
	1.2.2.5	X	X	X			GCF, FAO, MoFF, MoAW
1.2.3: Prepare Fiji and communities for accessing carbon markets to increase Fiji's climate financing options	1.2.3.1	X	X				GCF, MoFF
	1.2.3.2	X	X				GCF, MoFF
1.2.4: Assess with stakeholders available options to adopt forest ecosystem services incentives and levy	1.2.4.1	X	X				GCF, MoFF
	1.2.4.2	X	X				GCF, MoFF
	1.2.4.3	X	X				GCF, MoFF
	1.2.4.4	X	X				GCF, MoFF
1.2.5: Disseminate policies across institutions and communities	1.2.5.1	X	X				GCF, MoFF
	1.2.5.2	X	X				GCF, MoFF
1.3.1: Design climate risk informed and integrated participatory community landscape management and investment plans	1.3.1.1.	X	X	X			GCF, MoFF, MoAW
	1.3.1.2.	X	X	X			GCF, MoFF, MoAW
	1.3.1.3.	X	X	X			GCF, MoFF, MoAW
	1.3.1.4.	X	X	X			GCF, MoFF, MoAW
	1.3.1.5.	X	X	X			GCF, MoFF, MoAW
	1.3.1.6.	X	X	X			GCF, MoFF, MoAW
	1.3.1.7.	X	X	X			GCF, MoFF, MoAW
	1.3.1.8.	X	X	X			GCF, MoFF, MoAW
	1.3.1.9.	X	X	X			GCF, MoFF, MoAW
1.3.2: Facilitate Sustainable Forest Management for permanent forest estates via public private partnerships	1.3.2.1	X	X				GCF, MoFF
	1.3.2.2	X	X				GCF, MoFF
	1.3.2.3	X	X				GCF, MoFF
	1.3.2.4	X	X				GCF, MoFF
	1.3.2.5	X	X				GCF, MoFF
1.3.3: Transfer knowledge produced by the project to national stakeholders in charge of formal and informal education of youth and professionals	1.3.3.1	X	X				GCF, MoFF
	1.3.3.2	X	X				GCF, MoFF
	1.3.3.3	X	X				GCF, MoFF
	1.3.3.4	X	X				GCF, MoFF
2.1.1: Upgrade knowledge on FLR and climate adaptive nurseries development	2.1.1.1	X	X				GCF, MoFF
	2.1.1.2	X	X				GCF, MoFF
	2.1.1.3	X	X				GCF, MoFF
2.1.2: Expand and upgrade existing nurseries	2.1.2.1	X	X				GCF, MoFF
	2.1.2.2	X	X				GCF, MoFF
	2.1.2.3	X	X				GCF, MoFF
	2.1.2.4	X	X				GCF, MoFF
	2.1.2.5	X	X				GCF, MoFF
2.2.1: Implement community-led forestry investments identified in the CLMPs	2.2.1.1	X	X				GCF, MoFF
	2.2.1.2	X	X				GCF, MoFF
	2.2.1.3	X	X	X			GCF, MoFF, MoAW
	2.2.1.4	X	X	X			GCF, MoFF, MoAW
	2.2.1.5	X	X	X			GCF, MoFF, MoAW
	2.2.1.6		X	X			MoFF, MoAW
2.2.2: Establish community-supported High Conservation Value Forests	2.2.2.1	X	X				GCF, MoFF
	2.2.2.2	X	X				GCF, MoFF
	2.2.2.3	X	X				GCF, MoFF
	3.1.1.1	X	X				GCF, MoFF

3.1.1: Support private sector companies in adopting the Forest Stewardship Council certification and integrating the FSC Ecosystem Services Procedure	3.1.1.2	X	X				GCF, MoFF
	3.1.1.3	X	X				GCF, MoFF
3.1.2: Support communities' adoption of the Forest Stewardship Council certification and the integration of the FSC Ecosystem Services Procedure	3.1.2.1	X	X				GCF, MoFF
	3.1.2.2	X					GCF
	3.1.2.3	X					GCF
3.2.1: Strengthen/de-constrain existing forestry financial mechanisms of the FDB and other national financing institutions to support sustainable natural resources management	3.2.1.1	X					GCF
	3.2.1.2	X					GCF
	3.2.1.3	X					GCF
	3.2.1.4	X					GCF
3.2.2: Facilitate the enhancement and upgrade of forestry financial products to ensure effectiveness and efficiency of resilience investments	3.2.2.1	X					GCF
	3.2.2.2	X					GCF
	3.2.2.3	X					GCF
3.2.3: Support the capacity of public and private financial institutions to identify climate risk investments and to ensure Paris Alignment of the pipeline portfolio	3.2.3.1	X	X				GCF, MoFF
	3.2.3.2	X					GCF
	3.2.3.3	X					GCF
3.3.1: Facilitate the restoration and SFM of degraded and logged over natural forests on community land following climate adaptive silviculture approaches	3.3.1.1	X	X				GCF, MoFF
	3.3.1.2	X	X		X		GCF, FHCL, MoFF
	3.3.1.3	X	X				GCF, MoFF
	3.3.1.4	X	X				GCF, MoFF
3.3.2: Facilitate the introduction of FLR and SFM on degraded lands and commercial plantation areas following climate adaptive silviculture approaches	3.3.2.1	X	X				GCF, MoFF
	3.3.2.2	X	X				GCF, MoFF
	3.3.2.3	X	X				GCF, MoFF
	3.3.2.4	X	X		X	X	GCF, MoFF, FPL, FHCL
	3.3.2.5	X			X	X	GCF, FHCL, FPL
	3.3.2.6	X			X	X	GCF, FHCL, FPL
	3.3.2.7	X			X	X	GCF, FHCL, FPL
	3.3.2.8	X	X				GCF, MoFF
3.3.3: In partnership with the Ministry of Agriculture and Waterways, support forest landscape restoration via agroforestry investments	3.3.3.1	X		X			GCF, MoAW
	3.3.3.2	X		X			GCF, MoAW
	3.3.3.3	X		X			GCF, MoAW
	3.3.3.4	X		X			GCF, MoAW
	3.3.3.5	X		X			GCF, MoAW
	3.3.3.6	X		X			GCF, MoAW
Project Management Unit		X	X				GCF, MoFF, FAO

66. As appropriate, a dedicated PMU will be established and hosted by the MoFF or FAO in Suva and will be functional for the entire duration of the project. The PMU will coordinate directly with local institutions and stakeholders, the PSC, and the equivalent offices in the regions and districts, as well as FAO (sub-)regional offices and HQ, and will be responsible for supporting the execution of day-to-day activities with participating regional and local governments and other stakeholders. The PMU will be led by a project-recruited Senior Project Coordinator (NPC), who will be responsible for overall project management and stakeholder coordination.

67. FAO will either undertake direct responsibility for executing the selected activities under the various components through technical experts in the PMU or competitively outsource the services of implementing partners. Table 6 gives responsibility for the achievement of the leading project outputs. In each case, FAO will closely coordinate with the relevant Ministry. FAO will competitively recruit service providers for the execution of specific activities as detailed in the procurement plan and in the budget (Annex 10 and Annex 4). The PMU will also ensure the establishment of a Gender Working Group led by the Gender Expert and comprising gender experts and focal points from relevant stakeholder groups to provide ongoing review and inputs to strengthen gendered outcomes from project activities.

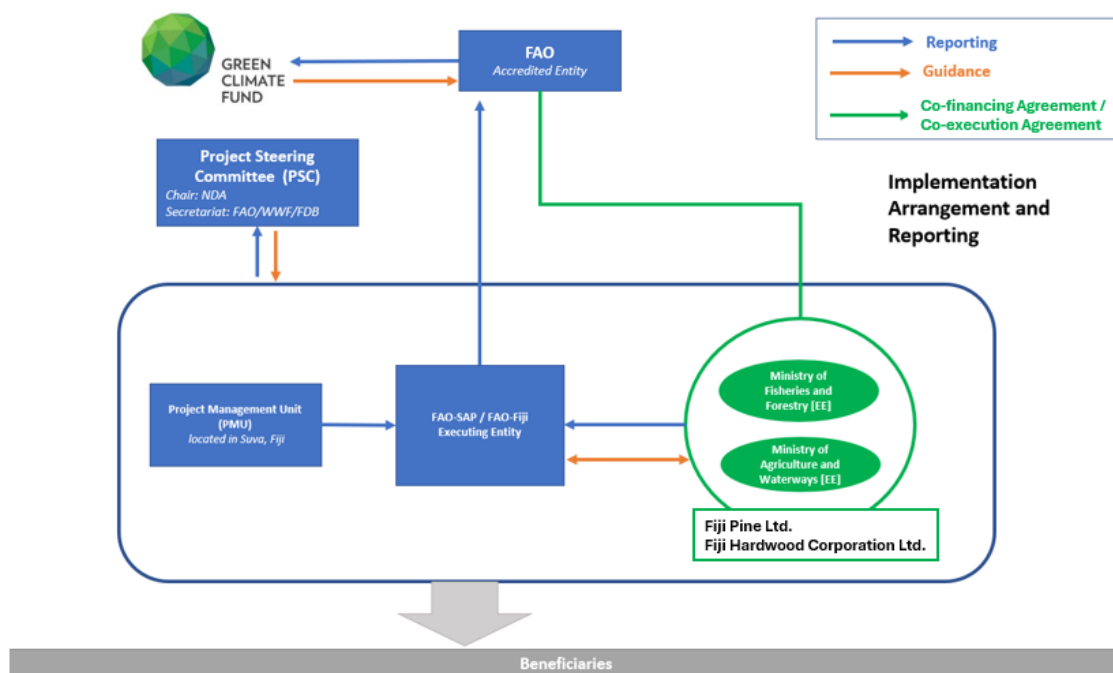


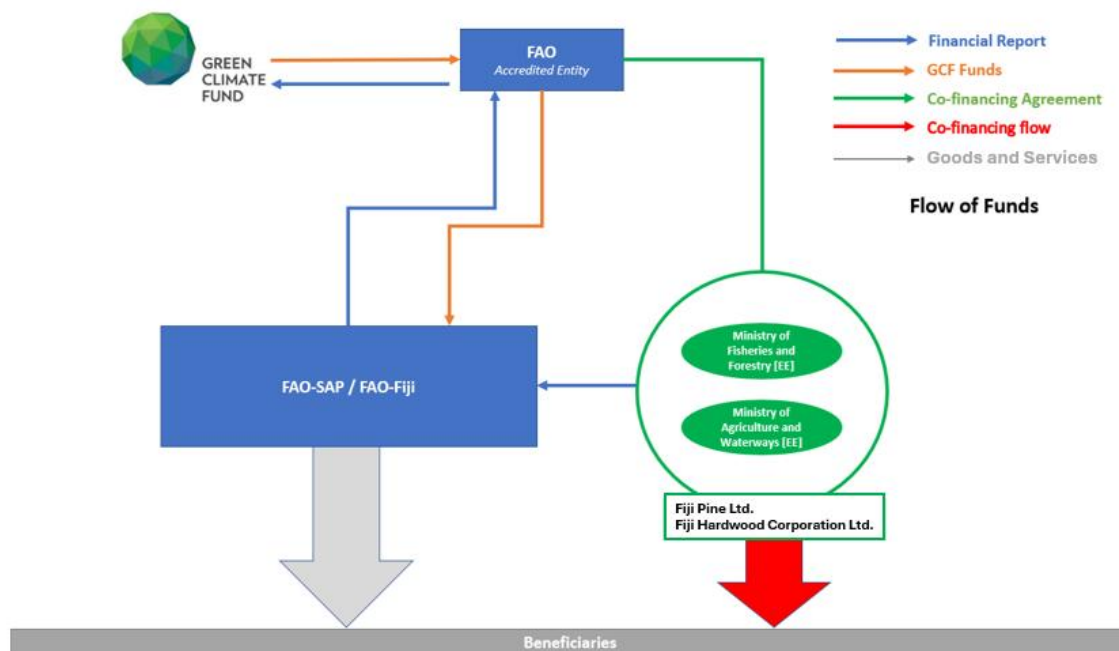
Figure 7 Implementation Arrangements

68. **Figure 7 Implementation Arrangements**
Table 4 Key Responsibilities and Executing Responsibilities

Entity	Role	Specific Responsibility
FAO	AE	Supervision, backstopping and oversight
FAO	Co-financier and EE	In-cash financing, and execution of GCF financing activities
MoFF	Co-Financier and EE	In-kind contribution and execution for respective activities; policy review, stakeholder coordination and in-field support
MoAW	Co-Financier and EE	In-kind contribution and execution for respective activities; policy review, stakeholder coordination and in-field support
FHCL	Co-Financier and EE	In-kind contribution to Output 3.3: Support the restoration and SFM of commercially logged over natural forests and plantations
FPL	Co-Financier and EE	In-kind contribution to Output 3.3: Support the restoration and SFM of commercially logged over natural forests and plantations
Service Provider / NGO	Implementation	Communication, forestry investments, seeds production
Service Provider / NGO	Implementation	Community engagement and community work.

69. GCF funds will be transferred to FAO as a grant. GCF proceeds will not flow through the identified Executing Entities. These institutions will only be responsible for managing their respective co-financing.

Figure 8: Funds flow and contractual arrangements



B.5. Justification for GCF funding request (max. 1000 words, approximately 2 pages)

70. Fiji's economy remains fragile, heavily impacted by extreme weather events like cyclones Winston (2016) and Yasa (2020), as well as the global COVID-19 pandemic (2020-2022). The tourism sector, a key driver of Fiji's economy, suffered dramatically during the pandemic, leading to a 15.7% contraction in 2020. Despite signs of recovery, with 8.2% GDP growth in 2023, Fiji faces ongoing economic challenges. As of June 2024, the country's debt has reached approximately FJD 10 billion (USD 4.5 billion), around 78% of its GDP, with external debt standing at USD 2.54 billion (25% of GDP). The World Bank's Fiji Public Expenditure Report (2023) warns that if these debt levels persist, they will jeopardize Fiji's post-pandemic economic recovery and long-term sustainable development. While the Fijian government has introduced several initiatives to address these challenges, such as the 2022 Fijian Sustainable Bond Framework, the first of its kind for Small Island Developing States (SIDS), the country lacks sufficient resources to achieve all its climate goals, as highlighted in the updated NDCs. Pacific Island countries, including Fiji, need between 6.5% and 9% of their GDP annually for climate adaptation, a requirement far beyond the capacity of current funding mechanisms. GCF funding is thus crucial to bridge this gap, ensuring progress in key climate resilience and adaptation efforts. Fiji's fiscal constraints, coupled with the fragility of its private sector, hinder investments in climate change adaptation and mitigation. The domestic banking sector views forest sector investments as high risk due to the country's vulnerability to natural disasters. This project seeks to mitigate that risk by enhancing awareness and building knowledge among local banks and financial institutions regarding community enterprises and forestry sector investments. By addressing these market failures, GCF funding will help create an environment conducive to sustainable forest management (SFM) and conservation, crucial elements for reducing climate risks and fostering resilience.

71. Given Fiji's high public debt (around 80% of GDP), recurrent climate-related losses (estimated at about FJ\$500 million in average annual losses), and the public-good nature of forest and reef protection, the project is appropriately structured as grant-equivalent financing. IMF Article IV assessments (2025) note the need to rebuild fiscal buffers in a disaster-prone SIDS with a moderately weak external position, while World Bank and Ministry of Finance estimates indicate climate impacts already impose costs of around 5% of GDP annually. Additional borrowing for adaptation would weaken buffers and heighten debt risks; concessional and grant finance therefore preserves fiscal space for essential services and recovery, consistent with Fiji's fiscal consolidation objectives.

72. In this context project activities and the proposed financing mobilization follow a sequenced approach aimed at reducing long-term grant dependence by strengthening private sector participation and public-private partnerships. This includes: (i) reorientation of existing FDB and NFI lending toward FLR and SFM through ESMF-aligned product design and screening; (ii) operational readiness of the Forest Landscape Facility to aggregate investment pipelines and channel concessional resources; and (iii) TA-supported standardization of eligibility, due diligence, and loan covenants

to crowd in private capital while safeguarding public objectives. Within this framework, GCF participation is catalytic, covering non-recurring set-up costs, lowering institutional and policy risk, and enabling leverage at scale.

73. The participation of Fiji Pine Limited and Fiji Hardwood Corporation Limited provides a concrete illustration of how strengthened public–private partnerships can support reduced reliance on grants while ensuring community benefit-sharing. Both entities operate as public–private partnerships jointly owned by the State and customary landowning communities whose lands are managed under lease. In addition to lease revenues and stumpage fees, communities receive dividends through trust funds governed under customary law, with allocations split between direct transfers and development investments (including infrastructure, education, and health). This ownership and revenue-sharing structure aligns commercial forestry operations with public objectives, strengthens incentives for sustainable forest management, and ensures that financial and environmental benefits accrue primarily to communities located within the affected watersheds.

74. As a recognized leader in climate advocacy among SIDS, Fiji is well-positioned to leverage this project to showcase best practices in sustainable forestry management. The GCF grant will serve as a key incentive, unlocking a mix of public and private financing to support sustainable forestry and agroforestry activities. This initial grant funding will demonstrate the viability of sustainable investments, attracting additional resources from both public and private sectors. The project will bring direct and indirect benefits to rural communities dependent on forest ecosystems, including enhanced household income, job creation, and increased resilience against climate-related risks. The project's expected outcomes also include significant economic benefits for Fiji. Improved regulatory frameworks in the forestry sector will foster innovative investments, such as payments for ecosystem services (PES), aligning with global trends that recognize the economic value of ecosystem services. This initiative will contribute to Fiji's overall climate resilience strategy by reducing soil erosion, protecting coral ecosystems critical to the tourism industry, and generating sustainable income for forest-dependent communities.

75. Given Fiji's high debt burden and the perceived investment risks in its forestry sector, GCF concessional funding is designed to be the minimum required to make these investments viable. Without this concessional finance, barriers such as limited technical capacity and a lack of bankable projects would continue to impede progress. Furthermore, as outlined in section D.6, while the project is economically beneficial on a 30-year span, it is less so on 20 years, and requires therefore additional support to be achieved. The project's structure, which combines public-sector policy leadership with private-sector incentives, aims to address key barriers to investment while fostering collaboration between government entities and private stakeholders. The state, through co-financing, is taking a major step forward in allocating key resources (cash) to the project. These will not only cover for part of the investment, but also for opening new ways towards establishing protected forests, involvement of private sector operators, and supporting communities ensuring SFM. In the short and medium term, concessional financing is essential to maintain momentum in climate adaptation, as Fiji remains highly vulnerable to the impacts of climate change, with rising social, economic, and environmental costs. The project's investments will ensure that vulnerable communities are protected from climate-related disasters. In the long term, the magnitude of funding required for comprehensive climate action remains substantial. Concessional financing will play a pivotal role in unlocking broader investment from both the public and private sectors, providing a pathway for sustainable development in Fiji. The country's commitment to climate action, as evidenced by the 2021 Climate Change Act and related policies, underscores the importance of concessional financing in achieving transformative change. The combination of diverse financing sources—GCF grants, public funds, and international support—will catalyze investments critical to Fiji's climate resilience and sustainable economic growth.

B.6. Exit strategy (max. 500 words, approximately 1 page)

76. The exit strategy and sustainability of each principal investment area have been woven into the design of each component. By addressing structural barriers in policy, governance, financing, and capacity, the project ensures that its outcomes continue beyond the GCF funding period without reliance on external implementation support. The investments in forestry will be undertaken in close coordination with the Ministries and Departments responsible for their long-term operation and maintenance (i.e., MoFF). The project will support Fiji in eliminating the main barriers still in place to ensure climate resilience and low-carbon development pathways for all. By addressing the critical structural elements preventing a fundamental paradigm shift and working with all stakeholders, the project will successfully exit once implementation is completed. Specifically, the project will support coordination and complementary actions among institutional and non-institutional stakeholders. To this end the institution of the multistakeholder platform (Activity 1.1.1) will facilitate and ensure the enabling conditions for long term coordination and support of all sorts of projects to national strategic targets ensuring economies of scale and alignment of investments. The project will upgrade and enhance the existing NRM-related policy framework, filling the gaps currently dwarfing Fiji's resilience and causing a severe adaptation deficit. To do so, the project will work with stakeholders and transfer knowledge not only to those already in

their capacities but also ensure that introduced practices and knowledge will be embedded in the existing policy and governance framework (e.g., Output 1.2) but also by upgrading the education curricula of the next generations of Fijian and Pacific Ocean professional and administrators (activity 1.3.3). Moreover, the exit strategy explicitly includes the development and integration of a national carbon credit market architecture. The project is designed to align carbon trading mechanisms developed under its activities with Fiji's broader climate finance framework, including linkages to voluntary carbon markets and emerging carbon finance platforms, thereby ensuring that carbon finance continues to incentivize sustainable forest management and ecosystem restoration beyond project completion.

77. Operationally, project's sustainability is achieved through the progressive handover and institutionalization of its tools, procedures, and financing mechanisms. Core instruments developed under the project, including CLMPs, ecosystem services valuation tools, carbon market readiness frameworks, sustainable forest management standards, and associated monitoring and verification procedures, are embedded within existing ministerial mandates and operational systems. Financial mechanisms developed with national financial institutions, including appraisal methodologies, loan products, and risk-management procedures for forest and agroforestry investments, are integrated into standard institutional portfolios. This approach ensures that planning, financing, implementation, and oversight functions continue to be executed by national institutions and market actors beyond project completion, without reliance on project-specific structures.

78. In addition to institutional and financial continuity, the exit strategy is reinforced by medium- to long-term efficiency gains and avoided public costs generated through integrated ridge-to-reef land and water management, the Ridge-to-Reef approach and the investments identified by the project will contribute to reducing the frequency and severity of sedimentation in rivers and lagoons, flood peaks, and landslides, which are among the main drivers of recurrent public infrastructure expenditure in Fiji. As reported by the MoAW, maintenance of the Rewa River alone has cost the country several millions of dollars (USD) per year, largely due to excessive sedimentation requiring repeated dredging and riverbank consolidation. By reducing soil erosion through forest and agroforestry investments, sustainable forest management, and climate-risk-informed land-use planning, the project will shift expenditure from reactive and emergency interventions toward preventive and planned management, lowering the frequency of high-cost maintenance works and extending the operational life of existing infrastructure. In addition, the project introduces standardized approaches, guidelines, and codes of practice for forestry planning, management, monitoring, and investment. These reduce transaction, compliance, and supervision costs per hectare by replacing fragmented, site-specific decision-making with harmonized procedures and shared tools, allowing economies of scale for public authorities, communities, and private operators. Together, these effects result in medium- to long-term efficiency gains and avoided costs relative to business-as-usual, rather than immediate budgetary savings. These avoided costs and efficiency gains are reflected in the project's economic analysis and efficiency assessment (Section D.6).

79. The participation of the private sector and the public private partnership addressed by the project will be guided by the objectives and targets of the [Fiji Development Plan](#) (2018-2038) and the [Fiji Trade Policy Framework](#) (2015-2025) and the newly adopted FLR Investment Strategy (2025-2030). Private sector operators will be involved across components (e.g., Output 1.1-1.2-1.3, Output 2.2, and Output 3.1.-3.2-3.3), including (a) training on sustainable and climate adaptive forest management, and (b) via the establishment of sustainable finance mechanisms with the FDB and other financial institutions in Fiji. The project expects to play an essential role in demonstrating the role of local stakeholders in improving forest management and the value chains that depend on them and their governance at the regional level. Furthermore, the activities will demonstrate that sustainable forestry practices will lead to tangible long-term benefits for the private sector increasing the likelihood of replication and scaling up.^{lix} Related to long term sustainability of measures implemented by communities, as detailed further in mitigation measure for Risk 2 in chapter F. the project will actively involve the communities in all phases of planning and implementation of investment opportunities and utilize evidence-based methods to demonstrate the success of CAS practices in similar contexts, both regionally and globally. The proposed approach will guarantee the full ownership of the project as the new framework for policy, governance, and landscape investment was identified by stakeholders; it will be executed with them and under the supervision of national institutional stakeholders (e.g., SC) and finally will constitute the base of their administration (e.g., policy, governance, and incentives) and of their land tenure related income (e.g., CLMPs, SFM, PAs). The involvement of civil society organizations, regional organizations as well as local schools and universities will support continuity of the activities after the project ends. Additionally, the iTLTB, the MoFF and the MoAW will continue promoting community participation into land and NRM monitoring to ensure a continuous availability of granular data from decentralized regions. The project will maintain active coordination with key institutions such as the FDB and WWF through the multistakeholder platform established under activity 1.1.1 and engagement through the PSC. This active, multi-stakeholder collaboration and coordination during project implementation will not only work to align the exit strategies of the ongoing initiatives, but will also strengthen the coordination role of the Ministry of Environment and Climate Change to further ensure synergies in climate finance readiness, scaling of forest landscape restoration, and

financing innovations, thereby enhancing the sustainability and impact of carbon trading and climate resilience measures at national and community levels.

80. Related long-term financial sustainability, the project will (i) Optimize existing procedures and infrastructure to reduce long-term costs; (ii) Introduce forest management practices that increase investment effectiveness while decreasing operational costs; (iii) Support the development of offset mechanisms for continuous financial resources for NBS beyond the project intervention and creating the enabling conditions for the country to apply effectively to existing financial mechanisms as well as new emerging ones such as the Cali fund and the Tropical Forest Forever Facility^{lx}; (iv) introduce ecosystem services in lease mechanisms to provide incentives for sustainable land utilization; (v) mainstream climate-adaptive management of forestry and land resources from R2R in the planning tools of the TLTB.

81. The innovative mechanisms promoted by the project are also expected to create spill-over effects in other sectors willing to engage in climate action. For instance, the service providers and financial Institutions capacitated are also working beyond the forestry and agriculture sector, and the project's experience is expected to positively impact the climate-proofing of their whole portfolio and operations. The participation of the Pacific Community, above all through the involvement of crucial partners like UNOSAT, SPC, and the University of the South Pacific (USP) will support integrating the action in regional planning and knowledge exchange. As part of ensuring long-term sustainability, the project will embed carbon credit generation as a pillar of financial mechanisms developed with the FDB and private sector actors. These mechanisms will ensure a continuous flow of carbon finance resources linked to verified emissions reductions from forestry and landscape restoration activities. This approach will strengthen community livelihoods by providing diversified, climate-resilient revenue streams that persist through and beyond the project lifecycle, reinforcing ownership and ongoing stewardship of restored landscapes.

C. FINANCING INFORMATION						
C.1. Total financing						
(a) Requested GCF funding (i + ii + iii + iv + v + vi + vii)	Total amount			Currency		
	29.35			million USD (\$)		
GCF financial instrument	Amount	Tenor	Grace period	Pricing		
(i) Senior loans	<u>Enter amount</u>	<u>Enter years</u>	<u>Enter years</u>	<u>Enter %</u>		
(ii) Subordinated loans	<u>Enter amount</u>	<u>Enter years</u>	<u>Enter years</u>	<u>Enter %</u>		
(iii) Equity	<u>Enter amount</u>			<u>Enter % equity return</u>		
(iv) Guarantees	<u>Enter amount</u>	<u>Enter years</u>				
(v) Reimbursable grants	<u>Enter amount</u>					
(vi) Grants	29.35 million USD					
(vii) Results-based payments	<u>Enter amount</u>					
(b) Co-financing information	Total amount			Currency		
	Enter amount23.18			million USD (\$)		
Name of institution	Financial instrument	Amount	Currency	Tenor & grace	Pricing	Seniority
FAO	<u>Grant</u>	<u>0.92</u>	<u>million USD (\$)</u>	<u>Enter years</u> <u>Enter years</u>	<u>Enter%</u>	<u>Options</u>
Fiji Government	<u>In kind</u>	<u>8.41</u>	<u>million USD (\$)</u>	<u>Enter years</u> <u>Enter years</u>	<u>Enter%</u>	<u>Options</u>
FHCL	<u>In kind</u>	<u>10.16</u>	<u>million USD (\$)</u>	<u>Enter years</u> <u>Enter years</u>	<u>Enter%</u>	<u>Options</u>
FPL	<u>In kind</u>	<u>3.69</u>	<u>million USD (\$)</u>	<u>Enter years</u> <u>Enter years</u>	<u>Enter%</u>	<u>Options</u>
(c) Total financing (c) = (a)+(b)	Amount			Currency		
	<u>52.53</u>			<u>million USD (\$)</u>		
(d) Other financing arrangements and contributions (max. 250 words, approximately 0.5 page)	82. The project will also leverage USD 5.9 M from the beneficiaries and USD 200k from the TLTB to support the forest and land restoration investment. These funds are additional and not included in the Table above.					
C.2. Financing by component						

Component	Output	Indicative cost million USD (\$)	GCF financing		Co-financing		
			Amount million USD (\$)	Financial Instrument	Amount million USD (\$)	Financial Instrument	Name of Institutions
Component 1.	1.1	1.45	1.12	Grants	0.33	In kind	MoFF,
	1.2	2.66	2.02	Grants	0.64	In cash In kind	FAO, MoFF, MoAW
	1.3	7.41	6.92	Grants	0.49	In kind	MoFF, MoAW
Component 2:	2.1	4.55	3.40	Grants	1.15	In kind	MoFF
	2.2	8.64	5.71	Grants	2.93	In kind	MoFF, MoAW
Component 3	3.1	0.53	0.35	Grants	0.18	In kind	MoFF
	3.2	0.38	0.38	Grants	0.001	In kind	MoFF
	3.3	23.84	7.93	Grants	15.91	In kind	MoAW, MoFF, FHCL, FPL
M&E		1.08	0.86	Grants	0.22	In kind	MoFF
PMC		1.99	0.66	Grants	1.33	In kind in cash	MoFF, FAO
Indicative total cost (USD million)		<u>52.53</u>	<u>29.35</u>		<u>23.18</u>		

C.3 Capacity building and technology development/transfer (max. 250 words, approximately 0.5 page)

C.3.1 Does GCF funding finance capacity building activities? Yes ☒ No ☐

C.3.2. Does GCF funding finance technology development/transfer? Yes ☒ No ☐

83. The project will invest an estimated USD 8.5 M amount in capacity development and technology transfer to Fiji, respectively of USD 4.85 M and USD 3.9 M. It will support the knowledge/technology transfer and capacity development of 91,822 persons (at least 49% women) from public and private institutions and communities. Furthermore, the project will ensure transfer to new generations of professionals by including introduced technologies and practices into national curricula, ensuring scale-up of knowledge transfer to over 16,000^{ixi} (59% female) students that will form the next generation of professionals in Fiji.

D. EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA

This section refers to the performance of the project/programme against the investment criteria as set out in the GCF's Initial Investment Framework.

D.1. Impact potential (max. 500 words, approximately 1 page)

84. The project will contribute to several GCF targets identified in the strategic program 2024-2027 (Table 5).

Table 5: Project's contribution to GCF-USP 2024-2027

Strategic Priority	Description	Contribution
Country Programming	More than 100 developing countries directly supported to advance NDCs, NAPs or LTS	Preparation of several key policies and tools facilitating transition toward a sustainable economy and reducing adaptation deficits (Section D.1 Country Ownership).
Direct Access	Doubling the number of DAEs with approved GCF funding proposals through strengthened climate programming capacity and increasing the allocation of GCF resources through DAEs.	Support and collaborate with FDB (DAE) in designing and adopting new financial mechanisms for farmers' and foresters' climate investments and to ensure Paris's alignment with their portfolio.
Food	190 to 280 million beneficiaries adopting low-emission climate-resilient agricultural and fisheries	Support 72,944 community members and local institution staff with knowledge and technology transfer to adopt improved approaches such as FLR, SFM, and agroforestry. Also, beneficiaries will be supported with the new financial mechanisms developed in collaboration with the FDB
Ecosystems	120 to 190 million hectares of terrestrial and marine areas conserved, restored, or brought under sustainable management	The project will invest in restoring, protecting, enhancing, and sustainably managing 80,737 hectares of forests and agricultural lands.
	Total (no double-counting)	80,737 hectares
	1. Sustainable management (sub-total)	24,375 hectares
	2. Conserved/protected (sub-total)	22,000 hectares
Locally-led Adaptation	40-70 approved proposals for adaptation projects, including for locally-led adaptation action.	Development of community-led landscape management and investment plans to support local communities, containing locally-led adaptation and mitigation actions.
Innovation and Market Creation	900 to 1500 local private sector early-stage ventures and Medium Small Size Enterprises (MSMEs) provided with broad-based seed and early-stage capital for innovative climate solutions, business models and technologies	Collaboration with FDB, local investment funds, and insurance companies to provide companies involved in forestry and agriculture with sustainability and adaptation-linked financial tools.
Greening Finance	90 to 180 national and regional financial institutions supported to access GCF resources, and other green finance, particularly for MSMEs	Support FDB in greening its portfolio and in establishing mechanisms/processes for smallholders and foresters to access climate finance.

85. **Mitigation Impact (Outcome):** The project will increase the capacity of forests and agricultural lands to remove CO₂. For calculating mitigation impacts, the project used FAO NEXT, a tool specifically designed to evaluate projects' carbon impact in the AFOLU sector using IPCC methodology. Annex 22 reports the impacts of the project's different forests in terms of tCO_{2eq} removals and avoided emissions corresponding to -6 mln tCO_{2eq}. The project will execute each investment with communities and their organizations. Activities will include policy development, technical assistance, capacity development, and tailored training for involved stakeholders. Activities will also be monitored with the support of communities in situ (villages) and from the area, including mobilizing schools. Project investments will focus on: (i) enhancing investments in forest management and expansion via afforestation and forest restoration; (ii) forest protection; (iii) introduction of sustainable forest management; (iv) rehabilitation of degraded land through SRP.

86. **Adaptation Impact:** The project will increase the resilience and adaptive capacity of 346,591 people (37% of the population, of which 174,682 are women). Direct beneficiaries (196,877 people or 29% of the total population) are the ones living in communities in the districts where investments will be secured and those who will participate in training and capacity development activities. Indirect beneficiaries are, in particular, those living downstream from project areas. Indirect beneficiaries are calculated as 149,715 people, equating to 22% of the population. Of which, 75,456 are women. Detailed information on beneficiaries can be found in Annex 25.

87. **Ecosystems and ecosystem services.** Regarding ecosystems and ecosystem services, the project will ensure increased resilience and adaptability of 80,737 ha of forests and agricultural landscapes while contributing to enhanced resilience of over 90,000 ha of coastal and marine ecosystems. The innovative mechanisms established through project investments will have a beneficial impact on all forests in Fiji in the medium to long term. In addition to direct forestry and agroforestry investments, the project will reduce the adaptation deficit of the country by transferring

knowledge and technologies to the country (Component 2), by increasing people's participation in forest management (Output 1.3) and by enhancing the policy and access to credit framework of the country (Outputs 1.1, 1.2, 3.1, and 3.2).

D.2. Paradigm shift potential (max. 500 words, approximately 1 page)

88. The project will introduce innovative approaches to climate change adaptation and mitigation in Fiji. Thanks to tailored investments, policy development, involvement of communities, and bridging with sustainability-linked financial resources, the project will resolve the barriers currently preventing long-term paradigm shift. It will create enabling conditions for the R2R management of natural resources. Transformational planning and programming will allow communities (Output 1.3) to be permanently engaged in the planning of climate change activities. At the same time, the value of ecosystem services will become part of the cost of land leases with dedicated premiums and sustainability-linked financial support (Output 3.1-3.2). Further information can be found in Table 6.

Table 6: Project's contribution to paradigm shift.

Potential for scaling up and replication	Transformational planning and programming will allow communities (Output 1.3) to permanently participate in the planning of climate change activities and be rewarded for sustainability linked activities promoted in their areas of influence. Furthermore, the project will catalyze climate innovation by developing policies, guidelines, and financial mechanisms to develop and execute schemes that value carbon removal potential, carbon stocks, biodiversity, and other ecosystem services. To this end, the project will support Fiji in embedding these values into the cost of land leases by law with dedicated premiums and sustainability-linked financial support (Output 3.1-3.2).
Contribution to climate-resilient pathways	The project will introduce new approaches and technologies to address forest ecosystems and ecosystem services in general without increasing the overall cost base of the process . On the contrary, by introducing SFM processes and ecosystem services value in the cost of leases, the project will rationalize climate-related expenditures and reduce the overall cost of climate change management activities such as river dredging, relocation of communities due to floods, and infrastructures. Additionally, thanks to the collaboration planned with the South Pacific University and the other Fijian universities and schools, the project will contribute to reducing the adaptation deficit of the Pacific region by transferring knowledge to young males and females.
Potential for knowledge and sharing lessons learned	The project will introduce new approaches and technologies and will transfer them to: (i) Academia; (ii) Schools; (iii) Private Sector; (iv) Financial Institutions; (v) National Institutions; (vi) local institutions; and (vii) Communities. Furthermore, the monitoring and evaluation approaches (Annex 11) promoted by the project lead to transparent, precise, and replicable evidence-based analysis from which lessons learned and best practices could be derived.
Contribution to the creation of an enabling environment	All the activities proposed by the project will be continued by Fiji. This will be guaranteed by the new policy framework promoted by the project, by the establishment of financial mechanisms with the FDB and other finance institutions in Fiji (Output 3.2), and by the enhanced participation of communities in the assessment, monitoring and planning of their areas of interest (Output 1.3). The combination of these three will support overcoming systematic barriers to low-emission development to catalyze impact beyond the scope of the intervention. Furthermore, the project will create the enabling condition for new markets (e.g., sustainable wood and Non-Timber-Forest-products) as well as for a climate and sustainability-linked management of ecosystems . This will also be made possible by improving existing loan products of the FDB and introduce innovative and sustainability linked lending mechanisms tailored to the needs of the forestry sector, as well as the involvement of Fijian investment funds and insurance mechanisms to support the paradigm shift of commercial enterprises involved in forestry and agroforestry via the deployment of low-emission and climate-resilient investments .
Contribution to the regulatory framework and policies	The project will support Fiji in advancing its regulatory framework by: (i) Updating and upgrading the coordination procedures among climate concerned ministries; (ii) establishing public-private partnerships; (iii) updating the policies and guidelines related to protected areas, land planning, community participation; forest management plans; (iv) establishing the strategies for SRPs; (v) updating the climate management manuals for farms; (vi) creating finance standards and governance mechanisms for green and blue carbon; and (vii) establishing the procedures for communities to contribute to the monitoring of natural resources. This will allow the project to promote and actively ensure mainstreaming of climate change considerations into policies and regulatory frameworks and decision-making processes.

D.3. Sustainable development (max. 500 words, approximately 1 page)

Economic co-benefits	The project will promote investments and productive forestry, agroforestry, and non-timber activities in the project's intervention areas, creating job opportunities for rural populations on farms and beyond. Additionally, improved forest area management is expected to help boost tourism related to these ecosystems, which will also be an important source of employment in the country.
Social co-benefits	The project will enhance community participation while empowering youth and women in forestry investments and forest management. Furthermore, thanks to the introduced practices and technologies, the project will contribute to creating new jobs and new markets (e.g., carbon management, green biomass, and climate-adaptive nurseries).
Environmental co-benefits	In addition to the presented positive impacts in terms of CCA and CCM, the project will have positive impacts on biodiversity, soil quality, and water availability, decrease evapotranspiration and slow down soil erosion, increase agricultural yields, and protect rural communities and infrastructures from flash floods, floods and landslides. Moreover, thanks to its R2R approach, the project will contribute to the resilience of at least 90,000 ha of coastal and marine ecosystems thanks to the reduced erosion and consequent siltation of reefs, mangroves, and seagrass beds. Finally, the project will partner during the entire execution with key NGOs such as WWF-Fiji that will support and advice on community participation as well as biodiversity and nature conservation.
Gender empowerment co-benefits	The project will benefit 346,591 Fijians, with a specific focus on sectorial stakeholders and private companies. In all training and investments, when possible, the project will give higher priority to women owning/leasing lands for bioenergy or other purposes. It will ensure that at least 50% of beneficiaries are women. Furthermore, the project will ensure women participation and their empowerment in all the activities related to forestry investments. Through investments in community nurseries women will be reached and involved in community behavioural change activity (O 2.1)
Sustainable Development Goals	Some of the wider benefits of the project are expected to assist in mitigating some of these effects and help in reducing poverty (SDG 1), enhance food security through rehabilitation and protection of agricultural soils (SDG 2) undertake several key investments for combatting climate action (SDG 13) promote sustainable use of terrestrial ecosystems, combat desertification, and halt and reverse land degradation and biodiversity loss through climate adaptive silvicultural practices (SDG 15). More details related to the contribution to SDGs can be found in Annex 2, Table 32.

D.4. Needs of recipient (max. 500 words, approximately 1 page)

89. Although advanced on many fronts, Fiji institutions still require support in reducing its adaptation deficit and avoiding adverse impacts of climate change while capitalizing on mitigation potential offered by land, coastal and marine ecosystems. Fiji is one of the most world's most vulnerable nations to climate change and climate-related disasters ([WB, 2024](#)). The country currently ranks 77th out of 185 countries on the [ND-Gain index](#), indicating that the country makes progress towards "responding effectively to climate change, but the adaptation needs and urgency to act are greater." Climate change is likely to exacerbate all weather-related hazards in Fiji, and flood severity has already found to be increasing ([UNDRR, 2019](#)). Natural hazards affect largely poor rural people and women. Due to their large dependency on natural resources, rural people are more exposed to hazards and dispose of fewer resources to cope with crises. As reported by a recent report of the [UNCDF \(2020\)](#), Fiji faces severe and frequent floods, leading to loss of life, damage to infrastructure, and economic disruption. Over the past 40 years, Fiji has averaged more than one flood annually, with many being low intensity but frequent enough to cause significant cumulative losses. The average annual flood losses are estimated to exceed FJD 400 M (USD 176 M), equating to around 4.2% of the country's GDP. The CIMA research foundation (2022) assessed that the risk of population displacement due to floods under different climate change scenarios (RCP 4.5 and 8.5), could double as early as 40 years from now. Recent reports and studies confirm the estimates published by the GoF and the World Bank in 2018 (GoF-[WB, 2018](#)) that by 2050 the number of Fijians being pushed into poverty and hardship could increase to an estimated 32,400 per year.

90. While Fiji has made efforts to mobilize domestic resources for climate change adaptation and mitigation, it faces several challenges in financing its climate resilience and mitigation initiatives solely through its own resources. Fiji is a small island developing state whose contribution to global climate change is negligible and has limited financial resources due to a relatively small economy. Allocating significant funds solely from domestic sources for climate change initiatives may strain its budget and hinder other development priorities. The cost of adapting to climate change impacts in vulnerable sectors like AFOLU is substantial. The World Bank (WB, 2018) estimates that the growing cost of climate change-related disasters is significantly rising and would cost an estimated FJD 9.3 billion (USD4.5 billion) over 10

years. Regardless, Fiji face challenges in accessing affordable capital for climate change projects. To date the country can access only about USD 711.8 M in 20 years or 8% of what is estimated by the WB. Therefore, Fiji requires additional financial support beyond its domestic resources to adequately address these challenges. While Fiji is mobilizing its own financial resources for climate change adaptation and mitigation, its efforts can only address the issue marginally due to the high level of public debt (80.4 %), and a high inflation (5%). Additionally, although the country recovered to pre-COVID 19 economic growths (+3%), the IMF (2024) warns that downside risks to the economic outlook stem from unexpected global developments that would reduce tourist inflows, increase in global commodity prices, higher shipping costs, wage pressures, and potential second-round effects of the recent uptick in prices could pose upside risks to inflation. The fiscal path under current policies reduces debt only slowly and could limit the fiscal space needed to respond to future shocks. Therefore, leveraging international climate finance is essential to complement domestic efforts and ensure the country's resilience to climate change impacts.

D.5. Country ownership (max. 500 words, approximately 1 page)

91. The climate change policy and strategy framework of Fiji is well-articulated and centers around several key components: the National Climate Change Policy (NCCP) 2018-2030, the updated Nationally Determined Contributions (NDCs), and the National Adaptation Plan (NAP). Additionally, Fiji has implemented various laws and strategies pertinent to climate change adaptation and mitigation. Each reported climate change policy emphasizes the importance of sustainable practices in sectors such as forestry and agriculture and underscore the critical role of these sectors in improving livelihoods, ensuring energy security, and achieving carbon neutrality by 2050. Furthermore, national strategies related to natural resource management and biodiversity stress the importance of resilient ecosystems in meeting national and international environmental targets. The project will address Fiji's needs and priorities as outlined in its NDCs, National Communications, National Adaptation Plans, and national policy framework. Supported by letters of endorsement and partnerships with civil society organizations—comprising non-governmental organizations, associations, and local communities—the project will also contribute to implementing Fiji's GCF Country Programme by focusing on priority areas such as renewable energy adoption and ecosystem resilience.

92. Regarding the capacity of Accredited Entity and the Executing Entities, the NDA was involved in preparing this proposal since the earliest phases (e.g., Concept Note). During each phase (Annex 2 and Annex 7), the NDA and FAO ensured the participation of public and private stakeholders. The project was developed and prepared following a request to FAO, by the GoF. During project elaboration, key government agencies and other stakeholders dealing with the forestry, land management, agriculture, environment, Indigenous Affairs, private sector and other sectors were consulted. These included consultations with institutions (central and local), academia and CSOs (e.g. WWF, CI, IUCN, Fiji Women Rights Movement) (Annex 7). The consultations verified the technical feasibility of the project's activities and enabled obtaining feedback from stakeholders on all aspects of the project.

93. With regards to Indigenous Peoples, it was agreed with the GoF that the Project already satisfies the FPIC requirements (Annex 7). Should it be determined that a detailed FPIC will be needed, this will be, through community-level consultations, at project start-up. During execution, the project will ensure that all vulnerable stakeholder groups are included in the implementation process in a transparent and participatory way. This will among others be achieved through the involvement of relevant ministries/groups/CSOs in:

- Establishment of the multi-stakeholder platforms
- Design, implementation and monitoring of integrated participatory community landscape management and investment plans.
- Implementation of forest restoration and sustainable management activities.
- Regular national and community-level consultations to update stakeholders on the project's progress, discuss upcoming activities and gather feedback.
- Targeted outreach and inclusive consultations to ensure marginalized groups' voices are heard.

94. Furthermore, during project execution, consultations with stakeholders will take place yearly, at the time of the preparation of the Annual Work Plan and Budget (AWPB) – i.e., at the beginning of each of the seven project Fiscal Years (FY). These consultations involve reviewing the previous AWPB, assessing activities, validating results, and identifying necessary modifications. Stakeholder engagement will be ensured under the aegis of AWPB review and preparation, supported by the outcomes of local consultations. Before becoming a final AWPB, all activities will be discussed, reviewed, and validated, including through the Project's multi-stakeholder gender working group. Therefore, community consultations will feed into the review and preparation of the AWPBs. Details of the AWPB consultations for the FY are available in Annex 7 – Section IV. Participants will include relevant ministries and representatives of local institutions, CSOs as well as other stakeholders concerned. Stakeholder engagement will be maintained throughout the project duration. The roles and responsibilities of key stakeholders, including the MoAW, MoFF, MECC, TLTB, local

communities, the private sector, and NGOs/CSOs, are clearly defined in the implementation arrangement session and will be regularly reviewed with the PSC.

95. The PMU Monitoring and Evaluation (M&E) experts will hold annual consultations in project areas to support planning and monitor the execution of activities. In addition, these consultations will also provide a space to discuss all project activities. The PMU will oversee monitoring and evaluation, ensuring the ESMF, GRM, and GAP are implemented and communicated to all stakeholders. Regarding the ESMF and the GAP, these will be the responsibility of the environmental and Social Expert and the Gender Expert respectively. Annual consultations in target areas will support planning and monitoring execution, feeding into the review and drafting of AWPBs. The ESMF, GRM and GAP will be presented to all stakeholders in FY1. The GRM and project level Environmental and Social Management Plan (ESMP) will be presented and explained again at each consultation throughout FY 2-7. The AWPBs will also include explicit reference on SEAH activities and ESS monitoring-related expenditures included in the Annual Work Plans and Budgets (AWPBs)

96. The AWPB will be presented by the PMU and reviewed by partners (including the gender working group) at the national, Governorate, and community levels. During these stakeholder engagement consultations, the Environmental and Social Management Framework (ESFM) – including relevant ESMPs prepared for sub-activities and the GRM - and the Gender Action Plan (GAP) - will be shared with stakeholders and explained. A complete description of the stakeholder's engagement plan during project execution is available in Annex 7 – Section IV.

97. A structured grievance mechanism will be established at the project level, allowing stakeholders to file complaints through designated channels (email, phone, contact person). The PMU Safeguards Specialist will assess and address complaints, ensuring confidentiality. Unresolved grievances will be escalated to higher levels as necessary. The PMU will be responsible for receiving all stakeholder feedback on any issues that may arise, as regards the GRM. The PMU ESS Specialist, together with the Gender Specialist and the PMU M&E specialist, will be responsible for ensuring that the ESMF, eventual ESMP and GAP are carried out, and that the GRM is communicated to all stakeholders. All safeguard instruments, including the ESMF and GAP, will be disclosed online in the three official languages (English, 600 Fijians, Fiji Hindi) at least 30 days prior to project approval. Information will be accessible locally and culturally appropriate, ensuring effective stakeholder participation.

D.6. Efficiency and effectiveness (max` 500 words, approximately 1 page)

98. **Economic analysis.** An incremental cost-benefit analysis was conducted to assess the economic viability of the project, considering a with and without project scenario. The economic analysis confirms that the project's positive ENPV and EIRR are driven primarily by ecosystem service benefits, including soil erosion reduction, GHG emission reductions, and avoided damage to the tourism sector (Annex 3). Sensitivity analysis shows that without these ecosystem services, the EIRR declines to 7.5%, close to the social discount rate, underscoring that ecosystem service delivery is a key driver of economic viability. This dependency is appropriate for an ecosystem-based adaptation and forest landscape restoration intervention, whose value proposition rests on long-term risk reduction and avoided public costs rather than short-term financial returns. To mitigate risks of delayed, partial, or weaker-than-assumed ecosystem service delivery, the project emphasizes targeted implementation in sediment-sensitive watersheds, dedicated aftercare and replanting support during early establishment years, and monitoring of core benefit drivers to enable adaptive management during implementation.

99. The economic results are sensitive to early survival and establishment of planted trees and agroforestry systems. To reduce the risk of delayed or weaker-than-assumed benefit delivery, the project includes an explicit aftercare and replanting contingency within existing planting and maintenance activities during the first years of the project. This strengthens survival and performance, directly supporting the realization of the ecosystem service benefits underpinning the ENPV and EIRR presented in Annex 3.

100. This analysis concerned the total cost of the project, a social discount rate of 7.40%^{lxii}, an evaluation period of 30 years, GHG emission reduction, soil erosion reduction, avoided damage to coral reefs, and specific social price conversion factors estimated for this project. Results indicate that the project is likely to yield generally positive returns on investment. The Economic Net Present Value (ENPV) is estimated at USD 146.34million, and the Economic Internal Rate of Return (EIRR) is 11.60%, with a benefit-cost ratio of 1.66 and switching values of benefit and cost of -39.68% and 65.78%, respectively. The table below presents the main economic indicators under different evaluation periods as part of the scenario analysis, demonstrating promising economic returns for the overall investment in the medium and long term. A 30-year evaluation period, including the project implementation period, is used as the base scenario to reflect the economic life of forest, agroforestry, and restoration assets, as well as the duration of the ecosystem services they provide, rather than the project's implementation horizon. This longer timeframe allows for capturing the full stream of benefits associated with these investments, in line with good practice for forestry, restoration, and ecosystem-based

adaptation projects. The project would not be economically viable under a 20-year evaluation period, which is considered a pessimistic scenario, highlighting that investments in the forestry sector typically generate positive returns only over the medium to long term. Importantly, the analysis does not assume continued project financing beyond the implementation period.

Economic indicators	30 years (base scenario)	25 years (Scenario 1)	20 years (Scenario 2)
ENPV (USD Million)	146.34	47.53	-21.28
EIRR	11.60%	9.41%	6.24%
B/C	1.66	1.24	0.88
Payback period	17.69	17.69	17.69
ENPV/ha	1813	589	
Switching value - benefit	-39.68%	-19.05%	14.16%
Switching value - cost	65.78%	24.54%	-12.49%

101. The 20-year total lifespan reflects the project's conservative benefit horizon for its induced assets and outcomes, whereas the 30-year period used in the economic analysis is an appraisal horizon adopted to capture longer-lived forestry and ecosystem service flows.

102. **Financial analysis.** A financial analysis was conducted based on the projected incremental costs and benefits of various agroforestry and forestry models to be financed under the project. This analysis considered an estimated capital cost for the sector in Fiji of 8.2%^{lxiii} and an evaluation period of 30 years, given that forestry investments are medium- and long-term. The following table shows the financial indicators for different models, which present mixed results. The most profitable activity would be agroforestry practiced in areas with less slope, where it is possible to have combined production of high-value annual crops, fruits, trees, and shrubs. Additionally, the non-timber activities associated with the preservation and protection of forest areas show promising returns on investment.

Investment models	Return per hectare (@8.2%)	
	IRR (%)	B/C
Agroforestry – A (slope: 12- 15°)	15.80%	1.22
Agroforestry - B (slope: 16- 21°)	9.26%	1.03
Community planting of mixed species	10.04%	1.10
Community restoration of upland waterways and riparian zones	9.04%	1.07
Natural regeneration of degraded forests	7.58%	0.61
Natural regeneration of over logged primary forest	8.75%	1.18
Restoration of over logged plantation	10.14%	1.25
Restoration left aside degraded land	11.28%	1.42
Short Rotation Plantations	9.49%	1.04
Sustainable Forest Management	9.21%	1.14
Investment models	Return per activity (@8.2%)	
	IRR (%)	B/C
Forest Protection (SFM) - Non timber activity	11.26%	1.11
Forest Conservation (HFV) - Tourist activity	14.08%	1.21

103. **Sensitivity and scenario analysis.** The following table shows the investment returns considering hypothetical changes in key variables that may affect the investment. The results indicate that the project would generally have positive returns on investment, even in the face of adverse situations that cannot be directly controlled by the project.

104.

Sensitivity and scenario analysis				
	Δ%	Risk analysis	IRR (%)	NPV (USD M)
Base scenario		Considering different assumptions and projections for the medium and long term	11.60%	146.34
Project benefits	-10%	Combination of risks affecting output prices, yields and adoption rates	10.85%	109.5
Project benefits	-20%		9.94%	72.6
Switching value - benefits				-39.68%

Project costs	10%	Increase of input prices	10.95%	124.7
Project costs	20%		10.31%	103.1
Switching value - benefits			65.78%	
Evaluation period (25 years)		Risk related to uncertainty of medium- and long-term investments	9.41%	47.5
Evaluation period (20 years)			6.24%	-21.3
Social discount rate (6%)		Risk related to the economic, political and social stability of the country	na	241.4
Social discount rate (10%)			na	38.5
Without considering ecosystem services		Effect of ecosystem services	7.63%	7.83
Considering ecosystem services – only GHG emission reduction			9.02%	54.55
Considering ecosystem services – only soil erosion reduction			10.07%	93.49
Considering ecosystem services – only avoided damage to the tourist sector			7.82%	13.96
Without considering indirect costs		Scenario considering the effect of only direct investment in the forestry and agroforestry models.	11.65%	147.21
Decrease in the success rate of the agroforestry/forestry systems (-20%)		Risk of failure to adopt/apply the technologies and/or practices promoted by the project	11.50%	117.1

E. LOGICAL FRAMEWORK

E.1. Project/Programme Focus

- ☒ Reduced emissions (mitigation)
- ☒ Increased resilience (adaptation)

E.2. GCF Impact level: Paradigm shift potential (max 600 words, approximately 1-2 pages)

Assessment Dimension	Current state (baseline)		Potential target scenario (Description)	How the project/programme will contribute (Description)
	Description	Rating		
Scale	Fiji disposes of a developed policy framework and forestry knowledge, Nonetheless, both are still oriented toward natural resources exploitation without the adequate tools to mainstream climate change adaptation and mitigation and without mechanisms and incentives necessary to ensure sustainable and climate smart (CCA-CCM) natural resources management. Consequently, investments in forestry and other ecosystems are rare and forest degradation is magnifying the adverse impacts of climate change (e.g. floods) and jeopardizing the	<u>Low</u>	Working with communities, institutions, CSOs and PSOs, the project will support Fiji's transition from NRs exploitation to processes that will have sustainable and ecosystem management as engines for climate change adaptation and mitigation while creating investment opportunities, green jobs and supporting sustainable and inclusive rural development.	With Outputs 1.1., 1.2., the project will support the update of the current policy framework and creation of stakeholders' s coordination mechanisms to ensure the legal, administrative, and financial governance for sustainable and resilient ecosystem management. Via Output 1.3, 2.1, and 2.3 the project will guarantee community led planning and sustainable forest and agroforest investments based on FLR and other approaches to stabilize degraded and climate exposed ecosystems via a R2R approach while guaranteeing via Output 3.1 the availability of tailored climate finance mechanism and tools to ensure that adverse externalities caused by commercial use of natural resources are embedded in land leasing costs and support stakeholders in FLR and SFM investments.

	ecosystem-based economy of the country.			
Replicability	The business-as-usual scenario is not replicable any longer as the degradation of forests and other natural resources is currently jeopardizing key ecosystem services that are preconditions to the safety, stability, resilience and economic productivity of the country. The country has opted to shift from the BAU to a different approach towards NRM embracing the paradigm shift envisaged and forecasted by the project if funds will be made available	<u>Low</u>	The approaches and processes introduced by the project will influence all the NR-related choices of the country. Furthermore, given the work with universities and regional organizations (e.g. SPC, SPU) best practices may be expanded to similar contexts in the region. Replicability will be guaranteed by ensuring that each of the processes and actions necessary for the foreseen paradigm shift are reflected in the current policy framework, in the operational standards and in guaranteeing the availability of tailored and national investment mechanisms and incentives. Furthermore, by including knowledge generated by the project in the national curricula of universities and technical schools, the project will guarantee that these are transferred to a larger group of beneficiaries for a longer time both in Fiji and in the region.	Replicability is embedded in each of the outputs via the tailored training and via the update of national curricula (universities and technical schools) specific to Output 1.3. Furthermore, the use of local approaches and the extended technology and knowledge transfer embedded in each component will ensure immediate replicability of funded activities.
Sustainability	The current policy framework and NRM management practices are no longer sustainable due to increased degradation of ecosystems with strong relation to how forests and other upstream landscapes are exploited. This is negatively affecting the economy, communities	<u>High</u>	The sustainability of the project is guaranteed by: (i) the national ownership of the project; (ii) the upgrade of the policy framework that will ensure adoption, scale-up and replicability at no cost; and (iii) by the availability of financial resources to ensure the engagement of private sector's operators and communities.	Sustainability is embedded in each of the outputs and particularly via Outputs 1.2, 1.2, 1.3 and 3.1 that will ensure that the paradigm shift is involving and engaging all stakeholders, and it is fully mainstreamed in the policy and governance framework of the country, in the national education and in the financial systems of Fiji. Furthermore, the use of local approaches and the extended technology and knowledge transfer embedded in each component will support a paradigm shift without increasing maintenance or operation costs.

	and development of the country.					
E.3. GCF Outcome level: Reduced emissions and increased resilience (IRMF core indicators 1-4, quantitative indicators)						
GCF Result Area	IRMF Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final ³	
Total Project Beneficiaries	Core 2: Direct and indirect beneficiaries reached	Project M&E system that will include ongoing data collection culminating in an annual update of the project beneficiaries. The systems integrate independent field surveys to inform the interim and final evaluations containing: - Centralized database supported by geospatial tools and developed to track beneficiaries. Disaggregation by gender, age, location, and type of benefit received - Unique identifiers to avoid double-counting - External MoVs, such as national statistics and national household surveys	0	Direct beneficiaries: 65,625 (33,072 women) Indirect beneficiaries: 50,000 (25,000 women)	Direct beneficiaries: 196,877 (99,226 women) Indirect beneficiaries: 149,715 (75,456 women)	There is political and economic stability in the area. ARA 1: direct beneficiaries include those receiving high-intensity targeted support (e.g., seeds, nursery equipment, credit) who obtain: (i) improved and new climate-resilient livelihood options; and (ii) increased knowledge and capacities to face climate challenges Indirect beneficiaries include parts of the iTaukei community members who benefit from: (i) systemic national de-risking and the legal valuation of communal forest assets; and (ii) improved long-term land security through regulatory reform.
ARA1 Most vulnerable people and communities	Core 2: Direct and indirect beneficiaries reached	Project M&E system that will include ongoing data collection culminating in an annual update of the project beneficiaries. The systems integrate independent field surveys to inform the	0	Direct beneficiaries: 65,625 (33,072 women)	Direct beneficiaries: 196,877 (99,226 women)	

³ The final target means the target at the end of project/programme implementation period. However, for core indicator 1 (GHG emission reduction), please also provide the target value at the end of the total lifespan period which is defined as the maximum number of years over which the impacts of the investment are expected to be effective.

		interim and final evaluations containing: - Centralized database supported by geospatial tools and developed to track beneficiaries. Disaggregation by gender, age, location, and type of benefit received - Unique identifiers to avoid double-counting		Indirect beneficiaries: 50,000 (25,000 women)	Indirect beneficiaries: 149,715 (75,456 women)	ARA 2: Direct beneficiaries include those with (i) increased availability of ecosystem services functional to food security and water safety; (ii) improved dietary diversity through the establishment of agroforestry; and (iii) stabilized village water sources through the restoration of riparian zones.
ARA2 Health, well-being, food and water security	Core 2: Direct and indirect beneficiaries reached	External MoVs, such as national statistics and national household surveys Food Insecurity Experience Scale (FIES) Survey (for Supplementary indicator 2.2)	0	Direct beneficiaries: 50,708 (23,530 women) Indirect beneficiaries: 4,000 (2,000 women)	Direct beneficiaries: 152,124 (76,671 women) Indirect beneficiaries: 12,000 (6,000 women)	Indirect beneficiaries include downstream populations obtaining: (i) reduced flood and erosion risks to subsistence gardens due to landscape-scale forest stabilization
ARA4 Ecosystems and ecosystem services	Core 2: Direct and indirect beneficiaries reached		0	Direct beneficiaries: 65,625 (33,072 women) Indirect beneficiaries: 50,000 (25,000 women)	Direct beneficiaries: 196,877 (99,226 women) Indirect beneficiaries: 149,715 (75,456 women)	ARA 4: Direct beneficiaries benefit from: (i) the restoration and sustainable management of 80,737 ha; and (ii) improved protection of coastal fisheries and coral reefs through a reduction in upstream sediment loads. Indirect beneficiaries benefit from: (i) the dissemination of Protected Area frameworks and Sustainable Forest Management codes which serve as the mandatory legal foundation for long-term ecosystem health; and (ii) improved value of lands and ecosystems thanks to

						increased soil fertility and reduced erosion. More information in Annex 25.
ARA2 Health, well-being, food and water security	Supplementary 2.1: Beneficiaries (female/male) adopting improved and/or new climate-resilient livelihood options		0	46,687 beneficiaries (23,530 women)	140,060 beneficiaries (70,590 women)	Beneficiaries include those benefitting from behavior change. It tracks the adoption of resilient behaviors, specifically, (i) the adoption of CAS-aligned nursery management and FLR restoration processes and (ii) the shift to multi-layered agroforestry systems and high-value non-timber forest product (NTFP) value chains, such as honey and medicinal oils.
ARA2 Health, well-being, food and water security	Supplementary 2.2: Beneficiaries (female/male) with improved food security		TBC	3,063 beneficiaries (1,544 women)	9,283 beneficiaries (4,679 women)	Beneficiaries include those benefitting from: (i) Access to reliable nutritional sources through the provision and cultivation of food-providing tree species; (ii) Protection of fertile lowland agricultural areas from siltation and flood damage through the restoration of riparian zones/ riverbank; (iii) More climate-resilient crop yields resulting from improved soil fertility and moisture retention in multi-layered agroforestry systems.
ARA4 Ecosystems and ecosystem services	Core 4: Hectares of natural resources brought under improved low-emission and/or climate-resilient management practice	- Project M&E reports with details from the georeferenced database of project intervention areas and related monitoring via remote sensing analysis as well as ground visits.	0	19,579 ha, Disaggregated by 8,854 ha Forest land	58,737 ha, disaggregated by 26,562 Forest land	Absence of major natural disasters including forest fires. No major changes in utilization of forest resources.

		- Field survey carried out by independent consultants to inform the interim and final evaluations		266 ha Agricultural/crop land 2,333 ha Agroforestry 8,125 ha Forestry production for commercial purposes	800 ha Agricultural/crop land 7,000 ha Agroforestry 24,375 ha Forestry production for commercial purposes	State budget allocated to fulfill NDCs is guaranteed during and after the project. Communities and private sector actors adequately prepared to implement CAS practices. Economic, social and political context remains stable. Ha accounted if: (i) included in CLMP; (ii) if proper execution verified by M&E data (Remote sensing plus ground truthing). Remote sensing analysis will be run on each selected areas. calculating the normalized difference vegetation index (NDVI)
ARA4 Ecosystems and ecosystem services	Supplementary 4.1: Hectares of terrestrial forest, terrestrial non-forest, freshwater and coastal marine areas brought under restoration and/or improved ecosystems	- Project M&E reports with details from the georeferenced database of project intervention areas and related monitoring via remote sensing analysis as well as ground visits. - Field survey carried out by independent consultants to inform the interim and final evaluations Laws and regulations for conservation and protection	0 ha	22,000 ha terrestrial forest	22,000 ha terrestrial forest	Absence of major natural disasters including forest fires. No major changes in utilization of forest resources State budget allocated to fulfill NDCs is guaranteed during and after the project Laws and regulations for conservation and protection are in place and communities are abiding to them. Economic, social and political context remains stable. Ha accounted if: (i) included in CLMP; (ii) if proper execution verified by M&E

						data(Remote sensing plus ground truthing). Remote sensing analysis will be run on each selected areas calculating the normalized difference vegetation index (NDVI).
MRA4 Forestry and land use	Core 1: GHG emissions reduced, avoided or removed/sequestered	- NEXT tool informed by annual reports from the Forestry Department and Project M&E systems	Net national annual forest sector GHG emissions of - 0.85 MtCO _{2eq} in 2019	-192 ktCO _{2eq}	-1 mln tCO _{2eq} by the 7 th year of project implementation -6 mln tCO _{2eq}	The calculation includes activities leading to 80,737 ha restored land under sustainable management practices. The change in carbon sink through practices with and without project scenarios are described in Annex 22.

E.4. GCF Outcome level: Enabling environment (IRMF core indicators 5-8 as applicable)

Core Indicator	Baseline context (description)	Rating for current state (baseline)	Target scenario (description)	How the project will contribute	Coverage
Core Indicator 5: Degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low emission climate-resilient development pathways in a country-driven manner	No formal coordination among concerned ministries Outdated NRM policy framework Lack of modern standards and guidelines for NRM Lack of financial incentives and mechanisms for sustainable and resilient NRM	low	Coordination established and operations. Policy framework updated and disseminated among stakeholders. SFM standards and guidelines are developed and disseminated among stakeholders. Financial incentives are established within the policy framework, and SFM's access to finance is guaranteed through the creation of ad hoc financial mechanisms	The project will ensure the update of the forest code, protected areas, and land planning policy framework. Output 1.2 Activity 1.2.1 Activity 1.2.2 The project will ensure the development of four sets of Guidelines that will guarantee, among other things, mainstreaming of CC and resilience of nature-based investments, community participation, landscape	National level (one country)

			with national finance institutions.	management, and investment planning. Activity 1.3.1 The project will ensure the development of carbon finance standards, a governance process, and incentive mechanisms for sustainable investments in NRM. Activity 1.2.3: Activity 1.2.4 Output 3.2 Activity 3.2.1	
Core Indicator 6: Degree to which GCF investments contribute to technology deployment, dissemination, development or transfer and innovation	NRM Technology deployment dissemination, and development in Fiji is limited and innovation lag to penetrate across stakeholders	low	Deployment of new technologies, practices, and tools in forestry (e.g., nursery construction and seedlings handling), agroforestry, and natural resources management.	Training will be secured to secure transfer of technology to stakeholders as well as to new generations of sustainability and forestry practitioners thanks to the update and upgrade of the curricula of universities and vocational schools Output 1.3 Activity 1.3.3	National level (one country)
Core indicator 7: Degree to which GCF Investments contribute to market development/transformation at the sectoral, local, or national level	Private or community investments in nature-based solutions are rare. Price of goods originating from direct exploitation of natural resources does not consider externalities nor ecosystem services. There are no incentives for SFM or other sources of sustainability	low	Creation of new incentive mechanisms to ensure integration of negative externalities into the price of goods. Support to FDB in the creation of sustainable financing facility for forests and other NRM entrepreneurs	Creation of 1 levy mechanism Output 1.2 Activity 1.2.4 Establishment of 1 new financing facility at the FDB Output 3.2. Activity 3.2.1. Establishment of agreements with private funds and insurance companies to deconstrain and derisk sustainable investments Output 3.2. Activity 3.2.1. Supporting private sector companies to engage with private sustainable financial institutions Output 3.2 Activity 3.2.3.	National level (one country)

Core indicator 8: Degree to which GCF investments contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards	Fiji has a good schooling and university setting, and Fijian student can also enjoy the opportunity of international exposure thanks to regional universities and the presence of regional organizations such as SPC. Nonetheless, climate and ecosystem-based approaches to development and NRM are still not fully embedded in the system	medium	Transfer knowledge to 650 people directly involved in the NRM planning and management in Fiji. Transfer Knowledge to 4367 students enrolled in technical schools and universities	Training Update of the National Curricula of technical schools and universities Output 1.3. Activity 1.3.3. Update of technical support tools such as the MoAW crop planning handbook Output 1.2. Activity 1.2.2.	National level (one country)
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E.5. Project/programme specific indicators (project outcomes and outputs)

Project/pro gramme results (outcomes/ outputs)	Project/progra mme specific Indicator	Means of Verification (MoV)	Baseline	Target ^{lxiv}		Assumptions / Note
				Mid-term	Final	
Outcome 1: Strengthened regulatory framework for integrated landscape management aimed at climate change adaptation and mitigation (Ridge to Reef)	% of the new land leases include sustainability and climate resilience conditions	ITLTB Database Independent expert surveys to assess on the ground the effective application of the sustainability conditions	100% of the land leases do not include sustainability and resilience conditions.	10%	50%	Limited institutional turnover Lack of extreme events and shocks. Data will originate from the TLTB database and will be analysed by the M&E unit of the project Analysis will focus on 1) % of lease with update strategic environmental assessment 2) % of lease aligned with the investment

						planning identified in the CLMPs 3) Effective inclusion of cost of externalities in the land pricing
	# of policy frameworks supported by the project that have been approved by the Cabinet	Proceedings of the Cabinet collected by the project via the steering committee. Fiji national gazette. Independent expert surveys at mid-term and project termination	0	0	1 Forest Code Updated 1 land planning policy framework updated. 1 forest ecosystems levy 1 Protected Areas policy framework updated. 1 national strategy for SRP for energy purposes 2 standards for carbon finance	MoU signed between project and Ministries in the first year of the project. Limited institutional turnover Political focus on CAS maintained
	ha of forests regulated through public-private-community partnerships for reforestation and/or SFM	MoU regulating public-private-community partnerships. Technical reports by the project – baseline and final surveys in pilot area Independent expert surveys at mid-term and project termination	0	10,000	30,000	Legal trustfulness of agreements is ensured in a timely manner. Industry partners and communities see sufficient value to participate in partnerships
	# of Academic and training institutions integrate introduced technologies, practices, standards and protocols in their curricula	Review of course curricula and promotional material publicizing the course content in publications and websites by the selected institutions.	0	0	3	Collaborations will focus on the main universities, vocational schools and training centers with a traditional focus on forestry and Natural

						resource management. Institutions dispose of the resources to execute the courses.
Output 1.1: Strengthened institutional coordination and multi-sectoral collaboration on applying R2R approaches	# of community representatives assessed as having increased knowledge in ecological monitoring.	Attendance sheets of training activities and records of the organization in charge of the training (Disaggregated by type, gender, age, regions, disability, poverty status, remoteness Training reports comparing pre-test & post-test	0	158 (of which at least 50, or 30% women)	525 (of which at least 158, or 30% women)	The representatives see sufficient value to make themselves available for capacity training activities. Assessments identify capacitated beneficiaries (assumed 70% pass rate)
	# Ministries collaborating in multi-stakeholder mechanism	MoUs signed between project and Ministries. Minutes of Meeting Project documentation	0	6	6	MoU signed between project and Ministries in the first year of the project. Limited institutional turnover Political focus on CAS maintained
	# Agreements between MoFF, private sector stakeholders and	MoU regulating public-private-community partnerships. Technical reports by the project – baseline and final surveys in pilot area	0	3	10	Legal trustfulness of agreements is ensured in a timely manner. Industry partners and communities see sufficient value to participate in partnerships
Output 1.2: Key forest policies and land management regulations are updated, reviewed,	# updated policy frameworks are presented to the Cabinet for approval	Proceedings of the Cabinet collected by the project via the steering committee. Independent expert surveys at mid-term and project termination	0	1 Forest Code Updated 1 land planning policy framework updated. 1 forest ecosystems levy	1 Protected Areas policy framework updated 1 national strategy for SRP for energy purposes	The economic, social and political context in the country remains stable. Timely governmental approval of project

and/or developed					2 standards for carbon finance	documentation and plans. Political focus on CAS approaches maintained
	# of stakeholders assessed as having increased knowledge in the implementation of key policies	Attendance sheets of training activities and records of the organization in charge of the training (Disaggregated by type (private sector/CSO, community representatives), gender, age, regions, disability, poverty status, remoteness) Training reports comparing pre-test & post-test	0	47 (of which at least 14 or 30% women)	140 (of which at least 42 or 30% women)	The stakeholders see sufficient value to make themselves available for capacity training activities. Assessments identify capacitated beneficiaries (assumed 70% pass assessment)
Output 1.3: Climate responsive land use plans at landscape scale developed.	ha of forests included in community landscape management plans	Data records of MoF collected on an annual basis by the M&E staff of the project. Results from the Remote Sensing Analysis performed over identified forest management plans. Independent expert surveys at mid-term and project termination	0	100,000 ha	300,000 ha	The economic, social and political context in the country and project areas remains stable. In case of governmental change, political leadership maintains current focus on climate adaptive silvicultural approaches.
	ha of permanent forest estates established.	Data records of MoF collected on annual basis by the M&E staff of the project. Results from the Remote Sensing Analysis performed over identified forest management plans. Independent expert surveys at mid-term and project termination	0	3,000 ha	10,000 ha	Timely approval of project documentation by governmental counterparts The source of data from the MoF will be the Forest GIS database of the Forestry Department. Knowledge, tools and databases acquired during the

						ERP project for MRV of forestry interventions will be utilized and updated. Changes in forest structure and species composition will be assessed through the continuous collection of data and analysis with the framework of the NFM system following FAO good practices.
	# of stakeholders assessed as having increased knowledge in the design, implementation, and execution of CLMPs and/or sustainable forestry and climate smart product development	Attendance sheets of training activities and records of the organization in charge of the training Disaggregated by type (community representatives, service providers, companies, teachers/professors), gender, age, regions, disability, poverty status, remoteness Training reports comparing pre-test & post-test	0	57 (of which at least 17, or 30% women)	172 (of which at least 52 or 30% women)	The stakeholders see sufficient value to make themselves available for capacity training activities. Assessments identify capacitated beneficiaries (assumed 100% for companies and service providers and 70% for others)
Outcome 2: Climate resilience of local communities through climate-adaptive forest management increased while	Average survival rate per ha (%) of planted seedling	Independent expert surveys at mid-term and termination of the project comparing sample target areas with reference ones established at start-up.	60%	80%	84%	Baseline Source: MoFF
	Total forest area [ha]	Data records of MOF collected on an annual basis by the M&E staff of the project. Results from the Remote Sensing Analysis performed	1.16 mln ha indicated in the National GHG Inventory Report of Fiji (2023)	1.18 mln ha	1.19 mln	The economic, social and political context in the country and project areas remains stable.

contributing to mitigation and food security		over identified forest management plans. Independent expert surveys at mid-term and project termination comparing sample target areas with reference ones established at start-up.				In case of governmental change, political leadership maintains current focus on climate adaptive silvicultural approaches. Timely approval of project documentation by governmental counterparts The source of data from the MoF will be the Forest GIS database of the Forestry Department. Knowledge, tools and databases acquired during the ERP project for MRV of forestry interventions will be utilized and updated. Changes in forest structure and species composition will be assessed through the continuous collection of data and analysis with the framework of the NFM system following FAO good practices. Fiji aims to expand its forest cover by 2% by 2030 through the Reforestation of
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						Degraded Forest (RDF) Programme and other initiatives, such as the "30 Million Trees in 15 Years" campaign. This forest expansion can only occur because the capacity for producing and planting climate adapted seedlings are created by the project. It is assumed that the expected growth rate of the forest calculated from 2023 until 2030 would continue at the same rate until the end of the project implementation.
	# of ha of restored land with increased food production	Data records of MOF collected on an annual basis by the M&E staff of the project. Results from the Remote Sensing Analysis performed over identified forest management plans. Independent expert surveys at mid-term and project termination comparing sample target areas with reference ones established at start-up	0	2,517	10,750	Absence of major natural disasters, including forest fires. Willingness of the local communities to fruit bearing tree species in restored land Timely governmental approval of project implementation plan Timely production of climate-adaptive seedlings Forestry Department provides data:

							Changes in forest structure and species composition will be assessed through continuous data collection and analysis following FAO good practices. Knowledge, tools and databases acquired during the ERP project for MRV of forestry interventions will be utilized and updated.
Output 2.1: Technical and knowledge capacity to produce climate adaptive seedlings established	# of stakeholders assessed as having increased knowledge in the production of climate adaptive forestry seedlings, FLR and/or CAS	Attendance sheets of training activities and records of the organization in charge of the training Disaggregated by type (public and private operators, representatives of communities), gender, age, region, disability, poverty status, remoteness. Training reports comparing pre-test & post-test	0	867 (of which at least 260, or 30% women)	2,602 (of which at least 781, or 30% women)	No delays in the nomination of operators Representatives see sufficient value to make themselves available to participate in the training. Assessments identify capacitated beneficiaries (assumed 70% pass assessment)	
							Representatives see sufficient value to make themselves available to participate in the training.
	# Nurseries upgraded	Documentation of the M&E unit of the project Photographic and remote sensing documentation Independent surveys at mid-term and project termination	0		197	325	Timely governmental approval of activities It is possible to obtain all equipment in a cost- and time-

						effective manner from the local markets. Independent experts will verify the completeness of upgrading and alignment with international standards
	# of Guidelines to support climate adaptive silviculture approaches published online	Final Guidelines Project documentation	0	4	4	Timely approval of project implementation plan by counterparts
	# climate adaptive seedlings produced	Data records of MOF collected on an annual basis by the M&E staff of the project. Results from the Remote Sensing Analysis performed over identified forest management plans. Independent expert surveys at mid-term and project termination comparing sample target areas with reference ones established at start-up.	0	3,200,000 mln	8,000,000 mln	Timely approval of project documentation and plans by governmental counterparts. Supply of materials for cultivating seedlings can be delivered on time. FLR activities are ongoing and require continuous seedling material
Output 2.2: Community- and farmer enterprise-led FLR for afforestation and conservation of High Conservation Value Forests established	# of Communities involved in climate adaptive forest investment and management trainings	Documentation of the organization responsible for capacity development Data disaggregated by origin, gender, age, and regions , disability, poverty status, remoteness.	0	197	320	Local communities are interested in the project and in sharing information.
	# of ha of forest landscapes restored	Data records of MoF collected on an annual basis by the M&E staff of the project and disaggregated per intervention (mixed species planting,	0	5,250	15,750	Absence of major natural disasters, including forest fires.

	# ha of newly protected areas/HCVF established	natural regeneration, waterways and riparian zones restoration). Results from the Remote Sensing Analysis performed over identified forest management plans. Independent expert surveys at mid-term and project termination	306,161 ha of HCVF areas are identified nationally but not yet formally established as new protected areas under project agreements.	3,000 or ~ 1% of the national target	12,000 or ~ 4% of the national target	Timely governmental approval of project implementation plan Timely production of climate-adaptive seedlings Forestry Department provides data: Changes in forest structure and species composition will be assessed through continuous data collection and analysis following FAO good practices. Knowledge, tools and databases acquired during the ERP project for MRV of forestry interventions will be utilized and updated.
	# of stakeholders assessed as having increased knowledge in introduced practices	Documentation of the organization responsible for the training Disaggregated by type, gender, age, regions, disability, poverty status, remoteness. Training reports comparing pre-test & post-test	0	23 (of which at least 7 or 30% women)	70 (of which at least 28, or 30% women)	No delays in nomination of representatives from institutions Assessments identify capacitated beneficiaries (assumed 70% pass rate)
Outcome 3: Strengthened financial mechanisms and private sector involvement	Amount of finance mobilized from the private sector	Documentation provided by partner banks and private companies Independent expert surveys at mid-term and termination of the project	14 million	+10% or additional USD 1.4 million	+30% or additional USD 3.4 million	Source of data: FDB and other national finance institutions Data disaggregated by type of company, ownership,

in climate change related investments for sustainability, food security & scale-up		Data disaggregated in loans and investment made by the private sector				gender/ownership, type of investment (forestry, soil, energy, others)
	# of ha of restored agroforestry land of the private sector/farmers with increased food production	Data records of Ministry of Finance collected on an annual basis by the M&E staff of the project. Results from the Remote Sensing Analysis performed over identified forest management plans. Independent expert surveys at mid-term and project termination comparing sample target areas with reference ones established at start-up	0	2,300	7,000	Absence of major natural disasters, including forest fires. Willingness of the local communities to fruit bearing tree species in restored land Timely governmental approval of project implementation plan Timely production of climate-adaptive seedlings Forestry Department provides data: Changes in forest structure and species composition will be assessed through continuous data collection and analysis following FAO good practices. Knowledge, tools and databases acquired during the ERP project for MRV of forestry interventions will be utilized and updated.

	# of private entities accessing financing from the new forestry loan facility promoted by the FDB	Project documentation FI documentation	0	5	26	Source of data: FDB Data disaggregated by type of company, ownership, gender/ownership, investment (agroforestry, restoration others)
Output 3.1: Forest Ecosystem Services certification is accessible for stakeholders	# of representatives from private sector and target communities assessed as having increased knowledge in forestry ecosystem services payments	Documentation of the organization responsible for the training (Disaggregated by type, gender, age, regions, , disability, poverty status, remoteness) Training reports comparing pre-test & post-test	0	35 (of which at least 11, or 30% women)	105 (of which at least 32, or 30% women)	Representatives see sufficient value to participate in the training. Assessments identify capacitated beneficiaries (assumed 70% pass rate)
	Official inclusion in the administrative communications (gazette) of the entry into force of the Ecosystem Services Procedure (ES PRO)	Project documentation Approval of procedure by the Forest Stewardship council	0	1	1	The economic, social and political context in the country and project areas remains stable. Timely governmental approval of procedures
Output 3.2: Design of improved financial mechanisms supported and made accessible to communities and the private sector	# of representatives of financial institutions assessed as having increased knowledge in climate related risk assessment and/or FLR investments	Data of partners organizing the trainings (disaggregated by origin, gender, age, regions, , disability, poverty status, remoteness). Project documentation Training reports comparing pre-test & post-test	0	7 (of which at least 3, or 30% women)	21 (of which at least 7, or 30% women)	The economic, social and political context in the country and project areas remains stable Representatives see sufficient value to participate in training Assessments identify capacitated beneficiaries

						(assumed 70% pass rate)
	# of FDB climate finance instruments developed and/or improved to facilitate private investment in the agroforestry sector	Documentation of the FDB Project documentation	0	1	1	The economic, social and political context in the country and project areas remains stable. No changes in the overall sustainability policy of the FDB
Output 3.3: Support the restoration and SFM of commercially logged over natural forests and plantations	Ha of forest landscapes restored in collaboration with the private sector and/or under SFM practices	Data records of MoF collected on an annual basis by the M&E staff of the project and per type of intervention (reforestation of plantations, natural regeneration, short rotation plantations, restoration, SFM, agroforestry) Results from the Remote Sensing Analysis performed over identified forest management plans. Independent expert surveys at mid-term and project termination	0	14,329	42,987	Absence of major natural disasters including forest fires. Timely production of climate adaptive seedlings The source of data will be from the MoFF. Changes in forest structure and species composition will be assessed through the continuous collection of data and analysis following FAO good practices. Knowledge, tools and databases acquired during the ERP project for MRV of forestry interventions will be utilized and updated.

	# of stakeholders assessed as having increased knowledge introduced FLR practices and/or agroforestry	Attendance sheets of training activities and records of the organization in charge of the training Disaggregated by type (CSO, farmer, MoAW staff, private sector), gender, age, regions, disability, poverty status, remoteness. Training reports comparing pre-test & post-test	0	676 (of which at least 203, or 30% women)	2,030 (of which at least 609 or 30% women)	No delays in nomination of representatives Stakeholders see sufficient value to participate in training Assessments identify capacitated beneficiaries (assumed 70% pass assessment)
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Project/programme co-benefit indicators

Co-benefit 1: Ecosystems protected	% average decrease in silt cover in marine areas of target region	Independent expert surveys at mid-term and termination of the project comparing sample target areas with reference ones established at start-up	N/A To be verified after final selection of areas	10% decrease cumulative relative to the baseline value	20% decrease cumulative relative to the baseline value	Reference methodology developed by Brown and Jupiter (Tracing the influence of land-use change on water quality and coral reefs using a Bayesian model, 2017 ^{lxv}).
Co-benefit 2: Gender Equality	# of women in leadership positions within Community Landscape Management Plans (CLMP)	Independent expert surveys at mid-term and project termination	0	75	75	Data will be collected through field surveys including project beneficiaries. Data will be disaggregated by origin, gender, age, and regions.
Co-benefit 3: Green Jobs	% increase in green jobs available in Fiji	Independent expert surveys at mid-term and project termination	6,700 ^{lxvi}	7,035 (+5% increase)	7,370 (+10% increase)	

E.6. Project/programme activities and deliverables

Outcome 1: Strengthened regulatory framework for climate responsive and integrated landscape management (Ridge to Reef – R2R)

Output 1.1: Strengthened institutional coordination and multi-sectoral collaboration on applying R2R approaches

Activities	Description	Sub-activities	Deliverables
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Activity 1.1.1: Institutionalize inter-sectoral and inclusive collaborative mechanisms	Develop/strengthen mechanisms of interministerial collaboration/coordination for climate change management in coordination with the Ministry of Fisheries and Forestry, the Office of the Prime Minister, and the Ministries of Environment, Economy, iTaukei Affairs, and Agriculture.	1.1.1.1: Design planning of the MSP on R2R 1.1.1.2: Establish multi-stakeholder mechanisms based on local policy frameworks 1.1.1.3: Develop a tool aggregating and displaying up-to-date information on climate risks, finance, and projects.	- Updated coordination mechanism for sustainable landscape planning created and formalized. - Multi-stakeholder platform started up. - 1 dashboard tool on climate project activities and M&E targeting developed
Activity 1.1.2: Establish Natural Resources Management (NRM)-related Public-Private-Community Partnerships mechanisms	Facilitate targeted discussions and negotiations with private sector operators, institutions, and communities to identify solutions and agreements for sustainable use of natural resources including the use and commercialization of NTFP, carbon credits, SFM, FLR. Mandate SFM standards that physically protect downstream fishery assets by reducing siltation loads during extreme weather events.	1.1.2.1: Develop intervention guidelines based on the existing legal framework (PPP Act, 2006) 1.1.2.2: Ensure the legal framework for engagement of stakeholders and trustfulness of agreements 1.1.2.3: Develop guidelines for the monitoring of the execution of Public-Private-Community Partnerships	- 1 Guideline for NRM related Public-Private-Community partnerships established. - 1 NRM/Public-Private-Community partnerships template agreement fulfilling all legal requirements established. - 1 Guideline for NRM related Public-Private-Community partnerships monitoring established.
Activity 1.1.3: Establish community-supported ecological monitoring across the target districts	Support communities participating in NRM management and in the development of planning and management tools, including those developed by the ERP program in contributing to the monitoring and execution of the plans, strategies, and investments in their areas of interest. Establishes a threat identification system to achieve measurable reductions in localized crops and asset loss through climate threats.	1.1.3.1: Develop a community-supported ecological monitoring framework 1.1.3.2: Develop training and engagement guidelines. 1.1.3.3: Carry out training on the implementation of community-supported ecological monitoring across the target districts 1.1.3.4 Implement community-supported ecological monitoring across funded investments in project areas	- 1 Guideline for community-based monitoring established. - 195 people from the districts engaged in the monitoring of project activities. • 750 community members trained. - 73,737 ha of forests under ecological monitoring of institutional stakeholders, supported by community monitoring.

Output 1.2: Key forest policies and land management regulations are updated, reviewed and/or developed

Activity 1.2.1: Update of key natural resources management policies for climate resilience and mitigation	Review and update the National Forest Policy and related plans and regulations to address their coherence, improve their enforceability, and ensure that coordination platforms remain operational and sustainable.	1.2.1.1: Develop forest harvesting regulations 1.2.1.2: Support the update of the land and resource use policy to institutionalize the plan building approach, methodology and governance with TLTB and customary practices 1.2.1.3: Update the draft policy framework for Protected Areas 1.2.1.4: Carry out stakeholder consultations to validate documentation	- 1 updated draft protected areas policy framework. - 1 updated land and resource planning policy updated including the strategic environmental assessment of land planning policy. - 1 updated Forest Reserves Management Plan. - 1 Guideline on policy and governance monitoring and enforcement.
Activity 1.2.2: Develop and introduce the standards and code of practices necessary to ensure climate change mainstreaming via sustainable forest management and forest landscape restoration	Provide the country with the most advanced governance tools to ensure that forestry and agriculture investments are climate resilient and compliant with ecosystem services conservation approaches.	1.2.2.1: Update the Forest Harvesting Code of Practice (2013) on plantation and woodlots 1.2.2.2: Develop strategies and guidelines for forestry related investments (i.e. afforestation, reforestation, natural regeneration, restoration, and plantation) 1.2.2.3: Finalize strategy, action plan and guidelines for short Rotation Plantation (SRP) for energy purposes 1.2.2.4: Update of the MoAW Farm Management Plan with climate resilient and mitigative practices and technologies 1.2.2.5: Carry out stakeholder consultations to validate produced guidelines and strategies	- 1 Updated Forest Code of Practice is updated. - 3 guidelines and related standards related to afforestation, reforestation, and plantation practices. - 1 National strategy for SRP for energy purposes, including 1 action plan including geospatial mapping for soils with high potential for SRP. - 1 Updated MoAW Farm Management Plan - 1 soil fertility map, including methodology to maintain fertility over time - 1 Tool for SFM compliant with Forest Harvesting Code of Practice and Forest Certification Standard.
Activity 1.2.3: Prepare Fiji and communities for accessing carbon markets to increase Fiji's climate financing options	Support the elaboration of high-quality green and blue carbon finance standards, diversifying and ensuring implementation of green and blue NBS to diversify national and local NBS intervention options. Review existing frameworks for forest carbon projects and apply standards economically suitable/practical for small islands.	1.2.3.1: Locate and hire expertise for development of standards. 1.2.3.2: Support the development of carbon standards and governance mechanisms (green and blue carbon).	- 2 standards for blue and green carbon schemes, compliant with international market requirements. - Draft pipeline of future investment opportunities to be supported by carbon schemes
Activity 1.2.4: Assess with stakeholders available options to	Establish with concerned stakeholders possible options	1.2.4.1: Identify Forest ecosystem services and monetize their value and contribution to the national economy.	- 1 levy mechanism is produced and available.

adopt forest ecosystem services incentives and levy	to adopt forest ecosystem services and timber extraction levy	1.2.4.2: Engage with stakeholders. 1.2.4.3: Design the levy mechanisms and governance (e.g. standard(s) and guidelines for calculation, collection, redistribution, and monitoring). 1.2.4.4: Finalize the Levy and incorporate it in the current policy dialogue and NR based financing mechanisms	- 1 levy governance guideline and financial mechanism for the establishment of the related fund is produced and available.
Activity 1.2.5: Disseminate policies across institutions and communities	Prepare and implement a communication plan to disseminate the opportunities for FLR and NBS among communities and the private sector.	1.2.5.1: Identify service providers and bid contracts to develop a Communication Plan. 1.2.5.2: Prepare awareness materials and organize awareness, capacity development and outreach for behavioral change.	- 1 communication and dissemination strategy. - 1 awareness-raising campaign per division and related dissemination materials. - 150 representatives from 15 provinces and 50 representatives of contractors/ and CSOs capacitated and engaged in implementing the new policy framework, standards, strategies, and others developed by the project.
Output 1.3: Climate responsive land use plans at landscape scale developed			
Activity 1.3.1: Design climate risk informed and integrated participatory community landscape management and investment plans (CLMP)	Collect and analyze available information related to existing local management plans including the and prepare investments plans for target landscapes. The project will build on the master land use plan prepared by TLTB to ensure that capital investments are consistent with community goals and priorities. It will engage local communities in the collaborative development of Landscape Management and Investment Plans in target districts and it will contribute to enabling the formalization of stakeholders' participation in national initiatives such as the ERP program and implementation and monitoring of REDD+ activities avoiding double counting and effective MRV processes.	1.3.1.1: Coordinate and merge existing plans (e.g. national TLTB plan) and prepare overall CLMP guidelines and outlines 1.3.1.2: Identify key persons to be involved among institutions and communities 1.3.1.3: Identify through a national bid CSOs that will support local stakeholders developing the CLMPs 1.3.1.4: Collect and secure environmental, social, economic, and administrative data and documents 1.3.1.5: Identify community priorities and establish strategies for landscape management 1.3.1.6: Carry out land planning and strategic environmental assessment of actions identified by communities 1.3.1.7: Ensure participatory review of the plans 1.3.1.8: Address capacity gaps for CLMP Implementation. 1.3.1.9: Facilitate public-private and community agreements for the CLMPs	- 30 landscape investments and management plans included in the TLTB national master plan with communities. • 204 representatives from areas trained in the design, implementation, and execution of CLMPs. - 1 set of financial literacy guidelines for communities. - 1 set of guidelines for community development projects rather than cash payments as incentives. - 10 agreements between MoFF, private sector stakeholders, and communities established.

Activity 1.3.2: Facilitate Sustainable Forest Management for permanent forest estates ^{bvii} via public private partnerships	Facilitate partnerships between the government, private sector, and customary landowners to establish SFM practices on forest estates and enlarge synergies with other programs such as the ERP.	1.3.2.1: Develop and disseminate information and materials to raise awareness 1.3.2.2: Train stakeholders in sustainable forest management practices and approaches including the use of MRV tools developed through the ERP project. 1.3.2.3: Identify forest estates that have potential for SFM 1.3.2.4: Create the linkages and liaise between landowners, private sector, and the state 1.3.2.5: Support contracts and other legal tools to ensure the management of forests according to the forest code and sustainability standards (i.e. FSC certification)	- 10,000 ha of permanent forest estates established. - 10 companies trained in sustainable forestry and climate-smart product development.
Activity 1.3.3 Transfer knowledge produced by the project to national stakeholders in charge of formal and informal education of youth and professionals	Involve national institutions and private sector to ensure that up-to-date knowledge and skills are included in national technical curricula and that service providers are capacitated with the expertise provided by the project.	1.3.3.1: Enhance the learning offer of universities and technical colleges 1.3.3.2: Train teachers and professors in introduced practices and technologies 1.3.3.3: Assess capacity needs of service providers (e.g. consultancy firms, accountants, others) 1.3.3.4: Provide tailored training for service providers	- Integration of updated knowledge on introduced practices and technologies in the teachings of 4 national education entities (3 universities and 1 technical college) - 20 teachers/professors trained in CAS - Tailored training for 5 service providers on the elaboration/implementation of climate risk-informed land use plans.
Outcome 2: Climate resilience of local communities through climate-adaptive forest management increased while contributing to mitigation and food security			
Output 2.1: Technical and knowledge capacity to produce climate adaptive seedlings established			
Activities	Description	Sub-activities	Deliverables
Activity 2.1.1: Upgrade knowledge on FLR and climate adaptive nurseries development	Support the development of quality nurseries and scale-up of FLR for Fiji.	2.1.1.1: Develop protocols and standards to produce climate adaptive seedlings 2.1.1.2: Develop protocols and standards for the implementation and monitoring of FLR interventions 2.1.1.3: Train forestry professionals and field operators from institutions, academia, and CSO	- 1 guideline on nursery establishment and management - 1 protocol on seed collection, production and management - 1 handbook and guidelines on FLR implementation and monitoring - 110 staff from 50 public/community nurseries and 10 staff from 5 private forest nurseries trained.
Activity 2.1.2: Expand and upgrade existing nurseries	Support public, private and community nurseries to produce high quality seedlings for FLR interventions.	2.1.2.1: Purchase and install infrastructure, materials, and equipment for upgrades and seeds/seedlings handling operations 2.1.2.2: Train operators on climate adaptive silviculture procedures 2.1.2.3: Support community groups in business management to run the nurseries during the project ^{bviii} 2.1.2.4: Initiate the production of seedlings 2.1.2.5: Monitoring and quality insurance of seedlings production	- 9 public and 5 private nurseries supported and upscaled • 128 staff from public and private nurseries trained on sustainable and adaptive seedlings collection, handling, planting, and maintenance production

			3,589 people from communities trained on high quality climate adaptive seedlings production 8 million climate adaptive seedlings produced 473 temporary community nurseries established/expanded
Output 2.2: Community- and farmer enterprise-led FLR for afforestation and conservation of High Conservation Value Forests established			
Activity 2.2.1: Implement community-led forestry investments identified in the CLMPs.	Engage all communities in the implementation of the CLMP related to forestry, and nature-based solutions. It will facilitate landowners and smallholder farmers to develop their business plans to implement economically viable and beneficial financial investment.	2.2.1.1: Confirm investment sites and investment models 2.2.1.2: Train stakeholders on introduced practices and technologies 2.2.1.3: Carry out land preparation 2.2.1.4: Source and transport of seedlings 2.2.1.5: Carry out planting activities 2.2.1.6: Maintain sites	100 stakeholders trained in introduced practices and technologies - Community planting of 5,750 ha mixed species - Natural regeneration of 5,000 ha degraded forests - Community restoration of upland waterways and Riparian zones totaling 5,000 ha
Activity 2.2.2: Establish community-supported High Conservation Value Forests.	Identify and establish new protected areas/HCVF through public-private partnership agreements. Capacitate communities to monitor and report on ecosystems services and mitigation impact	2.2.2.1: Confirm sites and conservation models 2.2.2.2: Establish PPP agreements for conservation 2.2.2.3: Prepare documentation for formal recognition of sites as protected areas	12,000 ha of HCVF established
Outcome 3: Strengthened financial mechanisms and private sector involvement for sustainability, food security and scaling up			
Output 3.1: Forest ecosystem services certification is accessible for stakeholders			
Activities	Description	Sub-activities	Deliverables
Activity 3.1.1: Support private sector companies in adopting the Forest Stewardship Council certification and integrating the FSC Ecosystem Services Procedure ^{lxix}	Support private sector operators to understand and prepare for the fulfillment of the FSC certification and the FSC-ES PRO requirements.	3.1.1.1: Carry out training of stakeholders for the implementation of FSC and FSC ES PRO 3.1.1.2: Support private sector companies in carrying out FSC ES PRO and ecosystem impact claims 3.1.1.3: Assess impacts of FSC ES PRO application in project areas	50 private sector companies staff trained on FSC/FSC ES PRO methodologies and approaches 1 external survey to inform about the impact of FSC ESPRO applications
Activity 3.1.2: Support communities' adoption of the Forest Stewardship Council certification and the integration of the FSC Ecosystem Services Procedure ^{lxx}	Support communities to understand and prepare for the fulfillment of the FSC certification and the FSC-ES PRO requirements or similar procedures available in Fiji.	3.1.2.1: Carry out training of communities for the implementation of FSC and FSC ES PRO 3.1.2.2: Support communities in carrying out FSC ES PRO and ecosystem impact claims 3.1.2.3: Assess impacts of FSC ES PRO application in project areas	- Guidelines for the community implementation of FSC/FSC ES PRO (or similar) and ecosystem claims 100 representatives of communities trained on FSC/FSC ES PRO procedures or similar

			- 1 external survey to inform about the impact of FSC ESPRO applications
Output 3.2: Design of improved financial mechanisms supported and made accessible to communities and the private sector			
Activity 3.2.1: Strengthen/de-constrain existing forestry financial mechanisms of the FDB and other national financing institutions to support sustainable natural resources management	Support FDB and other national financing institutions in strengthening forestry related financial instruments to promote investment in FLR, SFM and ecosystem resilience and facilitate access to private financing (leveraged cofinancing) and/or de-risking insurance products (e.g. WtW).	3.2.1.1: Revise available financial instruments to integrate opportunities for FLR investments 3.2.1.2: Organize review sessions with stakeholders to assess FDB's financial mechanisms and their possible impact on FLR and SFM approaches uptake 3.2.1.3: Identify derisking opportunities with stakeholders ^{boxi} 3.2.1.4: Carry out tailored training for financing institutions on FLR investments	- Revision of 30 existing financial instruments of the FDB and other financing institutions to verify potential for enhancement of FLR investments - 20 representatives of financing institutions trained on FLR investments. - 1 derisking mechanisms and related guidelines produced - Catalog reporting all relevant forestry financing models applicable in Fiji
Activity 3.2.2: Facilitate the enhancement and upgrade of forestry financial products to ensure effectiveness and efficiency of resilience investments	Provide technical assistance to strengthen existing and upcoming forestry financial products to facilitate mainstreaming of climate adaptive forestry investments.	3.2.2.1: Assess and evaluate the existing forestry and agroforestry portfolio and market demand 3.2.2.2: Technical assistance provided to enhance and upgrade sustainable forestry financial products 3.2.2.3: Support staff of financing institutions in the development of sustainable and bankable forestry projects	- 1 policy statement from the FDB to guide its activities in sustainable forestry investments. - 1 strategy of the FDB to increase the uptake of sustainable forestry financial products in Fiji. - 1 procedure (incl. formats/templates) to request, assess and evaluate sustainable forestry investments including MRV system for the FDB. - 1 upgraded sustainable forestry financial mechanism available to FDB
Activity 3.2.3: Support the capacity of public and private financial institutions (FIs) to identify climate risk investments and to ensure Paris Alignment of the pipeline portfolio	Provide FIs with TA to address barriers concerning the lack of expertise in evaluating climate risks and alignment with the Paris Agreement. Enhance awareness concerning ever-evolving international climate standards and bolster the aid rendered to forestry-related clients.	3.2.3.1: Develop training programs and guidelines for FDB and FIs in Fiji 3.2.3.2: Carry out tailored training to FIs 3.2.3.3: Provide technical assistance to FDB and other FIs in Fiji to contribute to reaching the Paris Agreement targets of portfolios	• 1 guidance note/toolkit for Paris Agreement alignment. - 1 carbon accounting and monitoring toolkit mainstreamed among banks to assess GHG emission of portfolios and pipeline investments. - 10 staff of Fijian FIs trained on climate-related risks assessment and the Paris Alignment
Output 3.3: Support the restoration and SFM of commercially logged over natural forests and plantations			

Activity 3.3.1: Facilitate the restoration and SFM of degraded and logged over natural forests on community land following climate adaptive silviculture approaches	Facilitate private companies and communities to reforest or naturally regenerate logged over forest on community land estates providing technical assistance and seedling of diverse species. In addition, carry out stakeholder training to reinforce application of A/R codes of practice.	3.3.1.1 Confirm investment sites and investment models 3.3.1.2: Technical assistance for land preparation, sourcing and planting of seedlings and maintenance of FLR interventions 3.3.1.3: Train stakeholders on introduced practices and technologies 3.3.1.4: Disseminate the mechanisms and governance procedures across stakeholders and train public and private experts	- 6,000 ha of logged-over forest naturally regenerated and under SFM. - 500 ha of forest reforested. • 50 private stakeholders trained in climate-smart technologies and A/R codes of practice/regulations. - 950 experts from the private sector, communities, CSOs, public companies, and institutional stakeholders trained
Activity 3.3.2: Facilitate the introduction of FLR and SFM on degraded lands and commercial plantation areas following climate adaptive silviculture approaches	Support private sector operators and state-owned enterprises in forestry, renewable energy, and agriculture to engage with the MoFF in FLR and SFM activities on degraded or logged-over forest lands under concession applying climate-adaptive silviculture approaches. The activity will guarantee technical assistance, seedlings, inputs, tools, and monitoring to beneficiaries while these will provide labor, surveillance, logistic, and maintenance.	3.3.2.1: Facilitate Public-Private-Community Partnership to accelerate reforestation 3.3.2.2: Confirm investment sites and investment models 3.3.2.3: Train stakeholders on introduced practices and technologies 3.3.2.4: Carry out land preparation 3.3.2.5: Source and transport of seedlings 3.3.2.6: Carry out planting activities 3.3.2.7: Maintain FLR sites 3.3.2.8 Facilitate SFM of plantation sites	• 800 hectares of community and privately owned SRPs established via the provision of TA and seedlings^{xxii} - 4,312 ha from left aside degraded forests and areas supported with restoration via the provision of TA and seedlings. - 24,375 ha of plantations from public corporations under SFM
Activity 3.3.3: In partnership with the Ministry of Agriculture and Waterways, support forest landscape restoration via agroforestry investments	Support communities and private sector in introducing and establishing agroforestry investments to reduce soil erosion and reduce the climate related exposure and vulnerability.	3.3.3.1: Confirm investment sites and investment models 3.3.3.2: Train stakeholders on introduced practices and technologies 3.3.3.3: Carry out land preparation 3.3.3.4: Source and transport of seedlings, inputs, and materials 3.3.3.5: Carry out planting activities 3.3.3.6: Implement monitoring across the target districts	- 7,000 ha of agroforestry established. - 100 professionals from the MOAW and the MOFF trained to replicate models. - 50 professionals from CSOs trained to replicate the agroforestry models. - 1,750 farmers trained in agroforestry models and supported in introducing knowledge

E.7. Monitoring, reporting and evaluation arrangements (max. 500 words, approximately 1 page)

105. **M&E Structure:** A monitoring and evaluation system will be established for the project in keeping with the guidelines of GCF to report on its Integrated Results Management Framework designed to measure the core indicators as well as all other indicators identified in Section E. The PMU established in Fiji will be responsible for monitoring of the project activities with the oversight of FAO- Fiji Office and technical backstopping by the regional office (SAP) where required. An M&E system will be developed with an M&E Officer and a Monitoring Information System (MIS) to keep track of performance and core indicators at the national and province level. The M&E officer of the project will work in parallel with the M&E officer of the Forestry Directorate that will hold specular functions and support integrating the MIS with data related to cofinancing activities. All service contracts, Letters of Agreements and others with implementing partners will specify their responsibility with respect to sex-disaggregated data collection and reporting. The execution partners will submit reports to the PMU which will prepare a consolidated report on an annual basis. Regular meetings for monitoring and follow-up will be organized where problems will be discussed and, when needed, corrective measures will be recommended. Concerning the GAP, the project's gender working group will provide assistance to the M&E unit with additional oversight for monitoring the implementation of the GAP and assisting to maximize benefits for gender targets through all project activities^{lxixii}. FAO as the main implementing agency will be responsible for maintaining records on all project activities in standard reporting formats. All implementing partners will be required to provide information on the core indicators, impact, outcome and output level indicators specified in the IRMF. FAO-HQ will support the PMU in reviewing and analyzing progress reports and assessing performances against baseline and targets. FAO will manage and coordinate reporting to the GCF according to its standards procedures. Technologically advanced tools for planning and monitoring ecological restoration, e.g. [Se.plan](#), a spatially explicit tool to identify potential restoration opportunities and the [Framework for Ecosystem Restoration Monitoring \(FERM\)](#) are readily available (see also Annex 2, par. 263).

106. **Types of Reports:** The PMU at the FAO office in Fiji will formulate an annual work plan and budget based on the annual physical targets based on the implementation plan (Annex 5) which will be approved by FAO-Fiji/FAO-SAP and the PSC. Formats will be developed for each of the reports, namely the quarterly statistical and narrative reports and an Annual Performance Reports (APRs). These reports will be prepared by the technical staff at the PMU under the guidance of the M&E Specialist at the PMU. The key reports that will be submitted have been identified in the M&E Reporting Matrix given below together with their timelines and reporting responsibility (Table 14). More details are provided in Annex 11. The APRs will document the progress towards achieving the indicators in GCF's IRMF and any additional project level indicators that have been selected for the project. APRs will also contain a narrative with updates on the progress of each output and outcome envisaged at the project level. The contracts with the service providers will specify their reporting responsibilities, the frequency of the reports to be produced and provide them with the formats to be used for reporting. All partners will be required to review the GAP, which is an integral part of the proposal, and report on its implementation. All data will be disaggregated by sex to enable an assessment of the progress in inclusion of women in the project.

107. **MIS System:** An MIS system will be developed for the project to record key information of all beneficiaries. The PMU M&E Unit will coordinate and produce a consolidated MIS report for the project on an annual basis. Within the first quarter of the second year, when activities have been initiated and sufficient outreach has been achieved and the M&E database begins to get populated, thematic maps will be generated by the project and will be monitored through consolidated remote sensing practices or geospatial analysis. This is expected to yield a better understanding of trends and patterns and make the analysis more meaningful in understanding the relationship between climate parameters and the pattern of adoption and participation in project activities. The MIS system will geo-reference all activities using FAO's Remote Sensing application - Earth Map. The MIS system will also record beneficiary phone numbers for feedback from participants. The MIS system will also track beneficiaries over time and assess impact.

108. **Baseline assessment:** The project will carry out a baseline assessment using primary and secondary data to measure changes and impact. To measure attributable changes, the baseline assessment will draw on mixed methods, using qualitative methods (e.g. participatory rural appraisal, focus group discussions, key informant interviews, etc.) and quantitative methods (e.g. site-scale survey) and Food Insecurity Experience Scale (FIES) survey. Information on some of the key GCF indicators like awareness about climate information and resilience to climate risks will be measured through specific questions on these elements. All surveys and assessments will be disaggregated gender, disability, poverty status, and remoteness. Coherently, key gender-sensitive indicators both quantitative and qualitative outlined in the GAP will be captured in the initial and subsequent surveys and findings.

109. **Evaluation:** In compliance with the requirements in FAO's AMA with the GCF, the FAO Office of Evaluation (the Accredited Entity independent evaluation office) will be responsible for the independent evaluation of this project. This evaluation shall be conducted in accordance with the GCF Monitoring and Accountability Framework (MAF) and the

requirements outlined in the GCF Evaluation Policy, Evaluation Standards and Evaluation Operational Procedures and Guidelines. To this end, the evaluation will include multiple components, such as assessments of implementation and impacts. The overall evaluation will, inter alia, study the effectiveness, efficiency, and timeliness of project implementation; analyze partnership arrangements; identify issues requiring decisions and remedial actions; and, through the interim evaluation report, may propose mid-course corrections or needed adjustments to the implementation strategy. The final evaluation report will focus on project impacts and the degree to which expected long-term results have been achieved and may be sustained. It may also identify future actions needed to sustain results and disseminate replicable good practices and key issues faced during project implementation. The evaluation budget includes all evaluation costs, such as inception phase, evaluation design, data collection activities, analysis, report writing, quality assurance and dissemination. FAO will communicate the results of this evaluation to the GCF Secretariat. At a minimum, this shall be done through the required interim and final independent evaluation reports following the timeline agreed upon by the Secretariat and FAO.

110. **Beneficiary Feedback:** FAO will establish a mechanism for beneficiary feedback and demonstrate how they have incorporated the feedback in improving their implementation approach. The PMU M&E staff undertake periodic visits to the project areas to discuss with communities their views regarding project activities and to confirm their direct involvement during the site selection phases. The beneficiary feedback will also entail discussions with partners and executing entities about their experience with the project and how partners engage with them during the implementation of the various components. The feedback will be organized to obtain sex-disaggregated perspectives. The PMU will also establish a GRM ensuring confidentiality. FAO's Guidelines for Compliance Reviews will follow the procedures for Complaints Related to the Organization's Environmental and Social Standards (ESS).

F. RISK ASSESSMENT AND MANAGEMENT

F.1. Risk factors and mitigations measures (max. 3 pages)

Selected Risk Factor 1 Fast turnover within institutions

Category	Probability	Impact
<u>Technical and operational</u>	<u>Medium</u>	<u>Medium</u>

Description

The country experiences a fragile political system that could lead to frequent turnover of high-level managerial staff in public offices. This could consequently impact the project's timing to enhance coordination and policy development resulting in temporary limited action from central institutions.

Mitigation Measure(s)

Fiji's robust climate change strategy guides the project's alignment, particularly in natural resource management, with a focus on reviewing and updating national forest policies to enhance coherence, enforceability, and sustainability of coordination platforms. In this regard the initiative will not modify the current policy framework but enhance its execution. Furthermore, clear communication of the project's goals to all stakeholders, including incoming staff, will maintain continuity and focus. The collaborative approach with all stakeholders will be deepened, including regular workshops and joint planning sessions, the creation of a shared digital platforms, and encouraging community involvement in monitoring and reporting. The project will involve high-level officials in approval processes to minimize execution risks due to administrative turnover and implement a capacity building and knowledge transfer program. These comprehensive measures aim to ensure the project's resilience, adaptability, and alignment with Fiji's strategic goals for climate change mitigation and natural resource management, despite challenges posed by frequent staff turnover in public offices and potential limited action from central offices.

Selected Risk Factor 2 Community/tribal resistance in preparing and executing CLMP

Category	Probability	Impact
<u>Technical and operational</u>	<u>Medium</u>	<u>Low</u>

Description

While customary landowners in Fiji recognize the importance of forest resources to their material and spiritual well-being, it is recognized that the spiritual importance of the forests has dissipated to a significant extent with the advent of monetary benefits via the payment of logging royalties and other short term, but unsustainable benefits, from agricultural expansion. Moreover, low awareness of customary landowners concerning the multiple benefits that forest ecosystem services offer has led to increased deforestation and land degradation. It will therefore take time and incentive to shift from the BAU to a long-term and climate resilient long-term planning on local/community level.

Mitigation Measure(s)

The following will be the mitigation measures carried out by the project to increase participation and execution of CLMP:

- Develop and implement educational programs that are specifically tailored to the needs and cultural contexts of the customary landowners. These programs should focus on the long-term benefits of forest conservation and the adverse impacts of deforestation, emphasizing the spiritual, ecological, and economic value of forests.
- Utilize evidence-based methods to demonstrate the success of CAS practices in similar contexts, both regionally and globally. This could include case studies and field visits to sites where SFM has led to tangible benefits.
- Implement benefit-sharing mechanisms that provide direct, short and long-term incentives for conservation efforts, such as payments for ecosystem services, community development funds, or sustainable livelihood programs.
- Regularly conduct workshops and seminars in local languages, using culturally appropriate materials to educate landowners and community members about SFM and climate resilience
- Develop a transparent monitoring and evaluation framework that involves tribal representatives and state actors, ensuring that all parties are informed and engaged in assessing the project's progress and outcomes.
- Provide capacity building and technical assistance to enable the private sector to promote adaptation and mitigation projects effectively, particularly in rural areas and in collaboration with the local communities

Selected Risk Factor 3 Increasing exposure of investments to extreme weather events

Category	Probability	Impact
<u>Technical and operational</u>	<u>Medium</u>	<u>Medium</u>

Description

Fiji is prone to disaster like hurricanes and floodings which could negatively impact investments in climate adaptive forestry

Mitigation Measure(s)

Through the CLMPs the local risks for extreme weather events and potential exposure of investments will be enhanced. Furthermore, the following will be implemented:

- Plant a mix of native tree species that are known to be resilient to extreme weather conditions such as hurricanes and floods. This not only stabilizes the ecosystem but also reduces the risk of total forest loss during such events.
- Implement reforestation in areas that are less prone to severe weather impacts but can act as buffers to protect more vulnerable areas. This includes planting trees in upland riparian zones to reduce flood impacts.
- Construct nurseries that are elevated and structurally reinforced to withstand floods and strong winds.
- Conduct regular training programs for local communities and forestry workers on best practices for forest management, especially focusing on techniques for reducing damage during natural disasters.
- Implement a robust monitoring system that tracks forest health and meteorological conditions. This data will be used to adapt management practices promptly in response to environmental changes.

Selected Risk Factor 4 Private sector resistance / incapacity to access the new FDB climate oriented financial mechanisms and to be engaged in engaged in restoration process

Category	Probability	Impact
Technical and operational	Medium	Medium

Description

The private sector active in forest value chains in Fiji is known to be reluctant to request loans from financial institutions. This is due to the low attractiveness of the mechanisms and due to the lack of capacity in developing bankable projects. There might be therefore missing appetite to access the climate oriented financial instruments from the FDB and other financial institutions and to remain engaged in restoration process.

Mitigation Measure(s)

The project will implement targeted training programs for private sector entities, focusing on financial literacy, project management, and the specifics of developing bankable projects that meet the criteria of financial institutions. At the same time, financial institutions will be encouraged to develop innovative financial products that are specifically designed for the forestry sector and will be trained in how to communicate the benefits and mechanisms in a language accessible to the final beneficiary. The Government on the other hand will be engaged to discuss the formulation of policies that provide incentives and enhanced land use rights for investments in climate-smart forestry. The project will also establish clear metrics and regular monitoring systems to assess funded projects' environmental, social, and economic impacts. This will ensure accountability and demonstrate the tangible benefits of investing in SFM, thereby attracting more private-sector interest.

Selected Risk Factor 5 Ecosystem services (soil erosion reduction, carbon sequestration, and avoided downstream damage) do not materialise at the assumed scale or timing, reducing economic returns.

Category	Probability	Impact
Technical and Operational	Medium	Medium

Description

Economic viability is sensitive to the effective delivery of ecosystem services, as demonstrated in Annex 3. Risks include lower-than-assumed adoption and survival rates, delayed benefit, and uncertainty in the erosion–reef–tourism linkage.

Mitigation Measure(s)

The project will ensure prioritization of interventions via the CLMPs, targeting erosion- and sediment-sensitive watersheds and downstream reef systems precisely and transparently. All investments will be georeferenced and monitored via dedicated geospatial tools as well as through dedicated field activities that will also see the participation of communities and academia. Furthermore, dedicated aftercare, replanting, and maintenance support during Years 2–4 is established to secure establishment and survival. The combination of targeting, monitoring and adaptive management will allow the project to refocus resources toward highest-impact areas if needed

G. GCF POLICIES AND STANDARDS

G.1. Environmental and social risk assessment (max. 750 words, approximately 1.5 pages)

111. The project carried out its environmental and social assessment following FAO's environmental and social safeguards (FAO, 2015), and prepared its ESMF. The ESMF identifies policy triggers for the project, screening criteria for activities, environmental and social impacts of the activities, and measures to mitigate identified risks. Mitigation actions will avoid, minimize and mitigate negative impacts during project implementation and operation. Mitigation actions will be in line with FAO and GCF ESS policy, and national legislation, and adhered to whichever is most stringent. The ESMF also sets out the modalities for stakeholder engagement, and the procedure and process for dealing with complaints, through the GRM. To ensure a smooth and effective ESMF process, an ESS specialist will be engaged by the project to be responsible for the environmental and social safeguards process (including GRM), interacting on a regular basis with key stakeholders and being available to respond to any grievances. The ESMF will be disclosed on relevant portals, and shared during stakeholder consultations, to increase awareness of potential consequences of project activities. During these stakeholder consultations, the GRM will also be presented. There will be **zero tolerance of sexual exploitation, abuse, and harassment (SEAH)**^{lxxiv}, and the project's ESMF and consequent ESMPs will mainstream SEAH risk mitigation, in accordance with the FAO FESM. The project will support gender sensitization and trainings for project staff and beneficiaries on gender equality and social inclusion and SEAH and will elaborate a code of conduct for the implementation of the project. Specific procedures to minimize SEAH risk will be developed for the project GRM, to ensure the mechanism is survivor-centered and gender-responsive (including confidential reporting), and to facilitate linkages to related services and redress for anyone affected by SEAH. Furthermore, as part of the CLMPs planned under component 1 and key to identify specific site investments, the project will complete a district-level GBV/SEAH service-provider mapping in each target area, undertaken with local CSOs and relevant experts and aligned with national referral protocols (Sub-activity 1.3.1.4). Results will be annexed to the project GRM and the SEAH risk-management plan, so that referral pathways (health-first response for sexual violence; psychosocial support helplines; police/legal aid upon survivor consent) are explicit, consistent, and accessible at site level.

112. **Grievance and Redress Mechanism (GRM):** The GRM is an integral project management element that intends to seek feedback from beneficiaries and resolve complaints on project activities and performance. The mechanism is based on FAO requirements and most importantly, it is based on existing, community-specific grievance redress mechanisms preferred by the local beneficiaries. FAO and EEs will inform communities about the GRM through culturally appropriate mechanisms, ensuring information on mechanisms at all three levels is communicated (i.e. project-based, and FAO-level redress mechanisms and GCF's Independent Redress Mechanism). The PMU and FAO-SAP will be responsible for managing the grievance and redress mechanism. Project-related SEAH and gender-based violence (GBV) grievances will be managed through the existing FAO GRM system, which will also be strengthened to include a procedure for handling SEAH that is inclusive, survivor-centered and gender-responsive, complemented by GBV referral pathways (see Annex 6: ESMF)

113. The project will identify and mitigate SEAH risks or potential adverse impacts on women, men, girls and boys as early as possible as a part of environmental and social risk screening and reflect such risks or impacts in relevant safeguards instruments (including ESMF and ESMP, GAPs and others as appropriate), and propose mitigation measures, differentiated by gender and age where relevant as follows:

- Include measures (including pre-project implementation awareness raising for host communities and project workforces) to enhance gender equality, and to prevent, address, and eliminate SEAH in the relevant projects or programs and safeguards instruments;
- Implement, monitor and continuously improve all measures to mitigate the identified SEAH risks and impacts;
- Ensure sufficient and adequate financial and human resources are allocated for SEAH-related compliance.
- Ensure that stakeholder consultations prior to and during project implementation include awareness raising and stakeholder-differentiated understanding of SEAH-related risks and mitigation measures.

114. Project components were identified through consultative processes and are prioritized in Fiji's national and climate policy. There will be no significant or irreversible negative environmental impacts associated with the project. Proposed project investments are designed to have positive social and environmental benefits; the project has, however, been classified as **moderate risk (Category B)** mainly related to on-ground activities in the forestry sector. Potential impacts are limited to the project footprint and could occur as a result of forest-related activities, but these are localized and are mitigated by selecting local species with wide ecological range and higher drought resistance,

considering the bioclimatic type of each site and projected shifts in potential tree species range limits due to climate change. No downstream nor cumulative effects are envisaged. FAO ESS triggered are:

115. ESS1: Biodiversity conservation, and sustainable management of natural resources. This safeguard was triggered because of forest regeneration and waterways and riparian zones restoration activities. The Project will only plant with native or locally adapted species and involving local communities. Activities will be executed according to the responsible management of planted forests. No seeds will be procured and no new planting material (tree, shrub, crop varieties) will be introduced into the country.

116. ESS4: Decent work. The project will promote and respect fundamental principles and rights at work. The employment of project workers will be based on the principle of equal opportunity and fair treatment, and there will be no discrimination with respect to any aspects of the employment relationship. Hiring of workers will be made following the laws and regulations of Fiji, and workers will need to abide with the FAO code of conduct and FAO policies. All workers will be above 18 years old. Any potential occupational health and safety (OHS) risks will be dealt with by providing training and protective measures and gear as well as provisions for protecting workers as needed. The project will also enhance community participation by also empowering youth and women on forestry investments and forest management. Furthermore, thanks to the introduced practices and technologies the project will contribute to creating new jobs and new markets. Finally, as part of the CLMPs planned under component 1 and key to identify specific site investments, the project will complete a district-level labor management guideline for contractors, communities and partners.

117. ESS6: Gender equality and prevention of gender-based violence. This safeguard was triggered because the project operates in rural and forest-dependent communities with a documented high prevalence of violence against women (as acknowledged in Annex 8). Project activities are not expected to directly cause, exacerbate, or introduce gender inequality or gender-based violence risks through their design, scope, or implementation modalities. The project will not involve mechanisms typically associated with heightened ESS6 risk, such as cash or in-kind transfers targeted to individuals, relocation or infrastructure works among others. Furthermore, the project will not introduce new power asymmetries or dependency relationships at household or community level.

118. ESS8: Indigenous Peoples. This has been triggered because almost 90% of the land is owned by indigenous Fijians. A 19 March 2024 letter from the Permanent Secretary for iTaukei Affairs, Culture, Heritage and Arts to the Acting Permanent Secretary for Fisheries and Forests confirmed that the Ministry of iTaukei Affairs – which represents the iTaukei – states that the Ministry of iTaukei Affairs supports the project, that the project will be implemented in coordination with iTaukei legislations and that all activities relating to communities will be in consultation with the Ministry of iTaukei Affairs and relevant agencies such as the TLTB. Hence, it was agreed with the Government of Fiji that the Project already satisfies the FPIC requirements but should it be determined that a detailed FPIC will be needed, this will be executed at Project start-up.

G.2. Gender assessment and action plan (max. 500 words, approximately 1 page)

119. The project was designed in line with GCF's Gender Policy and mainstreamed gender equality considerations into the entire project cycle to enhance the efficacy of climate interventions. During the project preparation phase, a gender analysis was conducted to identify the potential for promoting gender equity and mitigate potential risks. The analysis comprised a comprehensive desk review of relevant national policies, legal and regulatory frameworks, and data from diverse sources including studies conducted in the natural resources sector (Annex 8). The process also involved consultations, including focus-group discussions with stakeholders in the Government and CSOs, spanning rural development, forestry, agriculture, and human rights sectors (Annex 7). The GAP was developed based on the assessments and designed to address gender gaps and maximize benefits of women's engagement with each project component, notably related to forestry-related livelihoods, ecosystems services monitoring, and enhancing capacity to participate in partnerships and training opportunities (Annex 8). Rural, women are identified as a primary vulnerable group for this project purposes.

120. The 2023 global gender gap index for Fiji was 0.65, where 1 indicates no inequality and 0 indicates maximum inequality. Fiji's global gender gap index has fluctuated substantially in recent years but in general it has increased through 2012 - 2023 (World Bank Data Atlas, 2024). Fiji also has a history of diversity in gender identify and sexual orientation - *vaka sa lewa lewa* is an iTaukei term for a third gender category persons. Gender is one of multiple social identities potentially compounding effects of disadvantage and discrimination in Fiji. Cultural norms about gender intersect with norms about social status in Fijian communities. For example, women who are members of families with chiefly status, married to chiefs, hold leadership roles in women's groups, or, in rare cases, hold the position of chief in a village are more able to participate in public meetings due to their higher social status. Typically, however, women' public voice and participation are not equal to men's and may be limited due to social factors as well as development

constraints, in particular literacy in rural areas. In Fiji, 99% of girls and 92% of boy's complete lower secondary school as of 2022 data. Data is not available for Fiji for Adult literacy rate.

121. A quarter of Fiji's rural population (24.7 %) works in agriculture and fisheries, and within agricultural households, three-quarters (75%) of household members are engaged in agricultural value chains, including more than 60% of women household members (FAO & SPC 2019). Men and women in Fiji have distinct roles, skills, and knowledge in many domains, including in relation to forestry and the forest is mapped along gender lines. Women tend to collect resources on the peripheries, near villages, while men venture further inside for hunting and harvesting resources especially construction timber (FAO & SPC 2019). Fijian women have limited participation in forest governance at national and community levels even though the habitats, flora, and fauna of forests play an important role in their daily life (CI, 2024). Women have traditionally engaged in subsistence farming and fishing to meet household needs (see below); however, increasingly they are also producing for sale in local and city markets (FAO & SPC 2019). Women producers and other women who act as traders account for about 80% of vendors in Fiji's municipal markets (UN Women 2016). Half of MSMEs are owned by women, most of which are microenterprises that operate in the informal economy (Payne 2020); in 2018, only 19% of registered businesses were owned by women (ADB 2018). Women-owned MSMEs are diverse but tend to be concentrated in crowded, low-productivity sectors (Market Development Facility 2020). Many women prefer to operate their MSMEs in the informal economy (ADB 2018), a choice facilitating their ability to work from home, generate income on an as-needed basis, and balance their domestic responsibilities and economic activities (ADB 2018). In iTaukei culture, women who are registered members of their clan (mataqali) share in the communal ownership of the clan's land. When they marry into another clan, they do not share rights their husband's clan's land and "are not able to participate in decisions about or benefit from land use or agreements in their husbands' mataqali." (Marstel-Day & WI-HER 2021, p.2). Women do however retain rights to their natal family's land. Though women are legally entitled to benefit from natal land, "cultural norms and beliefs about gender and social status tend to restrict women's abilities to participate in public life and decision-making about land" (Marstel-Day & WI-HER 2021, p1).

122. It is reported that 72% of Fijian women report having experienced one or more types of violence in their lifetime from husbands or intimate partners, with 800 cases of violence against women (VAW) reported in 2018 and 834 in 2019 (Fiji Women's Crisis Centre statistics). Around 33% of women and girls have experienced physical or sexual violence from someone other than a partner since age 15, most often male family members, teachers, and female family members. Control from partners is another common form of VAW with 69% of women indicating that their partner had used at least one method of control. Around 4 in 10 women are required to seek permission from their partner to seek health services, and just over half of women (57%) must always alert their husbands to their whereabouts. Gender Based Violence (GBV) has been addressed in recent years with the National Action Plan to Prevent Violence Against All Women and Girls, 2023-2028 which has five key strategies to comprehensively address violence^{lxv}. Fiji's Parliament has established a Gender Data Hub with links to Fijian and other sources of relevant gender data. The Gender Transformative Institutional Capacity Development Initiative was launched in 2021 to enhance gender mainstreaming and roll out gender-responsive budgeting across government, with Phase 1 including training and established Gender Mainstreaming Action Groups (GMAGs) in participating ministries/agencies (Ministry of Women, Children and Poverty Alleviation 2022), and Phase 2 being implemented across all ministries.

123. The project will assist with gender mainstreaming of climate change policies and mechanisms to respond to recommendations of the Committee on the Elimination of Discrimination against Women (CEDAW) in 2019 and to align with Fiji's national gender policy and related action plans. The project will maximize the involvement of rural women, providing opportunity for investment and advice to strengthen their activities on communally owned land, secure land ownership, and improve the sustainable use of NTFP and employment in forestry sector (Annex 8). Via training, partnership opportunities targeting rural communities and forest-sector (landscape rehabilitation) investments, the project will give priority to women owning land and nursery enterprises and encourage new business development and with comprehensive support services, and ensure that at least 30% of beneficiaries are women. Targets for participation in workshops and training are set at 40% in line with FAO country practice in Fiji to date. The MoFF's existing women entrepreneur contractors will be an initial entry point for increased livelihood support for women in the forestry sector, and women community members and forest owners will be contacted and invited to workshops, training and consultation on key activities. A gender working group will be established in parallel to the Steering Committee to review all deliverables and ensure maximal gender perspectives and benefits are generated through project activities. Overall, the Project will raise visibility and capacity of women in rural landscapes and will increase value of the lands and natural resource-based enterprises owned by women, reducing their vulnerability.

124. More specifically, the GAP ensures that, in project Component 1: i) women's interests are represented in policy reviews and legislative reforms. This will be done also ensuring a gender perspective – granted by ensuring

consultation with women groups and associations via a working group - into addressed policies and standards; in Component 2: i) women owning degraded lands or related enterprises (including but not only) nurseries are given priority for partnership facilitation, training, grants, and women are engaged for ecosystems monitoring; and in Component 3, women are targeted for information and awareness raising as well as participation around financial mechanisms and opportunities for scaling up sustainable forest-based activities. In terms of project management, gender training and expertise will be provided to all project team members and partners on a regular basis, moreover, stakeholder engagement strategy and communication strategy will be prepared and implemented in a gender-responsive manner. Gender activities will be under the responsibility of the full-time national Gender Equality and Women's Empowerment Specialist in the PMU.

125. A GRM at field level will ensure a gender responsive project and encourage and protect women who file complaints. Contact information and information on the process to file a complaint will be disclosed in all meetings, workshops and other related events throughout the life of the project and follow up by a female project personnel will be assured. The Project will include sexual exploitation and harassment awareness (SEAH) raising and include additional sessions in workshops and training to address gender issues, priorities and rights. With regards to the prevention of sexual exploitation and abuse (PSEA), through its GRM the Project will ensure that all concerns and/or incidents will be reported to the PSEA focal point and the FAO Office of the Inspector General, as appropriate.

G.3. Financial management and procurement (max. 500 words, approximately 1 page)

126. Financial management and control and procurement processes will be implemented as per FAO rules and regulations, which were certified as acceptable to the GCF in the FAO re-accreditation process. FAO has an Administrative Manual organized across various Chapters covering Finance, Human Resources, Travel and Procurement. The FAO Intranet provides access to this Manual and to other procedures, information and guidance via the "FAO Handbook".

127. FAO has deployed an Oracle based Enterprise Resource Planning system, the Global Resources Management System" (GRMS) to its world-wide offices, which provides all FAO employees, in all locations globally, with travel, human resources, procurement and finance functionalities. Using GRMS improves the flow of financial information, supports financial monitoring and reporting, increases transparency and visibility, and strengthens internal control. FAO maintains a chart of accounts which is used by the whole organization and that allows for a separation of income and expenditure by donor and project and supports and provides a standardized coding structure that enables data to be recorded, classified and summarized to facilitate internal management and external reporting requirements. Procurement and Letters of Agreement Services are managed by a dedicated FAO unit, which provides policy and operational support to ensure that the Organization procures goods, works and services based on "Best Value for Money" principles as embodied in the Manual Section 502 and for Letters of Agreement under Manual Section 507.

128. As mentioned in Section C.4. FAO as the Accredited Entity of the GCF will have overall responsibility for quality assurance and oversight of co-executing entities and shall assume fiduciary responsibility in accordance with FAO standards and procedures. In addition to this, FAO will be responsible for the financial execution of GCF funds according to FAO rules and regulations mainly contained and detailed in the FAO Handbook (including those referring to financial monitoring, audit and procurement).

129. During implementation, FAO will provide oversight and quality assurance in accordance with its policies and procedures. This may include monitoring missions, spot checks and participation at project governance meetings. The project will be audited internally and externally following FAO's Financial Regulations.

G.4. Disclosure of funding proposal

☒ No confidential information: The accredited entity confirms that the funding proposal, including its annexes, may be disclosed in full by the GCF, as no information is being provided in confidence.

☐ With confidential information: The accredited entity declares that the funding proposal, including its annexes, may not be disclosed in full by the GCF, as certain information is being provided in confidence. Accordingly, the accredited entity is providing to the Secretariat the following two copies of the funding proposal, including all annexes:

- full copy for internal use of the GCF in which the confidential portions are marked accordingly, together with an explanatory note regarding the said portions and the corresponding reason for confidentiality under the accredited entity's disclosure policy, and
- redacted copy for disclosure on the GCF website.

The funding proposal can only be processed upon receipt of the two copies above, if containing confidential information.

H. ANNEXES

H.1. Mandatory annexes

- ☒ Annex 1 NDA no-objection letter(s) ([template provided](#))
- ☒ Annex 2 Feasibility study - and a market study, if applicable
- ☒ Annex 3 Economic and/or financial analyses in spreadsheet format
- ☒ Annex 4 Detailed budget plan ([template provided](#))
- ☒ Annex 5 Implementation timetable including key project/programme milestones ([template provided](#))
- ☒ Annex 6 E&S document corresponding to the E&S category (A, B or C; or I1, I2 or I3):
[\(ESS disclosure form provided\)](#)
 - ☐ Environmental and Social Impact Assessment (ESIA) or
 - ☐ Environmental and Social Management Plan (ESMP) or
 - ☐ Environmental and Social Management System (ESMS)
 - ☐ Others (please specify – e.g. Resettlement Action Plan, Resettlement Policy Framework, Indigenous People's Plan, Land Acquisition Plan, etc.)
- ☒ Annex 7 Summary of consultations and stakeholder engagement plan
- ☒ Annex 8 Gender assessment and project/programme-level action plan ([template provided](#))
- Annex 9 Legal due diligence (regulation, taxation and insurance)
- ☒ Annex 10 Procurement plan ([template provided](#))
- ☒ Annex 11 Monitoring and evaluation plan ([template provided](#))
- Annex 12 AE fee request ([template provided](#))
- ☒ Annex 13 Co-financing commitment letter, if applicable ([template provided](#))
- Annex 14 Term sheet including a detailed disbursement schedule and, if applicable, repayment schedule

H.2. Other annexes as applicable

- ☒ Annex 15 Evidence of internal approval ([template provided](#))
- ☒ Annex 16 Map(s) indicating the location of proposed interventions
- ☐ Annex 17 Multi-country project/programme information ([template provided](#))
- ☐ Annex 18 Appraisal, due diligence or evaluation report for proposals based on up-scaling or replicating a pilot project
- ☐ Annex 19 Procedures for controlling procurement by third parties or executing entities undertaking projects financed by the entity
- ☒ Annex 20 First level AML/CFT (KYC) assessment
- ☐ Annex 21 Operations manual (Operations and maintenance)
- ☒ Annex 22 Assessment of GHG emission reductions and their monitoring and reporting (for mitigation and cross cutting-projects)⁴
- ☒ Annex 23 Theory of Change
- Annex 24 Climate Scenario
- ☒ Annex 25 Calculation of Beneficiaries

* Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.

⁴ Annex 22 is mandatory for mitigation and cross-cutting projects.

ENDNOTES

- ⁱ "Ridge to Reef refers to integrated approaches to freshwater and coastal area management emphasizing the inter-connections between the natural and social systems from the mountain 'ridges' of volcanic islands, through coastal watersheds and habitats, and across coastal lagoons to the fringing 'reef' environments associated with most PSIDS." For more information see: [What is Ridge to Reef? | SPC-R2R \(pacific-r2r.org\)](https://www.pacific-r2r.org/)
- ⁱⁱ As determined and agreed during the first national engagement and coordination workshop held in Suva in September 2023.
- ⁱⁱⁱ Fiji Climate-Smart Agriculture (CSA) Guarantee (GCF)
- ^{iv} Fiji Coral Reef Resilience Project"
- ^v Data Source: [Fiji Marine Atlas](https://www.fiji-marine-atlas.org/). The contribution of the project is based on calculations made via the project intervention targeting methodology presented in Annex 25.
- ^{vi} Geospatial analysis carried out by FAO, based on data extracted from WorldPop, 2020, NASA Shuttle Radar Topography Mission (SRTM) and FAO GAUL (Global Administrative Unit Layers) 2014.
- ^{vii} UNCCD National Focal Point, 2007; GoF, 2015; Akram-Lodhi, 2016
- ^{viii} <https://www.investmentfiji.org.fj/sector-opportunities/forestry>
- ^{ix} Approximately USD 20.9 M
- ^x Table 2 of Annex 24 contains the sources of the Analysis carried out by FAO in the frame of the project.
- ^{xi} More details on the most exposed area in section 24
- ^{xii} Table 2 of Annex 24 contains the sources of the Analysis carried out by FAO in the frame of the project.
- ^{xiii} the study concluded that "tropical, temperate and arid forests underwent a decline in resilience probably related to the concomitant increase in water limitations and climate variability".
- ^{xiv} *Colocasia esculenta* (L.) Schott is an important staple food for the population of Fiji and in general in the Pacific region. The starch rich corms are the main product, but the leaves can also be eaten ([MoAW, 2006](#))
- ^{xv} *Piper methysticum* G. Forst. is a native herb to the South Pacific islands, and root decoctions are consumed in South Pacific ceremonies.
- ^{xvi} Without LULUCF
- ^{xvii} The Nation Forest Carbon Stock Assessment in 2011 indicated the total carbon stock for the national forest estate to be 192 mln tCO₂eq. This is probably due to a calculation error and the FP indicates 199 mln tCO₂eq, which is the sum of the three sub-sectors.
- ^{xviii} Agricultural activities and urban development that often follow forest degradation contribute to increased fertilizer use and wastewater discharge into rivers and coastal areas. Excessive nutrient levels can cause algal blooms, which negatively impact coral health, diversity, and the overall resilience of reef ecosystem. Globally, agricultural runoff threatens approximately 25% of the total reef area ([Ferreira, 2018](#)), and, according to the [WWF \(2022\)](#), macroalgae increased across the Fiji Great Sea Reef (FGSR), from 4% in historic surveys to 5% in 2019, probably due to land-use pollution.
- ^{xix} A further regional example, in the Solomon Islands, extensive logging contributed to a loss of reef habitat from 3,528 to 1,941 ha, decreasing populations of inshore *Acroporid* corals and associated parrotfish species (Hamilton et al., 2017).
- ^{xx} In particular the Coral Reef Resiliency Programme currently elaborated by WWF. <https://www.greenclimate.fund/document/coral-reef-resiliency-program>
- ^{xxi} Maps of project locations are inserted in Annex 16 and the detailed analysis of the beneficiaries of the project is included in Annex 25.
- ^{xxii} Main achievements were the development of a national REDD+ Policy and the implementation of pilot and community forest management projects in different parts of the country.
- ^{xxiii} <https://www.fao.org/3/cb5460en/cb5460en.pdf>
- ^{xxiv} <https://www.fao.org/in-action/action-against-desertification/countries/pacific/fiji/ru/>
- ^{xxv} As determined and agreed during the first national engagement and coordination workshop held in Suva in September 2023.
- ^{xxvi} Customary landowners, policymakers, local communities, and the private sector.
- ^{xxvii} E.g. LMMA network in Fiji; The Vorovoro Island Eco-Community Initiative; IFC-Led Fiji Private Sector Partnership
- ^{xxviii} The Fiji REDD+ MRV framework is comprehensive and ever evolving. More information about the background can be found here and the REDD+ policy including MRV can be found here
- ^{xxix} The project will build on the master land use plan recently developed by the iTaukei Lands Trust Board (TLTB) for Viti Levu, that informs local zoning ordinances, regulates subdivisions and other local land use regulations, and ensures that capital improvements are consistent with the community goals and priorities.
- ^{xxx} For example, the specific tools for the sustainable management of forests under Fiji Forest Harvesting Code of Practice (FFHCOP) and Forest Certification Standard are not yet fully compliant. Although the Forest Decree 1992 and iTaukei Lands Act and regulations support the use of Diameter Limit Tables in native forests, the industry has not been receptive due to the absence of the codes of practices
- ^{xxxi} The SRP analysis will concentrate in first place on the sustainable utilization of the over 20 bamboo species naturalized in Fiji (see <https://www.forestry.gov.fj/pressdetail.php?id=151> for an overview on their potential) and evaluate the possibility of expanding to other species.
- ^{xxxii} The project will ensure that ecosystem services like carbon storage and erosion control are considered in the prices of forest products and leases of land.
- ^{xxxiii} Collected data will always be disaggregated by gender, sex and will include qualitative reporting on barriers faced by adolescents, elderly women, women with disabilities and economically vulnerable households, without collecting sensitive personal data or compromising confidentiality.
- ^{xxxiv} The land use planning will include assessment of restoration opportunities using FAO tools such as the Se.Plan , and other tools such as Restoration Opportunities Assessment Methodology (ROAM).
- ^{xxxv} All forested land in Fiji is considered a permanent forest estate, it cannot be changed to other land uses.
- ^{xxxvi} Permanent Forest Estates (PFE) in Fiji refer to designated areas of land established to ensure the long-term conservation and sustainable management of forest resources. This initiative was launched by the Fijian government in 2007 as part of its Forest Policy, which aims to balance ecological health with the needs of local communities.
- ^{xxxvii} To support this activity the project will also involve the FAO Forest and Farm Facility (FFF) and the Forest Governance and Value Chain programme teams that have collaboratively worked with strengthening forest producers' knowledge and capacity to engage in legal and sustainable agroforestry systems with timber production in the region and in Fiji.
- ^{xxxviii} including NTFP value-addition and sustainable processing

^{xxix} Based on the experience of the MoFF, communities can effectively and efficiently produce about 4,000 seedlings (total) of different local species of trees and shrubs.

^{xi} Nurseries will produce seedlings to support natural regeneration, afforestation and reforestation investments reflecting the natural composition of natural forests and related habitats identified with the CLMPs. From these, when possible and coherent with existing biodiversity, nurseries will ensure availability of species with high value for honey production and other NTFPs.

^{xii} The lease will be regulated by the Fijian laws and governed by the iTaukei Land Trust Board. The contract will be between the MoFF and the customary landowners. As per Fijian laws and policy framework such the ITLTB will act on behalf and in the interest of communities. Finally, as leases are paid annually by the tenant, after the project the MoFF will cover the remaining years of the contract (92 years). All financial transaction with communities are managed via the ITLTB that will also manage the distribution of revenues from PES.

^{xlii} The project will ensure that GCF safeguard features will be embedded in FDB-supported forestry lending products developed under the project, in accordance with FDB's ESS policy which is consistent with GCF requirements as being a GCF Direct Access Entity.

^{xliii} The [FSC Ecosystem Services procedure is currently under revision](#). This project in Fiji could be used as a potential test case for the rollout of the revised procedure and to convey real benefits to forest operators.

^{xliiv} Fiji Pinewood corporations is already 100% certified.

^{xliv} Fiji Hardwood Corporation is committed to achieve FSC certification

^{xlvi} Financial benefits of FSC tend to outweigh the costs; albeit with significant variation based on company location and product type, and with special consideration required for set-asides and intangible benefits ([Mo, 2015](#)). A recent review of over 1500 scientific paper done by the Thünen Institute of Forestry assessed that in 70% of the empirical case studies, a positive impact of forest certification and its associated management practices on biodiversity, carbon stock and emission reductions, forest structure, and conservation areas were found ([Wolff, 2022](#)). In a paper published in 2023, ([Zubizzareta, 2023](#)), authors analysed the turnover of certified companies in the period 2006-2019 and assessed that the average annual increase in turnover was 3.583% in FSC certified companies.

^{xlvii} The Wood plantation sector is controlled by two public companies: Fiji Pine Ltd. and Fiji Hardwood Corporation Ltd. FPL supplies mahogany logs - solely to its subsidiary company Tropik Wood Industries with a sawmilling capacity of 350m3 per day, a treatment plant, two chip mills as well as the production of electricity from wood waste which it supplies to the national grid. FHCL manages mahogany plantations and does not have a sawmill. FHCL focuses only on log production.

The performance of the mahogany log buyers is inconsistent and is indicated underneath

License Holders	2019	2020	2021	2022	2023
Dayal Sawmillers Ltd.1	4,109.69	6,131.83	13,222.66	14,504.73	17,079.52
Fiji Mahogany Trust	768.53			62.193	
Future Forest (Fiji) Ltd.	76.26	105.33	26.74	26.74	
Mega Maderas (Fiji) Ltd.2	4,293.87	3,900.97	7403.90	7934.96	
Nur Ahmed & Company Ltd.	842.89	408.04		34.855	
Rup Investment Ltd.	450.49	182.32	317.77	816.836	883.85
Southern Forest Products	351.59	555.49		452.212	
Subrail Furniture Ltd.	571.62	1,100.93	1,178.09	661.94	2,127.71
Vitiana Timbers (Fiji) Ltd.	859.74	2,486.54	1,055.36	1,169.99	837.46
KKK Logging & Sawmill Co. Ltd.					
Nukuraa Mahogany Trust Holding Co. Ltd.					
Scud Timber (Fiji) Ltd,					
Tropik Wood Industries Ltd.					
Open License Buyers	3,208.44	6,364.45	14,872.96	25,664.46	12,157.97
Total	15,533.12	21,235.90	38,077.48	45,604.82	33,086.51

In 2023, MSME registered under "furniture" includes 86 companies of which women own 16 with an average turnover of \$721,019 per establishment. At that same time, 91% of women are engaged in handicraft in the informal sector where raw material is sourced from forest resources (ibid).

In addition, there are the following 5 cottage industry companies utilizing residual wood. These companies are in the "incubation stages with close mentoring from the Ministry of Forestry.

Name of Enterprise	Core Commodity	Male	Female	Total Number of Staff
Sawakasa Mahogany Trust	Doors/Chest	7	2	9
Gaunavou Cooperative Ltd.	Beds/Dinning table	0	3	3
GoneniBure Investment	Doors/Chest/Handicraft	5	2	7
Wood Carving Fiji	Handicraft	3	0	3
Seaqaqa Cottage industry	Training under	1	0	1
Kobakobau Investment	Sawmill	4	0	4

^{xlviii} Applying the ES PRO includes seven steps for identifying the ecosystem services to be verified, describing the local social and biophysical context, naming stakeholders and beneficiaries and their rights to use, access, or receive payments for ecosystem services, and demonstrating positive impacts through an explicit theory of change that links management activities to specific outputs and outcomes.

^{xlix} A third party will annually audit these impacts, and audit reports will be made publicly available.

ⁱ The FSC Ecosystem Services procedure is currently under revision. This project in Fiji could be used as a potential test case for the rollout of the revised procedure.

ⁱⁱ The project will also be able to access the technical resources of the [FAO-Investment Center](#) (IC) that will support the FDB and partners. With over 60 years of operations with international finance institutions, the FAO-IC has built global experience and capacity on greening portfolios and designing sustainable finance mechanisms for national and international finance institutions.

ⁱⁱⁱ Under the responsibility of the WWF's project CRCRP.

ⁱⁱⁱⁱ This includes: (i) incorporation of the ESMF exclusion list and risk categorisation into loan eligibility criteria and initial screening; (ii) application of ESMF-aligned due diligence requirements addressing land tenure clarity and community consent where applicable, SEAH risk screening, and labour standards; and (iii) inclusion of environmental and social covenants in loan agreements requiring borrowers to comply with applicable safeguard measures and to implement site-specific ESMPs where relevant.

^{lv} The project will continue engaging with the Pacific Catastrophe Risk Insurance Company (PCRIC), the SUN Insurance Parametric Insurance scheme and the WTW reef insurance models to secure lesson learned and best practices to adopt in the forestry sector.

Investment	Component 2	Main Characteristics	Component 3	Main Characteristics
Activity 2.2.1: Implement community-led forestry investments identified in the CLMPs.	Investments under component 2 are addressing forests that are not under any specific type of management and that are not leased by communities.	Unleased land		
Activity 2.2.2: Establish community-supported High Conservation Value Forests (HCVF).		No previous management of forests		
Activity 3.3.1: Facilitate the restoration and SFM of degraded and logged over natural forests on community land following climate adaptive silviculture approaches		Forests that could be cut but will be left aside		
Activity 3.3.2: Facilitate the introduction of FLR and SFM on degraded lands and commercial plantation areas following climate adaptive silviculture approaches			Investments under component 3 are addressing forests that have already been processed for commercial purposes.	Forests were or are still under lease agreements
Activity 3.3.3: In partnership with the Ministry of Agriculture and Waterways, support forest landscape restoration via agroforestry investments				Forests were processed and swapped to plantation by communities/private sector operators
				Land use was changed from forest to agriculture and is privately managed by community members or companies

^{lvi} E.g. [FAO Sustainable Forest Management](#); [FAO Sustainable Seed Sourcing](#); [FAO Climate Adaptive Silviculture](#)

^{lvii} All training supported by this project and involved partners will be based on FAO Capacity Development Framework. The scope of trainings is defined within the description of each activity while frequency and best format to adopt will be decided ad hoc with partner institutions and organizations at start-up. Trainings' evaluations are expected to occur at multiple levels, including attendance tracking, participant feedback, and immediate and post-training assessment to contribute assessing acquired capacities, and expected changes.

^{lviii} The adoption of the agroforestry cropping systems for Kaca and Taro plantation substantially reduces risks related to soil fertility and drought and pests which are likely to be accentuated in the future by climate change (Tora L. et al 2022).

^{lix} An example of effective incentives for private sector investments come from Brazil: Subsidized training on Reduced Impact Logging (RIL) in natural forest concessions improved the profits of the concessionaires due to reduced wood waste and more timely info on timber species available for the next cutting cycle, facilitating marketing of "difficult" species. This was instrumental in the subsequent engagement in FSC certification by a considerable number of concessionaires, who discovered that RIL had brought them much closer to FSC management standards.

^{lx} By establishing the HCVFs, the project will create enabling conditions to ensure additional funding can be accessed via carbon markets, biodiversity, and genetic resources. Furthermore, the involvement of the national university and the evidence-based mapping that the project will promote with communities will ensure that future investments in target areas can be developed rapidly ensuring clear attribution of benefits and providing evidence of relevance to donors

^{lxi} Number of beneficiaries from schools and universities is derived from national statistics (2021) related to enrolment of youth in universities and technical colleges (Fiji-National-University-Annual-Report-2022).

^{lxii} Social discount rate estimated for Fiji using the average of three different methodologies: Social Opportunity Cost of Capital (SOC) Approach, Social Time Preference Rate (STPR) Approach and Weighted Average Approach

^{lxiii} Cost of capital estimated using the Weighted Average Cost of Capital (WACC) for the forestry in Fiji.

^{lxiv} Gender targets will be reviewed, and/or refined as necessary, informed by the inception baseline.

^{lxv} Brown, C.J., Jupiter, S.D., Albert, S. et al. Tracing the influence of land-use change on water quality and coral reefs using a Bayesian model. Sci Rep 7, 4740 (2017). <https://doi.org/10.1038/s41598-017-05031-7>

^{lxvi} According to the [GGGI](#), it is estimated that there were 6,700 person in Fiji in 2018 with green wage and salaried jobs covering tourism resorts, environmental services and jobs which are energy and water efficient and sustainable.

^{lxvii} All forested land in Fiji is considered a permanent forest estate, it cannot be changed to other land uses.

^{lxviii} Main target are women and youth from communities

^{lxix} The FSC Ecosystem Services procedure is currently under revision. This project in Fiji could be used as a potential test case for the rollout of the revised procedure.

^{lxx} The FSC Ecosystem Services procedure is currently under revision. This project in Fiji could be used as a potential test case for the rollout of the revised procedure.

^{lxxi} E.g. parametric insurances, sustainability linked loans, guarantees)

^{boxii} No irrigation of SRP plantation is foreseen in the context of Fiji

^{boxiii} The project's M&E system will integrate a small number of SEAH-related monitoring elements aligned with the GAP. These include periodic checks on awareness of SEAH reporting channels among project beneficiaries; confirmation and routine updating of service-provider mapping and referral pathways; and basic verification that SEAH grievance-handling mechanisms remain active and accessible. Results will be captured through regular project reporting and supervision missions.

^{boxiv} Explicit reference on SEAH related expenditures will be included in each of the Annual Work Plans and Budgets.

^{boxv} The 5 strategies are: transformative public education and social norm change; strengthening of equal and respectful relationships; survivor-centered services for survivors of violence; coordinated legal protection for survivors of violence; and fostering a gender equal society.