



**GREEN
CLIMATE
FUND**

Meeting of the Board

26 – 29 October 2026

Songdo, Incheon, Republic of Korea

Provisional agenda item 10

GCF/B.46/02/Add.12

28 September 2026

Consideration of funding proposals – Addendum XII

Funding proposal package for FP319

Summary

This addendum contains the following seven parts:

- a) A funding proposal summary titled “Matanataki Pacific Fund 1”;
- b) No-objection letter(s) issued by the national designated authority(ies) or focal point(s);
- c) Environmental and social report(s) disclosure;
- d) Secretariat’s assessment of the project-specific assessment approach applicant;
- e) Independent Technical Advisory Panel’s assessment;
- f) Response from the project-specific assessment approach applicant to the independent Technical Advisory Panel’s assessment; and
- g) Gender documentation of the funding proposal.

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Disclaimer:

The designations and the presentation of the materials used in this document, including their respective citations, maps and references, have been included by the relevant project-specific assessment approach applicant and do not imply the expression of any opinion whatsoever on the part of the Green Climate Fund concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Also, the boundaries and names shown, and the designations used in this document have been included by the relevant project-specific assessment approach applicant and do not imply official endorsement or acceptance by the Green Climate Fund.

Pursuant to the Comprehensive Information Disclosure Policy of the Fund, the funding proposal is being circulated on a limited distribution basis only to Board Members and Alternate Board Members to ensure confidentiality of certain proprietary, legally privileged or commercially sensitive information of the entity.

Funding Proposal

Project/Programme title:	Matanataki Pacific Fund 1
Country(ies):	Fiji, Tonga, Vanuatu
Accredited Entity:	Enyorra Private Equity Pte. Ltd. (PSAA Applicant)
Date of first submission:	2025/09/24
Date of current submission	2026/09/16
Version number	V.9



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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, 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. [GCF Information Disclosure Policy](#)

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]"

A. PROJECT/PROGRAMME SUMMARY				
A.1. Project or programme	Programme	A.2. Public or private sector	Private	
A.3. Request for Proposals (RFP)	<u>Not applicable</u>			
A.4. Result area(s)			GCF contribution	
			Co-financers' contribution ¹	
	Mitigation total		0 %	
	☐ Energy generation and access		0 %	
	☐ Low-emission transport		0 %	
	☐ Buildings, cities, industries and appliances		0 %	
	☐ Forestry and land use		0 %	
	Adaptation total		100 %	
	☒ Most vulnerable people and communities		50 %	
	☐ Health and well-being, and food and water security		0 %	
	☐ Infrastructure and built environment		0 %	
☒ Ecosystems and ecosystem services		50 %		
A.5. Expected mitigation outcome <i>(Core indicator 1: GHG emissions reduced, avoided or removed / sequestered)</i>		A.6. Expected adaptation outcome <i>(Core indicator 2: direct and indirect beneficiaries reached)</i>	626,786	
			62,058 (direct)	564,728 (indirect)
			Fiji – 5.93% Vanuatu – 1.70% Tonga – 1.37%	Fiji – 56.55% Vanuatu – 9.49% Tonga – 8.04%
A.7. Total financing (GCF + co-finance ²)	63,000,000 USD	A.9. Project size	Medium (Upto USD 250 million)	
A.8. Total GCF funding requested	<u>15,000,000</u> USD			

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 <u>Enter number</u> ☒ Equity <u>15,000,000</u> ☐ Loan <u>Enter number</u> ☐ Results-based payment <u>Enter number</u> ☐ Guarantee <u>Enter number</u>		
A.11. Implementation period	10 years with possible two 1-year extensions	A.12. Total lifespan	10 years with possible two 1-year extensions
A.13. Expected date of AE internal approval	9/10/2026	A.14. ESS category	I-2
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	1. Enyorra Private Equity Pte. Ltd. (the Manager) 2. Matanataki Pte Ltd (the Portfolio Advisor) 3. Matanataki Pacific Fund 1 LP (the Fund, MPF1 or the Investment Fund) 4. Matanataki General Partners Pte. Ltd. (the General Partner) 5. MPF1 Master Fund Pte. Ltd (the Master Fund)		
A.21. Executive summary (max. 750 words, approximately 1.5 pages)			

Climate change problem

1. Despite contributing less than 0.03% of global greenhouse gas emissions, Pacific Island nations are among the most climate vulnerable. For Pacific communities, coral reefs are lifelines - providing food security through fisheries, protecting coastlines from erosion and storm surge, supporting tourism-dependent economies, and embodying cultural identity. However, coral reefs across the Pacific face unprecedented threats from climate change, with potential ecosystem collapse by 2050. Rising sea surface temperatures and ocean acidification are driving mass bleaching and degradation, while more intense tropical cyclones compound this crisis, posing a significant threat not only to marine biodiversity but also to the socio-economic fabric of Pacific Island Countries (PICs).
2. Simultaneously, climate change is increasing rainfall variability, extreme rainfall, flooding, drought stress and saltwater intrusion in Pacific SIDS. These hazards place growing pressure on freshwater sources, drainage systems and coastal aquifers. During dry periods, reduced freshwater availability can increase dependence on already stressed or contaminated water sources. Furthermore, where waste is poorly managed, heavy rainfall and cyclones can mobilize solid waste, organic waste, plastics and leachate into drainage channels, rivers, groundwater and coastal zones. With approximately 90% of Pacific Islanders living within five kilometres of the coastline and reliant on reef ecosystems for their livelihoods, it is imperative that we act now.
3. However, the Small and Medium Enterprises (SMEs) that support the local economy and are best positioned to reduce climate impacts, face both financial and non-financial barriers, unable to access patient, risk-tolerant capital from local commercial banks and investors. Therefore, MPF1's investments in improved waste collection, safe disposal, recycling, composting and non-leaking materials recovery facilities reduce contamination pathways and strengthen the resilience of water, health and reef-linked systems against climate-amplified risks.

Proposed interventions

4. In response, Matanataki Pacific Fund 1 (MPF1) is proposed as a women-founded USD 60 million blended finance impact fund for Fiji, Tonga and Vanuatu. MPF1 will strengthen coral reef ecosystem resilience by investing in sectors vital for regeneration and adaptation. Rooted in just principles - it utilises a blended finance structure—leveraging concessional capital from the GCF to crowd in both private investment and commercial institutional investment - to provide the patient capital and capability building to empower local communities and protect Pacific marine environments and linked ecosystems. The Programme integrates hands-on SME capacity building and systems institutionalisation directly within its core investment and portfolio management model. This is delivered through a coordinated dual-funding mechanism: GCF's USD 15 million pooled LP equity operates catalytically to finance portfolio co-management and seed-stage investments, while a complementary USD 3 million Technical Assistance Facility (TAF) funded by third-party donor grant capital provides pre- and post-investment technical support. This ensures that capacity-building activities are structurally executed to prepare local enterprises for commercial scaling.
5. MPF1's deployment strategy is weighted toward Fiji, where approximately 70% of total fund capital is expected to be invested, with the remaining 30% deployed across Tonga and Vanuatu. This weighting reflects Fiji's deeper and more advanced pipeline of reef-positive SMEs, the Portfolio Advisor's established local presence, and stronger near-term market potential and absorption capacity for blended equity investments, while the number of investments per country will remain flexible and driven by sourcing and bankability.
6. MPF1 will deploy USD 60 million in equity and quasi-equity investments (primarily utilising self-liquidating instruments to preserve long-term local ownership), across four pivotal sectors: **1. Waste Management and Recycling:** Improve waste systems and recycling to reduce reef pollution; **2. Regenerative Agriculture:** Support soil-restorative farming to boost productivity and reducing coastal runoff; **3. Sustainable Fisheries:** Promote responsible practices to preserve and improve fish stocks and ecological balance; **4. Low-Impact Tourism:** Advance eco-friendly practices that protect natural habitats and support non-extractive local incomes. In addition, MPF1 may undertake targeted investments in telecommunications as an enabling sector. Telecommunications investments will be eligible only where they demonstrably and materially improve connectivity, data access and operational resilience for MPF1 pipeline and portfolio companies and their beneficiary communities (for example, remote community cooperatives and coastal SMEs), and where they remain fully aligned with the Fund's climate adaptation focus, reef-positive rationale and gender-equitable impact objectives.
7. The Fund is supported by a complementary, wholly donor-funded Technical Assistance Facility (TAF) with a target size of USD 3.0 million and a minimum viable size of USD 1.0 million. GCF's share of the TAF is nil. MPF1 is designed to operate under either scenario: climate, environmental and social, and gender support to portfolio companies is delivered in both cases, with the target scenario extending the depth and reach of that support rather than determining whether it is provided. The TAF provides critical pre- and post-investment support, capacity building, and specialised technical expertise to portfolio companies. All TAF services are designed through dual

gender and climate lenses, aligned with 2X Challenge principles, ensuring interventions advance both women's empowerment and climate resilience.

8. Output 1.5 is funded from two distinct sources sitting alongside each other: USD 1 million to USD 3 million of donor grant through the TAF, and USD 3 million attributed to GCF's equity commitment. The GCF-funded portion comprises USD 1,875,000 of management fee allocation on GCF's USD 15 million commitment at 2.5% per annum across the Investment Period, and USD 1,125,000 deployed as seed-stage equity or quasi-equity instruments such as Simple Agreements for Future Equity. Neither is a grant, and neither is an application of GCF capital to TAF expenditure. Output 1.5 is therefore co-funded between GCF equity and donor grant at a ratio ranging from 1:1 in the target TAF scenario to 3:1 in the minimum viable scenario, while the TAF itself remains wholly donor-funded in either case.

Climate results / benefits

9. MPF1 utilizes an interconnected deal flow approach that builds trust among portfolio businesses, countering extractive models by strengthening supply chain clusters and shared value creation. The Fund places heavy emphasis on climate-adaptive design at the land- and marine-scape levels, focusing on local and indigenous community-owned enterprises. Women's leadership is a central pillar: aligned with 2X Challenge principles, MPF1 empowers Pacific women entrepreneurs with culturally appropriate solutions that recognize their dual roles as primary caregivers and economic drivers. By interweaving gender equity with climate adaptation strategies, MPF1 aims for holistic development that uplifts Pacific men, women, and children, while safeguarding the region's globally significant reef ecosystems.
10. MPF1's integrated approach is expected to deliver direct adaptation benefits for 62,058 individuals, indirect benefits for 564,728 people through improved environmental conditions, 50,796 hectares of terrestrial and marine ecosystems will be restored or protected, and responsible production of 47,336 tonnes of fish stocks. These Base-case beneficiary figures are supported by Annexes 23a and 23b, which distinguish unique, attributable direct beneficiaries from net, geographically bounded indirect beneficiaries after direct-beneficiary and geographic-overlap exclusions.
11. As a mitigation co-benefit of these adaptation measures, MPF1 is also expected to help reduce 1,927,105 tCO₂eq of emissions over its investments' lifetime. By providing patient capital and hands-on technical support guided by a Vanua-inspired systems approach, MPF1 offers a transformative pathway long-term Pacific climate resilience.

B. PROJECT/PROGRAMME INFORMATION

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

Climate change problem³

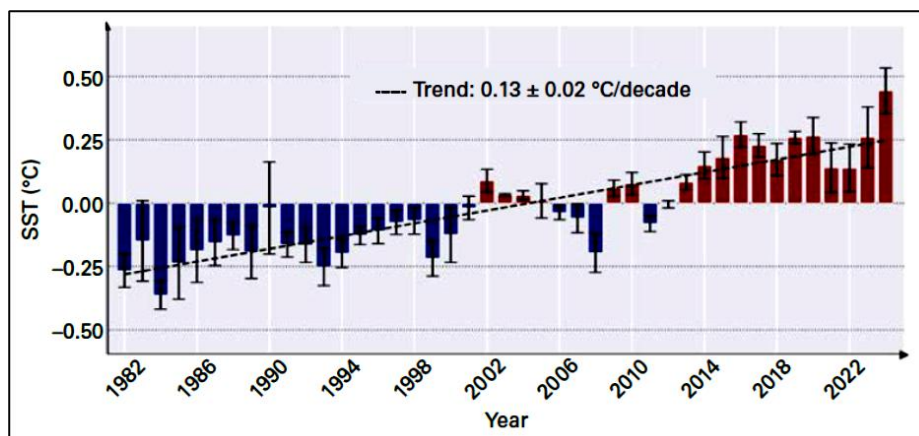
Main Resilience Challenge

12. The Pacific SIDS, like Fiji, Vanuatu and Tonga, face an existential threat from the dual crisis of global climate change and local ecological degradation. Climate change is increasing rainfall variability, extreme rainfall, flooding, drought stress, and saltwater intrusion in Pacific SIDS. These hazards place growing pressure on freshwater sources, drainage systems, and coastal aquifers. Where waste is poorly managed, heavy rainfall and cyclones can mobilise solid waste, organic waste, plastics, and leachate into drainage channels, rivers, groundwater, and coastal zones. During dry periods, reduced freshwater availability can increase dependence on already stressed or contaminated water sources.
13. These local anthropogenic stressors—including poor waste management, agricultural runoff, and overfishing—interact with rising sea temperatures and ocean acidification to drive mass coral bleaching and reef collapse, impairing the reefs' natural capacity to recover from thermal stress. The core resilience challenge is that current economic models are extractive, depleting the very ecosystems that provide natural coastal protection for 90% of the population and support tourism and fisheries economies.
14. Therefore, MPF1's investments in improved waste collection, safe disposal, recycling, composting, regenerative agriculture, and non-leaking materials recovery facilities directly reduce these contamination pathways. MPF1 proposes a paradigm shift from reactive, grant-based adaptation to "Reef-Positive" regenerative investment, harnessing the private sector to reduce local stressors, protect freshwater and public health, and restore the biological buffering capacity of Pacific reef systems against climate-amplified risks.

Context

Observed Climate Trends

15. Scientific evidence confirms that baseline climatic conditions in the target countries have shifted significantly due to the anthropogenic signal, distinct from natural variability drivers like the El Niño–Southern Oscillation (ENSO).
 - Temperature: The region has experienced a consistent long-term warming trend. Fiji has warmed ~0.8–1.0°C over the 20th century. Vanuatu's warming has accelerated since the mid-1990s. has seen mean temperatures rise ~0.6°C over the last century, and Tonga has warmed 0.4–0.8°C since 1970. 2024 was the warmest year on record for the region (0.48°C above the 1991–2020 average).
 - Marine Heatwaves & Acidification: Marine heatwaves (MHWs) reached record global extents in 2024, affecting 40 million km² of ocean. Surface pH has decreased by 0.017 per decade since 1985, driving ocean acidification that threatens coral calcification. Figure 1 reflect the accumulation of heat in the South-West Pacific Ocean, which absorbs the majority of excess energy in the climate system.



³ All statements are supported by FS Annex 2, and the references of all the statements are included in Annex 2.

Figure 1. Sea-surface temperature (SST in °C) anomalies averaged for the South-West Pacific Ocean, relative to the 1985-2024 reference period. Source: World Meteorological Organisation (WMO). State of the Climate in South-West Pacific 2024 (WMO-No. 1374). Geneva, 2025.

- Sea Level Rise (SLR): SLR in the region exceeds the global average (3.5 mm/yr). Fiji and Tonga have observed rises of ~6 mm/yr and ~6.4 mm/yr, respectively, since 1993, while reports ~5.2 mm/yr. This chronic stressor has already increased the frequency of minor coastal flooding tenfold in some locations. Figure 2 demonstrates the cumulative and largely irreversible nature of sea-level rise in the South-West Pacific Ocean.

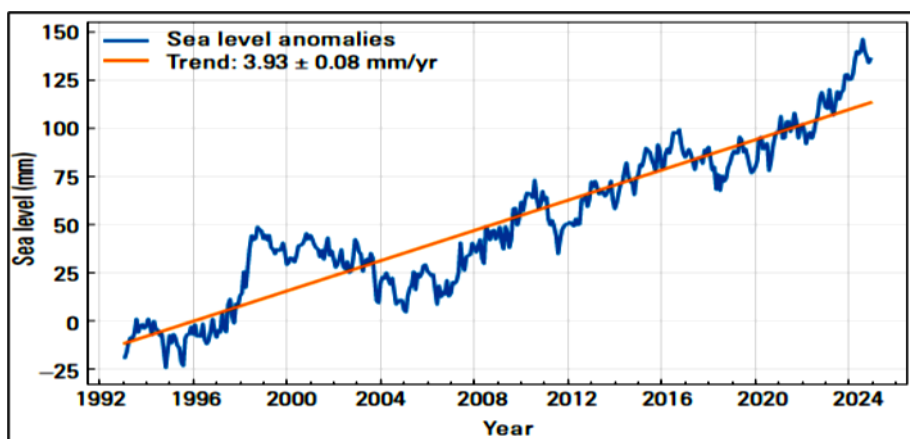


Figure 2 Mean sea-level anomalies (blue line) and estimated trend (orange line). Altimetry-based sea-level time series (mm) from 1993 to 2024 for the South-West Pacific Ocean. Data from Copernicus Climate Change Service and Laboratory of Space Geophysical and Oceanographic Studies. Figure taken from World Meteorological Organisation-WMO (2025). State of the Climate in South-West Pacific 2024 (WMO-No. 1374). Geneva, 2025

Current Hazards and Spatial Patterns

16. The interaction between climate hazards and local vulnerability is already causing severe economic and physical damage across the three countries:
 - Tropical Cyclones (TCs): While frequency is stable or decreasing, intensity has intensified. TC Winston (2016) caused losses exceeding 20% of Fiji's GDP. TC Pam (2015) cost Vanuatu 64% of its GDP. TC Gita (2018) caused damages equivalent to 38% of Tonga's GDP, and TC Evan (2012) cost 28% of its GDP. These cyclones cause significant damage to vital infrastructure and result in the accumulation of large quantities of sediment and waste in reef ecosystems.
 - Marine Heat Stress: Frequent MHWs are causing mass coral bleaching (e.g., Fiji in 2000, 2023, 2024), reducing habitat for fisheries and undermining the "sun, sand, and sea" tourism asset base.
 - Precipitation Extremes: Intense rainfall events are increasing, driving flash flooding (e.g., 26 major floods in Fiji's Nadi Basin since 1991) and accelerating nutrient runoff from agriculture, which impacts nearshore reefs.

Projections

17. Future scenarios (CMIP6 SSP2-4.5 and SSP5-8.5) indicate that these trends will intensify, pushing ecosystems beyond historical adaptation limits.
 - Temperature: Projections indicate warming of +1.7–2.15°C by mid-century across the region.
 - Coral Reefs: Under high-emission scenarios, nearly 90% of the region's coral reefs are projected to experience annual severe bleaching by 2055, risking functional collapse.
 - Sea Level Rise: An irreversible rise of at least 15cm is expected by 2050 regardless of emissions. By 2100, levels could rise 0.55–0.90m, transforming 1-in-100-year flood events into annual occurrences for low-lying atolls in Tonga and coastal settlements in Fiji.
 - Cyclone Intensity: Average maximum wind speeds and rainfall rates are projected to increase, amplifying storm surge risks.

Exposure and Vulnerability

18. The economic and nutritional stability of Pacific SIDS is inextricably linked to reef health. Tourism contributes approximately 40% of GDP in both Fiji and Vanuatu. Beyond economics, reef fisheries act as the primary nutritional safety net for the population. Coastal fisheries contribute up to 6% of GDP across PICs and provide 60–90% of animal protein in rural areas. The target countries are characterised by extreme exposure and structural economic vulnerability:

- **Human Exposure:** Approximately 90% of Pacific islanders live within 1 km of the coast, relying on reefs for food and storm protection. An estimated 6.5 million people in the region are highly dependent on reefs.
- **Social Vulnerability:** Women and children face disproportionate risks. Women often rely on shallow-water gleaning and informal markets (e.g., "mamas of the market" in Vanuatu), assets which are most exposed to reef degradation and disasters.

Causality and Adaptation Logic

19. To demonstrate the causal pathways between individual SME activities and measurable adaptation outcomes, the following table establishes a clear results chain at the sector level for our four priority areas. It maps the specific climate hazard, the exposed system, the baseline vulnerability mechanism, how the project response (SME intervention) reduces that sensitivity, and the measurable indicator tracking the ultimate adaptation outcome for vulnerable coastal communities. (A more comprehensive, investment-level table can be found in the Feasibility Study starting at page 91: *Table 13 - MPF1 Adaptation Pathways and Pipeline Interventions by Sector: An end-to-end logical framework detailing how targeted enterprise responses across Waste Management, Regenerative Agriculture, Sustainable Fisheries, and Low-Impact Tourism reduce the climate-amplified vulnerability of exposed systems in Fiji, Vanuatu, and Tonga*.)

Table 1: Adaptation Pathways and Pipeline Interventions (Fiji, Vanuatu, Tonga)

Sector (Indicative Pipeline)	Climate hazard addressed	Climate impact / Vulnerability mechanism	Exposed systems	Project response	Adaptation outcome	Measurable Indicator
Waste Management & Recycling (Projects Vonu, Akihito, Nawita)	Extreme rainfall, intense tropical cyclones, and storm surges.	Cyclones and storm surges drive waste, plastics, and toxic chemicals from coastal dumpsites into nearshore coral reef ecosystems.	Nearshore coral reef ecosystems and coastal communities (affecting public health).	Material Recovery Facility (MRF), recovery and waste-to-bioenergy solutions, recycling, and safer waste containment to reduce open dumping.	Protection of coral reef ecosystems by reducing marine plastic and chemical disposal, and reduced public-health risks.	Volume of waste safely disposed of or recycled.
Regenerative Agriculture (Projects Fetu'u Moana, Tuitui, Moa, Malau, Ura)	Extreme rainfall, drought, heat, and cyclones.	Degraded soils have low water retention; intense rainfall increases erosion, sedimentation, and nutrient runoff into coastal systems, while droughts and cyclones destroy crops	Coastal and coral reef ecosystems, agricultural soils, local food systems, and vulnerable rural households.	Local organic fertilizer production to reduce synthetic dependence, soil restoration, regenerative practices, and integration of smallholders into climate-resilient	Improved soil moisture retention, reduced runoff and sedimentation, stabilized rural incomes against climate shocks, and more resilient local food systems.	Hectares of terrestrial non-forest land brought under improved ecosystems; Beneficiaries adopting improved and/or new climate-resilient livelihood options.

		and reduce productivity.		supply chains.		
Sustainable Fisheries (Projects Kaura, Te Bakoa, Qari, Kundu, Te Rawa, Uga, 'Anga, Salala). Garamut is an aquaculture investment but is land-based, its production is largely controlled, and it is not exposed to marine heatwave risk in the way the other fisheries investments are.	Rising sea temperatures, marine heatwaves, ocean acidification, and cyclones.	Mass coral bleaching and degradation threaten reef fisheries; ocean warming exacerbates post-harvest spoilage and drives pelagic species offshore, increasing extractive pressure.	Coral reef ecosystems, reef fish biomass, smallholder fisherfolk, and coastal communities' food security.	Land-based aquaculture, sea cucumber ranching, solar cold chain to mitigate post-harvest loss, and traceable supply of sustainably caught fish.	Wild coral reef fish biomass is maintained and allowed to recover, reducing extractive pressure while ensuring strengthened adaptive capacity, protein, and nutritional security.	Tonnes of fish stock brought under sustainable management practice; Beneficiaries adopting improved climate-resilient livelihood options.
Low-Impact Tourism (Projects Kundu, Albacore)	Extreme rainfall, cyclone damage, water stress, and drought.	Cyclones, water stress, and unmanaged tourism pressure degrade natural coastal buffers like mangroves and reefs, reducing destination appeal and threatening livelihoods.	Tropical forests, mangroves, coral reef ecosystems, and local community livelihoods dependent on tourism and agriculture.	Conservation tourism, ecosystem protection, and community-owned cooperatives implementing sustainable farming and fishing to restore collectively owned lands.	Coral and forest restoration enhances wave attenuation and shoreline stabilization, lowering stress on reef ecosystems while providing resilient income-generating opportunities.	Percentage of portfolio Pacific/local SMEs and community-owned cooperatives implementing agreed Impact and Sustainability Plans; Hectares of coastal marine areas brought under restoration and/or improved ecosystems

Note: The table lists 19 entries because Project Kundu is a multi-sectoral community cooperative that spans both Sustainable Fisheries and Low-Impact Tourism, representing 18 unique pipeline projects in total.

Alignment with national priorities

20. MPF1 operationalises Fiji's NDC 3.0 targets for 30% Marine Protected Areas and blue economy growth, alongside Vanuatu's priorities for coastal protection and green finance access. In Tonga, the Fund aligns with national strategies for sustainable land use, climate-resilient agriculture, and disaster risk reduction, ensuring investments directly contribute to each nation's specific adaptation and conservation goals.

Related projects/interventions

21. The Pacific's climate investment landscape remains nascent and fragmented, failing to meet the specific needs of the "missing middle"—SMEs that are too large for micro-grants but too small or risky for commercial banks.

- **Lessons Learned:** The ADB's Kula Fund (1997–2007, extended to 2008) pioneered private capital in the region. The lessons drawn here are taken from Asian Development Bank, Independent Evaluation Department, Validation Report: Regional: Kula Fund Limited (formerly Pacific Investment Capital Fund), Reference Number PCV:REG 2010-67, Project Number 30702, Investment/Loan Number 7136, December 2010. For transparency, that report rated Kula Fund's investment profitability "Unsatisfactory" and its overall performance "Partly Successful", downgraded by the Independent Evaluation Department from the "Satisfactory" rating in the fund's Extended Annual Review Report, while its development impact and additionality were rated "Satisfactory" and "Excellent" respectively.

MPF1 draws structural and operational lessons from that experience rather than citing it as a financial success.

- The evaluation found that portfolio-wide reliance on traditional private equity trade-sale exits is unreliable in shallow capital markets; that self-liquidating instruments are needed to avoid dependence on a single exit event in a volatile economic and political environment; that SMEs require deep, hands-on management support in corporate governance, financial planning and accounting; and that drawdowns in large increments rather than on an as-needed basis depress net returns to investors. MPF1 responds with a self-liquidating-first architecture, active co-management funded through the management fee and the TAF, notice-based as-needed drawdowns tied to specific investments, and country diversification caps and floors. Trade sale is retained as a deliberately chosen route for the minority of deals where the founder regards it as credible, rather than as the Fund's default architecture.
- Current Gaps: Recent projects like the Global Fund for Coral Reefs (GFCR), Subnational Climate Fund, Outrigger Ocean Impact Fund, and Camco's TIDES tend to focus on large infrastructure or broad regional mandates. These funds often have ticket-size thresholds (>USD 5m) or "hands-off" models that do not address the operational capacity constraints of Pacific SMEs. Others, like ADB Frontier Fund or Red Hat Impact, are similarly "hands-off" and focus on earlier-stage or trade finance.
- Transition risk: Alongside the physical hazards set out above, MPF1 has assessed the transition exposures facing portfolio sectors. In sustainable fisheries, tightening quota, traceability and monitoring regimes under the Parties to the Nauru Agreement and the Western and Central Pacific Fisheries Commission, together with European and United States market requirements for certified, traceable product, are assessed as a net opportunity: certification carries a price premium for compliant producers and a market-access risk for those who are not. In low-impact tourism, the carbon intensity of long-haul aviation and its effect on demand for Pacific destinations underpins the Fund's focus on low-impact, higher-value and eco-certified models rather than high-volume tourism. In regenerative agriculture, organic and GlobalGAP certification is increasingly a condition of export market access, and carbon and biodiversity credit markets are emerging. In waste management and recycling, regulatory tightening on plastics and the development of regional waste infrastructure standards, including through programmes such as PacWaste Plus, shape the investment case.
- At portfolio level, transition risk is managed through three mechanisms already in place: the Matanataki Exclusion List, which incorporates MDB exclusion lists; the Environmental and Social Management System, aligned to the IFC Performance Standards and major MDB Environmental and Social Standards, which applies evolving standards to portfolio companies during the holding period; and the retained ESG Manager's direct experience of European DFI requirements and emerging EU sustainability regulation. Rising institutional requirements for ESG-compliant assets are treated as supportive of exit valuations for compliant companies and adverse for those that are not. Transition risk will be assessed and recorded deal by deal through the Vulnerability Assessment Framework and the pre-investment screening matrix.

MPF1 Additionality:

22. MPF1 addresses this structural gap by utilising a blended finance model that provides SMEs with the capital needed for growth. Currently, commercial banks in the Pacific remain highly risk-averse, avoiding exposure to climate-sensitive sectors such as agriculture and fisheries due to high-risk perception. Consequently, SMEs critical to adaptation are unable to access the capital needed to scale. MPF1 bridges this gap by leveraging GCF concessional junior equity to de-risk the investment structure and crowd in senior institutional capital at an indicative 1:3 Fund-level equity co-financing ratio (USD 15 million GCF to USD 45 million Co-investors excluding the TAF). Utilizing its local expertise, pipeline development since 2019, MPF1 will deploy ticket sizes of USD 0.25 million – USD 6 million.
23. MPF1 targets SMEs too large for microfinance but structurally underserved by risk-averse commercial banks. Unlike passive vehicles, MPF1 employs active co-ownership and an "interconnected deal flow" strategy, clustering portfolio Pacific/local SMEs and community-owned cooperatives (e.g., linking waste inputs to agricultural off takers) to build collective supply chain resilience. Furthermore, to overcome the region's shallow capital markets, MPF1 utilises self-liquidating instruments (e.g., redeemable preference shares and demand dividends) for approximately 80% of the portfolio. This mechanism avoids reliance on unviable trade sales, ensuring that capital is recycled and long-term ownership is retained by indigenous founders and communities. Potential maladaptation risks will be avoided through a mandatory "Maladaptation and Exclusion" filter within the Fund's Programmatic Vulnerability Assessment Framework.

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

24. At its core, the Matanataki Pacific Fund 1 (MPF1) is driven by the profound humanness of the people striving to protect their homes, livelihoods, and intergenerational future. Conventional climate finance frameworks often reduce adaptation to technical outputs, omitting the cultural lifeblood and values of the communities doing the work. MPF1 has been designed from inception as a locally anchored climate-resilience fund for Pacific Island countries, investing patient equity and quasi-equity into Pacific SMEs and community-owned cooperatives that address local drivers of climate vulnerability, especially those affecting coral reef-dependent communities. In this respect, the Fund is inherently aligned with GCF's Locally Led Climate Action framework through: (i) devolved finance to local enterprises and cooperative structures; (ii) local ownership and implementation through a Fiji-based, locally owned and Indigenous-led team; and (iii) sustained local capacity building through the Technical Assistance Facility (a complementary initiative financed entirely through donor contributions). MPF1 operates on the foundational Pacific principle of Vanua—the inseparable reciprocity between the people, the land, and the ocean. In this paradigm, nature is an ancestor to be protected, not a commodity to be extracted. The mission of this Fund is to empower Pacific entrepreneurs who are uniquely positioned to defend these ecosystems, recognizing that true climate resilience requires honouring the human dignity, traditional knowledge, and social fabric of frontline communities.
25. To actualize this vision, MPF1's Theory of Change centres on indigenous economic sovereignty and collaborative value creation. If a Pacific-led investment fund provides patient, values-aligned capital and hands-on capability support to reef-positive enterprises, then these local businesses can cultivate inclusive economies that actively restore coral reefs and build enduring community resilience. This transformation occurs because Pacific entrepreneurs are finally equipped with the financial tools and bespoke business support to transition away from extractive models toward a regenerative economy. By utilizing self-liquidating financial instruments, MPF1 ensures that long-term wealth, operational control, and environmental stewardship remain firmly in the hands of the Pacific people, enabling a right economic and spiritual relationship with lands and oceans.

**The World
Matanataki
Pacific Fund
1 is Working
Towards**

We know this world is possible because we've already begun to build it. Most every image here (and throughout this deck) are real photos taken during our deep, collaborative work with our pipeline companies over the last five years.



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Figure 3. The MPF1 vision for systems change

Theory of Change

26. The Theory of Change (ToC) for the Matanataki Pacific Fund 1 (MPF1) is anchored in the following logic:
- IF** a Pacific-led investment fund and technical assistance facility back reef-positive, gender equitable Pacific SMEs with patient, ethical capital and hands on support,
- THEN** these businesses can grow inclusive local economies that actively restore reefs and strengthen community resilience,
- BECAUSE** Pacific entrepreneurs will finally have values-aligned finance and capability support to build regenerative, collaborative business models that reduce local drivers of reef degradation and enable right economic relationship with our lands, oceans and relationship with all living beings across generations.
27. MPF1 achieves this through an Investment Facility that drives the transition from an extractive economy to a regenerative, reef-positive one, plus a complementary third-party Technical Assistance Facility:
- Component 1: Matanataki Pacific Fund 1 (Investment Facility)**
28. MPF1 deploys USD 60 million in patient equity and quasi-equity to ensure growth capital is disbursed to climate- and reef-positive SMEs and that through the critical active hands-on active co-management support of the Portfolio Advisor these companies receive pre-Investment support to become investment ready and receive post-investment support for operational growth and impact (**Output 1.1**). By focusing on four Reef-Positive Investment Windows—Waste Management, Regenerative Agriculture, Sustainable Fisheries, and Low-Impact Tourism—the Fund ensures interconnected supply chain clusters and commercial linkages are structured and operationalised (**Output 1.2**). This interconnected deal flow builds supply chain resilience (e.g., linking waste-to-fertilizer companies with regenerative farms). To drive commercial scale and ensure regenerative practices are fully embedded, the Fund ensures active portfolio co-management, value creation, and impact monitoring are executed (**Output 1.3**). Ultimately, to secure inclusive, long-term benefits for vulnerable groups, local ownership transfer and self-liquidating exit mechanisms are executed (**Output 1.4**). To overcome the high transaction costs and limited readiness of Pacific SIDS enterprises, Component 1 includes **Output 1.5: SME Capacity Building and Systems Institutionalisation**. To align with standard private equity structuring principles and LP expectations, GCF's capital remains 100% pooled equity. This integrated capacity building is operationalized through:
- **The complementary grant-funded TAF (USD 1.0 million minimum viable, USD 3.0 million target):** Funded by third-party bilateral donors to cover non-recoverable transaction-readiness costs (such as project-level ESMS design, gender action planning, and feasibility studies). The TAF is functionally integrated into MPF1's impact delivery model to provide specialized climate, ESG, and locally led adaptation support that would typically sit outside a standard fund manager's or portfolio advisor's core remit.
 - **Catalytic deployment of GCF equity:** Deployed at the portfolio level via active co-management support (financed through the standard management fee) and targeted seed-stage investments (such as SAFEs) to support early-stage, community-owned cooperatives:
 - *Enhanced Portfolio Co-management (USD 1,875,000 equivalent):* Supported through the 2.5% management fee over five years, directly funding the local Portfolio Advisor's active, on-the-ground change management, ESG systems development, and operational oversight (Activities 1.5.1 and 1.5.2).
 - *Catalytic Seed Equity (USD 1,125,000 equivalent):* Deployed strictly as early-stage equity or quasi-equity instruments (such as SAFEs) under Activity 1.5.5 to support local and community-owned cooperatives in transitioning toward bankability.
29. The successful delivery of these outputs drives four synergistic outcomes:
- I. **Outcome 1:** Restored and resilient coral reef and associated ecosystems achieved through the reduction of local climate impacts within Pacific Island Countries.
 - II. **Outcome 2:** Institutionalised gender-responsive climate governance and economic empowerment within the private sector.
 - III. **Outcome 3:** Increased adaptive capacity of marginalised groups through equitable access to climate finance and knowledge.
 - IV. **Outcome 4:** Catalysed market transformation through demonstration and scaling of regenerative, climate-resilient business models for Pacific Island Countries.

30. Collectively, these outcomes deliver a paradigm shift: moving the Pacific economy away from short-term extraction and dependence on aid, towards a self-sustaining, regenerative market system where business protects the Vanua (land, sea, and people) rather than depleting it.
31. The Fund's results are structured into short- to medium-term direct outcomes and longer-term transformation objectives:
 - I. **Short-Term to Medium-Term** In the immediate term, the Fund establishes the enabling environment and operationalises direct investments. Growth capital is disbursed to climate- and reef-positive SMEs in conjunction with active hands-on support from the Portfolio Advisor (**Output 1.1**) complemented by early-stage pre-investment capacity building, seed-stage equity investments (SAFEs) for cooperatives, and foundational E&S and gender systems development under **Output 1.5**. This allows the Fund to structure and operationalise interconnected supply chain clusters and commercial linkages (**Output 1.2**) across sectors (e.g., waste-to-agriculture).
 - II. **Medium-Term** As the SMEs scale, the short-term outputs translate into measurable medium-term socio-economic and management outcomes. Through active portfolio co-management, value creation, and impact monitoring executed (**Output 1.3**), underpinned by the formal institutionalisation of company-level E&S, gender, and reef-health management systems established under **Output 1.5**, businesses fully integrate regenerative practices, directly driving **Outcome 2** (Institutionalised gender-responsive climate governance and economic empowerment within the private sector). Concurrently, as investments mature, local ownership transfer and self-liquidating exit mechanisms are executed (**Output 1.4**). This secures wealth and enterprise control for Pacific communities, achieving **Outcome 3** (Increased adaptive capacity of marginalised groups through equitable access to climate finance and knowledge).
 - III. **Longer-Term Transformation** The Fund's paradigm shift is realised when these mature, locally owned SMEs sustain their climate-resilient operations well beyond the 5-year investment period. By reducing local climate risks, these interconnected enterprise clusters decrease the exposure and sensitivity of coastal communities to climate hazards. This sustained reduction in vulnerability underpins the core adaptation result: **Outcome 1** (Restored and resilient coral reef and associated ecosystems). Concurrently, by establishing a proven track record of commercially viable, ecosystem-based adaptation models, the Fund provides a blueprint for regional replication. This achieves **Outcome 4** (Catalysed market transformation through demonstration and scaling of regenerative, climate-resilient business models), unlocking future private capital and permanently shifting broader Pacific investment markets toward climate-resilient development pathways.

Matanataki Pacific Fund 1 Theory of Change

Paradigm Shift	If a Pacific-led investment fund and technical assistance facility back reef-positive, gender equitable Pacific SMEs with patient, ethical capital and hands on support, THEN these businesses can grow inclusive local economies that actively restore reefs and strengthen community resilience, BECAUSE Pacific entrepreneurs will finally have values-aligned finance and capability support to build regenerative, collaborative business models that reduce local drivers of reef degradation and enable right economic relationship with our lands, oceans and relationship with all living beings across generations.						
Outcomes	OUTCOME 1: Restored and resilient coral reef and associated ecosystems achieved through the reduction of local climate impacts within Pacific Island Countries		OUTCOME 2: Institutionalised gender-responsive climate governance and economic empowerment within the private sector		OUTCOME 3: Increased adaptive capacity of marginalised groups through equitable access to climate finance and knowledge	OUTCOME 4: Catalysed market transformation through demonstration and scaling of regenerative, climate-resilient business models for Pacific Island Countries	
Co-benefits	Co-benefit 1: Mitigation - Avoided greenhouse gas emissions through waste recycling and regenerative soil carbon sequestration		Co-benefit 2: Health - Reduced environmental health risks and disease vectors through critical waste infrastructure upgrades		Co-benefit 3: Economic - Strengthened national economic resilience through increased foreign exchange earnings and formal sector fiscal revenue	Co-benefit 4: Decent, fair work - Improved employment, wages, productive transformation and living standards through the creation of globally equitable "green" jobs and more diverse rural incomes	Co-benefit 5: Systemic gender-sensitive development and women's economic empowerment delivered through target-driven 2X Challenge investing, workplace equity policies, and finance leadership pathways for Pacific women
Components	Component 1: Matanataki Pacific Fund 1 Investment Facility (MPF1)						
Outputs	Output 1.1: Growth capital disbursed to climate- and reef-positive SMEs		Output 1.2: Interconnected supply chain clusters operationalised		Output 1.3: Active portfolio co-management, value creation, and impact monitoring executed	Output 1.4: Local ownership transfer and self-liquidating exit mechanisms executed	Output 1.5 Investment-ready, regenerative SMEs and fund-level E&S, gender, impact and reef-health systems institutionalised
Activities	Activity 1.1.1: Originating pipeline and screening for climate rationale Activity 1.1.2: Assessing impact feasibility and commercial viability Activity 1.1.3: Conducting fiduciary, legal, and E&S due diligence Activity 1.1.4: Structuring investments Activity 1.1.5 Deploying capital		Activity 1.2.1: Structuring commercial linkages and operationalising interconnected supply chains		Activity 1.3.1: Creating portfolio value and active co-management Activity 1.3.2: Monitoring and evaluating financial and impact performance	Activity 1.4.1: Executing exit strategy and transferring local ownership	Activity 1.5.1: Providing pre-investment support to pipeline companies Activity 1.5.2: Providing post-investment support to portfolio company for operational growth and impact Activity 1.5.3: Establishing fund-wide impact and E&S architecture Activity 1.5.4: Capacity building and developing talent Activity 1.5.5: Seed investments - SAFEs for community-owned cooperative businesses
Barriers / Risks	Financial: Local banks are too risk-averse to lend to unproven climate sectors, leaving sustainable businesses unfunded despite the availability of capital in the banking system		Capacity: Promising local businesses lack the sophisticated financial records, governance systems, and impact data required to pass the strict due diligence of international investors.		Market: Fragmented regulations and small, dispersed island markets create high transaction costs that scare away private investors who need standardised, scalable deals.	Systemic: Current economic incentives reward short-term extraction rather than the long-term stewardship required for the resilience that is provided: reef survival and community wealth.	Climate Risk: Climate shocks (such as cyclones or marine heatwaves) occur with such intensity that they overwhelm the physical resilience measures built into the portfolio companies.
Assumptions	Investors can be attracted and protected through low- to moderate-risk instruments, self-liquidating structures and strong governance.		A locally anchored, experienced team with decision rights in portfolio companies can materially improve performance and impact.		Spreading investments across countries and sectors diversifies political, economic and climate risks.	E&S safeguards and gender risks can be managed with robust systems, data and advisory support.	Partnerships with global and regional institutions encourages collaboration and enables co-investment.
							There is a pipeline of investment ready SMEs that meet MPF1 eligibility criteria

Figure 4: Matanataki Pacific Fund 1 Theory of Change

32. These interventions rest on explicit assumptions - that investors can be attracted and protected through appropriate instruments and governance; that a locally anchored, experienced team with decision rights can materially improve performance and impact; that portfolio diversification can manage macro-risks; that ESG, safeguards and gender risks can be managed with robust systems and advisory support; partnerships with global and regional institutions can enable co-investment and replication; and that there is a pipeline of investment ready or near-investment ready SMEs that meet MPF1 eligibility criteria - which are further elaborated in E.3 and E.5.

Co-benefits

33. **Co-benefit 1: GHG Emissions Reductions:** While MPF1 is primarily an adaptation intervention, the implementation of regenerative business models generates significant environmental, social, and economic co-benefits that reinforce the project's resilience goals. The project delivers quantified **mitigation benefits** by addressing the root causes of emissions in target sectors. By diverting organic waste from anaerobic dumpsites and sequestering carbon through regenerative agricultural soils, MPF1 is projected to reduce GHG emissions. This directly supports national low-emission development pathways while reducing the carbon intensity of local supply chains.
34. **Co-benefit 2: Improved health from waste management services:** Investments in waste recycling (for example, materials recycling facilities) significantly **reduce environmental health risks**. By ensuring the safe disposal of inorganic and organic waste streams, the project mitigates the spread of vector-borne diseases (such as dengue and leptospirosis) often exacerbated by post-cyclone flooding and unmanaged dumpsites.
35. **Co-benefit 3: Increased economic contributions (tax, foreign exchange earnings)** The portfolio is projected to generate corporate taxes and foreign exchange earnings over the fund's life. These fiscal contributions **strengthen the macro-economic resilience** of Pacific SIDS, providing governments with the resources needed to maintain critical services during climate shocks.
36. **Co-benefit 4: Livelihood resilience (job creation and increased rural incomes)** MPF1 strengthens the adaptive capacity of households by **diversifying income sources**. The Fund is expected to create direct formal jobs and increase incomes for people in rural and indigenous communities. By transitioning workers from the informal economy into formal employment with legal protections, the project ensures that vulnerable populations have the financial safety nets required to recover from climate impacts.

37. **Co-benefit 5: Gender-sensitive development and women's economic empowerment** MPF1 is structurally designed as a gender-smart investment vehicle, aligned with 2X Challenge criteria to drive systemic social transformation alongside ecological resilience. The programme actively delivers gender equality as a core developmental co-benefit by channeling more than USD 20 million of capital directly to women-led, women-owned, or gender-equitable enterprises across Fiji, Vanuatu, and Tonga. At the enterprise level, the Fund mandates and supports the implementation of gender-responsive workplace policies—including equal pay for equal work, flexible working arrangements to mitigate women's time poverty, and robust safety standards to prevent gender-based violence and harassment. Furthermore, MPF1 will invest in human capital development through a dedicated internship program to train the next generation of Pacific women in finance and business leadership, creating sustainable pathways for female agency and leadership in the green economy. By integrating gender-lens investing with climate-adaptation finance, the Programme ensures that women are empowered as central decision-makers and economic drivers of local resilience.

Barriers

38. The Pacific region faces an existential climate threat where climate hazards (intense rainfall and cyclones) interact with existing local stressors (unmanaged waste, nutrient runoff) to compound the vulnerability of coastal freshwater aquifers and nearshore reefs. The market is failing to respond due to several structural barriers identified in Annex 2 Feasibility Study. These include a lack of patient, risk-tolerant capital for SMEs that are too large for microfinance but underserved by risk-averse commercial banks and a shortage of technical and operational capacity within local SMEs to adopt regenerative models and meet institutional investment standards. MPF1 addresses these barriers through:

Table 2: Barriers inhibiting regenerative, reef-positive and gender-equitable development pathways

Type of Barrier	Barrier Description	MPF1 Area of Intervention (Outputs)
Financial	Adaptation SMEs are typically too large for microfinance but structurally underserved by commercial banks due to rigid collateral requirements and short loan tenures that do not match the cash flows of regenerative projects.	Output 1.1: Growth capital disbursed to climate- and reef-positive SMEs in conjunction with active hands-on support from the Portfolio Advisor. (deploying patient equity/quasi-equity instruments).
	A lack of historical performance data and high perceived country risk in the Pacific deter institutional investors from deploying capital without de-risking mechanisms.	Output 1.5: Deploying seed-stage equity/SAFEs to transition early-stage community cooperatives toward commercial bankability.
Skills-related	A significant brain drain of skilled professionals has created a management gap. Many local entrepreneurs possess strong technical intent but lack the financial literacy, operational systems, and upper- and middle-management layers required to scale complex, climate-resilient business models.	Output 1.1: Growth capital disbursed to climate- and reef-positive SMEs (in conjunction with active co-management support). Output 1.5 Delivering targeted capacity building, business governance training, and talent development programs to local founders.
Market Organisation	Climate actors and SMEs operate in silos with limited coordination. This fragmentation prevents the formation of efficient supply chains (e.g., waste-to-agriculture inputs) and economies of scale, leaving businesses vulnerable to external economic and climate shocks.	Output 1.2: Interconnected SME clusters operationalised (integrating supply chains to build collective resilience). Progress against this barrier is tracked at outcome level through GCF Core Indicator 7 (degree to which GCF investments contribute to market development or transformation at the sectoral, local or national level), as distinct from the Output 1.2 indicator, which counts the number of functional supply chain partnerships established where waste or output from one investee becomes an input for another. The Output 1.2 target is three distinct

		clusters: Waste-to-Agriculture, Sustainable Fisheries and Tourism-Conservation.
Institutional	Prevailing business cultures prioritise short-term extraction over long-term stewardship (Vanua). Furthermore, structural patriarchal norms exclude women from leadership and decision-making, limiting the region's ability to leverage its full talent pool for adaptation.	Output 1.4: Local ownership transfer and self-liquidating exit mechanisms executed (implementing Gender Action Plans and formalising employment).
Technical	SMEs often lack the specific technical expertise to implement validated reef-positive interventions (e.g., sediment control, organic certification) or to measure their environmental impact effectively.	Output 1.3: Active portfolio co-management, value creation, and impact monitoring executed (verifying the implementation of climate-resilient practices). Output 1.5 Providing specialized technical assistance to design project-level ESMS, Gender Action Plans, and spatial/ecological monitoring systems.
Awareness	A deficit in granular, localised climate risk data prevents SMEs from designing science-based adaptation strategies. Consequently, the economic value of resilience (for example, reduced storm damage) is not quantified or recognised by the broader market.	Output 1.3: Active portfolio co-management, value creation, and impact monitoring executed (demonstrating the viability of reef-positive models). The response to this barrier sits in Activity 1.3.2, monitoring and evaluating financial and impact performance, which generates the granular, localised climate risk and resilience data the market currently lacks. The response to the Technical barrier sits in Activity 1.3.1, creating portfolio value and active co-management.

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

Outcome number	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: Restored and resilient coral reef ecosystems and ecosystem services achieved through the reduction of local climate impacts within Pacific Island Countries	☐	☐	☐	☐	☒	☐	☐	☒
OUTCOME 2: Institutionalised gender-responsive climate governance and economic empowerment	☐	☐	☐	☐	☒	☐	☐	☐

within the private sector								
OUTCOME 3: Increased adaptive capacity of marginalised groups through equitable access to climate finance and knowledge	☐	☐	☐	☐	☒	☐	☐	☐
OUTCOME 4: Catalysed market transformation through demonstration and scaling of regenerative, climate-resilient business models for Pacific Island Countries	☐	☐	☐	☐	☒	☐	☐	☐

If any co-benefits have been identified in section B.2(a), fill in the Co-benefit table below to map each co-benefit to the corresponding category as defined in the FP guidance note.

Co-benefit number	Co-benefit					
	Environmental	Social	Economic	Gender	Adaptation	Mitigation
Co-benefit 1: GHG Emissions Reductions	☐	☐	☐	☐	☐	☒
Co-benefit 2: Improved health from waste management services	☒	☒	☐	☒	☐	☐
Co-benefit 3: Increased economic contributions (tax, foreign exchange earnings)	☐	☐	☒	☐	☐	☐
Co-benefit 4: Livelihood resilience (job creation and increased rural incomes)	☐	☒	☒	☒	☐	☐
Co-benefit 5: Gender-sensitive development and women's economic empowerment	☐	☒	☒	☒	☒	☐

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

39. Coral reef resilience is the core focus of MPF1. Locally managed by a team with deep regional experience, the Programme will channel climate- and gender-smart capital into community-serving, reef-positive and gender-equitable Pacific SMEs in Fiji, Vanuatu and Tonga, which are among the world's most climate-vulnerable SIDS. The Programme is organised with defined activities that bridge the gap between development financing institutions, private investors and Pacific-owned businesses critical to resilient ocean communities and to delivering the outcomes and paradigm shift set out in Section B.2(a).

Component 1 – MPF1 Investment Facility

40. Component 1 is MPF1, a Singapore-domiciled General Partner / Limited Partner (GP / LP) blended-finance private equity fund managed by Enyorra Private Equity Pte. Ltd, the Manager (MAS-licensed), with Matanataki Pte Ltd (Fiji-based) as the Portfolio Advisor. The fund targets USD 60 million (with a USD 30 million minimum aggregate first close (comprising combined GCF and co-investor commitments) and cancellation if that total is not reached, and a USD 60 million hard cap), has a 10-year life with a 5-year investment period and invests in approximately ~18 fundamentally sound SMEs in waste management, regenerative agriculture, sustainable fisheries and low-impact tourism using equity and quasi-equity (self-liquidating) instruments. MPF1 aims to deliver, in the base scenario, a net internal rate of return (IRR) of 9.1% to 9.6.% and MOIC of 1.58x to 1.69x across different investor share classes. At the fund level this is a fund gross IRR of 14.3%, net IRR of 10.9% and MOIC of 1.80x. Its investment strategy involves active co-ownership value creation via an interconnected deal flow approach. This approach diversifies risk by including larger, profitable investments alongside smaller, community-owned cooperatives that deliver social and economic development impact. This “interconnected deal flow approach”, profiled in the “Financing the UN Development System Report” 2023⁴, strengthens supply chains and amplifies impact in Pacific SIDS. An example of how SME clusters interconnect to create greater, sustainable impact is illustrated below. It shows a real-world example from the Portfolio Advisor's work as an implementing partner to the United Nations Capital Development Fund (UNCDF) under the Global Fund for Coral Reefs (GFCR) pilot in Fiji, where the Portfolio Advisor sourced and developed locally driven, regenerative business solutions. Matanataki Pte Ltd was the Recipient Institution under three performance-based grant agreements with UNCDF, committing USD 1,011,500 in total: USD 300,000 to establish and operate a technical assistance facility and deliver investment-readiness services to five Fijian enterprises; USD 230,000 for enterprise preparation of Project Fetu'u Moana; and USD 481,500, as amended, for Project Vonu.
41. GCF is a funder of the GFCR, anchoring its Investment Window with USD 125 million approved under FP180 in 2021 and deployed through Pegasus Capital Advisors. GCF did not fund the Portfolio Advisor's mandates, which UNCDF financed from pre-GCF GFCR and UN Joint SDG Fund resources. The seed investments referred to were made from the Portfolio Advisor's own and related-party balance sheets rather than from GFCR resources. No MPF1 pipeline company has received GFCR investment capital.

⁴ <https://financingun.report/sites/default/files/2023-09/DHF-FinancialReport-2023-WEB.pdf>, p. 228

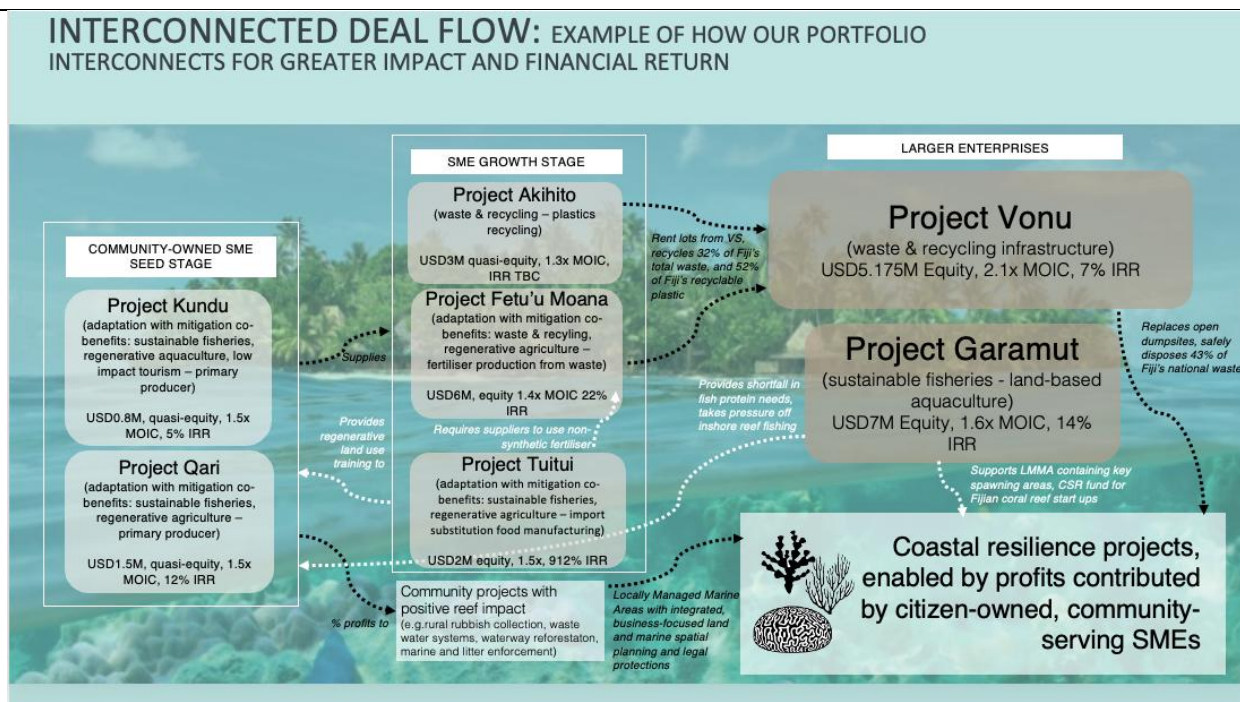


Figure 5: Interconnected deal flow, source: Matanataki Pte Ltd. 2023.

42. MPF1 enters the market with a robust, proprietary pipeline developed over six years of active origination, comprising ten investment-ready or near-ready transactions out of an anticipated ~18 portfolio Pacific/local SMEs and community-owned cooperatives, representing approximately 50% of the Fund's target capital deployment. This is alongside 3 identified regional anchor opportunities in Tonga and Vanuatu (Project Salala, Project 'Anga, and Project Malau). The Fund therefore expects to originate ~8 additional investments to reach the full ~18-company portfolio, and all ~18 Pacific/local SMEs and community-owned cooperatives will be systematically screened and assessed against the Fund's climate, gender, ESG and commercial eligibility criteria prior to investment approval.
43. Screened from over 150 potential opportunities, the pipeline targets four critical 'reef-positive' sectors—Waste Management and Recycling, Regenerative Agriculture, Sustainable Fisheries, and Low-Impact Tourism—selected for their ability to mitigate local climate impacts on coral reefs while generating commercial returns. Uniquely, the Fund employs an interconnected deal flow strategy, creating clusters of complementary enterprises (e.g., waste-to-agriculture inputs) to strengthen regional supply chains and amplify resilience outcomes. Anchored initially in Fiji to leverage the team's deep local networks and proof-of-concept assets—such as the Pacific's first large-scale waste recycling facility and industrial-scale organic fertiliser production—the pipeline is structured to expand into Vanuatu and Tonga as origination partnerships mature.

Table 3: Indicative pipeline Pacific/local SMEs and community-owned cooperatives

No.	Project	Description	Deal Size \$ ('000)	ARA	Sector
Fiji					
1	Project Vonu (Sea Turtle) (identified – indicative)	A world-class resource recovery and waste-to-bioenergy solution that quickly and effectively contains the urgent problem of leaking coastal dumpsites and provides the basis for stacked waste management solutions and economic opportunities.	5,150	ARA 1	Fisheries, Waste & Recycling
2	Project Garamut (Parrotfish) (identified – indicative)	A turn-key commercial system for tilapia, recycling water with no discharge to water bodies, scaling toward a production volume that would represent a significant multiple of	2,000	ARA 1	Aquaculture/ Fisheries

		current national tilapia output by the end of the decade.			
3	Project Akihito (Emperor Fish) (identified – indicative)	A multi-stream recycling platform in Fiji, taking advantage of significant market opportunity for material sourcing and value addition with a clear impact-focused vision emphasizing social equity and social justice for informal waste pickers.	3,000	ARA 1	Fisheries, Waste & Recycling
4	Project Kaura (Snapper) (identified – indicative)	A long-established Fijian longline fishing and marine services company, making a material annual contribution to the domestic economy.	6,000	ARA 1	Aquaculture/ Fisheries
5	Project Fetu'u Moana (Starfish) (identified – indicative)	A spin-off of an established Fijian waste transport company, this company will produce local non-synthetic fertilizer made from green waste, fish waste and animal manures otherwise destined for landfill, providing the sugar and agriculture industries with much needed locally produced inputs, and creating ecosystem benefits from ridge to reef.	6,000	ARA 1	Fisheries, Waste & Recycling
6	Project Tuitui (Sea Urchin) (identified – indicative)	A growth-stage investment into an established Fijian snack food manufacturer, sourcing sustainably grown produce from local growers to expand into culinary ingredients and Fijian cuisine ready meals.	2,000	ARA 1	Fisheries, Light Manufacturing
7	Project Te Bakoa (Giant Clam) (identified – indicative)	A women-owned cooperative sourcing sustainably caught fish in Fiji's remote outer islands, and supplying product via a cold chain to urban areas on the main island.	250	ARA 1	Fisheries, Light Manufacturing
8	Project Qari (Crab) (identified – indicative)	A community-owned sea cucumber ranching cooperative, solving the overexploitation of wild sea cucumbers which are critical to well-functioning reefs.	1,500	ARA 1	Aquaculture & Fisheries
9	Project Kundu (Clown Fish) (identified – indicative)	Community-owned agriculture, fisheries and eco-tourism cooperative, owned by indigenous Fijians using sustainable farming and fishing practices to restore health to their collectively owned land & fishing grounds.	800	ARA 1	Tourism & Fisheries
10	Project Albacore (Bonfish) (identified – indicative)	A cooperatively owned food and tourism cooperative, which is proving iTaukei ability to operate profitable cooperatives which actively restore the wellbeing of all people, the land and ocean.	356	ARA 1	Tourism & Fisheries
11	Project Moa (Lionfish) not yet identified – indicative)	A Fijian food company specialising in value-added poultry and local produce-based snack foods and ready-to-eat meals, partnering with smallholders to improve food security, import substitution and rural incomes.	2,250	ARA 1	Manufacturing / Agriculture
12	Project Te Rawa (Moray Eel) (identified – indicative)	A vertically integrated fisheries and marine services company, operating small-vessel fleets and harbour-side services while supplying high-quality reef and pelagic fish to domestic hotels and export buyers.	3,937	ARA 1	Aquaculture & Fisheries
13	Project Nawita (Shark), (identified – indicative)	A multi-stream recycling platform in Fiji, taking advantage of significant market opportunity for material sourcing and value addition with a clear impact-focused vision	4,000	ARA 1	Fisheries, Waste & Recycling

		emphasizing social equity and social justice for informal waste pickers.			
Vanuatu					
14	Project Malau (Squirrelfish) (not yet identified – indicative)	A growth-stage investment into an established Vanuatu food manufacturer, sourcing sustainably grown root crops and fresh produce from smallholder farmers to supply branded ni-Vanuatu snacks and meals to domestic and regional markets.	3,500	ARA 1	Manufacturing / Agriculture
15	Project Uga (Crab) (not yet identified – indicative)	An established longline and nearshore fishing and marine service operators, employing local crews and building a reliable, traceable supply of sustainably caught tuna and reef fish for processors, retailers and regional export markets.	6,000	ARA 1	Aquaculture & Fisheries
16	Project 'Anga (Octopus), (identified – indicative)	A community-owned sea cucumber ranching cooperative, solving the overexploitation of wild sea cucumbers which are critical to well-functioning reefs.	6,307	ARA 1	Aquaculture & Fisheries
Tonga					
17	Project Ura (Lobster) (not yet identified – indicative)	A Tongatapu-based food processing and light manufacturing business producing high value export products using sustainably harvested coastal resources and locally grown crops, expanding distribution to export markets.	3,475	ARA 1	Manufacturing / Agriculture
18	Project Salala (Stingray), (identified – indicative)	A community-owned sea cucumber ranching cooperative, solving the overexploitation of wild sea cucumbers which are critical to well-functioning reefs.	3,475	ARA 1	Aquaculture & Fisheries
Total			60,000		

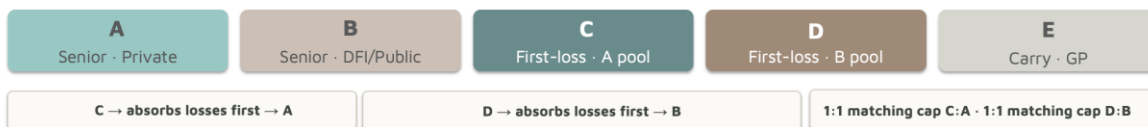
N.B. 10 ready/near-ready Fiji deals and 3 identified regional deals (13 total), with 5 remaining to be sourced. This is a snapshot and not a fixed roster.

44. Several indicative opportunities in Table 3 are structured as community- or member-owned cooperative enterprises. These include proposed investments such as Kundu, Te Bakoa, Qari, Albacore, 'Anga, and Salala which aggregate local producer and resource-user groups into single investable platforms that are expected, subject to Investment Committee approval, to serve communities ranging from single villages (tens of members) to sub-provincial clusters of cooperatives and producer groups (up to low thousands of people). These community-linked structures are therefore counted within the Fund's locally owned cooperative allocation, while precise membership numbers and governance arrangements will be finalised through due diligence and IC review. Across the final portfolio, it is anticipated that a minimum of three but no more than four portfolio companies will be structured as community or member-owned cooperatives, representing approximately 5–10% of total fund capital, with the balance invested into Pacific/local SMEs that maintain strong community linkages and inclusive local governance mechanisms. These parameters will be reflected in the MPF1 Term Sheet (Schedule 2: Eligibility Criteria) and used to guide Investment Committee decisions on cooperative-linked opportunities. Due diligence is conducted through a collaborative, talanoa-based process that includes stakeholder mapping and consultations with cooperative representatives, enterprise owners, women and youth to understand membership, benefit-sharing and decision-making structures. During deal preparation and post-investment, business plans, safeguard and gender action plans, and 180-day project plans are co-developed with community stakeholders, with TA funding available to support facilitation, translation and governance strengthening so that investment terms, instruments and use of TA respond to cooperative-wide needs and consent processes.
45. At the investee level, MPF1's waste-related investments will reduce land-sea pollution and methane emissions; regenerative agriculture investments are expected to reduce runoff and improve soil moisture. In addition, MPF1's investments in sustainable fisheries will improve stock management and reef health, and investments in low-impact tourism are expected to protect habitats while supporting non-extractive livelihoods.

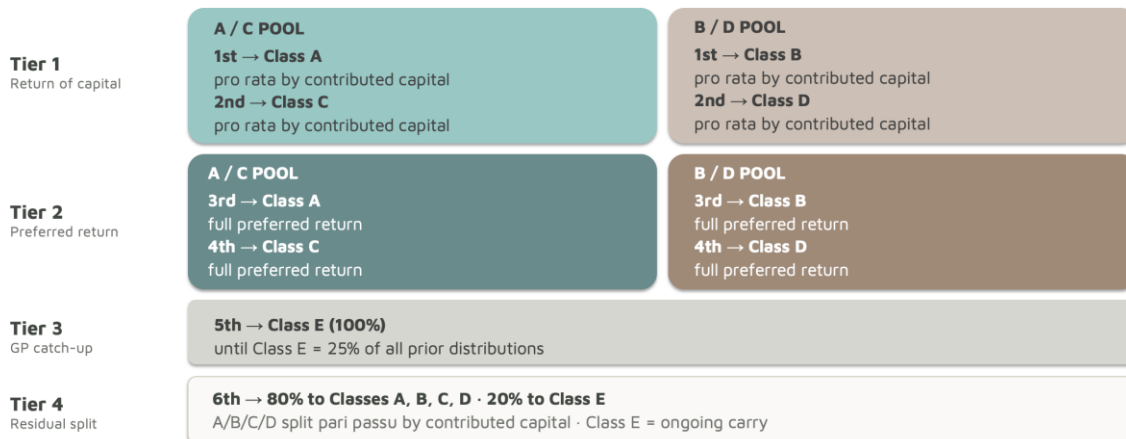
46. Related-party interests in the pipeline: three pre-fund investments were made by Matanataki Pte Ltd (MPL) or entities under the same beneficial ownership, none using GFCR or UNCDF funds. MPL acquired Project Akihito from its foreign owners in 2021 for approximately USD 160,000, held it for twelve months while local management raised the purchase price, and divested to those managers in 2022 at cost; the company is now wholly Fijian-owned and remains in the MPF1 pipeline. In 2024 The Josei Shiraito Group Pte Ltd (TJSG), an investment holding company under the same beneficial ownership as MPL, subscribed USD 30,000 for 25% of Project Fetu'u Moana. TJSG also provided Project Albacore an interest-free reimbursable grant of FJD 29,228.05 in March 2024, of which FJD 27,228.05 remains outstanding under a revised schedule within the existing term.
47. TJSG will exit Project Fetu'u Moana in full at cost, by sale of its ordinary shares to the founding family, before any MPF1 investment, so that no MPF1 capital acquires an interest from a related party and no gain accrues to the General Partner. The relationship is recorded on the Fund's conflicts register and disclosed to the LPAC. Under the Term Sheet all actual or material potential conflicts must be disclosed to the LPAC, and affiliate transactions require either an arm's-length determination or LPAC approval. The Founding GP will recuse herself from Matanataki Advisory Committee and Investment Committee decisions on Project Fetu'u Moana and Project Albacore. Valuation follows IPEV and IFRS 13 with at least quarterly valuation and independent valuation review, and any MPF1 entry price will be independently supported and set without reference to the related-party cost base. No formal impact monitoring was undertaken on these three transactions; they were small balance-sheet investments made before the Fund existed and without a monitoring budget, so the tonnage and hectare figures in the pipeline documentation are modelled projections rather than measured results.
48. MPF1 will operate through a five-class capital structure comprising Class A (senior private investors), Class B (senior MDB/public investors), Class C (first-loss public investors providing downside protection to Class A), Class D (first-loss investors providing downside protection to Class B, if activated), and Class E (GP carry), with distributions governed by the waterfall reflected in the latest fund model and waterfall diagram. Under the current fundraising plan, several major MDBs and DFIs are engaged in advanced due diligence for potential commitments, with internal approvals anticipated ahead of consideration of the funding proposal at B.46; discussions with a Bilateral DFI remain at an earlier, exploratory stage. Any portion of Class C commitments not required for this first-loss function will automatically be reallocated to Class B on senior terms to preserve capital efficiency and maintain the intended 1:1 matching logic between junior protection and the relevant senior pool. The GP commitment is contributed through the Special Limited Partner on senior and junior LP terms, while carried interest is allocated separately through Class E in accordance with the Fund's governing documents and distribution waterfall. A visualisation of the class structure and distribution waterfall is provided in the table below. The Fund's distribution waterfall, shown in the diagram and summarised in Table 4, allocates cash flows in four simple steps within each senior/junior capital pool. First, all investors in the relevant pool receive back their contributed capital, pro rata. Second, they receive their agreed preferred return in full. Third, once capital and preferred returns have been fully paid, the Special Limited Partner (Class E carry class) receives a 100 percent share of distributions until the cumulative amount distributed to the Special Limited Partner is equal to 20 percent of the aggregate of amounts distributed to Class A, Class C, and Class E under the waterfall provisions. Finally, any remaining distributions are shared 80 percent to investor Classes A–D and 20 percent to Class E, with investor classes sharing their 80 percent entitlement in proportion to capital contributed, which preserves the intended 1:1 protection between first-loss and senior tranches and aligns the GP's incentives with both downside protection and long-term value creation for investors.

Table 4: Class Structure and Distribution Waterfall of MPF1

Class structure



Distribution waterfall



49. Activities under Component 1 (MPF1) follow a disciplined investment management process as follows (and detailed in the fund's Investment Management Standard Operating Procedure (SOP) (in Annex 21).

50. **Output 1.1 Growth capital disbursed to climate- and reef-positive SMEs (pre-investment activities)**

This output focuses on the core investment function of the Fund: deploying USD 60 million in patient equity and quasi-equity capital into a diversified portfolio of SMEs that drive climate resilience and providing critical active hands-on support from the Portfolio Advisor both pre-investment (for investment readiness) and post investment (supporting operational growth and impact). By rigorously selecting and strengthening enterprises in the waste, agriculture, fisheries, and tourism sectors, MPF1 ensures that capital flows only to businesses that deliver measurable adaptation benefits.

51. MPF1 applies a strict operational definition to determine whether a prospective SME is climate-relevant and reef-positive. To qualify for investment, an SME must meet these operational criteria during the pre-investment screening and due diligence phases:

I. **Sectoral Alignment with Reef-Positive Windows.** The SME must operate within one of the Fund's four core climate resilience sectors:

- Waste Management & Circular Economy,
- Regenerative Agriculture,
- Sustainable Fisheries, or
- Low-Impact Tourism.

The business model must demonstrate a clear operational pathway to reducing specific, local climate stressors (see climate impact chains) that currently undermine the biological buffering capacity and thermal tolerance of Pacific coral reef ecosystems.

II. **Satisfying the Programmatic Vulnerability Assessment Framework (PVAf)** The SME cannot rely on generic climate impact claims; it must successfully pass the six-step PVAf (detailed in Annex 24c). This acts as

III. a strict operational threshold requiring the SME to:

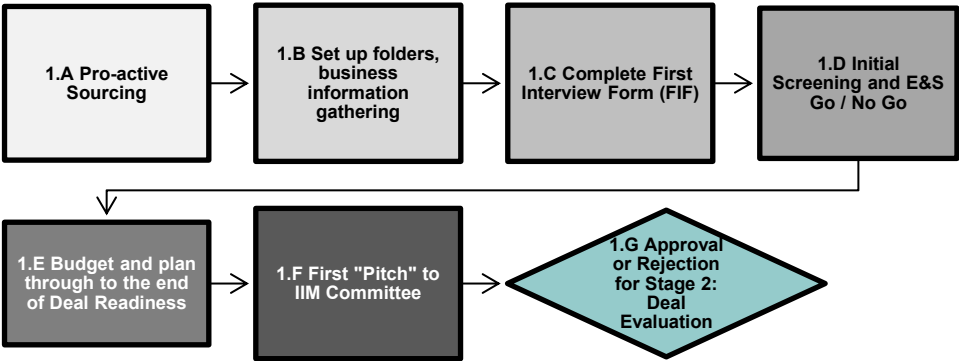
- Establish a Climate Rationale: Demonstrate a scientifically robust causal link between a specific climate hazard (e.g., ocean warming, increased cyclone intensity), local community vulnerability, and the proposed intervention.
- Pass Sensitivity Testing: Prove the durability of the specific business technology or practice against downscaled RCP 4.5 and RCP 8.5 climate projections (e.g., waste

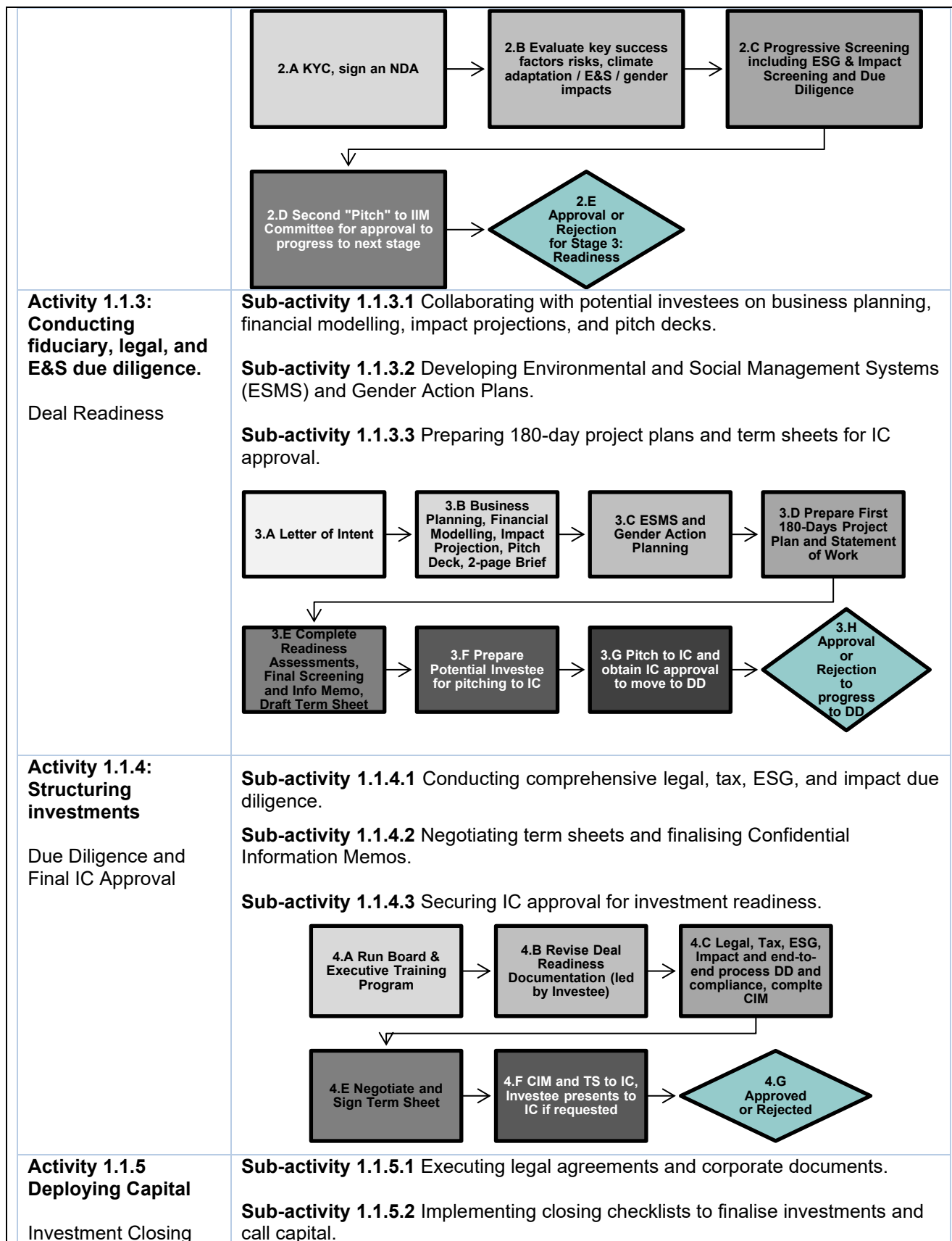
infrastructure sited safely above projected flood lines; agriculture adopting agroforestry to stabilize soil against rainfall volatility).

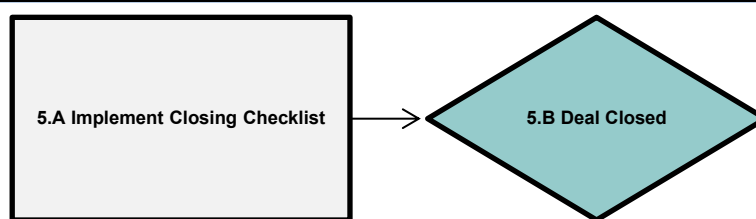
- Establish Adaptation Additionality: Document the specific financial or technical barriers that prevent this adaptation outcome from occurring under a business-as-usual scenario without GCF intervention.
- Pass Maladaptation Screening: Prove the intervention does not lock-in vulnerabilities, create resource conflicts, or displace customary tenure.

IV. **Adherence to Strict ESG, Safeguards, and Exclusion Thresholds.** To be deemed climate-relevant and reef-positive, the enterprise must pass strict negative and positive screening thresholds:

- Exclusion List: It must not trigger any activities on the Fund's Exclusion List, which is fully aligned with the GCF and other MDB exclusion criteria (e.g., zero involvement in fossil fuels, hazardous waste, or the conversion of natural habitats).
- Impact and Safeguard Commitments: The enterprise must formally commit, via its Shareholder Agreement, to adopting an Environmental and Social Management System (ESMS) aligned with IFC Performance Standards, and co-developing a Gender Action Plan that aligns with 2X Challenge criteria (targeting a minimum of 30% women in leadership and equitable employment measures).

ACTIVITY	SUB-ACTIVITIES
Activity 1.1.1: Originating pipeline and screening for climate rationale Deal Screening	Sub-activity 1.1.1.1 Proactive sourcing of aligned prospects through strong local networks. Sub-activity 1.1.1.2 Initial screening to ensure Pacific/local SMEs and community-owned cooperatives meet legal and investment criteria. Sub-activity 1.1.1.3 Environmental and social (E&S) assessments for compliance. Sub-activity 1.1.1.4 Internal Investment Team (IIM) approval to advance deals to evaluation.  <pre> graph LR A[1.A Pro-active Sourcing] --> B[1.B Set up folders, business information gathering] B --> C[1.C Complete First Interview Form (FIF)] C --> D[1.D Initial Screening and E&S Go / No Go] D --> E[1.E Budget and plan through to the end of Deal Readiness] E --> F[1.F First "Pitch" to IIM Committee] F --> G{1.G Approval or Rejection for Stage 2: Deal Evaluation} </pre>
Activity 1.1.2: Assessing impact feasibility and commercial viability Deal Evaluation	Sub-activity 1.1.2.1 Conducting KYC checks. Sub-activity 1.1.2.2 Assessing key success factors, risks, climate adaptation impacts, and gender considerations. Sub-activity 1.1.2.3 Progressive screening for deeper compliance evaluations. Sub-activity 1.1.2.4 Second pitch to IIM for approval to proceed to deal readiness.



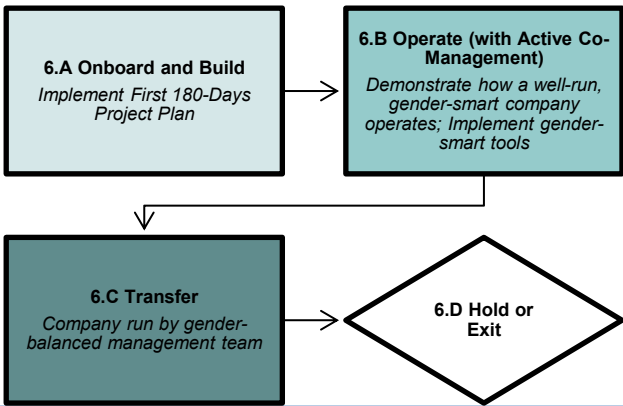


52. **Output 1.2 Interconnected SME clusters operationalized.** This output creates the network effect where portfolio Pacific/local SMEs and community-owned cooperatives support and trade with each other (although not exclusively as this would create supply chain concentration risk). It operationalises the Fund's unique interconnected deal flow strategy. Rather than managing investments in isolation, MPF1 actively structures commercial and logistical linkages between portfolio Pacific/local SMEs and community-owned cooperatives, ensuring businesses work toward a common vision, strategy and execution plans delivering climate resilience and gender equity. By creating clusters of complementary businesses (e.g., waste-to-agriculture, fisheries-to-tourism), the Fund builds collective resilience against supply chain shocks and market volatility and delivers impacts measurable at land- and marine-scape levels.
53. To operationalise these interconnected clusters, MPF1 will actively broker cross-portfolio relationships that establish supply chains linkages and shared resource pools. Based on the indicative pipeline, potential *examples of clusters* may include:
- **Waste-to-Agriculture Clusters:** Project Fetu'u Moana, an organic fertiliser producer, may act as a foundational hub by sourcing raw inputs—such as fish waste from commercial fisheries (e.g., Project Kaura or Project Te Rawa) and organic green waste from eco-tourism and agricultural cooperatives (e.g., Project Kundu). The resulting non-synthetic fertilisers may then be supplied back to local farmers and cooperatives to improve soil health and crop yields, which ultimately feed into portfolio food manufacturers like Project Tuitui or Project Moa.
 - **Fisheries-to-Retail/Tourism Clusters:** Sustainable and traceable catch generated by remote community enterprises, such as Project Te Bakoa (women-owned outer island fisheries) or Project Qari, 'Anga, and Salala (sea cucumber ranching), may secure reliable off-take agreements with other portfolio entities. This catch may supply community-focused tourism operators like Project Albacore or be integrated into the value-added supply chains of food processing companies like Project Te Rawa or Project Tuitui.
 - **Shared Logistics and Resources:** To overcome the high transaction costs of fragmented island markets, the Fund may coordinate shared logistics networks. For instance, the solar cold chain established for remote fishers under Project Te Bakoa could be utilised by Project Garamut (tilapia aquaculture) or regional exporters, sharing physical assets to lower operating expenditure (OPEX) and limit post-harvest losses.

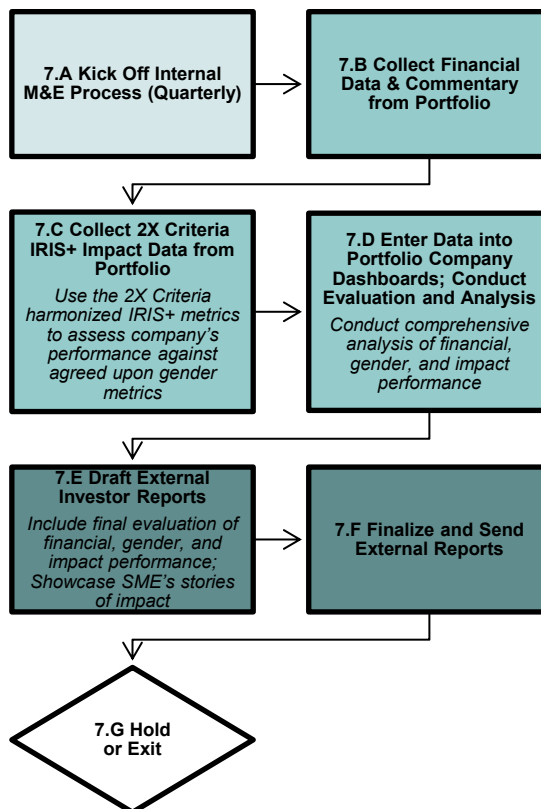
ACTIVITY	SUB-ACTIVITIES
Activity 1.2.1 Structuring commercial linkages and operationalising interconnected supply chains The Portfolio Advisor actively brokers and formalises relationships within the portfolio to secure revenue and reduce import dependence.	Sub-activity 1.2.1.1: Establishing cross-portfolio supply agreements: The Fund negotiates and executes binding supply contracts between investees. For example, structuring an offtake agreement where a portfolio hotel commits to purchasing sustainable seafood from a portfolio fisheries company, or a fertilizer company purchases (invasive seaweed) organic inputs from a fisheries and agriculture cooperative. Sub-activity 1.2.1.2: Implementing shared logistics and resource pools: To overcome the high transaction costs of fragmented island markets, the Fund coordinates shared services. This includes consolidating procurement orders (e.g., packaging) and sharing physical logistics assets (e.g., cold-storage trucks or vessels) between multiple SMEs to lower operating costs (OPEX). Sub-activity 1.2.1.3: Integrating production cycles: The Fund aligns production schedules to ensure that waste outputs from one investee

(e.g., fish waste) are immediately processed by another (e.g., organic fertiliser production), minimising resource loss and maximising circular value capture.

54. **Output 1.3 Active portfolio co-management, value creation, and impact monitoring executed.** This output encompasses the active ownership phase where the Portfolio Advisor executes onboarding and active co-management. By embedding within the portfolio company's governance, the Fund ensures that capital deployment translates into verified ecosystem restoration and operational maturity.

ACTIVITY	SUB-ACTIVITIES
Activity 1.3.1: Creating portfolio value and active co-management Portfolio value creation: The Portfolio Advisor executes a structured active co-management strategy to mandate the adoption of regenerative business models and drive value and resilience.	Sub-activity 1.3.1.1: Onboarding and building processes: The Portfolio Advisor begins onboarding portfolio Pacific/local SMEs and community-owned cooperatives to build standardised and optimised processes and systems immediately post-investment. This includes implementing the "First 180-Days Project Plan" to professionalise financial controls, HR policies, and operational workflows. Sub-activity 1.3.1.2: Executing active co-management and Gender Action Plans: The Portfolio Advisor provides active co-management for at least two years, providing technical assistance and implementing gender-smart tools. This may involve holding embedded management coaching positions in addition to long term board roles, ensuring the company meets its regenerative and commercial targets. It will also include developing and deploying the Gender Action Plan (GAP) to establish equitable HR policies, safety standards, and leadership targets alongside commercial growth strategies. Sub-activity 1.3.1.3: Preparing for leadership transition: The Fund actively manages the process of transitioning leadership roles to gender-balanced local teams by Year 3. This involves identifying and mentoring local successors during the co-management phase to ensure readiness for the final transfer.  <pre> graph TD A["6.A Onboard and Build Implement First 180-Days Project Plan"] --> B["6.B Operate (with Active Co-Management) Demonstrate how a well-run, gender-smart company operates; Implement gender-smart tools"] B --> C["6.C Transfer Company run by gender-balanced management team"] C --> D{"6.D Hold or Exit"} </pre>
Activity 1.3.2: Monitoring and evaluating financial and impact performance This activity ensures rigorous oversight through a structured quarterly data cycle.	Sub-activity 1.3.2.1: Collecting performance data: The Portfolio Advisor executes the quarterly process of collecting financial and impact data from portfolio Pacific/local SMEs and community-owned cooperatives, including IRIS+ metrics and gender data to verify 2X Challenge compliance. Sub-activity 1.3.2.2: Reporting and analysis: This involves updating dashboards and drafting external investor reports quarterly, providing transparent analysis of the portfolio's financial health and ecosystem impact against baselines. Sub-activity 1.3.2.3: Review on hold or exit: Based on performance data, the Portfolio Advisor engages in deciding on holding or exiting

positions starting Year 4, determining whether the company is ready for exit.



55. Output 1.4 Local ownership transfer and self-liquidating exit mechanisms executed This output operationalises the Fund's exit strategy, ensuring that the wealth and resilience created during the investment period are permanently anchored within the local community. Unlike traditional private equity which often requires trade sales to foreign buyers, MPF1 uses a structured transfer strategy in which its quasi-equity and other self-liquidating instruments are repaid from the portfolio company's cash flows over time. For MPF1, this suite of instruments is limited to ordinary equity and a defined set of quasi-equity instruments (convertible loans, equity-linked preferred equity, participating preferred equity, redeemable or callable preferred shares and demand dividends), as further described in paragraph 69, and the Fund does not anticipate using additional instrument types. This allows investors to receive their capital back without forcing a sale of the business, while ownership and control are progressively transferred to local and indigenous founders, employees and gender-balanced local management teams. As a result, the project's economic legacy and the resilient asset clusters created remain in the hands of Pacific Islanders over the long term.

ACTIVITY	SUB-ACTIVITIES
Activity 1.4.1: Executing exit strategy and securing local ownership Exit: MPF1 aims to exit investments and achieve returns mostly through self-liquidating instruments, ensuring wealth and assets are retained locally.	Sub-activity 1.4.1.1: Transferring control to local teams: The Fund executes the final legal transition of portfolio company leadership from active co-management to local gender-balanced teams. This finalises the shift in ownership and control to local and indigenous founders or employees. Sub-activity 1.4.1.2: Executing self-liquidating exits: The Fund achieves target IRRs for investors while meeting impact targets by managing self-liquidating instruments (e.g., redemption of shares). This avoids the need for forced trade sales to external buyers, protecting the community-centric nature of the business. Sub-activity 1.4.1.3: Maximising cluster value: The Fund leverages the interconnected deal flow approach to build clusters of Pacific/local SMEs

and community-owned cooperatives (e.g., waste-to-ag supply chains) to maximise collective asset value across sectors prior to exit, ensuring the portfolio exits as a resilient, integrated ecosystem rather than isolated assets.

56. **Output 1.5: Investment-ready, regenerative SMEs and fund-level E&S, gender, impact and reef-health systems institutionalised** To overcome the high transaction costs and limited operational readiness of Pacific SIDS enterprises, the Programme integrates a comprehensive capacity-building and systems-institutionalisation framework under Component 1. To align with mainstream private equity structuring principles and LP expectations, GCF's capital remains 100% pooled equity. Output 1.5 is delivered through a coordinated funding model that distinguishes between the complementary, grant-funded Technical Assistance Facility (TAF) and the catalytic deployment of GCF's pooled equity:

- I. **Bilateral Donor Grant Co-Financing (grant-funded TAF: USD 1.0 million minimum viable, USD 3.0 million target):** Financed entirely through complementary donor contributions (e.g., BILATERAL GOVERNMENT GRANT DONOR), the TAF sits outside the GCF-funded activities but is functionally integrated into the Fund's impact delivery model. It directly covers non-recoverable, specialized technical expenses that regional SMEs cannot afford, such as project-level feasibility studies, company-level Environmental and Social Management Systems (ESMS), Gender Action Plans (GAPs), and intensive stakeholder consultations. Under the minimum viable scenario, company-level ESMS development, Gender Action Plans and core safeguards work are prioritised and delivered in full; feasibility studies, extended stakeholder consultation and the breadth of independent third-party review scale with available funding.
- II. **GCF Catalytic Equity (USD 3.0 Million equivalent):** Deployed at the portfolio level through appropriate, fund-compliant equity mechanisms:
 - *Portfolio Advisory Support:* Funded through the standard 2.5% management fee allocation of GCF's USD 15.0 million over five years, which finances the local Portfolio Advisor's intensive on-the-ground operational co-management.
 - *Seed-Stage Investments:* Deployed strictly as equity or quasi-equity instruments (such as SAFEs) within the investment model to transition early-stage community-owned cooperatives toward bankability.

ACTIVITY	SUB-ACTIVITIES
Activity 1.5.1: Providing pre-investment support to pipeline companies This activity prepares early-stage SMEs, community enterprises, and cooperatives for commercial capital before final investment decisions are made.	Sub-activity 1.5.1.1: Business planning and financial structuring Sub-activity 1.5.1.2: Feasibility and risk assessments Sub-activity 1.5.1.3: Pilot design and regulatory support Sub-activity 1.5.1.4 Provide mandatory Board and Executive training to potential investees
Activity 1.5.2: Providing post-investment support to portfolio company for operational growth and impact This activity supports investees during their critical post-investment scaling phase (specifically Years 1–3) to ensure commercial and resilience success.	Sub-activity 1.5.2.1: Building capacity and governance Sub-activity 1.5.2.2: Implementing regenerative standards Sub-activity 1.5.2.3: Operational innovation and exit support

Activity 1.5.3: Establishing fund-wide impact and E&S architecture. This activity builds the specialized systems required to monitor, manage, and report on the ecological and social impacts of the portfolio in line with GCF, 2X Challenge, and GIIN IRIS+ standards.	Sub-activity 1.5.3.1: Impact Measurement and Management (IMM) Sub-activity 1.5.3.2: Strengthening the enabling environment Sub-activity 1.5.3.3: Institutionalising fund capacity
Activity 1.5.4: Capacity building and talent development. This activity strengthens the human capital and governance systems of local enterprises, with a strong focus on empowering local managers, women, and indigenous leaders.	Sub-activity 1.5.4.1: Capacity programs developed at the fund level and delivered to all investees Sub-activity 1.5.4.2: Bespoke training developed specifically for portfolio companies.
Activity 1.5.5: Seed Investments – SAFEs for community-owned cooperative business. This activity provides early-stage risk capital to community-owned cooperatives and landscape-level initiatives that are too early for traditional growth equity but possess massive climate-resilience and local ownership potential.	Sub-activity 1.5.5.1: Seed investments made into select companies on a needs basis via Simple Agreements for Future Equity.

57. The rationale to establish MPF1 as the intervention is based on extensive local experience of MPF1's General Partners and drawn from feasibility studies. Design reflects a tailored response to systemic and unique regional barriers, leveraging lessons from past initiatives while addressing gaps in the existing investment ecosystem. The evaluation of the only previous regional investment fund, ADB's Kula Fund (1997–2007), provided insights including the need for self-liquidating instruments and TA, a reduced minimum investment size and active co-management. Alternative solutions include traditional grant-based funding (which lack the sustainability and scalability of market-based solutions) and direct lending (not suitable for early-stage businesses with limited collateral or growth businesses with innovative propositions). Debt is available via commercial banks at low interest, but requires securitisation, which MPF1's pipeline typically does not have.

58. MPF1's equity and quasi equity investment approach offers a more flexible solution not previously available in the region, combining patient risk capital with hands on active co-ownership, and TA and ESG & support from complementary donor contributions. Trade-offs may include the complexity of managing a diverse portfolio requiring a larger investment management team, and extensive due diligence, value creation, active hands-on co-ownership and monitoring. However, the potential benefits of increased climate resilience, gender equity, and economic development outweigh the trade-offs. MPF1, with its team's deep local knowledge and unwavering commitment to creating an inclusive and regenerative economic system,

represents a unique locally grounded approach to delivering climate resilience and gender equity is poised to unlock private sector solutions which will build climate resilience and gender equity in the Pacific.

59. MPF1's equity and quasi-equity strategy will be implemented through a defined suite of instruments tailored to the cash-flow profile and legal context of each investee. In addition to ordinary equity, the Fund expects to use: (i) convertible loans, which begin as debt and convert into equity upon predefined triggers such as future financings or exit events; (ii) equity-linked preferred instruments, which are legally equity but structured to behave like debt through cumulative dividends, redemption rights and minimum return hurdles; (iii) participating preferred equity, which combines a preferred dividend with participation in residual equity upside; (iv) redeemable or callable preferred shares, which must be repurchased by the company at a future date, often at a premium; and (v) demand dividends, under which the company pays a fixed percentage of revenues or cash flow until an agreed total return multiple or IRR cap is reached, at which point the instrument is extinguished. Consistent with MPF1's self-liquidating design and focus on preserving local ownership, the Fund anticipates a strong preference for redeemable or callable preferred shares and demand dividend structures, with other instruments used selectively where they best align incentives and local legal or tax considerations.
60. Furthermore, programme design has been informed not only by feasibility studies but by extensive and ongoing structured community and enterprise consultations undertaken during Fiji-focused pipeline development from 2019 to 2025, alongside formal country-ownership engagement with national counterparts in Tonga and Vanuatu. These engagements, which are detailed in Annex 7 (Stakeholder Engagement Plan), form the basis for MPF1's fund-level stakeholder engagement framework to be applied consistently across Fiji, Tonga and Vanuatu, with country- and investment-specific measures defined during screening and due diligence. These consultations included talanoa-style dialogues, small-group meetings, interviews and workshops with Indigenous leaders, cooperative representatives, enterprise owners, women and youth, and informed pipeline prioritisation, the design of business plans and investment structures, and the identification of project-specific adaptation, gender and safeguard measures. For several advanced pipeline opportunities, business plans, visioning materials and strategy documents were co-developed with owners and community stakeholders and can be shared with GCF upon request as evidence of participatory design.

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

61. MPF1's primary devolved finance mechanism is the provision of equity and quasi-equity instruments to locally owned Pacific SMEs and community-owned cooperatives, including community-rooted and community-serving enterprises delivering explicit adaptation benefits. This structure channels climate finance to the closest practicable local operational level within Pacific SIDS market conditions by enabling local businesses and cooperatives, rather than external intermediaries, to lead context-specific investment and implementation decisions linked to climate resilience outcomes. The Fund's locally embedded origination model, built through more than six years of direct relationship-based pipeline development, enables local entrepreneurs, cooperative leaders, and community-linked business actors to shape investment design, business priorities, and implementation sequencing from the outset. MPF1 will be governed through a structured framework that includes contractual, legal, institutional, and financial arrangements among the GCF, other Limited Partners (LPs), Co-financiers, the AE, EEs, core service providers, and portfolio Pacific/local SMEs and community-owned cooperatives. The structure ensures adherence to applicable fiduciary standards of relevant jurisdictions and private equity governance best practices and supports transparent decision-making, accountability and monitoring for climate-resilient, gender-equitable investments.

Accredited Entity (AE) and co-Executing Entity (co-EE):

62. Enyorra Private Equity Pte. Ltd. (the Manager), incorporated in Singapore, is the AE and legal counterparty to GCF. The Manager holds a Capital Markets Services License from the Monetary Authority of Singapore and is responsible for fund governance, fiduciary oversight, and regulatory compliance, while delegating day-to-day portfolio management to EEs but retaining ultimate oversight of GCF proceeds in line with PSAA requirements.
63. Based on Enyorra's own records as at 31 December 2025, its total assets under management are SGD 57.9 million (approximately USD 45 million), comprising SGD 20.5 million of discretionary AUM and SGD 37.4 million of advisory mandates. Enyorra has been the fund manager for Beacon Fund, a blended finance

private credit fund focused on women-founded enterprises in Vietnam, since January 2025. Enyorra has no prior experience managing a GCF-accredited or PSAA-structured investment vehicle.

Executing Entities (EEs):

64. Matanataki Pte Ltd (the Portfolio Advisor), a Fiji-incorporated company acts as Portfolio Advisor under a Portfolio Advisory Agreement with the Manager and leads deal origination, evaluation, portfolio management, impact and ESG oversight in line with the GCF's standards and the MPF1's mandate.
65. Matanataki Pacific Fund 1 LP (the Fund or MPF1), a Singapore Limited Partnership, is the main fund vehicle that accepts commitments from investors and serves as the Executing Entity (EE) for investment, divestment, and fund-level authorisations and is contractually bound to GCF fiduciary and reporting standards. GCF will participate directly in MPF1 and no GCF feeder vehicle will be established.
66. MPF1 Master Fund Pte. Ltd. (Master Fund), a Singapore private company limited by shares, is established as a wholly owned subsidiary of the Fund that invests directly or indirectly into portfolio investments and operates the Technical Assistance Facility (TAF) through a separate bank account, while benefiting from Singapore's tax treaty network and Section 13OA and 13O fund tax incentive schemes through the Master-Feeder structure.
67. Matanataki General Partners Pte. Ltd. (the General Partner), a Singapore private company limited by shares, is the General Partner of MPF1, with overall responsibility for the Fund and the Master Fund. The Master Fund helps access Singapore's DTT network, including direct DTTs with Fiji and possible third-country holding structures where needed.

Fund Structuring:

68. The master-feeder structure enables cross-border compliance, tax efficiency (including for Fiji and other PICs), and robust governance. The Master Fund hosts the complementary, third-party funded MPF1 TAF, maintaining strictly segregated bank accounts for Fund investments and TAF transactions. This two-tier structure allows the Fund to retain a tax-transparent, LP-governed vehicle for investors, while the Master Fund, as a Singapore company, can access Singapore's double tax treaty network and host the dedicated third-party TAF account as the direct investing entity into portfolio Pacific/local SMEs and community-owned cooperatives.
69. LPs benefit from limited liability from this structuring provided they do not participate in management, and that LPAC rights are structured accordingly.
70. For the avoidance of doubt, neither the Fund nor MPF1 Master Fund Pte. Ltd. has made, nor will it make, investments in any countries other than those for which No-Objection Letters have been obtained under this Funding Proposal.

General Partner Ownership & Commitment:

71. The General Partner (Matanataki General Partners Pte. Ltd.), owned by the Fund's GPs, and selected carried interest participants, will commit at least 1% of fund capital; ownership and legal establishment are complete, and the GP remains distinct from Matanataki Pte Ltd despite common Universal Beneficial Owners (UBOs), reinforcing alignment.

Key Persons

72. The Key Persons of MPF1 are Jodi Smith and Malakai Naiyaga. These individuals are the identified key executives for governance, continuity and key-person risk purposes. Jodi Smith and Malakai Naiyaga are also the ultimate beneficial owners of the General Partner and the Portfolio Advisor within the MPF1 structure. In addition, Jodi Smith and Malakai Naiyaga are the persons contributing the majority of the GP commitment, which is contributed through the Special Limited Partner within the fund structure. This reflects alignment of interest between the sponsor principals and the Fund, consistent with the proposed fund terms and the legal structure materials. MPF1's local ownership and implementation model is embedded both at fund level and investee level. At fund level, the GP and portfolio advisory functions are led by Fiji citizens with deep operating, investment, and cooperative development experience in Pacific markets. At investee level, portfolio companies and cooperatives are not treated merely as recipients of capital, but as the primary implementers of climate-relevant business solutions in waste management,

regenerative agriculture, fisheries, tourism, and linked coastal and marine stewardship activities. This model moves beyond consultation alone by placing local enterprises and community-rooted institutions in operational roles across origination, implementation, and adaptive business execution.

73. For the avoidance of doubt, the Key Persons are not Executing Entities for the purposes of this Funding Proposal or the Funded Activity Agreement. Under the GCF framework, the Executing Entity role is performed by a legal entity with power to contract and receive/reflow funds. The Key Persons are natural persons acting through the relevant institutional entities and governance arrangements within the MPF1 structure and do not act in their personal capacity as counterparties to the Funded Activity Agreement.

Fund Management & Delegation:

74. Enyorra Private Equity Pte. Ltd acts as the Manager for MPF1 in a regulated framework and formally delegates origination and portfolio management to Matanataki Pte Ltd, the Portfolio Advisor, via a Portfolio Advisory Agreement which embeds ESG, impact, fiduciary, and compliance standards with Singaporean and international regulations.

Portfolio Advisor:

75. Matanataki Pte Ltd, the Portfolio Advisor, applies bespoke ESG and impact screening and reporting standards, manages origination and selection, and delivers active support to portfolio Pacific/local SMEs and community-owned cooperatives.

Investment Decision-Making:

76. Investment decisions follow a two-stage process that separates origination from final approval and embeds regulated oversight:

77. Stage 1: Matanataki Advisory Committee (MAC)

- Composed of five voting members, including the General Partners, Director of Regenerative Impact and one Independent Member. The MAC will have the flexibility to appoint non-voting observers.
- Reviews financial, ESG, and impact viability of proposed investments based on MPF1's mandate and GCF criteria.
- Approvals require a majority, including the Founding GP, before escalation to the IC.
- For the avoidance of doubt, the Matanataki Advisory Committee (MAC) is an internal investment advisory body of the GP and Portfolio Advisor that reviews and recommends transactions to the Investment Committee (IC); it is distinct from the Limited Partner Advisory Committee (LPAC), which is composed of LP representatives and focuses on fund-level oversight and advice on governance, risk and impact matters without taking individual investment decisions.

78. Stage 2: Investment Committee (IC)

- Composed of three MAS-licensed representatives: the Founding GP (Chair), the Enyorra Private Equity Pte. Ltd CEO and Independent Member, all regulated under the Securities and Futures Act 2001 and sponsored by Enyorra Private Equity Pte. Ltd.
- Considers proposals recommended by the Matanataki Advisory Committee (MAC), which sits at the Portfolio Advisor level, against regulatory and fiduciary requirements.
- Decisions must be unanimous and may be vetoed when non-compliant with MAS regulations or the Fund's governing documents.
- For the avoidance of doubt, the Investment Committee (IC) referred to in this FP is the same body and is constituted as a committee of Enyorra Private Equity Pte. Ltd, the Manager and AE, the MAS-regulated fund manager for MPF1, acting under its governance framework and the Fund's constitutional documents.

79. The Investment Committee (IC) is composed of three members: Jodi Smith, Melissa Kang, and Genevieve Heng (acting as the Independent Member). While the Independent Member brings over 20 years of vital PE/VC and impact investing experience to the committee, the requisite climate adaptation, resilience, and Monitoring and Evaluation (M&E) expertise is held comprehensively at the IC level by Jodi Smith and

Melissa Kang. As General Partners, Jodi and Melissa lead the fund's climate impact strategy, ESG integration, and M&E frameworks, ensuring that all investment decisions are rigorously evaluated for their climate rationale and alignment with GCF standards.

80. Selected members of the MAC and the IC will attend LPAC meetings as observers or invited participants, to ensure clear information flow between investment decision-making and LP-level oversight while preserving the LPAC's non-decision-making role.
81. The LPAC is an investor oversight/advisory body whose activities fall within LP safe-harbour governance rights and do not amount to participation in management.
82. Portfolio Pacific/local SMEs and community-owned cooperatives are bound through investment agreements to MPF1's impact, ESG, climate adaptation, and gender requirements, ensuring alignment from origination through exit. The multi-entity structure is designed to follow ILPA Principles 3.0 on transparency, fiduciary responsibility, and alignment of interests among LPs, GP, and portfolio Pacific/local SMEs and community-owned cooperatives.

Institutional and Governance Arrangements:

83. Portfolio Advisor: Matanataki Pte Ltd leads origination and portfolio management under delegation from Enyorra Private Equity Pte. Ltd, the Manager; the Portfolio Advisor's beneficial owners are also the General Partners of the Fund.
84. Manager: Enyorra Private Equity Pte. Ltd manages capital markets activities under Singapore's regulatory framework and ensures compliance with fiduciary and regulatory standards. The Manager holds a capital markets services licence (CMSL) for fund management issued by MAS, with its activities regulated under the Securities and Futures Act 2001 of Singapore.
85. Matanataki Advisory Committee (MAC): A five-member body (GPs, Senior Investment Manager, Director of Regenerative Impact, one Independent Member plus one non-voting Observer) that assesses financial viability, risk, and anticipated climate and gender impacts and recommends investments and divestments to the IC on a majority basis (Founding GP included).
86. Investment Committee: Three MAS-licensed representatives (Founding GP, Enyorra Private Equity Pte. Ltd CEO and Independent Member) act on these recommendations, with authority to veto decisions that breach MAS regulations or internal risk limit.
87. Limited Partner Advisory Committee (LPAC): Represents LP interests, oversees fund performance at a strategic level, and advises on governance, risk, and impact matters, without making individual investment decisions, consistent with mainstream private equity practice.

Contractual Arrangements:

88. Funded Activity Agreement (FAA): Executed between the Manager AE and GCF following Board approval, it defines terms and conditions for use of GCF proceeds, including disbursement triggers, reporting, and compliance, and is the central contractual instrument for MPF1's GCF-supported activities. GCF funds are received by the Manager as Accredited Entity into a segregated GCF account, transferred to the Fund on drawdown, and reflowed back through that account on distributions.
89. Limited Partnership Agreement (LPA): Between LPs and the GP, setting governance, investment parameters, fees, reporting, and keyperson provisions.
90. Fund Management Agreement: Between the Manager and MPF1, defining delegated authority, investment management duties, regulatory compliance obligations, and operational responsibilities for executing the investment strategy.
91. Portfolio Advisory Agreement: Between the Manager and the Portfolio Advisor, documenting the delegation of origination and portfolio management and MPL's obligation to identify, execute, and manage investments in line with the Fund's objectives and GCF's requirements. This agreement also defines the roles, fund flows, oversight, and compliance obligations for portfolio advisory implementation, while maintaining the AE's ultimate fiduciary responsibility.

92. *Programme-Specific and Service Provider Agreements:* the Portfolio Advisor will contract third-party providers for fund administration, audit, tax and legal advisory, ESG and impact, and other technical services.
93. *Investment Agreements:* Between the Master Fund and portfolio Pacific/local SMEs and community-owned cooperatives defining instruments (equity, quasi-equity), covenants, monitoring and reporting obligations, and exit arrangements. Each agreement will reflect both GCF policies and internal governance standards.
94. *Technical Assistance Agreements:* Between the Master Fund, the Portfolio Advisor, portfolio Pacific/local SMEs and community-owned cooperatives and specialist technical providers, outlining deliverables, milestones, monitoring arrangements, and procedures for targeted technical support.
95. *Co-Financing Agreements:* Where co-financing is involved, agreements will set out the terms for additional funding, including rights, obligations, and safeguards, subject to negotiation with partner investors. In this context, “Co-financing Agreements” refers exclusively to co-financing that is mobilised at the portfolio company level, such as parallel or syndicated debt co-financing and equity co-investment transactions alongside the Fund in individual investee Pacific/local SMEs and community-owned cooperatives. It does not refer to co-financing at the fund investor (LP) level, nor does it imply any co-investment arrangements between GCF and other LPs in the Fund vehicle itself.
96. There will not be a direct legal agreement between Matanataki Pte. Ltd. (MPL/Portfolio Advisor) and MPF1 LP. However, there is an important connection through Matanataki General Partners Pte. Ltd. (MGPPL), explained as follows: MGPPL acts as the General Partner of Matanataki Pacific Fund 1 LP and has a legal relationship with MPF1 LP through the Limited Partnership Agreement (LPA). The LPA is the main constitutional document of the Fund and sets out the legal and contractual framework between:
 - The General Partner (MGPPL), who is responsible for managing the Fund, and
 - The Limited Partners (LPs), who provide capital but do not take part in day-to-day management of the Fund.
 The relationship between MPL and MPF1 LP operates through the following contractual structure:
 1. MPF1 LP (the Fund) → MGPPL (General Partner) via the Limited Partnership Agreement;
 2. MGPPL (General Partner) → appoints → Manager (Enyorra Private Equity Pte. Ltd.) via a Management Agreement.
 MGPPL has overall responsibility for managing the Fund but delegates day-to-day management to the Manager because fund management in Singapore is a regulated activity requiring a license from MAS
 3. Manager (Enyorra Private Equity Pte. Ltd.) → appoints → Portfolio Advisor (Matanataki Pte. Ltd.) via a Portfolio Advisory Agreement.
 The Ultimate Beneficial Owners (UBOs) of Matanataki General Partners Pte. Ltd. are the same as those of Matanataki Pte. Ltd. Both entities are controlled by the same individuals, Jodi Smith and Malakai Naiyaga (also the Key Persons), ensuring alignment of interests and unified strategic direction across the fund structure.

Financial Flows and Implementation Arrangements

97. *Capital Structure:* MPF1 targets USD 60 million comprising Senior Equity (Class A and Class B Shares) and Junior First-Loss Equity (Class C and Class D Shares). Under the Term Sheet, aggregate Class C commitments cannot exceed aggregate Class A commitments on a 1:1 basis, and this cap is repeated as a covenant. On the current fundraising plan, targeted Class A commitments are USD 11.4 million, so aggregate Class C is capped at USD 11.4 million. The USD 28.5 million figure previously shown here is the maximum aggregate design capacity of the concessional tranches across the full range of fundraising outcomes, not the amount that can be committed to Class C under the current plan; any junior-class appetite beyond the Class C cap reallocates to Class B on senior terms.
98. GCF's Class C participation cannot exceed the lesser of 50% of aggregate Class A commitments and 50% of aggregate Class C commitments, which amounts to USD 5.7 million on the current plan. GCF's Class B participation is then up to USD 9.3 million, so that the full USD 15 million commitment is deployed. Class C first loss applies exclusively to Class A interests and does not apply to Class B or Class D. Class D is intended to provide first-loss protection to Class B investors, although no investor is envisaged to subscribe for Class D at this juncture; the allocation between Class B and Class D may change if investors express Class D interest.

99. While the primary junior equity layer (Class C) is specifically designed to provide first-loss downside protection to crowd in private capital (Class A), any portion of this commitment not required for private-sector first-loss protection automatically reallocates to Class B on senior terms to optimize capital efficiency and satisfy minimum concessionality principles. The blended structure is designed to leverage concessional capital to attract private and commercial capital, de-risk climate and gender investments, and enhance financing accessibility for underfunded climate-focused SMEs, and the capital structure allows for the expansion of concessional layers.

Funds Flows:

100. Equity Investors provide capital (junior and senior) equity and receive distributions according to a pre-agreed waterfall.
101. The General Partner commits capital and receives carried interest in line with standard private equity terms.
102. The Portfolio Advisor receives a 2.5% management fee and is reimbursed for payment of relevant service provider costs.
103. The Manager receives ~11% of the 2.5% management fee (subject to a minimum fee of USD 50,000 per annum) and is reimbursed for payment of relevant service providers.
104. Portfolio Pacific/local SMEs and community-owned cooperatives receive investments from MPF1 and return capital and income to the Fund through dividends, coupons, balloon repayments and capital gains.
105. Third-Party Service Providers deliver financial, legal, ESG and impact services and are paid under agreed mandates.
106. Structured mechanisms and the waterfall distribution model govern disbursements and reflows to ensure accountability, transparent allocation of returns, and compliance with both LP expectations and GCF fiduciary standards.

Experience and Track Record:

107. The delivery of MPF1 is driven by a robust partnership between the Accredited Entity (AE) and the local Executing Entity (EE), combining institutional fund management with deep regional expertise.
108. **Enyorra Private Equity Pte. Ltd (the Manager and Accredited Entity):** Enyorra is an established, women-led private equity fund management company in Singapore, focused on sustainability and impact investing in the Asia-Pacific region. Holding a Capital Markets Services (CMS) license regulated by the Monetary Authority of Singapore (MAS), Enyorra provides the institutional-grade fund vehicle, regulatory governance, and investment committee oversight, and will act as the GCF counterparty with ultimate responsibility for compliance, reporting, and oversight functions in line with PSAA requirements. Recognized as a gender-smart fund manager by a major MDB under the 2X Challenge, Enyorra is a qualified 2X investor with a dedicated focus on climate finance, ensuring strong alignment with the Fund's gender and climate goals.
109. **Team and Track Record:** Although launching its first Pacific-focused fund in partnership with Matanataki, Enyorra's core team brings deep complementary governance and investment depth. Founder and CEO **Melissa Su Yi Kang** has over 25 years of private markets experience and has managed approximately USD 1 billion of private equity and venture funds at a major MDB, led a global impact fund (Integro) at Morgan Stanley, and previously held senior roles at ING, Pomona Capital, DBS, and 3i, deploying over USD 200 million in impact transactions and overseeing multi-country portfolios in emerging markets. Partner **Andreas Sylverius** contributes more than 15 years of impact investment, portfolio, and climate finance experience in emerging markets. Executive Director **Choo Boon Tiong**, a senior accredited director, adds four decades of financial services leadership and SME finance expertise across Southeast Asia, including founding and listing IFS Capital. The team is further complemented by **Genevieve Heng**, who acts as the Independent member of the Investment Committee and brings over 20 years of PE/VC and impact experience (including co-founding a USD 35 million SME impact fund). Enyorra is also supported by a Sustainability Council of subject-matter experts, ensuring its authorized fund manager role is backed by seasoned investment, governance, climate, gender, ESG, and SME finance capabilities.

110. **Matanataki Pte Ltd (the Portfolio Advisor and Executing Entity):** Matanataki Pte Ltd serves as the Portfolio Advisor and local Executing Entity (EE), bringing deep localised expertise, stakeholder trust, and proven co-investment experience. Active in the Pacific since 2016 as a Fiji-based impact investor, Matanataki's hands-on model addresses unique Pacific challenges and opportunities through proximity, lived context, and cultural fluency. The firm's team has a strong track record across the full private equity lifecycle—including extensive experience in fundraising with institutional and high-net-worth investors—and has received grant support from global blended finance platforms (including Convergence's Gender-Responsive Climate Finance window, the International Climate Finance Accelerator, and the 2X Global Resilient Futures Fund) to develop and launch MPF1. Its potential strategic partnerships with regional funds like the GFCR and Outtrigger ensure complementary investment pathways and robust execution capacity. Matanataki brings deep expertise in business model design, financial modelling, legal and financial structuring, due diligence, and transaction execution in Pacific markets, including historical transactions in insurance, hospitals, property, and multi-sector equity deals. The firm has deployed grants, equity and concessional loans alongside hands-on strategic and operational support. The trade sales, M&A and IPO-related exits with market-benchmark IRRs referred to in this proposal were completed by the relevant investment professionals during previous investment management and operating roles, and form part of their individual professional track records rather than the institutional realised track record of Matanataki Pte Ltd or of Enyorra Private Equity Pte Ltd. Neither entity has completed a realised exit at firm level through a trade sale, M&A transaction or IPO, and MPF1 is Matanataki's first GP-led fund. Individual track records are provided in the accompanying track record schedule. These activities are underpinned by robust governance structures (including the Matanataki Advisory Committee, Investment Committee, LP advisory functions, and ESG advisors), periodic reporting, and external evaluation, while independent ESG specialists provide monitoring and evaluation under the Manager's oversight.
111. **Founders and Key Persons:** Although MPF1 is Matanataki's first GP-led fund, the General Partners and Key Persons bring a deep, demonstrable track record of structuring and managing complex transactions in Pacific markets. Founder and CEO **Jodi Smith** has over 15 years of hands-on experience in regenerative agriculture, waste, and fisheries—including GlobalG.A.P. award-winning farm management, commercial permaculture design, and SME leadership roles—as well as originating and executing reef-positive SME investments under the GCF-supported Global Fund for Coral Reefs and other programmes in Fiji. Senior GP **Malakai Naiyaga** is a vastly experienced Pacific financial-services executive and institutional investor, formerly Managing Director and CEO of BSP Life (Colonial Fiji), where he oversaw the growth of assets under management from approximately FJD 370 million to nearly FJD 800 million and stewarded a diversified portfolio in fixed income, property, listed equity, and private equity, including quasi-equity deals and joint ventures with a major MDB such as the Sofitel Nadi development. Together, the Matanataki team has originated and developed a pipeline of waste, agriculture, fisheries, and tourism transactions, and delivered successful exits and scale-ups for Pacific SMEs and cooperatives, providing institutional-grade origination, structuring, and active co-ownership capacity for MPF1.
112. Service providers are selected on a competitive basis for sector expertise and regional experience, with proven track records in fund services and climate adaptation investment. A Fund Administrator will provide integrated fund and corporate administration services, including accounting, reporting, investor communications, regulatory compliance, and cashflow coordination. An ESG firm will support ESG compliance, impact measurement, and sustainability reporting, while independent auditors will conduct annual audits and reputable legal and tax advisors in relevant jurisdictions will support structuring and compliance.
113. The AE and EE possess the comprehensive capacity to deliver the programme through a complementary blend of expertise at the leadership level. While the IC's independent member provides robust private equity, venture capital, and institutional impact investing oversight, the dedicated climate adaptation, resilience, and Monitoring & Evaluation (M&E) capabilities are driven by the General Partners. This collective capacity ensures the team is fully equipped to execute both the commercial scaling of Pacific SMEs and the fund's rigorous climate impact and ESG strategies.
114. Diagrams of MPF1's legal structure and contractual agreements (Figure 7 and Figure 8) compliment this narrative and illustrate how governance and financial mechanisms operate in practice.

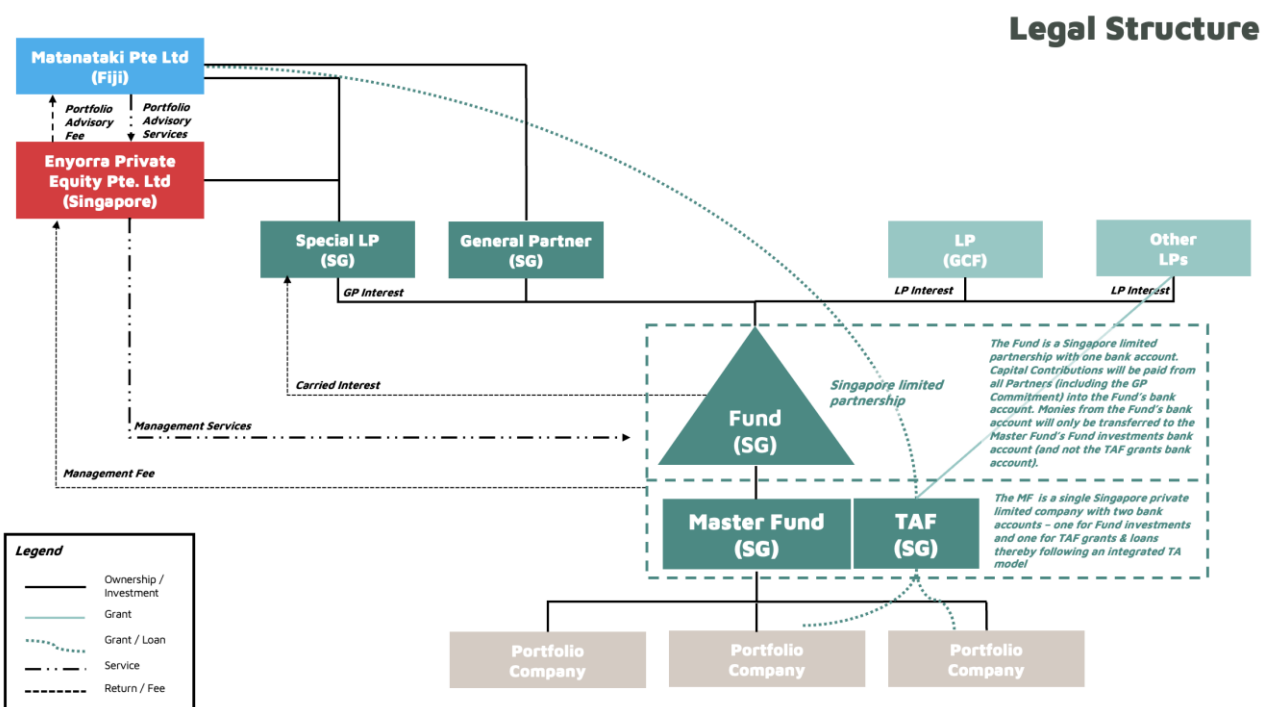


Figure 6: MPF1 legal structure

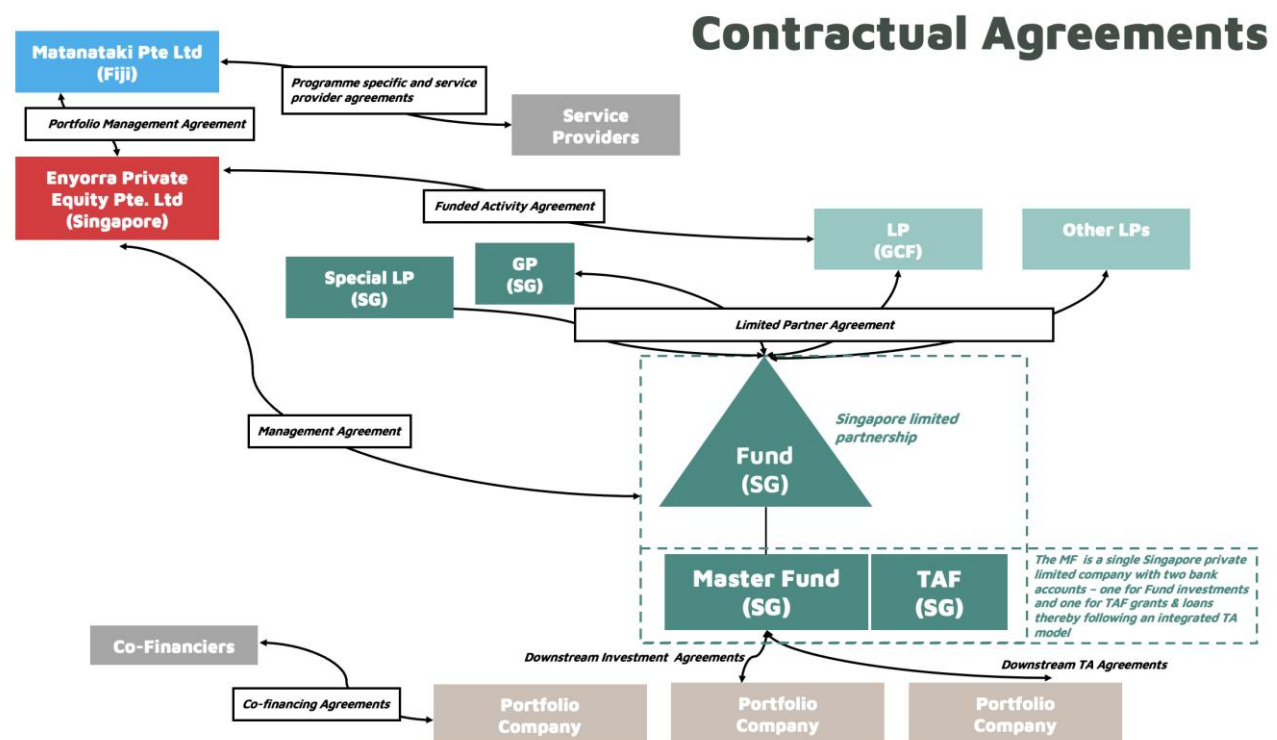


Figure 7: MPF1 Contractual arrangements

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

Context

115. The Pacific region faces profound structural barriers to the mobilisation of private capital for SME investment. These include underdeveloped domestic capital markets and a high degree of risk aversion among commercial banks, often manifesting as an "unwillingness to lend" despite excess systemic liquidity in the banking system (ADB, 2016)⁵. These barriers are compounded by elevated transaction costs driven by extreme geographic dispersion and small market sizes. Commercial banks typically operate under asset-based lending models that require high levels of physical collateral—often land-based—and offer short repayment tenors. Consequently, enterprises with innovative nature-positive business models are systematically excluded from formal credit (PSDI, 2022)⁶.
116. Furthermore, without MPF1, the baseline scenario of compounding climate vulnerability would persist. Local drivers of reef degradation—such as unmanaged waste and nutrient runoff—would continue unabated. Without MPF1's targeted interventions, marine heatwaves and Category 5 cyclones will decimate local protein sources (fisheries) and drinking water (due to aquifers flooded with toxic leachate), because commercial models designed to address these compounding stressors currently lack the start-up capital to prove viability.
117. **The public and private finance gap:** Despite the region's extreme vulnerability, existing climate finance flows are heavily skewed towards public-sector funding for large-scale infrastructure or small-scale grant-based aid financing. However, there is an equally critical shortage of risk-tolerant public capital. While Development Finance Institutions (DFIs) are present in the region, they are structurally limited by tight fiduciary duties, capital reflow requirements, and strict creditworthiness assessments. (UNCDF, 2025)⁷. They are further constrained by the lack of historical private equity performance data and unrated market conditions. Adaptation finance represents only a small fraction of global climate flows, with a widening gap between real-world needs and tracked finance (GCA and CPI, 2024)⁸. UNCDF (2025)⁹ identifies so-called "white spaces" as a primary constraint for scaling climate-resilient innovations, noting that these enterprises are structurally underserved because they are typically too large for micro-grants but considered too small, complex, or risky for conventional institutional investors. High perceived risk from both public and private investors is reinforced by correlated downside shocks; for example, the 2022 volcanic eruption in Tonga caused damages equivalent to 36% of national GDP¹⁰, a scale of loss that can simultaneously wipe out an SME's revenue and the value of its collateral.
118. **Shortage of equity finance:** There is a critical shortage of patient equity and venture capital in the Pacific. Mainstream private equity is deterred by the limited exit pathways available in shallow domestic markets, where Initial Public Offerings (IPOs) are rare and strategic trade sales are difficult to execute. This absence of equity is a primary driver of financial fragility for adaptation SMEs, as it forces them to rely on high-interest, short-term debt that is incompatible with the maturation periods required for regenerative agricultural transitions or circular waste infrastructure. Without patient risk capital, local entrepreneurs cannot bridge the gap between early-stage innovation and commercial bankability.

Matanataki Pacific Fund 1 LP (the Fund or MPF1)

⁵ ADB. (2016). "Credit Guarantees: Challenges in the Pacific Region". Available at:

<https://www.adb.org/sites/default/files/publication/203871/credit-guarantees.pdf>

⁶ PSDI. (2022). "Pacific Private Sector Development Initiative Annual Report FY2022". Available at:

<https://www.adb.org/sites/default/files/institutional-document/884916/pacific-psdi-annual-report-fy2022.pdf>

⁷ UNCDF. (2025). "The case of missing middles: Gaps in the development finance landscape, and UNCDF's positioning in it" Available at:

<https://www.uncdf.org/Download/AdminFileWithFilename?id=21390&cultureId=127&filename=8-13-2025isf-position-paperpdf>

⁸ GCA and CPI. (2024). *State and Trends in Adaptation Report 2024*. Available at: <https://gca.org/wp-content/uploads/2024/04/State-and-Trends-in-Climate-Adaptation-Finance-2024.pdf>

⁹ UNCDF. (2025). "The case of missing middles: Gaps in the development finance landscape and UNCDF's positioning in it". Available at: <https://www.uncdf.org/article/8965/the-case-of-missing-middles-gaps-in-the-development-finance-landscape-and-uncdfs-positioning-in-it>

¹⁰ World Bank. (2022). "Additional \$20 million for Disaster Recovery and Economic Reform in Tonga". Available at: <https://www.worldbank.org/en/news/press-release/2022/06/15/additional-20-million-for-disaster-recovery-and-economic-reform-in-tonga>

119. **Requested GCF funding (equity):** To address these market failures, MPF1 requests a total GCF contribution of USD 15 million, structured as equity. This will serve as a foundational "junior" or first-loss layer within a blended capital stack.
120. **Justification of level of concessionality and catalytic role:** In the financial market of the Pacific, lacking private equity data, GCF's concessionality is the fundamental catalyst required to assemble the capital stack. The core argument for GCF's involvement in MPF1 is that *risk-taking public money is required to unlock capital-preserving public money*. While GCF's junior equity layer (Class C) is specifically designed to provide first-loss downside protection to crowd in private capital (Class A), securing this risk-tolerant base is a strict precondition for senior MDBs to participate. For instance, another MDB operates as a capital-preserving investor in Class B and has clear matching and structural conditions that must be met for the full amount of its funds to be committed. By anchoring the fund's risk-mitigation layer, GCF validates the fund's viability, thereby acting as the indispensable anchor investor that makes the unrated Pacific market investable for other public institutions. Furthermore, any portion of GCF's Class C commitment not required for private-sector first-loss protection automatically reallocates to Class B on senior terms, directly matching and reinforcing the senior MDB pool.
121. This robust institutional anchoring allows the Fund to offer flexible, self-liquidating financial instruments—such as redeemable preference shares and demand-linked dividends—that align with the volatile cash flows of SMEs working in adaptation. Critically, this structure enables the Fund to prioritise long-term local and indigenous ownership rather than forcing extractive exit models that are culturally and economically inappropriate for the region.
122. **Financial additionality of GCF:** GCF's foundational investment is expected to help the Fund reach its USD 60 million target. The Fund currently has a robust pipeline of soft commitments, meaning indicative, non-binding allocations that have passed internal screening and entered advanced due diligence but are still subject to final investment approvals. These include USD 15 million from an MDB, USD 15 million from a Private Fund-of-Fund (N.B. USD 10.9 million has been used for modelling purposes, though the range under consideration is USD 5–15 million), and up to USD 5 million from another MDB (Class B), as well as up to USD 5 million first-loss interest from a DFI. Discussions with a Bilateral DFI remain at an earlier, exploratory stage for a USD 5 million first-loss investment. For the other prospective LPs, investment officers are preparing the Fund for presentation to their Investment Committees and Boards, with several already in late-stage processes, and on the current timetable, the DFI decision fall in September 2026 and MDBs in October or November 2026, with the private fund-of-fund and Bilateral DFI in 2027; conversion from soft to hard commitments is expected to continue to final close, within twelve months of first close. As at the date of this proposal no LP commitment is legally binding, and all remain subject to investment committee or board approval. GCF's presence is catalytic and additional because, as one of the largest prospective institutional LPs in the target capital stack and subject to final closes of other pipeline LPs, its approval is the key condition for the MDB's commitment to be unlocked and mobilised to the maximum extent; if GCF's commitment were conditional or shrinkable, it would weaken the credibility of the capital stack and could directly undermine this MDB matching. Any portion of Class C commitments not required for this first-loss function will automatically be reallocated to Class B on senior terms to preserve capital efficiency and maintain the intended matching logic between junior protection and the relevant senior pool.
123. **Private sector mobilisation strategy:** Private capital (Class A) which has expressed an intention to enter due diligence currently sits at USD 15.5 million and the LP stack represented in this FP proposed a more conservative USD 11.4 million final Class A commitment.
124. **Justification of size of funding:** The requested amount of GCF contribution (USD 15 million) is the minimum required to achieve a viable first close and establish institutional credibility among co-investors. A lower equity contribution would fail to provide a sufficient risk buffer to unlock targeted senior institutional and private capital tranches, which operate under strict capital-preservation mandates. Furthermore, this foundational commitment from the GCF is vital to anchor the blended capital structure, providing the climate programmatic validation required by fellow development finance institutions and sovereign backers who require a substantial public anchor partner before formalising their own matching risk allocations. The Fund's target of ~18 SMEs represents the optimal scale to ensure portfolio diversification while maintaining the high-touch active management necessary for success in the Pacific.
125. Furthermore, the participation of GCF will help transform the investment landscape from one of systemic exclusion to active market creation. The GCF investment is expected to bring about the following benefits:

- **Market activation:** GCF's presence bridges the "missing middle" financing gap, providing the institutional validation necessary to de-risk these under-invested sectors. It establishes a localised track record that can transition risk-averse commercial banks towards cashflow-based lending and systematically clear a path for private equity to safely enter these adaptation niches over time.
- **Regenerative scaling:** Access to patient risk capital allows adaptation SMEs to move beyond survival and into viable and sustainable operations. This accelerates the deployment of climate positive technologies like circular waste solutions and regenerative agricultural techniques, measurably reducing local stressors on reefs and turning environmental restoration into a viable commercial driver.
- **Indigenous economic sovereignty:** The flexible nature of GCF equity facilitates the use of culturally attuned self-liquidating instruments. This ensures that rather than assets being sold to foreign buyers, intergenerational wealth and long-term ownership are retained within local and indigenous communities.

Beneficiaries: The Fund is designed to deliver direct adaptation benefits to a diverse range of stakeholders, including SME employees and supply chains transitioning to regenerative practices, and users of resilient waste and water services. Coastal populations across the target countries will also benefit indirectly through the protection and restoration of coral reef ecosystems, which provide essential natural coastal protection and safeguard food security. By adhering to 2X Challenge principles, the Fund ensures that women are central beneficiaries, with the portfolio dedicated to supporting and scaling women-led or gender-equitable enterprises.

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

126. MPF1's exit strategy is built around self-liquidating instruments as the default for every investment, ensuring that ownership and wealth remain with Pacific/local founders and communities while still creating credible exit routes for institutional investors. In all cases, MPF1 structures deals so that exits are generated primarily through investee cashflows - using instruments such as redeemable preference shares with balloon repayments, demand dividends and owner buy-backs - rather than relying on one-off trade sales or external buyers in thin markets.
127. MPF1 will primarily employ self-liquidating instruments, for example redeemable preference shares with balloon repayments and demand dividends. On the Fund Model, 14 of 18 portfolio positions use a self-liquidating instrument and four use trade sale, which is 77.8% by deal count; the "approximately 80%" figure used in this proposal is expressed by deal count and is not capital-weighted. By capital, the self-liquidating share is 66.8% (USD 40.08 million) in the base case, 63.8% (USD 32.67 million) in the downside case and 67.6% (USD 40.56 million) in the upside case, with the trade-sale share correspondingly 32.4%, 36.2% and 32.4%. The capital-weighted figures should be read as the base-case position rather than as a floor: the self-liquidating share is at its lowest, by capital, in precisely the scenario in which Fund performance is under most pressure. These mechanisms ensure that investee Pacific/local SMEs and community-owned cooperatives gradually repay the fund through cash flows, enabling ownership to remain with local management or communities. For the remaining 20%, where appropriate, these self-liquidating structures are complemented by optional local trade-sale and listing pathways—for example, sales to regional institutional investors (such as domestic pension funds, local life insurers, and regional trust funds) or selective IPOs on the South Pacific Stock Exchange—but the starting point for every MPF1 deal is a self-liquidating instrument that can succeed even if large-ticket exits are delayed or unavailable. Exit agreements include shareholder terms granting first right of refusal to local communities, ensuring long-term local ownership and alignment with cultural and social values. Investments in indigenous cooperatives will transition to fully community-owned operations post-exit, supported by tailored governance structures and capacity-building efforts.
128. MPF1 adopts an active co-ownership approach, embedding robust governance frameworks, operational and risk management procedures in portfolio Pacific/local SMEs and community-owned cooperatives. This ensures businesses sustain operations independently after exit. MPF1's investments target sectors critical to Pacific Island climate adaptation with the interconnected deal flow approach strengthening supply chains and creating self-reinforcing business ecosystems that collectively amplify climate resilience impacts. By prioritising women-led or gender-equitable enterprises (aligned with 2X Challenge criteria), MPF1 ensures that social equity remains a core outcome beyond the investment period. Gender-sensitive policies embedded in portfolio Pacific/local SMEs and community-owned cooperatives will continue to foster inclusive economic growth.

129. The Fund's active co-management approach mandates the transition of leadership to local, gender-balanced management teams, ensuring that the operational capabilities and ESG systems built during the investment period remain firmly embedded in the local ecosystem.
130. The fund aims to deliver, in the base scenario, a net internal rate of return (IRR) of 9.1% to 9.6% and a MOIC of 1.58x to 1.69x across share classes, demonstrating financial viability alongside impact objectives. At the fund level this is a fund gross IRR of 14.3%, net IRR of 10.9% and MOIC of 1.80x. Performance is expected to attract subsequent rounds of investment into additional funds, perpetuating the paradigm shift toward sustainable financing in SIDS. MPF1's success will serve as a replicable model for blended finance impact funds not just regionally but globally. Lessons learned from its financing mechanisms (e.g., demand dividends) and interconnected deal flow approach will be disseminated through partnerships with development finance institutions (MDBs), other asset managers and regional stakeholders.

C. FINANCING INFORMATION						
C.1. Total financing						
(a) Requested GCF funding (i + ii + iii + iv + v + vi + vii)	Total amount			Currency		
	15.0			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	15	10			6 %	
(iv) Guarantees	<u>Enter amount</u>	<u>Enter years</u>				
(v) Reimbursable grants	<u>Enter amount</u>					
(vi) Grants	<u>Enter amount</u>					
(vii) Results-based payments	<u>Enter amount</u>					
(b) Co-financing information	Total amount			Currency		
	48			million USD (\$)		
Name of institution	Financial instrument	Amount	Currency	Tenor & grace	Pricing	Seniority
MDB 1	<u>Equity</u>	<u>15.0</u>	<u>million USD (\$)</u>	<u>10 years</u> <u>Enter 0 years</u>	<u>6%</u>	<u>senior (Class B)</u>
MDB 2	<u>Equity</u>	<u>5.0</u>	<u>million USD (\$)</u>	<u>10 years</u> <u>Enter 0 years</u>	<u>6%</u>	<u>senior (Class B)</u>
DFI 1	<u>Equity</u>	<u>5.0</u>	<u>million USD (\$)</u>	<u>10 years</u> <u>Enter 0 years</u>	<u>6%</u>	<u>junior (Class B/C)</u>
DFI 2	<u>Equity</u>	<u>5.0</u>	<u>million USD (\$)</u>	<u>10 years</u> <u>Enter 0 years</u>	<u>6%</u>	<u>junior (Class B/C)</u>
GP Commitment	<u>Equity</u>	<u>0.6</u>	<u>million USD (\$)</u>	<u>10 years</u> <u>0 years</u>	<u>6%</u>	<u>junior (Class B/C)</u>
Private Impact Investor	<u>Equity</u>	<u>0.5</u>	<u>million USD (\$)</u>	<u>10 years</u> <u>0 years</u>	<u>6%</u>	<u>senior (Class A)</u>
Private Investors (FoF)	<u>Equity</u>	<u>13.9</u>	<u>million USD (\$)</u>	<u>10 years</u> <u>0 years</u>	<u>6%</u>	<u>senior (Class A)</u>
Bilateral Government Grant Donor	<u>Grant</u>	<u>2.85</u>	<u>million USD (\$)</u>	<u>10 years</u> <u>0 years</u>	<u>0%</u>	<u>N/A</u>
Donor or GP (TBC)	<u>Grant</u>	<u>0.15</u>	<u>million USD (\$)</u>	<u>10 years</u> <u>0 years</u>	<u>0%</u>	<u>N/A</u>
(c) Total financing (c) = (a)+(b)	Amount			Currency		
	<u>63.0</u>			<u>million USD (\$)</u>		

(d) Other financing arrangements and contributions (max. 250 words, approximately 0.5 page)

131. Among the expected financing parties for MPF1 are: GCF (25.0%); Multilateral Development Banks (MDBs), government-backed funds and Fund-of-Funds (FoF) (55%), Private investors / GP Commitment (20%).
132. No guarantees are being sought as guarantees are typically not provided against equity financing. For larger portfolio investments where senior debt co-financing is provided, guarantees will be secured from third parties against this debt.
133. The total fund size of MPF1 is expected to reach USD 60 million. Co-financing includes:
- Class A –Private Impact Investor): USD 0.5m; FoF (private investors): USD 10.9m
 - Class B – MDB 1: USD 15m; MDB 2: USD 5m
 - Class C – GCF: USD 15m; DFI 1: USD 5m; DFI 2: USD 5m
 - GP commitment of USD 0.6m
134. The MPF1 TAF is targeted at USD 1 million to USD 3 million, comprising an anticipated USD 2.85 million from a bilateral government grant donor and USD 0.15 million from another donor or the GP. No TAF funding is secured as at the date of this proposal. Discussions are underway; exploring single-source procurement and indicating a timeframe of the end of 2026, while stating clearly that it is making no commitment at this stage. Independently of that process, the GP and the Portfolio Advisor commit to commercially reasonable endeavours to raise, establish and make available a Technical Assistance Facility of not less than USD 1,000,000 to support climate, environmental and social, gender and other implementation support associated with the Fund. The facility is therefore presented with a floor of USD 1 million and a target of USD 3 million.
135. Annex 13 is unchecked for this reason: a co-financing commitment letter cannot be provided while no co-financing commitment exists. Letters will follow as commitments are secured, and the position is expected to be resolved before final close. The Fund's commitment is to the technical assistance scope rather than to a particular sum; a smaller facility would deliver a reduced version of the same work, prioritised using the Capability Gap Identification assessment held for each pipeline company.
136. The total project size is USD 63 million.
137. While specific details of participation are ongoing, engagement with MDBs and Private Investors is underway. Collective financial contributions are structured to align with GCF's co-financing policies, emphasising the catalytic role of concessional finance in mobilising additional capital and resources for climate-adaptive projects in an unrated market.
138. In the highly vulnerable markets of Pacific SIDS, GCF's capital acts as the critical structural anchor (alongside other Class C investors) required to mobilize and unlock risk-averse, capital-preserving public money (Class B Senior MDBs) to flow into local adaptation markets for the first time.

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: <u>Matanataki Pacific Fund 1</u>	<u>Output 1.1 Climate- and reef-positive SMEs</u>	<u>49.06</u>	<u>11.66</u>	<u>Equity</u>	<u>37.40</u>	<u>Equity</u>	<u>Institutional and private investors seeking impact</u>

LP (the Fund or MPF1)	capitalized and strengthened						and financial returns
Component 1: <u>Matanataki Pacific Fund 1 LP (the Fund or MPF1)</u>	<u>Output 1.2 Interconnected SME clusters operationalized</u>	<u>1.85</u>	<u>0.46</u>	<u>Equity</u>	<u>1.39</u>	<u>Equity</u>	<u>Institutional and private investors seeking impact and financial returns</u>
Component 1: <u>Matanataki Pacific Fund 1 LP (the Fund or MPF1)</u>	<u>Output 1.3 Active portfolio co-management, value creation, and impact monitoring executed</u>	<u>6.87</u>	<u>1.72</u>	<u>Equity</u>	<u>5.15</u>	<u>Equity</u>	<u>Institutional and private investors seeking impact and financial returns</u>
Component 1: <u>Matanataki Pacific Fund 1 LP (the Fund or MPF1)</u>	<u>Output 1.4 Inclusive benefits delivered to vulnerable and marginalized groups</u>	<u>0.16</u>	<u>0.04</u>	<u>Equity</u>	<u>0.12</u>	<u>Equity</u>	<u>Institutional and private investors seeking impact and financial returns</u>
Component 1: <u>Matanataki Pacific Fund 1 LP (the Fund or MPF1) and MPF1 TAF</u>	<u>Output 1.5 Investment-ready, regenerative SMEs and fund-level E&S, gender, impact and reef-health systems institutionalised</u>	<u>5.06</u>	<u>1.12</u>	<u>Equity</u>	<u>3.94</u>	<u>Grant</u>	<u>Donors (public and private)</u>
Indicative total cost (USD)		<u>63million</u>	<u>15 million</u>	USD 48.0 million in co-financing (comprising USD 45.0 million in equity capital and USD 3.0 million in complementary grant co-financing under Output 1.5).			

Note: GCF's USD 1.125 million allocation under Output 1.5 represents GCF's direct seed capital investment (SAFEs) under Activity 1.5.5. GCF's remaining USD 1.875 million allocation under Output 1.5 represents Enyorra's standard 2.5% management fee over five years, which is already budgeted and accounted for within GCF's Output 1.1 line items (per Annex 4, Note A15) to prevent double-counting GCF equity.

139. It is anticipated that 70% of the funding will be invested in Fiji and the remaining 30% in other PICs.

140. Table C1 above presents the USD 60 million initially deployed with USD 60 million targeted for SMEs under Component 1. MPF1 will recycle early realised returns from the portfolio (for example, dividends and balloon repayments) and reinvest these into new pipeline SMEs, allowing MPF1 to deploy the full USD 60 million into Pacific climate adaptation without increasing the initial capital request. Further details can be found in Annex 3 (Financial analyses) and Annex 4 (Detailed budget plan).

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 ☒ ☐

141. MPF1 integrates technology development/transfer into its investment strategy. Through active co-ownership, MPF1 equips portfolio company owners and managers with enhanced operational knowledge and skills. Technology development and transfer are integral to the success of certain businesses

supported by MPF1. Examples include providing technology and expertise for organic fertiliser production, recycling technology, sea cucumber hatchery production and ranching, and other innovative solutions vital to their business planning and growth. These activities will be facilitated by the portfolio advisor as part of the active support offered to portfolio Pacific/local SMEs and community-owned cooperatives.

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)

Adaptation beneficiaries

142. MPF1's impact potential is anchored in its ability to strengthen the climate resilience of Pacific coastal communities and reef-dependent livelihoods through a portfolio of adaptation-focused SME investments in Fiji, Tonga and Vanuatu. The Fund's investments target enterprises operating at the land–sea interface and in reef-adjacent coastal economies, where climate hazards and ecosystem degradation directly affect income stability, food security, and local economic resilience. Consistent with the GCF Results Management Framework, MPF1's beneficiary reach is quantified under Core Indicator 2 (Direct and Indirect Beneficiaries Reached), capturing both:
- I. Individuals who benefit through attributable livelihood and service pathways linked to investee operations, and
 - II. Broader reef-adjacent coastal populations benefiting through improved ecosystems and reduced environmental stressors (e.g. reduced land–sea pollution) that support reef resilience, coastal protection, and livelihood stability.
143. Based on conservative deal-level calculations presented in Annexes 23a and 23b, MPF1 is expected to reach a combined total of **626,786 beneficiaries** over the Fund's lifetime. This includes **62,058 direct beneficiaries** reached through investment-linked livelihood and service pathways, and **564,728 indirect beneficiaries** benefiting through ecosystem-service and community-resilience pathways associated with improved reef health and reduced pollution pressures.
144. At the country level, MPF1-supported investments are expected to reach:
- I. Fiji: approximately 5.93% of the national population directly and 56.55% indirectly;
 - II. Vanuatu: approximately 1.70% directly and 9.49% indirectly;
 - III. Tonga: approximately 1.37% directly and 8.04% indirectly;
145. These figures reflect the Fund's strategic focus on reef-adjacent coastal catchments, where climate risks and ecosystem degradation have the most material impacts on livelihoods and community resilience.
146. Direct beneficiaries comprise individuals who experience measurable and attributable resilience benefits through MPF1-supported investee operations, including:
- I. Employees whose livelihoods and income stability improve through climate-resilient enterprise growth;
 - II. Producers, suppliers, shareholders, cooperative members, and service providers engaged in investee value chains; and
 - III. Direct users of climate-resilient products or services where investees provide trackable service delivery.
147. Indirect beneficiaries capture reef-adjacent and coastal populations who benefit from improved ecosystem functioning and resilience outcomes generated by MPF1 investments, such as enhanced coastal protection, stronger fisheries productivity, and reduced vulnerability to pollution-related environmental stressors, without being directly employed by, or contracted to, investees.
148. The balance between direct and indirect beneficiaries is calculated under the Base case using Annexes 23a and 23b. Each direct beneficiary is assigned one unique record and primary category and receives targeted medium-to-high-intensity support; the 1,057 formal jobs and 1,667 rural and Indigenous income beneficiaries are subsets or outcome attributes within the 62,058 direct total, not additions. Indirect beneficiaries receive lower-intensity area-based benefits only where a defined ecosystem-service pathway and bounded catchment exist. Dependence/exposure and attribution factors, direct-beneficiary exclusions, unique footprint identifiers and geographic overlap controls are applied. Fiji's 56.55% is therefore a net contextual reach ratio after known overlap controls, not uniform support to the population.

Mitigation Co-Benefits

149. While MPF1 is an adaptation focused fund, it will help the target countries achieve their mitigation goals by investing in sectors that reduce greenhouse gas (GHG) emissions and promote low-emission sustainable development. Its adaptation with GHG mitigation co-benefits will see the reduction/removal/sequestration of **1,927,105 CO₂-equivalent emissions (tCO₂e/year)** through improved waste management, regenerative agriculture, and carbon sequestration.
150. The fund focuses on waste management, regenerative agriculture (including natural fertiliser production and farmer training), sustainable fisheries, and low-impact tourism—addressing key drivers of coral reef degradation while delivering measurable climate mitigation outcomes:
- Investments in waste management and recycling facilities will treat and safely dispose of up to 79,000 t/year of waste and recycle around 38,120 t/year of plastic and metals and up to 53,000 t/year of green waste and manure, reducing methane emissions and avoiding further emissions from the virgin material production displaced by recyclables.
 - The recycled green waste and manure will be processed into local natural fertiliser production (~40,000+ t/year of non-synthetic fertilisers annually), avoiding the use of industrial synthetic nitrogen fertilizers, which are energy-intensive to produce and are associated with higher nitrous oxide emissions due to their high nitrogen concentration and rapid release.
 - Supporting businesses producing non-synthetic fertilizers (~40,000+ t/year) reduces nutrient runoff from 26,000 hectares of sugarcane farms and replaces synthetic nitrogen use, lowering agricultural emissions.
 - Sustainable fisheries and aquaculture projects reduce overfishing and promote marine ecosystem health, indirectly mitigating carbon emissions through improved oceanic carbon sequestration.
 - Conservation of mangroves and tropical forests and reforestation enhance carbon sinks, contributing to long-term GHG removal.
 - These activities align with methodologies such as the GHG Protocol for Project Accounting and recognized taxonomies for climate mitigation (e.g., MDB Common Principles for Climate Mitigation Finance Tracking).

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

151. MPF1 demonstrates paradigm shift potential by addressing systemic challenges in the Pacific through a regenerative economic model that can be scaled and replicated across the region and beyond. IF a Pacific-led investment fund and technical assistance facility back reef-positive, gender equitable Pacific SMEs with patient, ethical capital and hands on support, THEN these businesses can grow inclusive local economies that actively restore reefs and strengthen community resilience, BECAUSE Pacific entrepreneurs will finally have values-aligned finance and capability support to build regenerative, collaborative business models that reduce local drivers of reef degradation and enable right economic relationship with our lands, oceans and relationship with all living beings across generations. MPF1 operationalises this shift across four key GCF dimensions:
152. **Potential for scaling up and replication:** MPF1 establishes a blueprint for climate-resilient development via a locally based team deploying appropriate financing instruments and capability support into reef- and ocean-positive SMEs in waste management, agriculture, fisheries, and tourism. Its interconnected deal flow builds trust, strengthens supply chains, and amplifies impact, proving that the private sector can deliver climate adaptation and long-term green industrialisation while achieving near-term wins that build public support and social coalitions.
153. MPF1 acts as a primary market-maker. By utilizing GCF first-loss equity to build a successful, data-rich track record of profitable reef-positive enterprises, MPF1 provides the crucial demonstration effect. The systemic transformation occurs when local commercial banks and regional funds, who currently avoid this sector, use MPF1's audited financial and impact data to develop their own lending products for blue-economy SMEs, permanently lowering the perceived risk premium in Pacific SIDS.
154. **Potential for systemic reinforcement through interconnected deal flows:** MPF1's clustering strategy ensures that adaptation results are fundamentally greater than the sum of its parts, moving beyond isolated achievements to drive unified, ecosystem-wide outcomes. Rather than operating in traditional market silos, portfolio Pacific/local SMEs and community-owned cooperatives are structurally linked through commercial, logistical, and resource-sharing networks that allow them to actively reinforce one another's operational resilience. By establishing these circular dependencies - such as anchoring waste-management solutions directly into regenerative agriculture value chains - the success of an individual enterprise directly fortifies its cross-portfolio partners. This collaborative

framework aggregates localized outputs into a self-reinforcing regional network, demonstrating how private sector actors can collectively amplify environmental protection, stabilize supply chains, and build systemic climate resilience across the broader Vanua.

- 155. Potential for knowledge sharing and learning:** Through its **active portfolio co-management and active ownership model**, MPF1 embeds knowledge-sharing, ESG standards, and regenerative, gender-equitable practices directly into investee operations, creating a living knowledge hub that informs future funds. By ensuring that local entrepreneurs integrate these practices into their core commercial models, the Fund generates highly replicable blueprints for sustainable scaling. *(Note: Broader capacity-building initiatives, such as farmer training programmes and internships for Pacific women in finance, are financed and delivered by the complementary, third-party-funded Technical Assistance Facility-TAF).*
- 156.** MPF1 moves beyond individual investee impact through strategic value-chain integration. For example, capitalizing a central sustainable processing hub (e.g., cold storage or organic processing) permanently alters the market architecture. It creates a guaranteed, premium offtake market for indirect, artisanal suppliers who previously lacked a route to market, thereby cascading climate resilience and stable livelihoods throughout the broader coastal economy.
- 157. Contribution to the creation of an enabling environment: MPF1's equity investments tackle capital scarcity and capability gaps** by demonstrating the commercial viability of regenerative models, moving actors out of silos into collaboration in service to all life. By bridging the gap between local SMEs and international capital, MPF1 builds a localised track record designed to transition risk-averse commercial banks away from rigid collateral constraints and toward cashflow-based lending, permanently de-risking underfunded sectors for future investors. *(Note: Broader ecosystem advocacy and capability building, including the convening of regional events like the Pacific Fund Manager Simulation, are supported by the complementary, third-party-funded TAF).*
- 158.** Furthermore, the Fund structures its exit pathways to engage regional Pacific Island institutional investors - such as the Fiji National Provident Fund and BSP Life - or via Initial Public Offerings (IPOs) on the South Pacific Stock Exchange, proving that alternative economic models can achieve local liquidity. Finally, by using self-liquidating financial instruments for approximately 80% of the portfolio by deal count, and 67.6% by capital in the base case, MPF1 avoids portfolio-wide reliance on trade-sale exits in a market where buyers, listing venues and secondary capital are not reliably available at the depth required. This ensures that capital is recycled locally and serves as a replicable model for future blended finance impact funds across the region. A key element of MPF1's paradigm shift is this self-liquidating-first approach: every investment is structured so that equity exits can be achieved through local cashflows and buy-backs, proving that reef-positive, gender-smart SMEs in Fiji, Tonga and Vanuatu can recycle capital and transfer full ownership back to local founders and communities without depending on speculative trade sales.
- 159. Contribution to the regulatory framework and policies:** MPF1 leverages its portfolio to drive policy evolution from the bottom up. By co-designing fisheries enforcement pilots and demonstrating viable, non-extractive enterprise models, MPF1 builds the case for reforms that enable MPAs, LMMAs, and other conservation measures, delivering on NDCs and NAPs. The Fund's portfolio companies will generate robust, real-world impact metrics and ecological baselines. This enables Pacific governments to base future coastal zoning, licensing, and national adaptation policies on proven, private-sector commercial realities rather than theoretical models.
- 160.** Through its catalytic equity investment strategy, active portfolio management, and systems-change agenda (operating with complementary third-party-funded technical assistance), MPF1 unites stakeholders around long-term, well-financed transition pathways and shows how climate-resilient development consistent with GCF objectives can be operationalised and replicated across the region.

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

161. MPF1 delivers the following co-benefits:

162. Environmental:

- Ecosystem restoration and sustainable resource management, aligning with SDG 13 (Climate Action), SDG 14 (Life Below Water), and SDG 15 (Life on Land).
- Facilitates the improved management of ~1,500+ ha of farmland, agroforestry, and mariculture areas, alongside protection or restoration of 50,796 ha of forests and marine ecosystems realising carbon sequestration potential.

- Nutrient runoff reduction from ~26,000+ ha of sugarcane farms, mitigating sediment and chemical threats to reefs, which exacerbate coral bleaching events under heat stress¹¹ (Donovan et al., 2020).
- Production of 40,000+ tonnes annually of fertilisers derived from invasive seaweed, manures and green waste, reducing reliance on imported synthetic fertilisers that contribute to greenhouse gas emissions and nutrient runoff harmful to reefs.

163. Social:

- Inclusive development by addressing systemic inequities in the Pacific, contributing to SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities).
- Channels USD 20+ million to women-led or gender-equitable enterprises and USD 16.9 million to rurally owned businesses.
- Creates approximately 1,057 direct formal jobs with an emphasis on living wages and equitable opportunities for marginalised communities. Community-owned cooperatives empower Indigenous groups.
- By formalising employment in traditionally informal sectors like waste management, agriculture, and fisheries, MPF1 ensures access to social protections such as retirement savings and legal support.

164. Economic:

- Drives economic growth while promoting regenerative practices in alignment with SDG 8 (Decent Work and Economic Growth) and SDG 12 (Responsible Consumption and Production).
- Generates USD 271.8 million in total EBITDA over the Fund lifetime, USD 40.8 million in corporate taxes to Pacific governments and USD 86 million in foreign exchange earnings. *(Note: These economic projections are Fiji-only figures derived from the Fiji pipeline on base-case assumptions, pending equivalent Stage 3 readiness work in Tonga and Vanuatu, and are not fund-wide projections).*
- Investments in import substitution improve trade balances for Pacific nations by reducing reliance on imported goods such as synthetic fertilisers.

165. Gender-Sensitive Development:

- Sets clear gender targets for its portfolio, aligned with the 2X Global Challenge criteria, aiming for at least 33% of Pacific/local SMEs and community-owned cooperatives to be women-led, with potential to increase to 50% based on the pipeline. The fund operationalizes 2X Challenge standards across investments, ensuring specific gender outcomes.
- 30–50% of portfolio Pacific/local SMEs and community-owned cooperatives are women-led or majority women-owned, aiming for board or senior management representation of at least 30% women in most deals.
- 30–50% women employees plus implementation of at least one workplace equality measure such as flexible hours or childcare support.
- All investments are screened for 2X Challenge criteria: women ownership or founder status, 30%+ women in management or board roles, workforce targets, and relevant products/services benefiting women and girls.
- Pacific/local SMEs and community-owned cooperatives must show commitments to gender inclusion in their supply chains.
- Enforcement of equal pay, flexible work policies, robust safety programs against harassment, and supportive measures (such as flexible hours or childcare support, where feasible and proportionate to company size) across portfolio Pacific/local SMEs and community-owned cooperatives.
- The Fund will run an internship programme for young women business leaders and fund managers.

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

¹¹ Donovan, et al. 2020. Nitrogen pollution interacts with heat stress to increase coral bleaching across the seascape, Proc. Natl. Acad. Sci. U.S.A. 117 (10) 5351-5357, <https://doi.org/10.1073/pnas.1915395117>

166. **Vulnerability of the countries and specific vulnerable groups:** PICs are among the most climate-vulnerable countries globally, with rising sea levels, ocean acidification, and extreme weather events threatening coral reefs and coastal ecosystems. These impacts disproportionately affect all citizens and in particular vulnerable groups, including women and children. Fiji's tourism (38% of GDP) and fisheries (0.7% of GDP) sectors are highly dependent on healthy coral reefs, which also provide critical coastal protection for 21% of the population living within 1 km of the shore. These impacts disproportionately affect women, who are highly reliant on informal, climate-sensitive coastal gleaning and agriculture, and who are significantly more likely to suffer during extreme weather events. MPF1 directly addresses these vulnerabilities by investing in community-serving businesses that implement regenerative practices to protect coral reefs and linked ecosystems. The resulting livelihood opportunities will strengthen communities' absorptive capacity by creating more reliable market access and diversified income sources, while also promoting ecosystem improvements. These ecosystem improvements from MPF1-supported investments can reduce exposure to and sensitivity to climate hazards by lowering pollution, improving fish stock management, and restoring reefs that buffer against storm surge. In addition, the Fund prioritises gender-equitable investments, supporting women-led enterprises through tailored mentorship and capability-building programs. This approach ensures that marginalised groups benefit from economic opportunities while enhancing climate resilience.
167. **Economic and social development level of the affected population:** Target PICs face significant development challenges, including extreme remoteness, low economic diversification, heavy reliance on natural resources, and underdeveloped financial markets. Socio-economic development is further constrained by deeply entrenched patriarchal norms that limit women's economic participation and leadership. Women hold only 10% of CEO roles in Fiji. Many MSMEs lack access to finance due to stringent collateral requirements and risk-averse banking systems. MPF1 contributes to economic development by providing patient risk capital to MSMEs in key sectors such as waste management, agriculture, fisheries, and tourism. By embedding gender equity into its investment strategy and aligning it with the 2X Challenge, MPF1 not only fosters inclusive growth but also supports women-led businesses and tailored internships that contribute to Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs).
168. **Absence of alternate sources of financing:** Governments in the region are trapped in perpetual cycles of disaster recovery, severely constraining their fiscal space and preventing public funding from meeting the proactive adaptation needs of the private sector. Simultaneously, local capital markets are shallow, unrated, and lack alternative financing instruments. Despite high liquidity in local banking systems, SMEs in the target PICs face significant barriers accessing finance due to underdeveloped capital markets, rigid collateral requirements, short loan tenors and limited investor confidence. Existing donor-funded initiatives often fail to provide sustainable support due to their short-term focus and lack of post-investment assistance. MPF1's blended finance model addresses this gap by leveraging junior equity from the GCF to crowd in senior equity from MDBs and private investors that would otherwise avoid the region.

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

169. MPF1 is grounded in strong country ownership and is fully aligned with the national climate strategies, GCF Country Programmes, and global frameworks across its target investment countries: Fiji, Vanuatu and Tonga. This alignment underscores MPF1's approach to delivering region-led, inclusive, and resilient climate finance in the Pacific.
170. **Existing national climate strategy and GCF country programme:** Each PIC has developed robust climate strategies integrating Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and, where applicable, Nationally Appropriate Mitigation Actions (NAMAs). These emphasise climate resilience, ecosystem and biodiversity protection, and private sector engagement. MPF1 aligns closely with these frameworks, targeting sectors such as sustainable fisheries, regenerative agriculture, and waste management. The fund uses coral reef health as a proxy for the health of Pacific ecological and social systems, anchoring its investments in ecosystem resilience. This systems-level approach allows MPF1 to contribute meaningfully to national targets across the region. MPF1 is also aligned with the SDGs, especially SDGs 5, 13, and 14, and draws guidance from the Planetary Boundaries framework to ensure ecological integrity.
171. **Relevance to and alignment with NDCs, NAMAs and NAPs:** MPF1's diversified pipeline strategy combines scalable, profitable investments with smaller, community-owned enterprises, and is managed by a local team – the first of its kind in the region. Initially focused on Fiji, MPF1's structure enables proof-of-concept before regional scaling. Up to 70% of capital will be deployed in Fiji, where the fund supports national plans like the 2025–2029 Development Plan and Vision 2050, including key areas such as sustainable marine resource management and MSME access to finance. In Fiji, the fund supports targets related to climate-smart agriculture, ecosystem

conservation, marine protection, and access to finance under the NDC and NAP frameworks. Similar alignments exist in (agroforestry and reef conservation) Tonga (coastal ecosystem management) and Vanuatu (livestock and forest adaptation).

172. Role of National Designated Authority: MPF1's operational and geographic deployment is anchored in discussion with NDAs to ensure full alignment with national climate priorities, NAPs, and NDCs. The Fund's immediate, mature pipeline is concentrated in its core market of Fiji, with origination already commenced in Vanuatu and Tonga, where formal No Objection Letters (NOLs) have been secured - reflecting strong national support of the Fund's initial capital deployment. Looking ahead to the Fund's phased regional expansion the Executing Entity continues to engage constructively with NDAs to align emerging pipeline opportunities with country priorities. Created by and for Pacific Island nations and led by Pacific private sector citizens with deep local knowledge and longstanding regional networks, this approach enables the Fund to advance confidently in its fully endorsed markets while systematically broadening its reach as additional country partnerships are formalised.

173. Capacity of Accredited Entities or Executing Entities to deliver: The division of labour between Enyorra (the AE) and Matanataki (the local EE) is structurally designed to guarantee genuine, locally led country ownership. While Enyorra provides international-standard regulatory and fiduciary oversight from Singapore, the actual implementation, community consultation, and deal origination are managed by a locally owned, Indigenous-led Pacific team. The senior GPs and Portfolio Advisor's beneficial owners are Fiji citizens—Malakai Naiyaga (Indigenous iTaukei) and Jodi Smith (5th generation Fijian-Chinese)—who operate with deep, long-term cultural accountability to the Vanua (the land, sea, and people). This local team manages due diligence, stakeholder engagement, and active post-investment co-management directly from within the region, ensuring that capital deployment is structurally aligned with national priorities (NDCs and NAPs) and respects customary land and marine stewardship arrangements.

174. Engagement with civil society organizations, indigenous peoples, women, and vulnerable groups: Civil society organisations, indigenous leaders, women, and vulnerable groups are engaged throughout MPF1's design and pipeline development. Notably, Matanataki Pte Ltd has an established 9-year history of collaboration with WWF Pacific, working together on initiatives funded by MFAT and DFAT. These collaborations have focused on developing community-led businesses (led by Matanataki Pte Ltd) and creating complementary inshore reef management plans (led by WWF). Several of MPF1's pipeline deals are either owned by or serve historically marginalised communities. Together, these elements underscore MPF1's approach to delivering region-led, inclusive, and resilient climate finance in the Pacific.

175. Engagement with domestic investors and climate-finance ecosystem: MPF1 is intentionally positioned within a growing but still under-served Pacific private-equity landscape, engaging both regional funds and domestic institutional investors such as the Fiji National Provident Fund and members of the Pacific Islands Investment Forum co-investment network, which together manage over USD 10 billion in assets and increasingly seek climate-aligned real-economy opportunities. As the first locally led, reef-positive origination platform in Fiji, Matanataki has helped to shape this landscape: its team has led private-sector deal flow for the GFCR Fiji programme, is named as a key implementing partner in joint initiatives with UNCDF, UNDP and WWF-Pacific, and is referenced across multiple partner proposals and FPs as a preferred local private-sector delivery mechanism. In developing MPF1, the Portfolio Advisor convened broad stakeholder consultations and a fund-manager simulation that invited domestic institutional investors (including FPNP, Fijian Holdings, BSP Life and the iTaukei Trust Fund) alongside development partners, government, potential investees and investors, and scientists, ensuring that the Fund's structure and pipeline respond to regional investee needs, investor appetite and to lessons emerging from other climate-fund and development-partner projects. MPF1's design consolidates these lessons on blended finance, technical assistance and reef-positive business models through a bottom-up, enterprise-led private-equity vehicle that is complementary to other AF, GEF and GCF initiatives, offering a dedicated platform to turn proven concepts into institutional-grade, locally owned businesses while avoiding duplication of existing programmes; in parallel, the Portfolio Advisor continues to encourage a more formal ecosystem-mapping effort that would bring all Pacific climate-finance actors into a shared diagnostic, but a funder or convener for this exercise has not yet been identified.

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

176. The structure of MPF1 has been deliberately designed to address systemic investment barriers in the Pacific, including high perceived risk, limited pipeline, and lack of patient capital. MPF1 adopts a blended finance approach with GCF providing equity, enabling the crowding-in of senior equity from MDBs and private investors. A junior

equity tranche acts as catalytic capital that improves the risk-return profile for commercial co-investors and mobilises private capital without crowding out other public or private investments.

177. The USD 60 million fund currently anticipates USD 15 million in junior and senior equity from the GCF. This is mobilised alongside an additional USD 13 million from other junior equity providers (DFIs), USD 20 million in senior equity from MDBs, a USD 0.5 million private investor soft commitment, a USD 0.6 million GP commit, USD 10.9 million further private sector commitment and USD 3 million in TA from other donors. The fund's 1:3 Fund-level equity co-financing ratio was determined in response to direct discussions with investors, both public and private, and is designed to crowd in more commercially minded MDBs and private investors while using concessional capital only to the extent necessary to address market failures, consistent with the OECD DAC blended finance principles on additionality, appropriate leverage, and minimum concessionality. The GCF's role is particularly crucial given the Pacific region's unrated markets, scarcity of investable data, and limited track record in institutional investment - challenges that inhibit traditional financiers. The justification for GCF support, detailed in Section B.5, is anchored in overcoming deep-rooted access-to-finance constraints faced by Pacific MSMEs, as highlighted by the Pacific Private Sector Development Initiative. GCF support addresses persistent bottlenecks including absence of collateral, inadequate revenue track records, and lack of post-investment capacity building. Without GCF's concessional capital and technical assistance acting as a structural anchor, the target pipeline would remain financially unviable, particularly for indigenous and community-owned businesses.
178. MPF1 is expected to generate both financial and economic returns. The projected financial net internal rate of return (IRR) for the fund is 9.1% to 9.6% and the multiple on invested capital (MOIC) is 1.58x to 1.69x across share classes. At the fund level this is a fund gross IRR of 14.3%, net IRR of 10.9% and MOIC of 1.80x. By supporting up to approximately 18 Pacific/local SMEs and community-owned cooperatives across the waste, agriculture, fisheries and tourism sectors, the Fund is expected to generate substantial socio-economic returns. The figures that follow are drawn from the ten Fiji pipeline companies that have been through Stage 3 Deal Readiness, where business plans, financial models and impact projections exist. They are therefore figures for the diligenced Fiji pipeline only, on base-case assumptions, pending equivalent Stage 3 work in Vanuatu and Tonga, and are not fund-wide projections: cumulative Earnings Before Interest, Tax, Depreciation and Amortisation of at least USD 271.8 million over the ten-year lifecycle; 1,057 direct jobs; increased income for 1,667 people in rural and indigenous communities; USD 86 million in foreign exchange earnings; and USD 40.8 million in corporate income tax contributions. These projections underscore the fund's transformative potential, not just as a financial instrument, but as a catalyst for sustainable economic development in the Pacific region, delivering significant value to local economies, communities, and broader stakeholders. Efficiency and effectiveness are further reflected in MPF1's investment approach: a portfolio balancing commercially scalable ventures and high-impact, community-owned enterprises. Best practices are embedded in MPF1's operations. Investment readiness support, corporate governance frameworks, and ESG risk management systems are informed by international standards and adapted to Pacific realities. Innovations include the use of self-liquidating equity instruments suited to indigenous businesses supporting local ownership and intergenerational wealth building.

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	Investment in Pacific Island Countries (PICs) has historically been limited due to perceived risks such as small-scale markets, lack of investment pipelines, and high development costs. MPF1 has screened over 150 businesses, with 10 investments identified as suitable for investment and ~8 to be originated across the region (3 anchor opportunities identified in Tonga/Vanuatu and 5 investments to be sourced during deployment).	<u>Medium</u>	MPF1 aims to scale investments across ~18 SMEs in waste management, agriculture, fisheries, and tourism sectors. These businesses will deliver measurable climate resilience outcomes, such as coral reef restoration, sustainable fisheries, and reduced land-based runoff impacting ecosystems.	<i>Describe key applicable outputs and or resulting outcomes relevant to increasing (scaling up) quantifiable results within and beyond the scope of the intervention.</i> MPF1's interconnected deal flow approach builds trust among businesses while amplifying impact through strengthened supply chains (Output 1.2; Outcome 4). It will scale outcomes by: • Utilizing a blended finance structure where GCF's USD 15 million junior and senior equity acts as a catalyst to crowd in private and public co-investment, achieving a cumulative deal-level leverage ratio of 1:3 (Output 1.1; Outcome 4). This scales adaptation by making unrated, climate-vulnerable markets investable for commercial capital. • Supporting community-owned cooperatives and SMEs with tailored financing instruments and hands-on active co-ownership/co-management support (Output 1.1, Output 1.4; Outcome 3). • Facilitating climate-resilient infrastructure, like the Pacific's first Materials Recovery Facility, and expanding marine management areas and

				sustainable seafood production (Output 1.3; Outcome 1).
Replicability	Limited replicability exists due to a lack of structured approaches for scaling climate-resilient business models across PICs. However, MPF1's pipeline demonstrates potential for replication through interconnected investments and viability of investments.	<u>Medium</u>	MPF1 will replicate successful business models in other Pacific nations (e.g., Tonga, Vanuatu). The fund's approach includes knowledge and technology transfer in areas including business governance and management best practice, regenerative agriculture, marine spatial planning, high end and low impact tourism and waste management systems. MPF1 will catalyse regional market transformation by systematizing proven adaptation methodologies.	MPF1 will catalyse market transformation and replicability beyond the initial portfolio through three primary pathways linked directly to project outputs: • Driving the Demonstration Effect (Output 1.1): By successfully capitalizing and strengthening regenerative SMEs, MPF1 establishes a verified financial track record. This demonstration effect is designed to permanently lower perceived risk premiums in Pacific SIDS, crowding-in local commercial banks and institutional investors to independently finance climate-adaptive enterprises. • Scaling Sectoral Integration (Output 1.2): By operationalizing interconnected SME clusters (e.g., hub-and-spoke sustainable fisheries or circular waste-to-agriculture models), the project proves the commercial viability of integrated value-chain resilience. This structural model can then be replicated across new Pacific jurisdictions to strengthen broader regional economic stability. • Institutionalising Local Capacity and Systems (Output 1.5): By establishing standardised investee-readiness pathways, E&S/gender-smart management systems, and reef-health monitoring architectures, MPF1 creates a highly replicable operational blueprint. These frameworks and capacity-building models (funded via the complementary TAF and GCF catalytic equity) can be easily transferred and deployed across other capacity-constrained Pacific SIDS

				without duplicating foundational design costs, enabling rapid regional scaling of blue-economy MSMEs.
Sustainability	MPF1's focus on locally owned and community-owned businesses, and self-liquidating instruments (owner buy-back of equity) ensures long-term sustainability but requires substantial capacity-building support for governance and operational scalability.	<u>Medium</u>	Businesses supported by MPF1 will sustain their operations beyond the fund's lifecycle by through capability building, technical assistance and building institutional-grade business management and governance structures, creating a successful precedent which could attract more local and foreign capital.	MPF1 ensures sustainability by: - Transitioning climate adaptation innovations away from time-bound grant dependency into commercially viable, cash-generating enterprises that do not rely on perpetual donor funding to survive (Output 1.1; Outcome 4). - Structuring up to 80% of investments with self-liquidating instruments (e.g., demand dividends, redeemable preference shares). This ensures that once target returns are met, full ownership and wealth are permanently transferred back to local founders and indigenous communities (Output 1.4; Outcome 3). - Embedding regenerative production processes into SMEs (e.g., non-synthetic fertilisers from green waste) to ensure the business model itself is inherently sustainable. (Output 1.3; Outcome 1). - Supporting community cooperatives and early-stage enterprises with targeted technical assistance for financial management, local governance, E&S/gender planning, and seed-stage capital (SAFEs) to build long-term bankability and operational independence (Output 1.5; Outcome 3). - Promoting gender-equitable governance structures to ensure inclusive growth and women's leadership. (Output 1.4; Outcome 2).
E.3. GCF Outcome level: Reduced emissions and increased resilience (IRMF core indicators 1-4, quantitative indicators)				
	IRMF		Target	Assumptions / Note

GCF Result Area	Indicator	Means of Verification (MoV)	Baseline	Mid-term	Final ¹²	
<u>ARA1 Most vulnerable people and communities</u>	<u>Core 2: Direct and indirect beneficiaries reached</u>	Annual ESG, Impact reporting and regular reported data from MPF1 investee Pacific/local SMEs and community-owned cooperatives. Impact measurement surveys such as household / enterprise level surveys Mid-term and final evaluation surveys conducted by independent third-party consultants	0	Direct: 62,058 (31,267 female; 30,791 male) Fiji: 55,062 Vanuatu: 5,564 Tonga: 1,432 Indirect: 564,728 (284,571 female; 280,157 male) Fiji: 525,256 Vanuatu: 31,101 Tonga: 8,370	Direct: 62,058 (31,267 female; 30,791 male) Fiji: 55,062 Vanuatu: 5,564 Tonga: 1,432 Indirect: 564,728 (284,571 female; 280,157 male) Fiji: 525,256 Vanuatu: 31,101 Tonga: 8,370	Targets are aggregated from the projected reach of the indicative Base-case pipeline. Given MPF1's fund-based structure, final beneficiary numbers depend on the final portfolio composition. As detailed in Section E.7, investment-level baselines will be verified at onboarding and beneficiary records updated annually; material target changes will follow the established logframe review and change-control process. Waste management, agriculture, fisheries, and tourism-related SMEs invested through MPF1 contribute to reducing climate stressors on reefs and land. This enhances the adaptive capacity of project beneficiaries. The Fund intends to fully deploy its committed capital by the end of Year 5 (the mid-point of the project), thus mid-term beneficiaries are the same as final beneficiaries. Beneficiary estimates correspond to the Annex 23a Base case and Annex 23b methodology. Direct beneficiaries receive targeted medium-to-high-intensity support and are counted once using unique records and primary categories; jobs, wage status and income are attributes. Indirect beneficiaries are lower-intensity, area-based and net of direct and geographic-

¹² 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.



						overlap exclusions, subject to verification at closing. Templates, supporting material, and capacity support will be provided to facilitate data collection.
<u>ARA1 Most vulnerable people and communities</u>	<u>Supplementary 2.1: Beneficiaries (female/male) adopting improved and/or new climate-resilient livelihood options</u>	Annual ESG, Impact reporting and regular reported data from MPF1 investee Pacific/local SMEs and community-owned cooperatives. Jobs: Investee HR payroll data / HR Employment Contracts Income: Collected annually via "Listen to the Farmer/Fisher" surveys conducted by the portfolio Pacific/local SMEs and community-owned cooperatives Sample-based audits by the Fund's ESG advisor	0	62,058 (31,267 female; 30,791 male)	62,058 (31,267 female; 30,791 male)	New formal jobs created within MPF1-supported SMEs (e.g., waste facility staff, aquaculture technicians, recycling workers and logistics staff) represent adoption of climate-resilient livelihood pathways because these jobs are generated by enterprises specifically designed to reduce climate and ecosystem risks and operate in sectors that strengthen reef and coastal resilience. In addition to employment, producers and value-chain participants (e.g., farmers, fishers, suppliers and cooperative shareholders) will adopt climate-resilient livelihood practices and business models through participation in MPF1-supported value chains. This includes engagement in regenerative agriculture, sustainable aquaculture, waste-to-resource circular economy activities and reef-positive tourism supply chains that are designed to reduce climate vulnerability and ecosystem degradation. Adoption of climate-resilient livelihoods reduces extractive pressures on reefs, ensuring stable, climate-resilient livelihoods for 62,058 direct beneficiaries. These livelihoods are considered climate-resilient because they reduce dependence on climate-sensitive and extractive practices (e.g., overfishing, synthetic fertilisers,

						unmanaged waste disposal); diversify and stabilise income streams through access to resilient markets and formal value chains. As a result, all direct beneficiaries are classified as adopters of improved or new climate-resilient livelihood options, consistent with Supplementary Indicator 2.1 and the methodology presented in Annex 23b.
<u>ARA1 Most vulnerable people and communities</u>	<u>Supplementary 2.5: Beneficiaries (female/male) adopting innovations that strengthen climate change resilience</u>	Annual ESG, Impact reporting and regular reported data from MPF1 investee Pacific/local SMEs and community-owned cooperatives. Aggregated data presented annually to LPs detailing specific innovation deployed (e.g. waste recycling, regenerative agriculture inputs) Audited financial statements verifying revenue from specific product lines Catchment analysis of the population within the service area of new waste management infrastructure	0	62,058 (31,267 female; 30,791 male)	62,058 (31,267 female; 30,791 male)	This indicator measures the number of people who adopt or directly use climate-resilience innovations delivered through MPF1-supported enterprises. Examples of adoption pathways include: • Farmers and producers purchasing and using regenerative, non-synthetic fertilisers that improve soil health, water retention and drought resilience; • Households and businesses using improved sanitary waste collection and recycling services that reduce flood risk, drainage blockages and climate-related health risks; • Fishers, suppliers and smallholders integrated into climate-resilient and reef-positive supply chains (e.g. regenerative agriculture, sustainable fisheries and circular-economy value chains). Only direct users and adopters of MPF1-supported technologies and services are counted under this indicator. Broader populations benefiting from improved environmental conditions or replicated models are



						captured separately as indirect beneficiaries under Core Indicator 2.
<u>ARA4 Ecosystems and ecosystem services</u>	<u>Supplementary 4.1: Hectares of terrestrial forest, freshwater and coastal marine areas brought under resoration and/or improved ecosystems</u>	Annual Impact Reports submitted by portfolio Pacific/local SMEs and community-owned cooperatives, verifying operational metrics (e.g., hectares planted, waste diverted). Geospatial verification of marine ecosystem extent and pollution mitigation zones utilizing the Allen Coral Atlas analysis tools. Scientific baseline studies and periodic environmental monitoring reports (including biodiversity surveys and soil health assessments) conducted by independent scientific partners (e.g., Reef Explorer Fiji). Legal and governance documentation, including LMMA/MPA management plans, land lease titles, and supply chain registries confirming area coverage."	0	50,796 Ha	50,796 Ha	<u>Productive Landscapes:</u> Regenerative agriculture and agroforestry land managed by smallholders using MPF1-funded non-synthetic fertilizers and soil retention practices to prevent sediment and nutrient runoff from reaching the reef. Ultimately, these efforts will help protect 23,460 hectares of ecosystems from sea-level rise and storm surges. <u>Marine Conservation & Management:</u> Locally Managed Marine Areas (LMMAs) and Marine Protected Areas (MPAs) supported by portfolio Pacific/local SMEs and community-owned cooperatives (e.g., sustainable fisheries, waste management and tourism ventures). SMEs supported by the MPF1 are expected to improve ecological conditions, including water quality and the potential for reef recovery. Over time, these improvements are expected to reduce the vulnerability of reef-adjacent communities to climate shocks. Designating "no-take" zones (Tabu areas) and managing fishing grounds to restore herbivore populations that protect coral reefs. <u>Restoration Areas:</u> Smaller-scale restoration of mangroves and coral reefs (e.g., coral gardening) directly undertaken or funded by

						portfolio Pacific/local SMEs and community-owned cooperatives.
ARA4 Ecosystems and ecosystem services	Supplementary 4.3: Tonnes of fish stock brought under sustainable management practice	Investee Pacific/local SMEs and community-owned cooperatives submit production and sales logs (Catch Documentation Schemes or Harvest Logs) via the Fund's digital impact platform. Wild Catch verified through Marine Stewardship Council (MSC) chain-of-custody documentation or national fisheries observer reports. Aquaculture verified through farm harvest records and audits against best practice standards (e.g., Aquaculture Stewardship Council or organic standards). Periodic audits by the Fund's ESG advisor to confirm that the "sustainable management practices" (e.g., bycatch reduction, no-take zone compliance) are being adhered to.	0	47,336 MT	47,336 MT	SMEs invested through MPF1 will reduce stress on heat-affected coral reefs, support the recovery of herbivore populations, and enhance nutrient cycling in the ocean. These efforts will contribute to the sustainability of fish stocks and improve nutritional resilience. Estimated fish stock in metric tonnes (MT) within (i) areas of open fishing water and/or (ii) aquaculture farms that have been brought under sustainable management practices. Sustainable wild-catch pelagic fisheries (tuna) managed under MSC or equivalent standards. Sustainable land-based or coastal aquaculture.

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

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Core Indicator	Baseline context (description)	Rating for current state (baseline)	Target scenario (description)	How the project will contribute	Coverage
Core Indicator 6: Degree to which GCF investments contribute to technology deployment, dissemination, development or transfer and innovation	The Pacific region faces significant challenges in accessing advanced technologies and fostering innovation due to limited infrastructure, fragmented markets, and insufficient financial resources. SMEs often lack the capacity to adopt climate-resilient technologies or innovate within their industries. Current levels of technology deployment and innovation are low, with minimal integration of climate-smart solutions.	low	Through MPF1's equity investments, SMEs will adopt and scale climate-resilient technologies and innovative practices tailored to local contexts. The Fund's growth capital enables technology transfer at the firm level to enhance operational efficiency, reduce environmental impact, and improve resilience against climate change (e.g., funding the capex for waste-to-value infrastructure, solar cold-chain systems, and regenerative aquaculture technologies).	MPF1 contributes to technology deployment by providing the essential risk capital (Output 1.1) that SMEs need to procure, import, and implement proven climate-resilient technologies—such as enclosed land-based aquaculture systems, resilient crop design, and advanced recycling or waste-to-bioenergy facilities. Furthermore, the Fund Manager's active co-management approach (Output 1.3) ensures these technologies are successfully integrated into the SMEs' commercial operations. In addition, Output 1.5 plays a catalytic role by delivering the early-stage capacity-building, operational training, and seed-stage quasi-equity (such as SAFEs) necessary to prepare local managers and cooperatives to competently operate and maintain these advanced, climate-	Multi-countries

				resilient technological systems.	
<u>Core indicator 7: Degree to which GCF Investments contribute to market development/transformation at the sectoral, local, or national level</u>	The Pacific SME market is underdeveloped, with limited access to capital and fragmented supply chains. Many sectors lack formalised systems for scaling operations or integrating gender-smart practices. The absence of robust market infrastructure inhibits growth and transformation.	<u>medium</u>	MPF1 aims to transform key sectors by creating scalable business models through its equity investments that integrate climate resilience and gender equity principles. The fund will catalyse market development by providing growth capital to SMEs that drive sectoral innovation, improve supply chain efficiency, and create new market opportunities, demonstrating the commercial viability of alternative transformational economic pathways.	MPF1 contributes to systemic market development through its catalytic equity investments and active co-management approach. At the firm level, the Fund drives sectoral innovation by deploying growth capital (Output 1.1) and actively co-managing SMEs to embed rigorous ESG, IRIS+, and 2X Challenge gender-smart frameworks (Output 1.3). At the systemic market level, the Fund establishes interconnected SME clusters (Output 1.2) that strengthen regional supply chains and demonstrate the commercial viability of regenerative, climate-resilient economic pathways (Outcome 4). Building this successful financial track record provides a powerful demonstration effect, reducing perceived regional market friction and catalysing future private equity investment. Furthermore, to ensure	<u>Multi-countries</u>

				local market capacities are permanently retained, the Fund executes structured local ownership transfers and self-liquidating exits (Output 1.4). These market-wide transformations are underpinned and sustained by Output 1.5 , which formally institutionalises company-level Environmental and Social Management Systems (ESMS), Gender Action Plans, and reef-health monitoring architectures, ensuring that the local ecosystem's capacity to deliver and report on high-integrity adaptation outcomes persists long after the Fund's direct involvement.	
<u>Core indicator 8: Degree to which GCF investments contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards</u>	Knowledge generation in Pacific SMEs is limited by inadequate access to training programs, lack of exposure to global best practices, and insufficient integration of gender-smart methodologies. Existing learning processes are informal and inconsistent.	<u>medium</u>	Through MPF1's active co-management of its equity investments, portfolio SMEs will integrate industry-leading practices, including gender-smart management systems, climate adaptation strategies, and operational excellence. The Fund's interconnected SME	MPF1 generates effective knowledge and learning by demonstrating how climate-resilient business models can scale in Pacific SIDS. At the firm level, the Fund Manager's active co-management approach (Output 1.3) ensures that SMEs adopt and institutionalise industry-	<u>Multi-countries</u>

			cluster strategy will foster organic, cross-portfolio collaboration and peer-to-peer knowledge sharing among local entrepreneurs.	leading practices, including GIIN IRIS+ impact measurement and 2X Challenge gender standards. At the systemic level, the Fund's interconnected deal flow strategy (Output 1.2) fosters cross-portfolio collaboration and peer-to-peer learning among local entrepreneurs. By proving that these regenerative models are commercially viable (Outcome 4), the Fund generates a replicable blueprint for future climate investments in the region. Capacity-building and learning initiatives, including smallholder training, female finance internships, and regional simulations, are integrated under Component 1 as Output 1.5 and are co-financed through GCF's catalytic equity via management fees and the complementary TAF grant co-financing (USD 1.0 million minimum viable, USD 3.0 million target).	
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E.5. Project/programme specific indicators (project outcomes and outputs)

Project/programme results (outcomes/ outputs)	Project/programme specific Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final	
OUTCOME 1: Restored and resilient coral reef and associated ecosystems achieved through the reduction of local climate impacts within Pacific Island Countries	Performance is measured and reported under GCF Results Areas ARA4 in Section E.3.					
OUTCOME 2: Institutionalised gender-responsive climate governance and economic empowerment within the private sector	Percentage of portfolio Pacific/local SMEs and community-owned cooperatives meeting 2X Challenge criteria for gender-smart governance and employment.	Annual Gender Action Plan reports submitted via the digital platform.	0	80%	80%	Creating portfolio value and active co-management.
OUTCOME 3: Increased adaptive capacity of marginalised groups through equitable access to climate finance and knowledge	Share of MPF1 capital deployed to locally owned SMEs and community-owned cooperatives, with disaggregation for women-led and Indigenous-linked enterprises	Investment Committee approved Term Sheets and Shareholder Agreements; Annual ESG and Impact reporting	0	~USD 60 million	~USD 60 million	Community-owned deals (cooperatives) in pipeline. Moving capital into Indigenous and rural enterprises / cooperatives who have historically been excluded from the formal banking system due to lack of collateral

						(land title) and geographic isolation. The cooperative (member-owned) share of the portfolio is expected to fall within a 5–10% capital allocation range (three to four community or member-based cooperatives out of an anticipated ~18 investments), with the remaining capital deployed to Pacific/local SMEs that are locally owned but not formally cooperative-structured.
OUTCOME 4: Catalysed market transformation through demonstration and scaling of regenerative, climate-resilient business models for Pacific Island Countries	Estimated total accumulated EBITDA over 10 years	Audited Financial Statements;	0	USD 79.8 million	USD 271.8 million	Quantifies the operational wealth generated by the Fund's active management, which is the necessary condition for executing self-liquidating exits and securing long-term local ownership.
	Ratio of GCF investment to private/public co-investment at the deal level (mobilisation ratio).	Audited Financial Statements; Investment Committee Minutes	0	1:3	1:3	<u>GCF Equity Investment:</u> USD 15.0 million <u>Fund-Level Co-Financing:</u> USD 48.0 million. Breakdown: MDB 1 (15.0m), FoF (10.9m), DFI 1 (5.0m), MDB 2 (5.0m), DFI 2 (5.0m) Impact Investor (0.5m), GP commitment (0.6m), Bilateral Government Grant Donor (2.85m), donor or GP into TAF

						(0.15m). Leverage ratio is calculated at the Investment Fund level rather than at the funded-activity level. <u>Deal-Level Co-Financing:</u> USD 48 million. Additional equity or debt invested directly into the portfolio Pacific/local SMEs and community-owned cooperatives by third parties (e.g., banks, other funds) alongside MPF1's investment. Total Equity Mobilisation Ratio = USD 15.0m:45.0m (USD 15.0m GCF to USD 48m total mobilized capital across both fund-level co-investors and enterprise-level co-financiers)
Component 1 - MPF1 Investment Fund						
Output 1.1: Growth capital disbursed to climate- and reef-positive SMEs (pre-investment activities)	Total value of equity and quasi-equity capital deployed to Pacific SMEs	Audited Financial Statements; Investment Committee Minutes	0	USD 60 million	USD 60 million	The target is set at USD 60 million for the mid-term because the Fund has a 5-year investment period within a 10-year total fund life. The Fund intends to fully deploy its committed capital by the end of Year 5 (the mid-point of the project), after which it shifts to the portfolio management and exit phase. MPF1's

						catalytic equity capital supports waste management, regenerative agriculture, sustainable fisheries, and low-impact tourism-related SMEs, helping to reduce climate stressors on reefs and land.
	Percentage of MPF1 capital deployed to locally owned SMEs and community-owned cooperatives	Audited Financial Statements; Investment Committee Minutes	0	100%	100%	The Fund intends to fully deploy its committed capital by the end of Year 5 (the mid-point of the project). This indicator tracks finance to locally owned enterprises and cooperative structures
Output 1.2: Interconnected SME clusters operationalized	Number of functional supply chain partnerships established (where waste/output from one investee becomes input for another).	Supply chain contracts/MOUs between portfolio Pacific/local SMEs and community-owned cooperatives; Operational reports.	0	1	3	Cross-portfolio linkages promote circular practices across multiple industries: 1x Waste-to-Ag cluster; 1x Sustainable Fisheries cluster; 1x Tourism-Conservation cluster
Output 1.3: Active portfolio co-management, value creation, and impact monitoring executed	Percentage of portfolio Pacific/local SMEs and community-owned cooperatives implementing agreed Impact and Sustainability Plans (including ESAPs).	Annual Impact Reports	0	100%	100%	Creating portfolio value and active co-management.
Output 1.4: Local ownership transfer and self-liquidating exit mechanisms executed	Number of portfolio Pacific/local SMEs and community-owned cooperatives that have transitioned	Investment Committee approved Term Sheets and Shareholder Agreements.		0	15	Assuming 80% success rate of the ~18 Pacific/local SMEs and community-owned cooperatives. Through a

	to majority local management and governance by Year 5.					planned transition process, local ownership embeds adaptive capacity within Pacific communities.
	Number of local enterprises and cooperatives with formal roles in implementation, business planning or portfolio learning processes	Investee engagement records; Fund planning documentation; Portfolio learning and MEL records	0	9	18	Promotes local ownership and implementation by placing local enterprises and cooperatives in operational roles across origination, implementation, climate-risk planning, and adaptive business execution.
Output 1.5: Investment-ready, regenerative SMEs and fund-level E&S, gender, impact and reef-health systems institutionalised	Percentage of pipeline and portfolio companies receiving pre- and post-investment capacity-building, E&S, and gender technical assistance	Technical assistance agreements; completed ESMS and Gender Action Plans; TAF progress reports.	0	100% of onboarded portfolio companies	100% of onboarded portfolio companies	Tracks the delivery of active, hands-on capacity support across the portfolio. Funded via GCF catalytic equity (management fees) and the complementary grant-funded TAF co-financing (USD 1.0 million minimum viable, USD 3.0 million target).
	Number of community-owned cooperatives or early-stage enterprises receiving seed-stage capital (SAFEs) to support bankability	Executed SAFE agreements; Investment Committee minutes; project-level financial records.	0	3 cooperatives / enterprises	3 cooperatives / enterprises	Tracks GCF catalytic investment capital deployed as seed-stage equity or quasi-equity (SAFE) instruments to transition early-stage community enterprises toward bankability (Activity 1.5.5). Aligned with the 5–10% cooperative capital allocation range under Outcome 3

Project/programme co-benefit indicators						
Co-benefit 1: GHG emissions reductions (reduced emissions and removals from waste management, recycling/resource efficiency, and AFOLU/agroforestry activities)	tCO ₂ eq emissions reductions	Annex 22 GHG accounting workbook; annual ESG and impact reports from investee Pacific/local SMEs and community-owned cooperatives; facility intake logs, transport manifests, waste diversion records, recycling volumes, utility and fuel consumption records; GIS/satellite imagery and field verification for AFOLU activities; annual APR reporting; independent verification where required.	0	621,668 tCO ₂ eq	1,927,105 tCO ₂ eq over the 10-year programme period	Mitigation impacts are reported as co-benefits of this adaptation-focused programme and are calculated using the conservative methodology in Annex 22. Emission reductions/removals are estimated as the net difference between baseline and project scenarios for each eligible activity. Recycling and material recovery are quantified using CDM AMS-III.AJ; improved waste management and methane avoidance using CDM ACM0022 and TOOL04; and AFOLU/agroforestry removals using the FAO EX-ACT tool. The calculations apply conservative IPCC/CDM default or lower-bound parameters where local data are unavailable, exclude uncertain leakage or rebound effects unless demonstrable, and report only the MPF1-attributable equity share. Results are aggregated in the Annex 22 GHG

						accounting workbook and the MRV framework.
Co-benefit 2: Reduced environmental health risks and disease vectors through critical waste infrastructure upgrades	Volume of waste safely disposed of or recycled by portfolio Pacific/local SMEs and community-owned cooperatives.	Weighbridge dockets; Production logs verified by site audits.	0	466,181	1,214,391 tonnes (combined disposal + recycling)	Plastics and organics managed via MRFs minimise cyclone- and storm-surge-driven leakage of waste into reefs
Co-benefit 3: Strengthened national economic resilience through increased foreign exchange earnings and formal sector fiscal revenue	Estimated contribution of corporate income taxes to Pacific SIDS Governments	Verified by annual account lodgements and audits	0	USD 10.2 million	USD 40.8 million	Strengthening SIDS finance capacity and enabling governments to respond to climate shocks
Co-benefit 4: Improved employment, wages, productive transformation and living standards through the creation of globally equitable "green" jobs and more diverse rural incomes	Number of direct formal jobs created	Portfolio company HR and payroll records	0	1,057	1,057 direct jobs	Job creation figures are estimated based on the current indicative pipeline of investments See Annexes 23a and 23b; the 1,057 jobholders are included within the 62,058 unique direct beneficiaries.

E.6. Project/programme activities and deliverables

Activities	Description	Sub-activities	Deliverables
Activity 1.1.1: Originating pipeline and screening for climate rationale	Deal screening. Stakeholder mapping and community-informed screening for opportunities involving Indigenous land, natural resources, cooperatives, or community-owned enterprises.	Sub-activity 1.1.1.1 Proactive sourcing of aligned prospects through strong local networks. Sub-activity 1.1.1.2 Initial screening to ensure Pacific/local SMEs and community-owned cooperatives meet legal and investment criteria. Sub-activity 1.1.1.3 Environmental and social (E&S) assessments for compliance	- Pipeline of ~18 SMEs identified - ESS assessments

		Sub-activity 1.1.1.4 Internal Investment Team (IIM) approval to advance deals to evaluation.	
Activity 1.1.2: Assessing impact feasibility and commercial viability	Deal Evaluation. Seeking stakeholder, community input into the evaluation of key risks, adaptation impacts, and gender considerations.	Sub-activity 1.1.2.1 Conducting KYC checks. Sub-activity 1.1.2.2 Assessing key success factors, risks, climate adaptation impacts, and gender considerations. Sub-activity 1.1.2.3 Progressive screening for deeper compliance evaluations. Sub-activity 1.1.2.4 Second pitch to IIM for approval to proceed to deal readiness.	- Assessment of alignment to investment mandate and KYC checks
Activity 1.1.3: Conducting fiduciary, legal, and E&S due diligence.	Deal Readiness. Business planning, ESAPs, GAPs, and 180-day plans are co-developed through participatory workshops and consultations, not only prepared technically.	Sub-activity 1.1.3.1 Collaborating with potential investees on business planning, financial modelling, impact projections, and pitch decks. Sub-activity 1.1.3.2 Developing Environmental and Social Management Systems (ESMS) and Gender Action Plans. Sub-activity 1.1.3.3 Preparing 180-day project plans and term sheets for committee approval.	- Business Planning - ESMS and GAPs - 180-day Project Plans
Activity 1.1.4: Structuring investments	Due Diligence and Final IC Approval. Final structuring includes validation of benefit-sharing (where relevant), governance, ESAP/ESMS actions, and consent arrangements with affected stakeholders before IC approval.	Sub-activity 1.1.4.1 Conducting comprehensive legal, tax, ESG, and impact due diligence. Sub-activity 1.1.4.2 Negotiating term sheets and finalising Confidential Information Memos. Sub-activity 1.1.4.3 Securing IC approval for investment readiness.	- Investee training - Due Diligence reports - Terms Sheets - Confidential Information Memos
Activity 1.1.5 Deploying Capital	Investment Closing	Sub-activity 1.1.5.1 Executing legal agreements and corporate documents. Sub-activity 1.1.5.2 Implementing closing checklists to finalise investments and call capital.	- Legal agreements - Corporate documents - Investment disbursed to SMEs
Activity 1.2.1 Structuring commercial linkages and operationalising interconnected supply chains	The Portfolio Advisor actively brokers and formalises relationships within the portfolio to secure revenue and reduce import dependence.	Sub-activity 1.2.1.1: Establishing cross-portfolio supply agreements Sub-activity 1.2.1.2: Implementing shared logistics and resource pools Sub-activity 1.2.1.3: Integrating production cycles	- Supply agreements - MOUs

Activity 1.3.1: Creating portfolio value and active co-management	Portfolio value creation: The Portfolio Advisor executes a structured active co-management strategy to mandate the adoption of regenerative business models and drive value and resilience. Annual community review talanoa and governance reviews are part of active co-management for relevant Pacific/local SMEs and community-owned cooperatives.	Sub-activity 1.3.1.1: Onboarding and building processes Sub-activity 1.3.1.2: Executing active co-management and Gender Action Plans Sub-activity 1.3.1.3: Preparing for leadership transition	- Active co-management of portfolio Pacific/local SMEs and community-owned cooperatives - Value creation - Gender-smart tools implemented and gender-sensitive HR policies developed
Activity 1.3.2: Monitoring and evaluating financial and impact performance	This activity ensures rigorous oversight through a structured quarterly data cycle.	Sub-activity 1.3.2.1: Collecting performance data Sub-activity 1.3.2.2: Reporting and analysis Sub-activity 1.3.2.3: Review on hold or exit	- Quarterly monitoring reports of financial and impact data
Activity 1.4.1: Executing exit strategy and securing local ownership	Exit: MPF1 aims to exit investments and achieve returns mostly through self-liquidating instruments, ensuring wealth and assets are retained locally.	Sub-activity 1.4.1.1: Transferring control to local teams Sub-activity 1.4.1.2: Executing self-liquidating exits Sub-activity 1.4.1.3: Maximising cluster value	- Executed share of transfer deeds - Company Registry documents - Final financial performance reports
Activity 1.5.1: Providing pre-investment support to pipeline companies	Provides early-stage support to develop the pipeline companies, reducing transaction costs and bridging the capability gap for local founders. Support covers consultation facilitation, translation, participatory planning, and community-facing technical assistance during pre-investment. Stakeholder engagement costs (consultation, facilitation, translation, workshops and	Sub-activity 1.5.1.1: Business planning and financial structuring Sub-activity 1.5.1.2: Feasibility and risk assessments Sub-activity 1.5.1.3: Pilot design and regulatory support Sub-activity 1.5.1.4 Provide mandatory Board and Executive training to potential investees	- Funding for external consultants - Support to enhance Business Planning. - Impact and Sustainability Plans and related documentation outlining intended environmental, social, and economic outcomes.

	grievance follow-up) are also supported.		
Activity 1.5.2: Providing post-investment support to portfolio company for operational growth and impact	Once invested, support shifts to impact acceleration, providing the specialist expertise required to transition companies toward regenerative, gender-equitable operations.	Sub-activity 1.5.2.1: Building capacity and governance Sub-activity 1.5.2.2: Implementing regenerative standards Sub-activity 1.5.2.3: Operational innovation and exit support	- Third-party certification audit reports (e.g MSC) - Regenerative transition plans - Operational enhancement
Activity 1.5.3: Establishing fund-wide impact and E&S architecture	Embeds robust fund-wide systems for ESG, safeguards, gender-smart investing, impact measurement and reef-health monitoring, as well as stakeholder engagement platforms that align with NDCs/NAPs and country programmes and persist beyond GCF support. Stakeholder engagement platforms include annual regional simulations, recurring community consultations, grievance uptake channels, and disclosure mechanisms in local languages. Stakeholder engagement costs (consultation, facilitation, translation, workshops and grievance follow-up) are financed. Supports cost of key impact and ESG team members (supported by TAF).	Sub-activity 1.5.3.1: Impact Measurement and Management (IMM) Sub-activity 1.5.3.2: Strengthening the enabling environment Sub-activity 1.5.3.3: Institutionalising fund capacity	- Impact design and implementation - ESG planning, monitoring and reporting - Stakeholder engagement - Ecosystem health monitoring
Activity 1.5.4: Capacity building and developing talent	Capabilities of investees are improved through education via Portfolio Advisor and TA providers.	Sub-activity 1.5.4.1: Capacity programs developed at the fund level and delivered to all investees	- Training programs

		Sub-activity 1.5.4.2: Bespoke training developed specifically for portfolio companies.	
Activity 1.5.5: Seed investments - SAFEs for community-owned cooperative businesses	Seed investments for community-owned cooperative businesses to reach bankability.	Sub-activity 1.5.5.1: Seed investments made into select companies on a needs basis via Simple Agreements for Future Equity.	- SAFEs

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

179. MPF1 will employ a robust monitoring and reporting system with integrated ESG metrics. This system has been established and will be supported by an ESG advisory firm retained by the EE to provide expertise in ESG compliance, impact measurement, and benchmarking fund performance against sustainability goals. Financial monitoring and reporting will be supported by a fund administrator, ensuring regulatory compliance and providing timely financial and performance reports. Regular updates on portfolio performance, ESG integration efforts, and incident reporting are shared with stakeholders, adhering to Institutional Limited Partners Association (ILPA) Principles 3.0. An external auditor will be appointed to conduct annual audits of MPF1's financial accounts to ensure compliance with regulatory requirements and provide assurance on fund performance. MPF1 will establish programme-specific arrangements for monitoring and reporting: (i) Quarterly: MPF1 will produce unaudited quarterly Financial Reports and detailed ESG and Impact Dashboards; (ii) Annually: Comprehensive audited Financial Statements and Impact Assessment Reports (ESG compliance and climate resilience contributions are evaluated using metrics such as coral reef health improvements and gender equity indicators) are prepared annually.

180. Adaptive management: MPF1 will embed a structured adaptive management framework within its oversight protocols. This framework will mandate regular (e.g. biennial) review of the fund's logframe (Section E) and ToC, creating a formalised mechanism to update, validate, or adjust performance targets as the portfolio evolves over the 10-year lifespan. Crucially, the fund recognises that current baseline and impact targets are modelled on an indicative pipeline. As the portfolio takes concrete shape, a logframe will be revisited. Once investee Pacific/local SMEs and community-owned cooperatives move past final approval and are formally onboarded into the fund, they will begin reporting directly on their specific, contractually mandated indicators. At onboarding, the AE will require an investment-level beneficiary baseline and counting plan covering unique identifiers, primary categories and intensity, relevant disaggregation, geographic footprints, population sources, attribution and overlap treatment, and will recalibrate assumptions and targets against verified investee baselines. This logframe ensures that the fund establishes highly realistic, accurate, and portfolio-informed targets that maximise accuracy of result reporting without compromising accountability.

181. Interim evaluations focus on assessing progress toward predefined milestones, including financial performance benchmarks (e.g., revenue growth) and impact metrics. Final evaluations comprehensively analyse the Programme's contributions to a paradigm shift in climate resilience and enabling environments.

Data Verification, Roles, and Third-Party Validation

182. Given the diverse nature of the SME portfolio, MPF1 employs a multi-tiered data verification process to ensure data quality, consistency, and comparability across all investments:

I. **Internal Roles and Quality Assurance (QA/QC)** Data reported by portfolio Pacific/local SMEs and community-owned cooperatives undergoes strict internal verification before it is consolidated at the fund level. The roles are defined as follows:

- **Relationship Managers (RMs):** Responsible for the primary collection of quarterly financial and IRIS+ impact data directly from their assigned portfolio Pacific/local SMEs and community-owned cooperatives.

- **Financial Accountant & Controller (FAC):** Serves as the independent QA/QC check. The FAC uses a standardised Financial Statement Quality Checklist to verify the integrity and accuracy of the portfolio company-generated data. If significant errors or inconsistencies are found, the FAC and RM initiate immediate corrective action meetings with the SME's management.
- **Portfolio Manager (PM):** Drives the overall reporting process, ensures final data completeness, and manages the aggregation into the central Portfolio Company Dashboard to ensure comparability across the Fund.

II. **Standardised Data Collection** To ensure comparability across a diverse portfolio, all SMEs are contractually required to self-report using standardised templates that harmonise with the Global Impact Investing Network (GIIN) IRIS+ system and 2X Challenge criteria. Additionally, beneficiary data will rely on unique beneficiary and catchment registers plus auditable investee records, supported by cross-investee duplicate checks, climate-attribution and overlap review, plausibility checks and sampling-based validation.

III. **Independent Third-Party Validation** MPF1 utilizes AE Fee and the complementary, third-party funded TAF to finance independent, third-party validation, ensuring ultimate data integrity and avoiding self-reporting bias:

- **Independent Impact Reviews:** The TAF commissions external, independent impact and ESG experts to conduct periodic Impact Reviews. These experts verify the reported KPI data (climate, reef, gender, socio-economic), assess data quality and consistency, and highlight material limitations or impact risks.
- **Specialist GHG and Ecological Verification:** Where required, independent third-party verification is commissioned to review the underlying operational data, site conditions, and calculation outputs for GHG emission reductions (e.g., waste diversion weighbridge dockets).
- **Mid-Term and Final Evaluations:** Comprehensive assessments of the Fund's outcomes are conducted by independent External Evaluators, assessing both quantitative metrics and qualitative changes at the mid-point and end of the Fund's life

183. The AE will maintain the following structured reporting relationships:

- **NDA:** Regular updates are provided to the NDA/Focal Point on project indicators, implementation challenges, and financial status.
- **Portfolio Pacific/local SMEs and community-owned cooperatives:** Portfolio Pacific/local SMEs and community-owned cooperatives are contractually required to deliver quarterly reports covering financial performance, ESG and impact metrics, progress against any Corrective Action Plans (CAPs), and disclosure of any incidents or risk events. Reporting must align with standardised templates harmonised to GIIN IRIS and 2X Challenge metrics, and will be facilitated, if feasible and cost effective, through digital platforms to allow for real-time tracking of ESG compliance and performance milestones. Annually, Pacific/local SMEs and community-owned cooperatives must provide a comprehensive report on their environmental, health, safety, and social compliance within three months after each financial year.
- **LPs / Investors:** The Fund provides comprehensive quarterly and annual audited reports to Limited Partners (LPs), following industry-standard templates such as the ILPA quarterly fee and capital account reporting template. Reports include a review of financial, operational, and ESG performance, major risk events, value creation initiatives, and the status of each portfolio company. Annual ESG Impact Reports provide an in-depth summary of impact outcomes and ongoing challenges.

184. The governance framework integrates systematic evaluation mechanisms:

- **LPAC:** Provides oversight on fund governance, including compliance with partnership agreements and monitoring non-financial disclosures like ESG integration.
- **Independent Audits:** Financial audits by external auditors will ensure regulatory compliance and validate fund performance benchmarks.

- Continuous Disclosure: Both AE, EE and Portfolio Pacific/local SMEs and community-owned cooperatives will operate under a continuous disclosure framework for material events affecting Programme outcomes.

185. By embedding rigorous monitoring, reporting, and evaluation protocols into its operations, MPF1 ensures alignment with GCF standards while fostering transparency and accountability across all stakeholders.

F. RISK ASSESSMENT AND MANAGEMENT

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

As a fund manager in the Pacific, where there is very limited private equity investment track record, MPF1 faces risks that could potentially hinder achievement of its objectives. These include financial risks, operational risks, macroeconomic and political risks, and compliance risks. In addition, climate-related hazards such as extreme weather events may disrupt portfolio Pacific/local SMEs and community-owned cooperatives and the Fund's own operations. Mitigation measures include leveraging the team's deep local knowledge and networks, a robust investment and LP pipeline, a diversified investment strategy, strong governance framework, and selective use of external experts. By proactively identifying and managing these risks, MPF1 is well positioned to ensure successful implementation and to deliver resilient outcomes.

Selected Risk Factor 1 Financial Risk - Capital Deployment

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

Description

MPF1 may face slow or limited capital deployment due to the small and fragmented markets of Pacific Island countries, which may constrain the number of investment-ready enterprises.

Mitigation Measure(s)

MPF1 currently has ten investment-ready or near-ready deals in Fiji, while the remaining ~8 investments will be originated and closed across Fiji, Tonga, and Vanuatu during Years 4–5 to reach the full ~18-company portfolio (three anchor opportunities have been identified in Tonga and Vanuatu, with approximately five further investments to be sourced during deployment). Deals are at different stages: 10 are investment-ready or near-investment ready and some are in early stages of due diligence, while other new opportunities are being screened. MPLs team brings six years of direct origination experience. Channels for pipeline development include ongoing community engagement, direct business support, and partnerships with development finance institutions and local authorities. MPF1's "interconnected deal flow" approach builds synergies within the portfolio (joint procurement, shared market access, supply chain resilience), making deployment more scalable and resilient. This model, together with local credibility and international recognition, positions MPL to originate and close additional deals efficiently, even in difficult markets.

Selected Risk Factor 2 Financial Risk - Fundraising

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

Description

As a fund manager in a frontier region, MPF1 may face challenges in securing sufficient commitments to reach a viable fund size, constraining its ability to diversify investments and achieve intended adaptation outcomes. The same risk applies to the complementary, wholly donor-funded TAF, for which no funding is secured as at the date of this proposal.

Mitigation Measure(s)

MPF1 has a diversified pipeline of LPs. Advanced discussions and DD totalling ~USD 55 million are underway with major MDBs, DFIs and a Family Office. Discussions with further LPs have commenced, including other Bilateral Development Finance Institutions, Bilateral Government Grant Donors and MDBs. These conversations have generated active requests for follow-ups and additional documentation. A deeper LP funnel with over USD 75 million of institutional and commercial prospects has been mapped and a placement agent may be retained on a success-fee basis to help secure final commitments. To mitigate fundraising risks, MPF1 has set an achievable first-close target (USD 30 million, fund model provided in Annex 3). The financial model demonstrates that while projected returns decrease (fund net IRR of 12.1% and MOIC of 1.78x on called capital in the base case) the fund is still viable and portfolio diversification can be maintained at minimum fund size by focusing on a pipeline of ~12 Pacific/local SMEs and community-owned cooperatives, staged capital deployment, and a robust reserve pipeline. On technical assistance, the Fund is designed to operate under both the USD 3.0 million target TAF and a USD 1.0 million minimum viable scenario, with climate, environmental and social, and gender support to portfolio companies delivered under either; the GP and the Portfolio Advisor have undertaken to use commercially reasonable endeavours to establish a facility of not less than USD 1.0 million.

Selected Risk Factor 3 Financial Risk - Liquidity/FX/Exit		
Category	Probability	Impact
<u>Technical and operational</u>	<u>Medium</u>	<u>High</u>
Description		
The Pacific Islands have a limited track record of private equity exits, with few secondary buyers, capital markets, or M&A opportunities. This creates a risk that MPF1 may face difficulties in realizing investments and returning capital to investors.		
Mitigation Measure(s)		
MPF1 mitigates exit and FX risk by combining self-liquidating instruments with portfolio-level liquidity management, disciplined exit timing and enforceable contractual protections. Around 80 percent of investments use redeemable preference shares and demand-dividend structures with agreed amortisation and balloon repayments, while the remaining 20 percent target trade sales or IPOs to identified local and regional institutional buyers, timed to coincide with stronger cashflows and market conditions. Early cashflows are partially retained as a portfolio-level liquidity reserve through recycling, reducing pressure to force sub-optimal exits, and all shareholder agreements include pre-agreed buy-back formulas, step-in rights and first-refusal provisions in favour of local owners. FX risk is further managed by prioritising USD or USD-pegged instruments and pipeline Pacific/local SMEs and community-owned cooperatives with export or other foreign-currency earning capacity and, for local-currency deals, by sequencing exits into periods of more favourable FX conditions and embedding minimum USD-equivalent return thresholds aligned with the Fund's USD obligations.		
Selected Risk Factor 4 Team Capacity and Key Person Risk		
Category	Probability	Impact
<u>Technical and operational</u>	<u>Medium</u>	<u>Medium</u>
Description		
<i>Please describe the risk to the best of your knowledge at this point in time.</i> Recruiting and retaining skilled investment professionals in Pacific Island markets can be challenging due to limited local talent pools and competition for qualified staff. This could affect the Fund's ability to execute its investment strategy and manage its portfolio effectively.		
Mitigation Measure(s)		
The Portfolio Advisor is actively executing a structured hiring plan: several high-potential team members have been identified and are contributing part-time, with transitions to part-time and full-time roles following closing. The Portfolio Advisor is also recruiting a Senior Investment Manager to fortify operational resilience, with this hire set to co-lead day-to-day operations and support scale-up across Pacific Island countries. One of the two current co-GPs will focus on Chairing the IC, Fiji strategy and LP relations, with the other co-GP Chairing the MAC and supporting governance. Senior staff (Regenerative Impact Director) and the LPAC & IC Coordinator are positioned to take on expanded duties. Purpose Capital will support pre-close DD deal review and will continue in this role for up to 6 investments after fund closing.		
Selected Risk Factor 5 Macroeconomic/Political Risk - Regional Market Context		
Category	Probability	Impact
<u>Other</u>	<u>Medium</u>	<u>Medium</u>
Description		
Macroeconomic and sectoral/regulatory risks are significant given the Pacific region's economic volatility, fragmented regulatory landscape, and exposure to external shocks. Macroeconomic risks include small market size, remoteness, and dependence on a few vulnerable sectors, all of which heighten sensitivity to global economic disruptions and climate events. Sectoral and regulatory risks stem from evolving policies, inconsistent regulations, and limited enforcement capacity, particularly in fisheries, agriculture, and waste management, which may impact business sustainability and investment certainty.		
Mitigation Measure(s)		

Mitigated through diversification and proactive management. MPF1 invests across multiple PICs and sectors, thereby reducing exposure to localised shocks and changing economic conditions. ~60% of the portfolio targets export-oriented enterprises, which significantly buffers domestic market volatility and limited local demand. Close engagement NDAs ensures early identification of emerging regulatory or policy shifts. This is paired with rigorous pipeline development and due diligence, which test regulatory feasibility ahead of investment, thereby minimising the risk of delayed approvals or non-compliance after capital is deployed.

Selected Risk Factor 6 Climate Change

Category	Probability	Impact
<u>Technical and operational</u>	<u>Medium</u>	<u>Medium</u>
Description		
PICs are exposed to severe climate change risks, including sea level rise, extreme weather events such as cyclones and floods, and resulting disruptions to agriculture and fisheries. These hazards could damage portfolio company assets, supply chains and infrastructure, potentially undermining both MPF1's financial performance and its development impact. The exposure is correlated rather than idiosyncratic: a single severe event reduces investee revenue and the value of the assets against which local finance is secured at the same time, so revenue interruption and collateral impairment arrive together and across several investees at once. Paragraph 117 illustrates the scale involved, the 2022 Tonga volcanic eruption having caused damage equivalent to 36% of nominal GDP. In the Fund's analysis the risk transmits principally through revenue interruption and delayed realisation rather than through damage to assets the Fund itself owns, since MPF1 holds enterprise value in unlisted SMEs rather than physical assets.		
Mitigation Measure(s)		

MPF1 addresses this risk by investing in climate-resilient SMEs and embedding climate risk analysis, design and planning into investment due diligence. Portfolio Pacific/local SMEs and community-owned cooperatives are supported to adopt preparedness measures and to strengthen adaptive capacity. Diversification across multiple countries and sectors further reduces exposure.

Selected Risk Factor 7 AML/CFT, Sanctions, Prohibited Practices

Category	Probability	Impact
<u>ML/FT</u>	<u>Low</u>	<u>High</u>
Description		
Operating in multiple small island economies may expose MPF1 to risks related to money laundering, terrorist financing, or other prohibited practices such as corruption. Weak regulatory capacity in some jurisdictions can heighten these risks and undermine investor confidence.		
Mitigation Measure(s)		

The Portfolio Advisor, under the oversight of the Manager, will apply AML/CFT and compliance standards consistent with international best practices. All investments will be subject to KYC, sanctions screening, and anti-corruption due diligence. The Manager, through its participation in the Investment Committee, will provide continuous supervision, review, and oversight to ensure that these safeguards are consistently applied.

Selected Risk Factor 8 Country Concentration Risk

Category	Probability	Impact
<u>Governance</u>	<u>Medium</u>	<u>Medium</u>
Description		
High portfolio exposure to Fiji may heighten MPF1's vulnerability to country-specific risks such as economic volatility, regulatory changes, political instability, or natural disasters concentrated within Fiji. Significant events affecting Fiji's economy or governance could adversely impact a substantial portion of the fund's invested capital and disrupt intended impact and financial outcomes.		

Mitigation Measure(s)

While up to 13 investments may be in Fiji - leveraging strong local expertise and networks - these deals represent up to 70% of the total capital allocation. The remaining capital is purposefully diversified across other PICs, reducing vulnerability to any single market, and supported by active portfolio monitoring and risk controls, ensuring that both geographic diversification and local depth work together to protect investor interests and fund outcomes.

Selected Risk Factor 9 Limited Business Capabilities of Investees

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

Description

Limited business and operational capacity among investee Pacific/local SMEs and community-owned cooperatives poses a key risk to fund performance and impact delivery. Many Pacific SMEs lack management systems, financial discipline, and experience accessing external capital, which can result in weak project execution, poor governance, and reduced capacity to scale; this heightens the likelihood of failed investments.

Mitigation Measure(s)

Mitigation measures focus on a hands-on active ownership approach leveraging the core team's operational expertise. The Fund secures board representation and key veto rights to exercise significant influence over business decisions, while actively co-owning projects alongside local management teams. Reserved matters and contractual terms enable the fund to step in and implement corrective actions when investee performance, governance, or impact outcomes deviate from agreed targets, ensuring oversight and the ability to enforce operational and financial discipline aligned with impact goals.

Selected Risk Factor 10 Early-Stage Exposure Risk

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

Description

Exposure to early-stage enterprises presents a key risk to fund performance, as such businesses often have limited operating history, unproven business models, and minimal track record navigating market or regulatory complexity. These factors increase the likelihood of business failure, capital loss, delays in scaling, and challenges in establishing robust governance and risk management, thereby heightening volatility of returns and making it more difficult to build a diversified, investable pipeline of resilient enterprise.

Mitigation Measure(s)

The MPF1 portfolio composition balances investments between pure startups, contract-backed startups, and growth enterprises, limiting capital allocation to the purest startups (just 15% of portfolio value) while emphasising more mature, revenue-generating and contract-backed businesses. Risks are managed through staged capital deployment linked to milestones, strong investor rights and covenants, and the use of blended finance instruments to buffer potential losses.

Selected Risk Factor 11 Portfolio Concentration Risk

Category	Probability	Impact
<u>Governance</u>	<u>Medium</u>	<u>Medium</u>

Description

High concentration of commitments in a limited number of Pacific/local SMEs and community-owned cooperatives, sectors, or instruments at deployment, during holding, or at exit could expose MPF1 to idiosyncratic shocks that materially affect returns and impact outcomes. This risk is elevated in an emerging, unrated market with shallow exit options where several larger investments anchor the portfolio alongside smaller community-owned enterprises; under-performance of one or more large deals could weaken overall fund performance and delivery of climate resilience and gender-equity outcomes.

Mitigation Measure(s)

MPF1 targets ~18 investments across waste, agriculture, fisheries and tourism, balancing several larger, more profitable deals with smaller community-owned businesses to diversify exposure by size, sector and business model. The investment process applies a staged deployment plan and clear limits on maximum exposure per single investee and per cluster of related businesses, including at the commitment stage and prior to approving follow-on capital, to avoid excessive reliance on any single asset or sector. Active co-ownership, quarterly portfolio reviews and fund-level scenarios are used to detect emerging concentrations and adjust deployment, technical assistance and exit sequencing. Use of self-liquidating instruments (preference share balloons, demand dividends), diversified exits (self-liquidation, trade sales, IPOs) and blended finance structures (first-loss capital and TA) supports staggered cashflows and multiple exit routes, reducing dependence on single large exits.

G. GCF POLICIES AND STANDARDS

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

186. The AE has categorised this Programme as Category I-2, indicating medium environmental and social risks. This classification is based on the potential for adverse impacts that are site-specific, largely reversible, and can be mitigated through targeted measures. The categorisation aligns with the GCF ESS standards and was determined through a structured risk screening process outlined in MPL's ESMS.
187. At the fund level, an Environmental and Social Management System (ESMS) has been developed as a comprehensive framework that includes risk categorisation, due diligence, monitoring, grievance mechanisms, and corrective action plans. At the portfolio level, investment-specific assessments and management plans have not yet been developed; these will be prepared during the programme implementation period once specific investments are identified and finalised. The specific instruments developed during implementation will be commensurate with the investment's context: for new projects, fit-for-purpose Environmental and Social Impact Assessments (ESIAs) and Environmental and Social Management Plans (ESMPs) will be developed; for existing facilities, Environmental and Social Audit Reports or Due Diligence Reports with Corrective Action Plans (or ESAPs) will be required. Other applicable plans, such as Indigenous Peoples Plans (IPPs), will also be prepared during implementation as required.
188. The ESMS ensures the following key outcomes: (i) Screening of all portfolio Pacific/local SMEs and community-owned cooperatives against exclusion lists; (ii) Categorisation of risks strictly into Category B (medium) or Category C (low) as per the GCF Environmental and Social Policy (RESP); (iii) Development of appropriate investment-specific ESIAs/ESMPs or Audit Reports during programme implementation to mitigate identified risks; (iv) Contractual obligations of portfolio Pacific/local SMEs and community-owned cooperatives; and (v) Annual audits to ensure compliance. Under no circumstances will the Fund support projects categorised as Category A (high risk) or Category B+ (medium-high risk). These are strictly excluded in compliance with the requirements of the PSAA, which limits GCF proceeds to Category B and C investments.
189. The primary E&S risks identified include: (i) Environmental Impacts: Pollution control, waste management, biodiversity loss; (ii) Social Risks: Labor rights violations, gender inequality; (iii) Indigenous Peoples' Impacts: Potential marginalisation or cultural harm; (iv) Climate Risks: Transition risks due to carbon pricing or physical climate impacts.
190. To address / mitigate these risks portfolio Pacific/local SMEs and community-owned cooperatives are required to implement pollution control measures and biodiversity action plans; labour rights are safeguarded through compliance with international standards such as the International Labour Organization's principles; FPIC is ensured for all projects affecting indigenous communities, and an ESG Committee will be established comprising Investment Managers, relevant Senior Advisors and external consultants to oversee implementation and regular reviews of the MPF1 ESMS and portfolio company ESIAs.
191. Rigorous due diligence is conducted at the portfolio company level through ESG assessments integrated into investment analysis; ESIAs conducted where necessary and ESG corrective action plans are developed collaboratively with portfolio Pacific/local SMEs and community-owned cooperatives. Oversight arrangements include regular monitoring, annual reporting on ESG performance by portfolio Pacific/local SMEs and community-owned cooperatives, and external audits where necessary. Due diligence is also conducted on third party service providers through screening and compliance checks of third-party service providers' qualifications, past performance, and compliance with its ESMS, Code of Business Ethics, and relevant policies (e.g., Fraud Prevention Policy). This includes ensuring alignment with IFC Performance Standards and GCF requirements. Service providers deliverables are reviewed for quality and compliance. Investment Managers oversee service providers' work to ensure alignment with investee goals, elevating any concerns to the ESG Committee. A grievance mechanism has been established and is accessible via email for stakeholders to report concerns confidentially. Portfolio Pacific/local SMEs and community-owned cooperatives are contractually required to implement similar mechanisms in line with IFC Performance Standards.
192. While MPF1's longest operating history and initial pipeline origination (2019-2025) involved intensive, structured consultations primarily in Fiji, our comprehensive stakeholder engagement approach applies across all target countries supported by the Fund, including Vanuatu and Tonga. These processes involve *talanoa*-style dialogues, small-group meetings, and workshops with traditional leaders, cooperative representatives, enterprise owners, women, and youth. They directly inform which opportunities progress in the pipeline, how business models and benefit-sharing arrangements are designed, and which adaptation and gender outcomes are prioritised. During implementation, for every investment across Fiji, Vanuatu, and Tonga, stakeholder mapping, disclosure,

consultation, grievance access, FPIC processes (where relevant), and monitoring arrangements will be adapted to the specific country and local context and implemented throughout the investment lifecycle. This will be conducted in strict accordance with GCF's Information Disclosure Policy and the MPF1 Stakeholder Engagement Plan (Annex 7)

193. The programme recognises the potential for impacts on indigenous peoples due to land use changes or cultural disruptions. Mitigation measures therefore include: (i) development, where required, of project-specific Indigenous Peoples Plans (IPPs) or equivalent measures tailored to each portfolio company's context; (ii) application of FPIC processes throughout the project lifecycle, including where material changes to scope or risk profile occur; and (iii) incorporation of Indigenous knowledge systems into portfolio company business planning and land and marine use design. To ensure accessibility and trust, consultations and FPIC processes will be conducted in local languages where necessary, using culturally appropriate formats and safe spaces (including dedicated sessions for women and youth), and with the support of trusted local focal points. All safeguard reports, including ESIA's, ESMPs, IPPs and stakeholder consultation records, will be disclosed in line with GCF requirements and made publicly available on MPL's website and, where relevant, through in-country channels (such as local notice boards) within 30 days of finalisation.

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

194. A comprehensive Gender Assessment (GA) and Programme-level Gender Action Plan (GAP) has been established for MPF1, aligning with the GCF's Gender Policy. The GA identifies systemic barriers to gender equity in the Pacific, such as patriarchal norms, high rates of gender-based violence, and limited economic participation for women. MPF1's GAP aims to address these barriers by fostering women's empowerment through targeted investments in waste management, agriculture, fisheries, and tourism. The plan integrates culturally sensitive strategies while promoting gender-equitable business practices like equal pay, flexible hours, childcare support, male advocacy and zero tolerance for harassment.
195. The GAP is aligned with the 2X Challenge and includes specific actions to transition women from informal sectors into formal employment with legal protections and professional development opportunities including women's business leadership training and internship programs for future women business leaders. Key Findings from the Gender showed that women in the Pacific face disproportionate economic exclusion, unpaid care burdens (averaging 80 hours/week), and underrepresentation in leadership roles (e.g., only 10% of CEOs in Fiji are women), and that entrenched gender stereotypes, lack of workplace protections, and societal norms perpetuate inequality. Furthermore, women are overrepresented in informal sectors with limited access to legal rights.
196. Key recommendations to address vulnerabilities include (i) Promoting women's leadership through mentorship programs and peer-to-peer learning platforms; (ii) Transitioning informal sector workers into formal employment with workplace protections like equal pay and anti-harassment policies, and (iii) Engaging male advocates to challenge regressive norms and foster inclusive workplaces. Inclusive consultations were conducted with local communities, including group and one-on-one discussions with women to ensure culturally relevant solutions. Key inputs integrated include (i) Addressing vulnerabilities to ensure equal participation in MPF1 investments through tailored workplace policies; (ii) Setting measurable gender-related targets such as achieving 30% women's representation on boards across portfolio Pacific/local SMEs and community-owned cooperatives, and (iii) Gender Action Plans at the portfolio company level (deal-by-deal). These consultations will continue throughout implementation on a deal-by-deal basis to inform the design, validation and periodic updating of portfolio company Gender Action Plans and related workplace measures. Women's participation will be supported through culturally appropriate engagement methods, including targeted small-group and one-on-one consultations where needed, and the use of safe participation pathways to ensure that women's perspectives continue to shape implementation, monitoring and adaptive management. Expected Gender-Related Results are as follows: (i) Leadership Representation: Ensure at least one woman holds a CEO or C-suite position in each portfolio company; (ii) Workforce Inclusion: Transition women into formal employment with legal protections across all portfolio Pacific/local SMEs and community-owned cooperatives; (ii) Compliance with 2X Challenge KPIs: Achieve a target of at least 30% women's representation on boards or in senior management (where feasible and context-appropriate); ensure a significant proportion (target 30–50%) of portfolio Pacific/local SMEs and community-owned cooperatives meet or exceed the 2X Challenge criteria. A Gender Specialist will be on MPF1's ESG Committee to guide gender initiatives. Monitoring frameworks are aligned with 2X Challenge KPIs and regular reporting ensures accountability, while TA programs support capacity building.

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

197. The AE and co-EEs utilise financial management systems to ensure transparency, accountability, and compliance with fiduciary and regulatory standards across jurisdictions. The structure leverages experienced service providers and rigorous governance mechanisms as follows:
1. Financial Monitoring Systems: Monitoring platforms provided by MPF1's Fund Administrator, a globally recognised Singaporean firm. The Fund Administrator ensures comprehensive accounting, financial reporting, investor communications, and compliance with regulatory requirements.
 2. Auditing: A Singapore firm is appointed as MPF1's external auditor, conducting annual audits to ensure financial accuracy and compliance.
 3. Accounting: Advanced accounting systems managed by the Fund Administrator (at the MPF1 Master Fund Pte. Ltd (the Master Fund) level) and local a Tax and Accounting firm (at the Fiji portfolio advisory level), streamlining cash flow tracking, financial performance evaluation, and regulatory documentation.
 4. Disbursement Structure: Financial flows are managed through a waterfall structure by the Fund Administrator. Disbursements to investors follow pre-agreed mechanisms.
 5. Fund Administration: The Fund Administrator handles all operational and administrative aspects related to fund governance, reporting, and accounting in Singapore.
198. Procurement activities for MPF1, critical to fund management and portfolio operations, adhere to rigorous standards outlined below:
1. Procurement Roles and Responsibilities: EE oversees procurement strategy and governance at the Portfolio Advisor level. AE ensures regulatory compliance at the Manager level. Legal and tax advisors support contracting and compliance, but procurement decisions (specification, solicitation, evaluation, award) remain with the EE/AE under defined procedures in the EPE Outsourcing Policy. Under the programme, the Portfolio Advisor will adopt and apply the Manager's Outsourcing Policy for all procured services, with legal and tax advisors providing supporting advice on contracting and compliance, while all procurement decisions (specification, solicitation, evaluation and award) remain with the AE under competitive, transparent procedures consistent with GCF fiduciary standards.
 2. Procurement Risk Assessment and Mitigation: Procurement focused on vendor selection, cost efficiency, and regulatory obligations. Risk is mitigated by through competitive sourcing as the default method of procurement. Any direct award or limited tendering requires documented justification (market analysis, benchmarking, urgency/uniqueness, conflict checks) and appropriate approvals.
 3. Procurement Plan: Prioritises regional expertise, cost-efficiency, and alignment with impact objectives, focused on fund infrastructure setup, ESG compliance, taxation advisory, and portfolio development. Procurement plan provided in Annex 10.
199. The AE and EE engage service providers to ensure the seamless administration of MPF1 and adherence to international fund management best practices:
1. Fund Administrator: Manages fund management back-office functions, accounting systems, and financial flow management and compliance.
 2. Auditor: Provides independent auditing services to maintain financial transparency.
 3. Legal Counsel: Legal compliance, contractual arrangements, and regulatory documentation.
 4. Tax Advisor: Optimises tax structuring and cross-jurisdictional financial efficiencies.
 5. Back-office support: Manages portfolio advisor back-office functions, including bookkeeping, tax reporting and payroll.

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

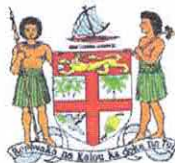
H.2. Other annexes as applicable

- ☐ 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)¹³
- ☒ Annex 23-26 Other references:
 Annex 23a Beneficiary Impact Estimation Model; Annex 23b Beneficiary Impact Estimation Methodology
 Annex 24 Additionality, Risk and Vulnerability Assessments; Vulnerability Assessment Framework

Annex 25 Organisational Structure (diagram)
Annex 26 TAF Manual and Budgets

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

¹³ Annex 22 is mandatory for mitigation and cross-cutting projects.



MINISTRY OF ENVIRONMENT AND CLIMATE CHANGE

Levels 1, 2 & 5, Bali Tower, 318 Toorak Road
P. O. Box 2109, Government Buildings, Suva, Fiji

2 March 2026

The Green Climate Fund
175 Art Center-daero
Yeonsu-gu, Incheon 406-840
South Korea
By E-mail: countries@gcfund.org

Dear Madam, Sir,

Re: Expression of no-objection for the funding proposal titled Matanataki Pacific Fund 1 submitted by Enyorra Private Equity Pte Limited under the project specific assessment approach

We refer to the funding proposal titled Matanataki Pacific Fund 1 submitted by Enyorra Private Equity Pte Limited (EPE) to us on 19 January 2026 under the project specific assessment approach (the "Proposal").

The undersigned is the duly authorized representative of the Ministry of Environment and Climate Change, the national designated authority (NDA) of Fiji.

Pursuant to GCF decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the NDA, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

- a) The government of Fiji has no-objection to the Proposal; and
- b) The Proposal is in conformity with the national priorities, strategies and plans of Fiji.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect EPE to take the necessary measures to ensure that the programme (and its sub-projects) as described in the Proposal is implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Should you require any further information or clarifications, please contact Manager Climate Change, Ms. Genevieve Jiva, via email on genevieve.jiva@environment.gov.fj.

Yours sincerely,



.....
Dr. Sivendra Michael
Permanent Secretary
Ministry of Environment and Climate Change



MINISTRY OF METEOROLOGY,
ENERGY, INFORMATION, DISASTER
MANAGEMENT, ENVIRONMENT,
CLIMATE CHANGE AND
COMMUNICATIONS (MEIDECC)
NUKU'ALOFA, TONGA

Ref: DCC/05/26
To: The Green Climate Fund ("GCF")
Date: 18 May, 2026.

**Re: No-objection Letter in respect of the funding proposal titled,
Matanataki Pacific Fund 1, submitted by Enyorra Private Equity Pte
Limited (EPE) under the project specific assessment approach.**

Dear Madam, Sir,

We refer to the funding proposal titled, **Matanataki Pacific Fund 1**, submitted by the Enyorra Private Equity Pte Limited (EPE) to us on 21 January 2026 under the project specific assessment approach (the "**Proposal**").

The undersigned is the duly authorized representative of Ministry Meteorology, Energy, Information, Disaster Management, Environment, Climate Change and Communications (MEIDECC), the national designated authority of Tonga.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

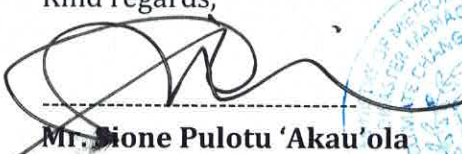
- (a) The government of Tonga has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Tonga.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect the EPE to take the necessary measures to ensure that the programme [and its sub-projects] as described in the Proposal is implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,


Mr. Nione Pulotu 'Akau'ola
Tonga NDA to GCF and
Chief Executive Officer for MEIDECC
Tonga.



GOVERNMENT OF THE
REPUBLIC OF VANUATU

MINISTRY OF CLIMATE CHANGE
ADAPTATION, METEOROLOGY,
GEO-HAZARDS, ENVIRONMENT &
ENERGY & NDMO

PMB 9074, PORT VILA
VANUATU



GOUVERNEMENT DE LA
RÉPUBLIQUE DE VANUATU
MINISTÈRE DE L'ADAPTATION AU
CHANGEMENT CLIMATIQUE, LA
MÉTÉOROLOGIE, LES RISQUES
GÉOLOGIQUES, ENVIRONNEMENT &
ÉNERGIE & NDMO
SPR 9074, PORT-VILA, VANUATU

Tel: (678) 22068

Website: www.mocca.gov.vu

Ref: MoCC/NAB Sec/DG/G CF /012625 #

To: The Green Climate Fund ("GCF")

Port Vila, Vanuatu, 2nd February 2026

Re: Expression of no-objection for the funding proposal titled Matanataki Pacific Fund 1 submitted by Enyorra Private Equity Pte Limited (EPE) under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled **Matanataki Pacific Fund 1** submitted by EPE to us on 19 January 2026 under the project specific assessment approach (the "**Proposal**").

The undersigned is the duly authorized representative of the Ministry of Climate Change Adaptation, Meteorology & Geo-Hazards, Energy, Environment and Disaster Management the national designated authority of Vanuatu.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

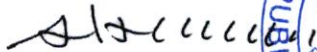
- (a) The government of Vanuatu has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Vanuatu

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

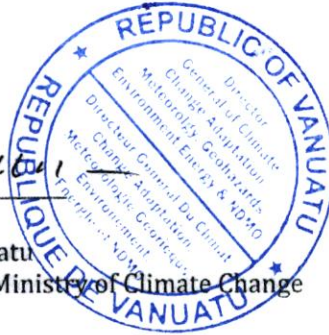
Notwithstanding the foregoing, we expect EPE to take the necessary measures to ensure that the programme [and its sub-projects] as described in the Proposal is implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,



David Gibson
GCF NDA for Vanuatu
Director General, Ministry of Climate Change
Vanuatu



Environmental and Social Safeguards (ESS) Report Disclosure Form

Basic project or programme information	
Project or programme title	Matanataki Pacific Fund 1
Potential sub-project(s) anticipated after GCF Board approval	Yes
Sector (public or private)	Private
Accredited entity/Project-specific Assessment Approach (PSAA) applicant	Enyorra Private Equity Pte. Ltd.
Environmental and social safeguards (ESS) category	Category I-2
Location – specific location(s) of project or target country or location(s) of programme	Fiji, Tonga, Vanuatu
Safeguard Documents: Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plans (ESMPs), Environmental and Social Management System (ESMS), Environmental and Social Management Framework (ESMF), Environmental and Social Due-Diligence (ESDD) report, Land Acquisition and/or Resettlement Action Plan (LARAP), Indigenous Peoples Plan (IPP), Indigenous Peoples Planning Framework (IPPF), Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF) etc. (as applicable)	
Date of disclosure on entity's website	Friday, September 11, 2026
Language(s) of disclosure	English
Explanation on language	English is the official language of Fiji, Tonga, and Vanuatu.
Link(s) to disclosure	Environmental and Social Management System (ESMS) English: https://enyorra.org/policies
Other link(s)	Matanataki Pte. Ltd (co-EE): English: https://matanataki.com/wp-content/uploads/2026/08/Annex-6_2026-08-12-MPL_MPF1_ESMS-and-Appendices.pdf
Remarks on compliance with GCF policies	ESS reports consistent with the requirements for a Category I-2 programme are contained in the documents above, and the ESMS includes an Annex on Indigenous Peoples Planning Framework.
Disclosure in locations convenient to affected peoples (stakeholders)	
Date(s)	Thursday, September 10, 2026
Place(s)	The Accredited entity/Project-specific Assessment Approach (PSAA) applicant shall make the ESMS available in physical locations as well as online. Physical locations shall include: • Provincial Offices • Department of Environment Offices • Office of the National Designated Authority • Matanataki registered office

	With a series of announcements of sharing the document in the main newspapers of Fiji, Tonga and Vanuatu
Date of Board meeting in which the FP is intended to be considered	
Date of entity's Board meeting	N/A
Date of GCF's Board meeting	Monday, October 26, 2026

Note: This form was prepared by the entity stated above.

Secretariat's assessment of the project-specific assessment approach applicant

1. The Secretariat has assessed the document titled "**PSAA accreditation: application and review checklist**" submitted by Enyorra Private Equity Pte Ltd ("EPE", the "applicant") against the GCF accreditation standards. The results of the project-specific assessment approach (PSAA) applicant capacity assessment and the Secretariat's endorsement and recommendations for GCF PSAA accreditation are as follows:

Overall capacity	Medium The entity has a governance and financial management system, a functioning control framework, including risk management, and systems and policies in place to prevent money-laundering and the financing of terrorism and other prohibited practices, such as fraud and corruption. It also has the capacity to manage environmental and social risks and impacts, with a moderate likelihood that any potential negative impacts could affect its ability to implement the project as designed. Given its small size, the entity currently has limited in-house capacity and experience in certain fiduciary areas, including internal audit. The entity has adopted a delegated fund management model for the proposed fund. The roles of the applicant, the key executing entities (the portfolio advisor and the general partner) and other external service providers have been defined in principle and formalized in the manual developed for use during programme implementation. Fund-specific policies, manuals and procedures have been developed but have not yet been jointly implemented by the fund manager and the portfolio advisor.
Fiduciary functions	Basic fiduciary standards
	Specialized fiduciary standard for project management
	Specialized fiduciary standard for grant award and/or funding allocation mechanism
	Specialized fiduciary standard for on-lending and/or blending (for equity)
Maximum environmental and social risk category	Limited adverse risks (Intermediation 2)
Conditions	Conditions to be met prior to the execution of the funded activity agreement: (a) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the Secretariat, that the applicant has established a publicly available reporting channel for the applicant's

	specific grievances and inquiries and that allows for anonymous complaints to be raised and processed; (b) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the Secretariat, demonstrating that the Investment Fund's grievance redress mechanism has been established and is operational; and (c) Submission to GCF by the applicant of the applicant's updated Outsourcing Policy, in a form and substance acceptable to the Secretariat, which shall include explicit provisions for transparent and fair outsourcing practices.
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2. The Secretariat has augmented its capacity by using external experts to undertake the applicant capacity assessment review.¹ A summary of the assessment is presented in this document.

I. Applicant capacity assessment summary

1.1 Introduction and institutional assessment

1.1.1. Basic information about the project and the entity

3. EPE is a Singapore-based private equity fund management company, incorporated in 2018. EPE is appointed as the external authorized fund manager for the underlying Investment Fund, Matanataki Pacific Fund 1 LP (MPF1), a Singapore limited partnership. EPE will act as the accredited entity and an executing entity for the proposed GCF investment in MPF1 and will be responsible for compliance, reporting and oversight.

4. Deal origination, investment due diligence and the portfolio management functions of the fund will be undertaken by Matanataki Pte Ltd (MPL), a limited liability company incorporated in Fiji. EPE and MPL will form a strategic partnership for MPF1 fund management activities.

5. Matanataki General Partners Pte. Ltd., a Singapore private company limited by shares, will act as the general partner of MPF1.

6. The planned GCF investment of up to USD 15.0 million is senior/junior equity in MPF1. MPF1 is a blended equity fund that aims to enhance coral reef ecosystem resilience through providing strategic, patient risk capital and business capability-building to small and medium-sized enterprise investees in the Pacific region (Fiji, Tonga and Vanuatu) in key sectors critical for regeneration and adaptation, such as waste management, regenerative agriculture, sustainable fisheries and low-impact tourism.

7. MPF1 will invest in the portfolio companies through MPF1 Master Fund Pte. Ltd. (Master Fund), a Singapore private company limited by shares wholly owned and controlled by MPF1.

8. MPF1, MPL, the general partner and MPF1 Master Fund Pte. Ltd. will act as the executing entities.

¹ In line with the PSAA pilot framework approved by the Board (decision B.31/06), the Secretariat has augmented its capacity by using external experts, third-party organizations and/or service providers to support it in undertaking the applicant capacity assessment review.

1.2 Methodology

9. The EPE concept note and application were endorsed by the management of the GCF Private Sector Facility on 27 June 2025 and the first set of accreditation materials for review round 1 (the completeness check), based on the customized application form and material request, was submitted in September 2025. Two further review rounds took place in October and November 2025. The external review team undertook a comprehensive review and assessment of the submitted materials and EPE policies, procedures, capacities, experience and human resources against the GCF accreditation standards and checklist.

10. A reference check interview was conducted with a debt fund for which EPE provides fiduciary fund manager services under a comparable platform fund management model. No critical issues during the partnership related to the fiduciary role or other capacities of EPE were identified.

11. In addition to the desk review, the external review team conducted virtual interviews with key representatives of EPE, MPL and other key consultants and service providers, during which the external review team validated the desk review findings, conducted walkthroughs of processes and explored all areas of the assessment. The interviews provided further evidence of the capacity and procedures of the applicant and its key service providers.

12. In addition, the Secretariat conducted a further desk review to validate the gaps identified by the external review team and the action taken by EPE to address them during the development and review of the funding proposal. Based on this assessment, the Secretariat identified the remaining unresolved items and reflected these in the term sheet as conditions to be satisfied prior to execution of the funded activity agreement.

13. The applicant was assessed in accordance with the following GCF policies and standards to the extent applicable to accreditation:

- (a) Updated Strategic Plan for the Green Climate Fund 2024–2027 (decision B.36/13);
- (b) Matters related to the accreditation framework regarding the accreditation process (decisions B.24/13 and B.26/01);
- (c) Guiding Framework and Procedures for Accrediting National, Regional and International Implementing Entities and Intermediaries, Including the Fund's Fiduciary Principles and Standards and Environmental and Social Safeguards (decision B.07/02);
- (d) Policy on Prohibited Practices (decision B.22/19);
- (e) Anti-Money Laundering and Countering the Financing of Terrorism Policy (AML/CFT Policy) (decision B.18/10);
- (f) Policy on the Protection of Whistleblowers and Witnesses (decision B.BM-2018/21);
- (g) Environmental and Social Management System: Environmental and Social Policy (decision B.19/10);
- (h) Comprehensive Information Disclosure Policy of the Fund (decision B.12/35) regarding the disclosure of environmental and social (E&S) information;
- (i) Updated Gender Policy and Gender Action Plan 2020–2023 (decision B.24/12);
- (j) Revised Environmental and Social Policy (decision B.BM-2021/18);
- (k) Evaluation Policy for the GCF (decision B.BM 2021/07); and
- (l) Updates to the accreditation framework (decision B.31/06).

1.3 Contribution to the mandate of GCF

14. EPE focuses on sustainability and impact investing in selected markets across the Asia and Pacific region, with an objective to create environmental and/or social impact through supporting entrepreneurs driving technology disruption to enable climate change mitigation and adaptation. MPF1 aims to address the existential threat of climate change to Pacific coral reefs, harnessing the power of local small and medium-sized enterprises to deliver outcomes critical for regional biodiversity, community well-being and climate resilience.

15. The focus corresponds primarily to the GCF results areas most vulnerable people and communities (ARA 1) and ecosystems and ecosystem services (ARA 4). The fund's objectives as well as the overall mandate of EPE align with the Updated Strategic Plan for the Green Climate Fund 2024–2027 and contribute to the mandate of GCF.

1.4 Track record and implementation of similar projects

16. EPE possesses a relevant track record from managing innovative climate finance vehicles, primarily investing in technology solutions with a gender lens focus. EPE is currently operating as a fund manager of micro-sized subfunds in South-East Asia and as a platform fund manager for a small single-country private credit fund. In addition, EPE has provided advisory services (origination and due diligence) for a small single investment programme. The EPE co-founder and directors have long personal track records in impact investing.

17. The applicant's track record to date comprises the following:

- (a) Managing an agribusiness subfund;
- (b) An investment in a digital infrastructure company;
- (c) Managing a cybertechnology subfund; and
- (d) Acting as an external fund manager for a credit fund.

18. As at 30 June 2026, EPE total assets under management as reported to the regulator totalled SGD 58.5 million (approximately USD 46.27 million), of which about 50% is concentrated in a fund with a single investment, while the remaining funds comprise relatively small-ticket investments. In addition, one of the key executing entities, MPL, has a relevant track record in building the pipelines of micro, small and medium-sized enterprises in Fiji and other Pacific islands and in screening and monitoring the E&S risks and impacts of those projects. With funding from the United Nations Capital Development Fund, MPL has operated as an incubator and pipeline builder for the Global Fund for Coral Reefs grant window.

1.5 Legal status, registration, permits and licences

19. EPE was incorporated in Singapore under the Companies Act 1967 on 19 November 2018 as an Exempt Private Company Limited by Shares. Formerly known as Jupiter Impact Partners and JI Capital Partners, the name change to Enyorra Private Equity Pte. Ltd. has been effective since 16 October 2023. EPE holds a Capital Markets Services Licence issued by the Monetary Authority of Singapore (MAS) and qualifies as a fund manager in accordance with the Securities and Futures Act 2001 (the latest licence was issued on 15 April 2025). According to the Singapore Accounting and Corporate Regulatory Authority, the primary activity of EPE is fund management and its secondary activity is management consultancy.

II. Accreditation assessment

2.1 Basic fiduciary standards

2.1.1. Key administrative and financial capacities

20. EPE operates with a small in-house team and relies on outsourced and delegated functions in accordance with permitted regulatory arrangements. Core fiduciary responsibilities, including oversight of compliance, financial management and reporting, remain with the fund manager, while administrative functions and certain compliance and regulatory activities are delegated to service providers and the portfolio advisor.

21. EPE is governed by its Board of Directors, composed of two members. Both board directors are subject to approval by the regulator. The Board of Directors sets standards of corporate governance and reviews the governance practices of EPE. Until September 2025, the EPE Operations and Finance Division was led by an in-house Chief Financial Officer. After their departure from the company, several key functions were outsourced to third-party service providers. As at 9 September 2026, four people work full time at EPE and two people work part time, with the treasury and finance functions outsourced to a third-party vendor, reflecting the current stage of its existing funds under management.

22. The EPE Compliance Manual covers topics relating to governance and the Code of Conduct, registration and licensing requirements, investment procedures, financial and operational requirements, and the EPE Risk Management Framework, among others. As a Capital Markets Services Licence holder, EPE must comply with the provisions of the Securities and Futures Act 2001, related subsidiary legislation and applicable regulations of MAS. The Chief Executive Officer (CEO) of EPE and the EPE Board of Directors have the ultimate responsibility for ensuring compliance with the regulatory requirements. The EPE Compliance Manual is applicable to directors, officers, employees and consultants, with some provisions also applicable to third-party service providers. The MPF1-specific Compliance Manual is based on the EPE Compliance Manual and is applicable to all MPL employees. EPE will have overall responsibility for compliance, reporting and oversight functions for MPF1. A fund administrator and corporate secretary will be appointed for MPF1; those functions will be performed by an appointed service provider.

23. In addition to the Board of Directors, the EPE governance structure includes investment committees (ICs), the Sustainability Council, the Environmental, Social and Governance (ESG) Committee and the Impact Measurement Committee. Each EPE fund under management has its own IC composed of at least two members and licensed representatives. Decisions require unanimous approval from committee members. The IC for MPF1 will be composed of three members, the CEO of EPE, the Founding General Partner of MPL and an independent member, nominated by the general partner. All members of the IC will be licensed representatives of EPE. The Founding General Partner of MPL will chair the IC. The IC will be supported by a designated alternate member, who will, together with the CEO of EPE, be entitled to one vote with veto rights.

24. The EPE Sustainability Council is composed of 10 external experts representing a wide range of sectors, including climate transition, water, cybersecurity, audit and development finance. The CEO and Partner of Investments comprise the ESG Committee, which manages all ESG matters across EPE funds. The Impact Measurement Committee is chaired by an external subject matter expert and supports impact strategy development, measurement and reporting.

25. The EPE Risk Management Framework, dated April 2025, covers the risk philosophy of EPE, the risk management structure, risk assessment and rating, operational risk controls, and compliance and reporting. The EPE Risk Management Framework states that risks are monitored by the Head of Finance, and EPE will hire a (fractional) Chief Financial Officer once GCF Board approval has been obtained. EPE service providers will support the organization

with different categories of risk, including those related to compliance, MAS guidelines and capital market services, information technology and cyber risks, tax risks, fund administration risks and ESG risks. The EPE Risk Management Framework is supported by a Risk Register that sets out the risk description, the risk owner, inherent and residual risk ratings, mitigation measures, review frequency and escalation triggers. The Risk Register is to be reviewed at least annually.

26. The EPE annual financial statements are prepared in accordance with the Singapore Standards on Auditing and are audited by an independent external auditor. The next set of financial statements will be audited by a newly appointed auditor. EPE has confirmed that the GCF investment would be included within the scope of the statutory annual audit. Lack of an internal audit function or an audit committee has been partially addressed through the use of external service providers for compliance and financial management services.

27. An external service provider was contracted by EPE in October 2025 for bookkeeping and accounting services, as well as goods and services tax accounting, and tax compilation and filing. A four-person team is responsible for providing services to EPE. Bookkeeping is carried out using QuickBooks, with accounts produced monthly, as stipulated in the Management Accounting Policy. The service provider will also support coordinating the external audit as required. Financial management and accounting processes for MPF1 are outlined in the fund's Basic Fiduciary Manual and will be managed by the general partner's Chief Financial Officer.

28. Another external service provider was contracted by EPE in October 2025 for compliance services, as well as to support with privacy policies and meeting MAS requirements. As a Capital Markets Services Licence holder, EPE is subject to the MAS risk-based supervision framework, and the service provider is the primary liaison with MAS on monitoring and implementation of the compliance programme. The service provider expects compliance risks to be screened on a biannual or annual basis, depending on the risk level. The Board of Directors and the senior management of EPE are responsible for approving, overseeing and ensuring the adequacy of financial compliance and outsourced functions.

29. The EPE Outsourcing Policy was last updated in May 2026. As noted in an assessment by KPMG of the policy against basic fiduciary standards, the policy outlines the principles and procedures of appropriate outsourcing arrangements in accordance with MAS guidelines. According to the policy, due diligence must be conducted on potential vendors, including track record reviews, know your customer checks, regulatory compliance and data protection standards. However, the EPE Outsourcing Policy does not explicitly refer to transparent and fair provisions and practices. In practice, most EPE service providers have not been selected based on competitive bidding procedures. Furthermore, EPE has not publicly disclosed its Outsourcing Policy and awards. EPE submitted the MPL General Partner and MPF1 Basic Fiduciary Manual as part of the funding proposal (annex 19). The manual on its own also does not address the full list of basic fiduciary standards. Procurement decisions, including specifications, solicitations, evaluations and awards, will remain with the executing entities/applicant as set out in the defined procedures of the EPE Outsourcing Policy. Under the programme, the portfolio adviser will adopt and apply the EPE Outsourcing Policy for all procured services, with legal and tax advisers providing supporting advice on contracting and compliance, while all procurement decisions (specifications, solicitations, evaluations and awards) will remain with the applicant under competitive, transparent procedures consistent with GCF fiduciary standards. The submission of an updated and strengthened EPE Outsourcing Policy in a form and substance acceptable to GCF is suggested to be a condition under the term sheet for the execution of the funded activity agreement.

30. The applicant has established foundational administrative systems and has defined and documented roles and responsibilities. The applicant maintains a lean in-house capacity for several key functions, which have been outsourced to third-party service providers in a manner

consistent with the size of operations and reflecting the standard practice for platform fund managers. The applicant is guided by several relevant policies and guidelines related to compliance and oversight, which have been adapted for MPF1. The roles and responsibilities of key administrative and financial capabilities have been formalized between the applicant and MPF1, and the “Enyorra Private Equity Pte. Ltd., Matanataki General Partners Pte. Ltd., and Matanataki Pte. Ltd. Roles and Responsibilities: A Reference Manual for the Green Climate Fund and Internal Use during Fund Implementation” has been drafted for adoption by EPE, the general partner and MPL for submission prior to the execution of the funded activity agreement. Certain financial management functions for MPF1 have been outsourced to qualified service providers (see the funding proposal, annex 19, titled Basic Fiduciary Manual, which has been adopted by the portfolio advisor and the general partner). The applicant’s compliance and oversight-related manuals have not been updated since organizational changes have occurred; they therefore do not reflect the roles and responsibilities of the recently contracted service providers and are expected to be completed once GCF Board approval has been obtained. While the EPE annual financial statements are externally audited, there is no internal audit function, owing to the small size of its operations. Given the entity’s small size and the involvement of well-regulated partners in oversight functions, EPE has established access to external audit resources at the fund and entity level through audits by reputable external auditors. Later, as the organization grows, it may be appropriate to establish an independent internal audit function.

2.1.2. Transparency and accountability

31. EPE has a Code of Conduct applicable to its directors, officers, employees, MAS licensed representatives and consultants and, where relevant, third-party service providers acting for or on behalf of EPE. A separate Code of Conduct has been developed for MPF1, applicable for fund operations. The updated Code of Conduct sets out standards of integrity, honesty, fairness, confidentiality, conflict management, lawful conduct and professional behaviour, and requires suspected misconduct, wrongdoing, fraud, corruption or other serious breaches to be reported through the company’s reporting channels. The Employee Handbook also provides that third-party service providers, outsourced personnel, agents, external advisers and consultants engaged to support the company’s business are expected, through appropriate contractual terms and oversight, to adhere to standards no less stringent than those set out in the Code of Conduct, to the extent applicable to the services performed. MPF1 has a Respect in the Workplace Policy in its Specialized Fiduciary Manual, which outlines expectations of staff, consultants, volunteers, interns, contractors and clients with regard to promoting a positive workplace and environment, free of bullying and harassment.

32. EPE does not have an ethics committee. Oversight of ethical matters is the responsibility of the two EPE directors. According to the Code of Conduct, EPE employees are encouraged to identify actual, potential or perceived conflicts of interest and escalate them to the compliance function. Employees are obliged to disclose and obtain prior written approval for all outside business activities.

33. The EPE and MPF1 whistle-blowing policies are aligned and applicable to all employees, officers, consultants, contractors, casual workers and agency workers. Employees can report wrongdoing directly to their manager or to the human resources and/or compliance functions. During the funding proposal review process, the PSAA applicant has established a publicly available reporting channel on its website, however the anonymous reports cannot be processed or followed-up, hence the ESMS should be updated to reflect that anonymous complaints will be processed. EPE is required to report misconduct by its representatives, or former representatives, to MAS within 14 days of discovering the misconduct. The Compliance Manual now includes procedures for an independent investigative function, providing for objective, fair, timely and confidential investigations by persons independent of the matter

under review, with external legal counsel, compliance advisers or other qualified external parties engaged where appropriate. The whistle-blowing policies outline support and protection from retaliation to whistle-blowers. The independent grievance mechanism for MPF1 has been updated to align with the policy principles and requirements of GCF.

34. The EPE Anti-Money Laundering and Know Your Client Policy is set out in the EPE Compliance Manual. EPE responsibilities as a Capital Markets Services Licence holder include ensuring compliance with the regulator's requirements relating to financial crimes, including money-laundering, terrorist financing, corruption, anti-bribery, tax evasion and other serious crimes. Know your customer procedures are completed prior to onboarding any client. According to the Anti-Money Laundering and Know Your Client Policy, EPE employees are required to undergo anti-money-laundering refresher training at least every two years. As a portfolio advisor, MPL shall apply the EPE policies related to anti-money-laundering, knowing your customer, anti-bribery and anti-terrorist financing.

35. The applicant's Standards of Conduct outline ethical expectations, including integrity, honesty, fairness, confidentiality, conflict management, lawful conduct and professional behaviour. The Compliance Manual also addresses suspected misconduct, wrongdoing, fraud, corruption and other serious breaches, and requires such matters to be reported through the company's reporting channels. Know your customer and anti-money-laundering and countering the financing of terrorism procedures are in place. The Compliance Manual applies to directors, officers, employees, MAS licensed representatives and consultants, and certain provisions extend, where applicable, to third-party service providers and representatives or agents acting on behalf of EPE. The applicant has internal channels for, and guidance on, grievances and complaints, and the Compliance Manual provides for an independent investigative function to address serious misconduct, complaints and incidents in an objective, fair, timely and confidential manner. External/public reporting channels are limited to email and the MPF1 grievance mechanism has been refined to align with the policy principles and requirements of GCF.

2.2 Specialized fiduciary standards

2.2.1. Project management

36. The project in the context of this capacity assessment includes identification of investment opportunities, the due diligence process, the investment decision, and managing and monitoring the investments. The MPF1 investment process builds upon the experience of EPE as a licensed fund manager, complemented by the capability and experience of MPL in the identification and design of projects/investments in Fiji and other Pacific countries.

37. Technical, financial, economic and legal aspects, as well as possible environmental, social and climate change considerations, have been assessed and incorporated both in the MPF1 fund design and in all individual investments made by the fund. The capacity to set objectives and outcomes and incorporate key performance indicators is demonstrated, for example, in the Theory of Change and logical framework annexed to the funding proposal. EPE as a fund manager has appropriate fiduciary oversight procedures in place for the fund, outlined in the MPF1 Compliance Manual and further described in section 2.1 above.

38. The investment sourcing and initial screening process at MPF1 is based on proactive network-building and market research, and pipeline-building is already at an advanced stage. Prospects are evaluated through initial interviews and legal and ESG checks and are pitched to the Internal Investment Management Committee. In the deal evaluation stage, deeper analysis is conducted, including know your customer, risk and impact assessments, followed by a second pitch and vote by the Internal Investment Management Committee. Once a company enters deal

readiness, it undergoes business planning, financial modelling and impact projection, prior to IC review. The due diligence covers legal, tax, ESG and operational aspects, and includes a mandatory board and executive training programme for the investee. In the multilayered investment approval, the Matanataki Advisory Committee reviews and votes at each stage, while the MPF1 IC provides final approval, requiring unanimous consent for deals to proceed. The general partner oversees the process, ensuring regulatory compliance and quality control.

39. MPF1 will take an active role in value creation across the portfolio companies, supporting the investee teams through board representation and co-management. Beyond reporting, impact measurement and other post-investment activities, the MPF1 Investment Management Standard Operating Procedures describe the project closure and decision-making procedures prior to a potential exit. The Divestment Policy and Strategy outlined in the Specialised Fiduciary Manual describe further principles and potential exit routes and steps. The fund primarily makes quasi-equity investments that will allow self-liquidation and repurchase of shares over time. The MPF1 Valuation Policy outlines the principles, procedures and methodologies used to determine the fair value of investments.

40. In terms of organizational arrangements, EPE has provided evidence of the planned operational capacity and structure required to oversee the implementation of MPF1, including arrangements to regularly review the budget, monitor business and impact performance, and identify and address risks. The arrangements for oversight of MPF1 at the board, IC and investment management team levels have been established and charters for the Decision Making Committees, the Investment Committee, and the Matanataki Advisory Committee have been approved by the EPE and MPL and annexed to the funding proposal.

41. Owing to the size and nature of its operations, EPE has not commissioned external evaluations of its investments and does not have an evaluation policy. The applicant and executing entities have detailed manuals, procedures and templates covering the investment cycle from deal origination to portfolio management and divestment. There are documented fund-specific monitoring and reporting procedures, risk management mechanisms and arrangements for oversight. However, as this would represent the first joint operation between the fund manager and portfolio advisor, implementation capacity has not been demonstrated at the proposed structure level. In response, Enyorra Private Equity Pte. Ltd., Matanataki General Partners Pte. Ltd., and Matanataki Pte Ltd. Roles and Responsibilities: A Reference Manual for the Green Climate Fund and Internal Use during Fund Implementation has been drafted, which segregates the roles, responsibilities, and duties of each entity. While the applicant or executing entities do not have a track record of performing or contracting independent evaluations as defined in the Evaluation Policy for the GCF, and as this would be a first engagement by the applicant and executing entities with GCF, the applicant and the general partner have jointly appointed a specialist consultancy firm to support the implementation of independent evaluations as MPF1 develops, and the IC will include an alternate member with climate and impact monitoring and evaluation expertise.

2.2.2. Grant award and/or funding allocation mechanisms

42. The funding proposal includes output 1.5, which aims to overcome the high transaction costs and low investment readiness of enterprises in Pacific small island developing States by incorporating pre- and post-investment technical assistance and capacity-building activities, and combining two funding streams that work together:

- (a) Up to a USD 3 million grant-funded Technical Assistance Facility, financed entirely by third-party bilateral donors, which will provide critical pre- and post-investment support, capacity-building and specialized technical expertise to portfolio companies; and

- (b) The GCF USD 3 million equity, which will be deployed through the portfolio advisory function to provide active, hands-on portfolio co-management and pre- and post-investment capacity-building, as well as catalytic seed equity or quasi-equity for early-stage, community-owned enterprises to support investees towards bankability.
43. A comprehensive Technical Assistance Facility Manual has been developed, incorporating eligibility requirements, service offerings, oversight and decision-making mechanisms, which provides operational guidelines to be applied when awarding technical assistance grants. Standardized tools and templates are annexed to the Technical Assistance Facility Manual. There is also a Monitoring, Evaluation and Reporting Framework designed to track outputs and progress, measure impact and ensure accountability to both investors and beneficiaries through a transparent reporting structure, which is linked to the fund-level Impact Measurement and Management Framework.
44. Aligned with the Technical Assistance Facility Manual and the fund's Basic Fiduciary Manual, Specialized Fiduciary Manual and Compliance Manual, systems are in place to provide assurance on activities to be carried out with the grant award, and to prevent irregularities and fraud.
45. The applicant and its partners demonstrate capabilities and documented systems to manage the planned grant facility. However, the applicant's past track record of handling and on-granting multilateral funds is limited, reflecting its primary experience in managing private capital, although the portfolio adviser's track record includes experience through the Global Fund for Coral Reefs grant window. The proposed Technical Assistance Facility has not been operationalized, but its governance structures are formalized in the Technical Assistance Facility Manual.

2.2.3. On-lending and/or blending (equity)

46. The approach of EPE to undertaking equity investments and due diligence policies, processes and procedures, as relevant to MPF1, are described in section 2.2.1 above, and are based on EPE documentation and fund-specific materials, such as the Investment Fund Management Standard Operating Procedures.
47. The Capital Markets Services Licence issued by MAS allows EPE to operate as a fund manager. EPE has a track record and institutional experience in undertaking equity investments in private entities but a limited track record of blending resources from international or multilateral sources. The financial resource management and control procedures are described in the Specialized Fiduciary Manual.
48. In the context of MPF1, the Limited Partner Advisory Committee provides an oversight of valuations, fund compliance, strategy, risk, governance, and environmental and social management system (ESMS) impact implementation across the portfolio. External investor reports are prepared quarterly for limited partners, including evaluations of financial, gender, and impact performance. In addition, MPF1 will publish an annual report to communicate the fund's environmental, social and financial performance to a diverse stakeholder audience. This is expected to include granular data at the portfolio company level, demonstrating the fund's "radical transparency".
49. EPE demonstrates capabilities, systems and some track record in originating and undertaking equity investments and providing fund management services. The governance structure, due diligence procedures, and compliance and transparency mechanisms support its fiduciary oversight.

2.3 Environmental and social safeguards

50. The EPE ESG Policy Overview and Responsible Investment Code seeks to address E&S safeguarding within the company's business model and describes the E&S principles and undertakings. The EPE ESMS has been adapted and tailored for MPF1 and guides E&S safeguarding in all MPF1 investments. The responsibility for screening, monitoring and management of E&S issues is delegated from EPE to the fund team led by MPL.
51. EPE has a policy and system in place to screen investments against International Finance Corporation Performance Standard 7, on Indigenous Peoples, which have been adapted specifically to MPF1 in terms of the contextual approach and philosophy to Indigenous Peoples in the Pacific Islands. All staff members, consultants and co-contractors must read and sign the fund's Indigenous People's Policy.
52. EPE as a fund manager has a documented process for ESG matters described in the principles of its Responsible Investment Code. The practical measures are outlined in the ESMS, which has been adapted for MPF1 and, at the time of the review, is being developed further with Project Preparation Facility support to meet the GCF requirements. The ESMS is comprehensive, outlining the E&S-related activities at different stages of the investment cycle. E&S risks and impacts are considered in the initial deal screening (go/no-go decision), including conformance with the exclusion list and categorization of each investment's environmental, social and technology risks. The categorization determines the internal deal readiness and due diligence actions and the following external due diligence requirements. The term sheet includes standard general conditions regarding compliance with applicable national environmental and social laws, and a tailored corrective action plan, if required. The Final Confidential Information Memorandum includes a section on ESG. After investments are made, portfolio companies are regularly monitored for ESG and technology resilience performance. The companies are required to provide monthly reporting on the impact and progress of the environmental and social action plan, and the fund's limited partners receive an annual ESG and impact report.
53. In terms of past track record, EPE has demonstrated evidence of E&S due diligence reports conducted by external service providers related to two potential EPE investments. These are aligned with International Finance Corporation Performance Standards 1–8. Requirements for an E&S performance report are outlined in the Responsible Investment Code. In the past, EPE has not been required to report E&S or impact data to investors or other third parties, and EPE has not been subject to, or conducted audits or evaluations related to, E&S management.
54. The external communication channels, including the grievance redress mechanism in relation to MPF1, is reflected in the MPF1-level ESMS and at the applicant-level (EPE) ESMS. The applicant-level ESMS is available upon request, and the information on E&S policies is available on the public website of MPL, including the publicly available grievance reporting channel. When operational, MPF1 will require portfolio companies to establish an effective complaint and whistle-blowing mechanism in accordance with international best practices to address any concerns relating to ESG risks and the impacts of their business activities. The Investment Fund Management Standard Operating Procedures emphasize the importance of timely, transparent and accurate reporting of material incidents by the portfolio companies related to compliance, ESG, health and safety, or reputational risk. The applicant shall specify a fixed deadline for notification of such incidents, aligned with the MPF1 investor requirements.
55. EPE as the fund manager has an ESG and Impact Committee, led by two partners and including an external ESG expert (currently vacant), which oversees all ESG matters for the company and its managed investments. However, the ESG and Impact Committee is not expected to have a role in MPF1, which will establish its own governance and E&S capacity structure. An external ESG and Impact Partner will lead E&S management and impact work in MPF1. The ESG and Impact Partner will provide E&S oversight, approvals and final decision-making authority, while a Director of Regenerative Impact and ESG Manager will report to the

ESG and Impact Partner while working collaboratively with the investment teams. The Director of Regenerative Impact will be primarily responsible for generating and measuring regenerative and impact outcomes, whereas the ESG Manager will be primarily responsible for managing E&S risks, ensuring ESMS compliance. Together, the Director of Regenerative Impact and the ESG Manager will support the ESG and Impact Partner in ensuring that investments both avoid harm and deliver measurable E&S benefits. In addition, organizationally, the MPF1 IC will include one member with relevant environmental and social safeguards (ESS), climate and impact expertise to provide additional oversight for the monitoring and preparation of impact reports and compliance of MPF1 activities with the ESMS developed for the programme. As needed, specialist consultants will be engaged at the due diligence stage to conduct E&S appraisals, and also at the deal readiness stage through the Technical Assistance Facility to develop the ESMS and the Gender Action Plan at the investee level.

56. The applicant has appropriate institutional and fund-specific E&S safeguarding policies and procedures for identifying and managing ESG risks and impacts (including related to Indigenous Peoples) to meet the GCF requirements. This includes screening, due diligence, monitoring, management and reporting procedures, as well as stakeholder communications. However, the fund-specific procedures have not been fully implemented, and the track record is related to the applicant's limited past investments. Disclosure of E&S matters related to the fund and portfolio companies has been so far limited, owing to confidentiality and regulatory requirements. However, all public disclosures (including ESS-related disclosures) required by GCF relating to EPE, the fund and the GCF funded activity will be made in accordance with GCF policies. An independent grievance mechanism for MPF1 has been refined to align with GCF policy principles and requirements. Key enhancements include explicit inclusion of safeguards-related complaints, including cases related to gender-based violence/sexual exploitation, abuse and harassment; provisions for the submission of, and feedback for, anonymous complaints; clarification on eligible users of the independent grievance redress mechanism; dissemination of the independent grievance mechanism to stakeholders; and cascading of grievance redress mechanism requirements to investee companies.

2.4 Gender

57. EPE is a woman-led company, profiled as an impact investor supporting women entrepreneurship in South-East Asia. EPE is a member of 2X Global and a qualified 2X investor. EPE lacks a stand-alone institutional gender policy or strategy, but at the MPF1 fund level EPE and MPL have developed a gender policy that outlines the core principles, objectives and commitments of the fund in the Pacific context, and an implementation strategy that is tied to the fund's Gender Action Plan. In addition, the fund has a Code of Business Ethics and Conduct, Gender Equality Policy, Human Rights Policy and Respect in the Workplace Policy, further describing the approach to non-discrimination based on gender.

58. The EPE/MPF1 ESMS includes Gender Investing Guidelines covering the different gender considerations throughout the entire investment cycle from deal origination, processing and qualification to full due diligence, as well as post-investment portfolio management from deal closure to exit. The fund will have a gender monitoring framework aligned with 2X Challenge key performance indicators, such as products/services benefiting women, share of women as owners, board members or senior management members, and share of women in the workforce. The Small Enterprise Assistance Fund's Gender Equality Scorecard tool will be applied to assess the pipeline and portfolio companies. A tailored gender action plan will be created for each portfolio company with contractual compliance and reporting responsibilities. Gender technical assistance grants are expected to be used for mitigation activities related to sexual exploitation, abuse and harassment and gender-based violence, as well as to support

women leadership and the development of gender equal policies and practices in the portfolio companies, to meet the key 2X key performance indicators.

59. The gender responsibilities related to MPF1 will be shared between the senior investment managers, the Limited Partner Advisory Committee/IC coordinator and the ESG coordinator. The co-founder and CEO of EPE, and the CEO of MPL, both have experience in gender-lens investing. According to the Implementation Strategy of the Gender Action Plan, a Gender Equity Specialist will be hired and a technical working group established to implement and oversee gender initiatives.

60. The applicant has gender policies and a fund-specific gender action plan aligned with the GCF Updated Gender Policy. The applicant, together with MPL, has organizational capacity, procedures and some track record of making investments in accordance with the GCF Updated Gender Policy and has demonstrated efforts to promote gender equality in fund operations.

III. Conclusions and recommendations

3.1 Conclusions

61. Based on the assessment, EPE demonstrates a medium level of capacity to implement the proposed project (MPF1) and manage GCF-funded activities in alignment with the relevant GCF policies. EPE and the service providers possess the relevant legal status to implement the project, as stipulated in the PSAA pilot framework requirements.

62. With respect to the assessed GCF standards, EPE is considered to meet the assessed GCF basic fiduciary standards, specialized fiduciary standards, E&S standards and gender policies. The assessment identified some differences against the GCF standards, owing to the nature of the business, the size of the company and its role in the fund's structure. However, the Secretariat does not consider these differences to be material gaps.

- (a) The applicant meets the requirements of the GCF basic fiduciary standards, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF AML/CFT Policy and the specialized fiduciary standard for project management to the extent applicable to PSAA and the funding proposal;
- (b) The applicant meets the requirements of the GCF Revised Environmental and Social Policy, GCF interim ESS standards and the GCF Comprehensive Information Disclosure Policy regarding the disclosure of E&S risk information in relation to E&S risk category B/I-2 (activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures) to the extent applicable to PSAA accreditation; and
- (c) The applicant has demonstrated that it has policies and procedures to implement its gender approach, which is found to be consistent with the GCF Updated Gender Policy to the extent applicable to PSAA and the funding proposal. The applicant has demonstrated that it has experience in gender considerations in the context of climate change.

63. In order to address the matters arising from the Secretariat's assessment of the applicant, the Secretariat and the applicant have agreed the following provisions in the term sheet, which will be included in the funded activity agreement are noted in the next section.

3.2 Recommendations on project-specific accreditation

64. **Accreditation type: PSAA**

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65. **Fiduciary functions:** Basic fiduciary standards; specialized fiduciary standard for project management; specialized fiduciary standard for grant award and/or funding allocation mechanism; and specialized fiduciary standard for on-lending and/or blending (for equity).
66. **Maximum E&S risk category:** Limited adverse risks (Intermediation 2)
67. **Conditions:** the Secretariat recommends the following conditions in relation to the funding proposal:
- (a) Conditions precedent to the execution of the funded activity agreement:
- (i) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the Secretariat, that the applicant has established a publicly available reporting channel for applicant-specific grievances and inquiries and that allows for anonymous complaints to be raised and processed;
 - (ii) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the Secretariat, demonstrating that the Investment Fund's grievance redress mechanism has been established and is operational; and
 - (iii) Submission to GCF by the applicant of the applicant's updated Outsourcing Policy, in a form and substance acceptable to the Secretariat, which shall include explicit provisions for transparent and fair outsourcing practices.

Independent Technical Advisory Panel's assessment of FP319

Proposal name:	Matanataki Pacific Fund 1
Project-specific assessment approach applicant:	Enyorra Private Equity Pte. Ltd.
Countries:	Fiji, Tonga and Vanuatu
Project/programme size:	Medium

I. Assessment of the independent Technical Advisory Panel

1.1 Overview

1. One of the businesses in the pipeline of this proposed programme collects invasive seaweed from Fijian beaches, along with animal manure and green waste, and turns it into fertilizer. Every tonne it produces is a tonne of imported synthetic fertilizer that does not need to be bought, and a quantity of nutrient run-off that does not reach the sea. That run-off is one of the pressures killing the coral reef that protects the coastline and supports the nearby villages. By reducing both dependence on imported fertilizer and the flow of nutrients into the sea, the business is helping to protect the reef and the communities that depend on it. However, by any conventional commercial measure the business is unfinanceable. A bank could lend to the business, securing against collateral – physical assets it can seize and sell if the loan is not repaid – typically for a term of one to three years. However, the business has few assets a lender can take as security, and a long path to full profitability. The bank would therefore decline a loan, which on its own terms is the right business decision. The business therefore stays small, the run-off continues and the reef degrades a little faster.

2. This is the gap that the Matanataki Pacific Fund 1 (MPF1) is designed to fill. The independent Technical Advisory Panel (iTAP) wants to make clear at the outset that this is a real gap that has been well identified and evidenced. Fiji, Tonga and Vanuatu are among the most climate-exposed countries in the world. Tropical Cyclone Pam cost Vanuatu the equivalent of roughly two thirds of the country's annual economic output. Cyclone Winston cost Fiji more than a fifth of its annual economic output. The businesses that coastal communities depend on are both the most exposed to extreme weather and the least able to raise the money they need to prepare for it.

3. MPF1 aims to become a USD 60 million investment fund, with a separate USD 3 million facility for hands-on business support, investing in approximately 18 small companies and community cooperatives in Fiji, Tonga and Vanuatu. The focus will be on waste and recycling, regenerative agriculture, fisheries and low-impact tourism, each chosen because it reduces a specific land-based pressure on reefs. MPF1 will be focused entirely on adaptation and has no mitigation objective, and has a medium environmental and social risk rating.

4. Of the USD 60 million base case fund size, GCF is asked to invest USD 15 million, capped at a quarter of the fund's capital at any point. If MPF1 is ultimately smaller, the GCF investment will be reduced accordingly. Enyorra Private Equity Private Limited, a Singapore-licensed

manager, would be both the accredited entity and the fund manager. Matanataki Private Limited of Fiji would find, prepare and support the investments on the ground.

5. The iTAP examined the funding proposal and its annexes, the draft term sheet and the accredited entity's written answers to 66 questions from the iTAP. The iTAP also examined three successive versions of the financial model of MPF1, two of which the accredited entity rebuilt in response to iTAP questions, together with a schedule of its past investments and a pipeline table provided during the question round.

6. **Three aspects are particularly strong.** First, the need is clear. Second, the design is locally led: the company that would find and manage the investments is Fijian and its two principals are Fijian citizens, one of whom is Indigenous iTaukei with nearly four decades of institutional investment experience in the country, including as chief executive of Fiji's principal life insurer. Third, the exit design is a genuine attempt to address a problem that has defeated others (see section 1.3 below).

7. **The accredited entity's conduct during the question round deserves particular mention.** In response to iTAP questions, the accredited entity disclosed three errors in its own financial model that the iTAP had not found. It withdrew an economic figure from the proposal on the grounds that its calculation was not reliable. Unprompted, it identified that its downside scenario breached its term sheet. It disclosed information about its own track record, about the performance of a business it had previously supported, and about the performance of the regional fund it cites as its precedent. All these points were voluntarily disclosed. In a process that depends on what an entity chooses to disclose, this is material, and it bears directly on whether the accredited entity can be relied upon to report honestly against its obligations if funds were to be committed.

8. **Three aspects are weak.** Although Enyorra Private Equity Private Limited is not a first-time fund manager, having managed private market investments for nearly 8 years, MPF1 is the first institutional fund that it will be managing. Several arrangements on which the programme would rely on do not yet exist, including the share class that would protect the senior investors, the rules governing what happens if a company cannot repay its loan and the legal analyses for two of the three countries. And the representation of two countries (Tonga and Vanuatu) is weak, with just one identified investment each; neither accounts for a share of the modelled economic benefit; investments in both countries are scheduled only in the fourth and fifth years; and no permanent staff are planned in either country.

9. Overall, the iTAP considers that these weaknesses relate to unresolved implementation details they can be addressed and are not design flaws. On that basis, the iTAP recommends approval. Section 2.1 sets out the recommendations supporting the conclusion.

1.2 Impact potential

Scale: Medium to high

10. The programme is focused entirely on adaptation, split evenly between helping vulnerable people and communities and protecting ecosystems. It claims 62,058 direct and 564,728 indirect beneficiaries, 50,796 hectares of land and sea restored or better managed, and 47,336 tonnes of fish stocks brought under sustainable management. It also claims 1,927,105 tonnes of carbon dioxide avoided as a side benefit.

11. **How the programme is designed to work.** The proposal has five steps. Investment enables a waste business to collect plastic and nutrients before they reach the sea, a fishery to reduce fish taken from fish stocks or a farm to prevent fertilizer leaching into a river. Reducing such local pressures increases the ability of nearshore reefs to survive and recover. Healthier reefs absorb energy from waves before it reaches the shore, helping to protect the coastline. They also continue to support fish that people eat and sell. The nearby communities retain their

income and their food security. Each link in the chain is well supported by science and the iTAP does not question the logic.

12. However, the proposal does not quantify the third step. It does not estimate how much additional reef resilience can be gained by removing local pressures in the face of heat stress that the programme cannot influence. This matters because the proposal's own climate analysis projects that approximately 90 per cent of reefs in the region could experience severe bleaching every year by 2055 under a high emission pathway. The iTAP does not regard this as a reason to discount the programme. Reducing pressures that can be reduced is the goal of adaptation, and is the only lever available at this scale. It does mean, however, that the outcome-level claims should be treated with caution. When results are reported, the emphasis should therefore be on measured changes in reef conditions rather than on assumed improvements.

13. **Measuring the reef itself.** The iTAP asked what would demonstrate that reef health is improving rather than simply showing that pollution has fallen. The answer was more concrete than anticipated. An external coral ecologist has been engaged and has surveyed one of the two most degraded reef areas near to a proposed investment. His view is that the management plan proposed would restore approximately 1,000 hectares within 10 years. The programme will measure the proportion of the seabed covered by living coral and the weight of fish per unit of reef. Surveys will be undertaken at the start, midpoint and end of the programme, funded through the business support facility. There is therefore a named expert, a defined methodology and a measurable outcome against which progress can be checked.

14. **Marine heat is absent from the projections.** The iTAP asked whether projections of marine heat had been incorporated in the revenue and valuation assumptions for the businesses dependent on marine or fisheries activity. The accredited entity confirmed that they had not been incorporated for any company and identified eight investments with material exposure to marine or fisheries activity. It also acknowledged that the capacity to undertake this modelling is not available within its team and would need to be procured through the business support facility. The iTAP considers this as the most significant analytical gap in the impact case. Rising ocean temperatures are the principal long-term threat to a portfolio whose purpose is to strengthen reef resilience, yet marine heat does not feature in any of the financial projections submitted in the proposal.

15. **Delivery through a portfolio rather than identified assets.** Unlike the construction of a road or seawall, the assets that this programme would finance are as yet unknown: they will be companies that are selected during implementation. This makes attribution more difficult and makes it harder to aggregate results across the portfolio. The iTAP notes that the proposal does not leave this challenge unaddressed. Investment eligibility criteria, a vulnerability screen, the environmental and social management system, monitoring of each company and consolidation at the portfolio level together provide a workable framework for measuring and reporting results as the portfolio is built. For the carbon co-benefit, the iTAP considers that the accredited entity's approach is appropriate. It proposes to report conservatively, calculate the benefits of each investment, count only benefits attributable to the investment, apportion them to the fund's share of each company and avoid double counting. On that basis, the iTAP considers the carbon figure credible, while noting that it is not the measure on which this proposal should be judged.

16. Overall, the iTAP rates the impact potential to be **medium to high**. The adaptation logic is sound and the accredited entity has provided a serious and specific basis for measuring reef health. However, the rating is tempered by the largest quantified claims resting on a methodology that the iTAP was unable to examine and by the single largest physical threat to the portfolio not having been quantified in the proposal.

1.3 Paradigm shift potential

Scale: Medium to high

17. **The problem the programme aims to solve.** An investment fund typically generates its return by selling the companies it has invested in to a larger company or on a stock exchange, usually within 10 years. In Fiji, Tonga and Vanuatu there are few potential buyers and no stock exchanges. That constrain is why so few investment funds operate in the Pacific region. MPF1 proposes to structure most of its investments so that portfolio companies repay the fund from their own earnings over time, similar to the repayment of a mortgage, rather than by being sold. MPF1 does not need a buyer, because the company pays the fund using of its own cash flow. The iTAP regards this to a serious and well-reasoned response to a real constraint. The approach comes directly from the published evaluation of the Asian Development Bank's Kula Fund, the closest regional precedent, which identified the same problem: in such markets a fund cannot rely on a single sale at the end of the investment period.

18. **The instruments are matched to the stage of each enterprise, and this is the strongest single feature of the proposal.** MPF1 will not rely on a single financing instrument, but instead will use four. Having discussed the reasoning with the accredited entity, the iTAP considers the instruments to be well matched to the organization receiving them.

19. For collectives at the earliest stage, which may not yet be formally constituted and have little revenue, the proposes provides for a simple agreement for future equity: capital is provided now and converts into shares only if and when the enterprise subsequently raises capital. Nothing is owed in the meantime, which is important when the enterprise may not yet legally exist. For early stage collectives that are trading, the proposed instrument is a share of the profit, paid only in years when there is profit to distribute and ending once MPF1 has received an agreed multiple of its original investment. There is therefore no fixed payment that can be missed. For a fisheries cooperative whose income may disappear due to a cyclone, that can be the difference between surviving a difficult year and defaulting. Three of the four cooperatives in the identified pipeline would use this instrument. For growth companies with predictable revenues, preference shares carrying a coupon of between 5 and 9.5 per cent are proposed, with the company expected to buy them back at an agreed multiple after five to eight years. The creates a genuine financial obligation for the company, while allowing it to retain control and avoid dilution of existing shareholders. For mature companies for which a plausible buyer exists, MPF1 would use ordinary equity and seek to sell.

20. The iTAP regards this as a deliberate design rather than a matter of convenience, and considers it worth highlighting because it is unusual. The easier, and more common, course is to apply a single instrument across a portfolio and accept that enterprises unable to accommodate it will fail. Markets in the Pacific region require that obligations be matched to the cash flow that an enterprise can generate, even though that requires a slower and more complex set of arrangements. It is also the feature of this proposal the iTAP would most want other funds operating in similar conditions to replicate.

21. **The consequences of a company not meeting its obligations has not been documented.** The iTAP asked what would happen if an investee misses a payment or cannot buy MPF1 out on schedule. The accredited entity noted that this is not yet documented: the term sheet lists the instruments, but the rules governing conversion into ordinary shares, the price at which that conversion would occur and the rights MPF1 would acquire following conversion have not been drafted. The accredited entity noted that this work, carried out by external lawyers, is due to begin before the first closing of MPF1. The iTAP accepts the explanation and gives credit for the candour with which the gap was disclosed. Nevertheless, it means that the legal framework underpinning two thirds of the portfolio is not yet in place.

22. **Ownership is preserved rather than broadened.** The programme places considerable emphasis on maintaining local and Indigenous ownership, and its mechanism for doing so is the

repayment structure: MPF1 is repaid and exits the investment, and ownership remains with whoever held it before. The accredited entity put this plainly to the iTAP, stating that it expects roughly 80 per cent of the Fijian companies to self-liquidate and return to founder ownership. This is an accurate description and the iTAP notes it as the accredited entity's own expectation. There is, however, an important implication for the Board. When MPF1 exits, ownership returns to those who originally held it, whether that is a cooperative's membership or a founding family. Nothing in the design converts a family firm into a broadly owned one, and nothing widens the circle of owners beyond its existing holders. Preserving Pacific ownership and avoiding dilution by outside capital is a real and worthwhile objective, and this design is well suited to achieving it. Broadening ownership is a different objective, and this programme does not pursue it. The iTAP notes that the accredited entity has confirmed that it does not intend to take majority stakes in any company without clear justification and the founder's agreement. It expects to use debt-like self-liquidating instruments rather than conventional equity in most cases, and where it does take an equity or equity-linked position it expects that position to be a minority one.

23. **Holding the companies together after MPF1 exits.** The iTAP asked what institutional form survives once MPF1 has exited, given that the strategy deliberately creates links between the companies in the portfolio. The answer was clearer than the question suggested. The cluster is not an entity that MPF1 owns; it is a set of ordinary commercial contracts between separately owned Pacific companies. No company is expected to depend on another for more than a fifth of its revenue or supplies. The iTAP accepts that consolidating the companies into a single holding company after MPF1 exits would undermine the dispersed ownership that the strategy is intended to produce.

24. **What the wider evidence on place-based investing supports.** In place-based investing, capital is directed into a defined geography rather than into a sector or an asset type; there is now a substantial amount of literature on this topic. Three findings are particularly relevant to this proposal, and all three support its design. First, where locally rooted businesses struggle to raise capital, the binding constraint is often not the lack of capital but the absence of what one recent study calls connective infrastructure: the arrangements that let people, money and ideas move with context and trust, so that it is fragmentation rather than shortage that limits what local investment achieves.¹ The Fijian portfolio adviser has spent six years building exactly this kind of infrastructure, and its account of why it set aside 109 of 153 opportunities, none of them for lack of readiness, is consistent with the finding. Second, no single transaction transforms a local economy: the returns come from assembling a pipeline and from local intermediaries acting together, an idea formalized in the capital absorption framework, which holds that one project alone will not change a community and that working collectively with local partners creates efficiency between the intermediaries and the businesses seeking money.² The strategy of linking the waste business to the fertilizer business to the farm is a recognizable expression of that idea, and the iTAP regards it as among the better designed features of this proposal. Third, the benefits of this kind of investing include aspects that never appear in a financial model: trusted local intermediation, the civic capacity to find and prepare a business worth backing, and value that stays in the local economy instead of leaving it. A growing body of evidence records economic, social and civic benefits of this kind,³ and the practice literature treats serious engagement with local people not as good manners but as a defining feature of

¹ See <https://socialinnovationsjournal.com/index.php/sij/article/view/11722>. Cited for the proposition described and not as an endorsement of the wider argument.

² See <https://anchorcollaboratives.healthcareanchor.network/place-based-investing>.

³ See <https://www.brookings.edu/articles/states-incentivize-local-investing-capital-businesses-housing/>.

the approach.⁴ These benefits are unlikely to be captured by the programme's own indicators, but they are nonetheless part of what GCF would be supporting and is invaluable.

25. There is, however, a corollary, and it bears on a finding made later in this assessment. If the value of place-based investing lies substantially in local relationships and local intermediation, then the near absence of resident capability in Tonga and Vanuatu is not a staffing detail. It raises a more fundamental question of whether the model the iTAP is crediting can operate at all in two of the three participating countries.

26. Overall, the iTAP rates the paradigm shift potential to be **medium to high**. The instrument design is a genuine answer to a real market constraint, and the accredited entity has engaged seriously with alternative ownership models rather than ignoring them. The rating is tempered, however, by three factors: the mechanism only covers two thirds of the capital rather than four fifths, its legal framework has not yet been drafted, and the return of ownership on which the wider claim rests is not shown to be completed within the life of MPF1.

1.4 Sustainable development potential

Scale: Medium

27. **What the programme would deliver on its own projections.** The iTAP sets these out first because an assessment focusing only on what could not be verified would give an unbalanced picture of what is being proposed. On the environmental side, the programme expects to bring more than 1,500 hectares of farmland, agroforestry and mariculture under improved management and to protect or restore approximately 50,796 hectares of forest and marine ecosystems. It expects to cut nutrient run-off from more than 26,000 hectares of sugarcane, which is a direct and well-understood pressure on the reefs the programme seeks to protect. It expects more than 40,000 tonnes a year of fertilizer to be produced from invasive seaweed, manure and green waste, displacing imported synthetic fertilizer and converting two waste streams into a productive input. This is the clearest example in the proposal of the clustering logic working as a mechanism rather than as an aspiration. On the social side, the programme expects to direct more than USD 20 million to women-led or gender-equitable businesses and USD 16.9 million to rurally owned businesses, and to create 1,057 direct jobs, with an emphasis on living wages. The iTAP notes elsewhere that the economic projections apply to only one of the three countries. The environmental and social projections are not subject to the same limitation because they derive from the activities themselves rather than from company-level financial forecasts.

28. **Gender.** This is among the stronger elements of the proposal, and the iTAP notes it as such. The programme is aligned with the 2X Challenge criteria, an international standard for investment that benefits women, and targets at least one third of its companies and cooperatives being women-led or majority women-owned, with scope to reach half depending on the pipeline; at least 30 per cent women on boards and in senior management; and between 30 and 50 per cent women employees, together with at least one workplace equality measure. Every investment is screened against those criteria. At the fund level, the proposal provides for a dedicated gender equity specialist, gender oversight built into the environmental and social committee, and mandatory training for staff and companies. At the company level, it provides for workplace gender policies, jointly developed action plans, grievance channels and targeted support, monitored through quarterly data collection and reported through both numerical and descriptive indicators. The underlying assessment identifies the barriers this responds to, including unpaid care burdens, restricted access to finance and the concentration of women in

⁴ See <https://www.impactinvest.org.uk/resources/publications/report-scaling-up-institutional-investment-for-place-based-impact/>, <https://www.impactinvest.org.uk/resources/publications/report-scaling-up-institutional-investment-for-place-based-impact/> and <https://www.impactinvest.org.uk/learning-hub/place-based-impact-investing/what-is-place-based-impact-investing/>.

lower-paid and less secure work, and is candid that it was prepared mainly through desk research supplemented by engagement during the programme's design.

29. **The economic case is limited to Fiji.** The proposal claims USD 271.8 million of accumulated operating profit across the portfolio and both USD 189 million and USD 86 million of foreign exchange earnings, together with an economic return expressed as a multiple. The iTAP asked how these figures had been derived. The accredited entity's response was to withdraw material rather than defend it. It noted that it did not have the funds available to commission an economic return calculation, that its internal estimate was not reliable and that the figure would therefore be removed. It acknowledged that the USD 189 million figure was an error and confirmed that the profit and foreign exchange figures derive from 10 Fijian companies that have been through its own readiness process, that no equivalent projection exists for any investment in Tonga or Vanuatu and that the claims will be restated as for Fiji only. The iTAP considers this as an appropriate response for a figure that could not be supported. The consequence, however, is that the programme's economic case applies only to one of the three participating countries.

30. **One disclosure that is both positive and negative.** In the same reply, the accredited entity reported that a cooperative it supported saw material improvement in its revenue and profit during its involvement, but that its trading income fell after the company withdrew and the general manager left. It presented this as evidence for its argument that for small businesses, value is derived from sustained hands-on involvement rather than from capital alone. The iTAP agrees that the example supports the argument but also notes that this shows the fragility of those gains. The departure of one person was sufficient to reverse the improvements. This bears directly on the durability of the development benefits once the 10-year fund has exited, and is one reason why the iTAP does not rate this criterion more highly.

31. **How much of the capital reaches collectively owned businesses?** Four of the 10 identified Fijian enterprises are cooperatives or community owned. By value, however, they account for just under 5 per cent of the capital MPF1 would deploy. Using a broader definition that includes businesses structured for or moving towards community, producer or citizen ownership, the accredited entity estimates that the capital reaching collectively owned businesses would total USD 8.05 million, or 13.4 per cent of a USD 60 million fund, compared with a term sheet expectation of 5 to 10 per cent. Both figures are correct within their own definitions and the iTAP notes both. The accredited entity declined to commit to a minimum share measured by capital deployed, noting that a portfolio is built dynamically and a fixed target would either constrain investment decisions or create an incentive to direct capital towards the target irrespective of the investment's merit. It offered instead to report the share annually on both measures and to require every investment paper to record why a cooperative or trust structure was not used where one was available. The iTAP regards the offer to be meaningful.

32. Overall, the iTAP rates the sustainable development potential to be **medium**. The gender and safeguards architecture is well developed and the accredited entity handled an unsupported economic figure appropriately. The rating is tempered by the quantified economic benefits being applicable to just one of the three countries and that the measurement approach on which the wider claims depend has not yet been applied to any investment.

1.5 Needs of the recipient

Scale: High

33. The iTAP has no substantive finding under this criterion. The exposure of Fiji, Tonga and Vanuatu to cyclones, sea level rise, marine heat and reef loss is documented and severe, and coastal livelihoods depend on reef ecosystems directly. The financing gap the programme would address is real and specific. Bank lending in these countries is secured on physical assets over

one to three years, but that business model is not appropriate for businesses whose value is comprised of its customer base and whose payback period is measured in many years and for which there is no equity or sale market.

34. The replies to the iTAP questions strengthen this criterion rather than weaken it. The iTAP asked whether the real constraint is a lack of businesses ready to receive investment rather than a shortage of capital. The accredited entity provided two documented cases in which businesses were affected because capital was not provided when it was required. One lost an investment from an ocean-focused fund when a buyout could not be completed within the investor's deadline. The other declined a fully signed facility of 765,500 Fiji dollars in March 2024 after the lender did not provide the funds within the agreed terms, and it remains undercapitalized as a result.

35. The iTAP also notes the accredited entity's commitment that if the pipeline did not support the full target fund size, it would keep MPF1 below its target rather than lower its investment standards, and that it would rather leave capital undeployed than invest in businesses that fail its screening criteria. The iTAP considers this to be appropriate. Overall, the iTAP rates the needs of the recipient to be **high**.

1.6 Country ownership

Scale: Medium

36. **The programme is locally led.** The company responsible for identifying and managing the investments is Fijian. Both of its principals are Fijian citizens, one of whom is Indigenous iTaukei with nearly four decades of institutional investment experience in Fiji. An experienced iTaukei conservation leader sits on the committee overseeing the business support facility. Free, prior and informed consent processes apply to community investments, and every prospective investment is subject to a minimum engagement package, including separate consultation sessions for women and young people. This is an improvement over most private sector adaptation proposals reaching this stage, and the iTAP notes this strength.

37. **A first institutional fund to be managed jointly by a regulated fiduciary manager and a specialist local team with an established local presence.** This would be the first institutional fund managed by either of the two principals; the risks associated with this are described in section 1.7 below. Against the risks, however, the iTAP identifies an asset that does not appear on a balance sheet. The people who would undertake the work are known by the communities that would benefit from the support provided by the programme. The Fijian company that would find and manage the investments has worked with several community organizations and collectives in the pipeline for years, in some cases well over a decade, through readiness work, business planning and, in three cases, with its own capital. It continued support for one cooperative throughout the serious illness of its general manager and rescheduled its debt rather than enforced repayment. Such relationships cannot be built by a fund manager during an investment period. In the view of the iTAP, this is the reason why the most challenging aspect of the proposed portfolio, working with community collectives, is considered to be deliverable. A first-time manager with established relationships is a materially better proposition than an experienced foreign manager without them.

38. **Indigenous Peoples.** The arrangements for Indigenous Peoples are substantive. A dedicated planning framework sets out how each investment is screened for effects on Indigenous Peoples, how those effects are assessed, how individual plans are prepared, how benefits are shared in culturally appropriate ways and how implementation will be monitored. Indigenous Peoples participated in the engagement that shaped the programme's design. The programme commits to respecting Indigenous knowledge systems, protecting traditional knowledge and cultural heritage, and carrying Indigenous perspectives into investment decisions, governance and benefit-sharing, and it provides for Indigenous leaders to sit in

governance and advisory structures, including the committee overseeing the business support facility. An Indigenous Peoples advisory group is available to advise the accredited entity and the executing entities.

39. **Where investment decisions are made.** The iTAP assumed that decisions rest with a three-member committee of the Singapore manager. The accredited entity, however, noted that decisions to invest, sell and make follow-on investments are taken by a five-member committee of the portfolio adviser in Fiji. The Singapore committee performs a regulatory and fiduciary check but will not approve a decision not recommended by the committee in Fiji. The accredited entity also acknowledged that the term sheet describes the Singapore committee's role more broadly than the committees' charters do, and undertook to correct the wording. The iTAP accepts the correction and notes that the Portfolio Advisor in Fiji has the discretion in selecting investment and proposed divestment and making recommendation to the Singapore Investment Committee that is chaired by the Fijian General Partner. The iTAP notes that Indigenous participation in decision-making rests with one individual, and that the two members whose decisions carry decisive weight are also the joint ultimate owners of the general partner and of the company that receives the management fee.

40. **Tonga and Vanuatu.** The programme's role in Tonga and Vanuatu is the principal concern of the iTAP under this criterion, although it concerns the distribution of the programme rather its quality. Of the 18 indicative investments, five have no company behind them yet, including two of the three in Vanuatu and one of the two in Tonga. Ten investments have between two and six years of relationships and preparation behind them, all of which are in Fiji. The economic benefit case is solely based on Fiji. The accredited entity stated that it is unlikely to place permanent staff in either country. Cover would be provided by investment managers travelling from Australia, Fiji or New Zealand; its assessment suggests that local recruitment is unlikely to succeed. The programme's model, whereby investment managers work closely with the companies rather than simply sitting on their boards, will be unable to be delivered without resident managers located in two of the three countries participating in the programme.

41. **An unaddressed risk to country distribution.** The investment period ends at the earlier of five years or the point at which 75 per cent of the capital has been invested or committed. The investments that are ready are those in Fiji. It is therefore possible for the investment period to end when the 75 per cent threshold has been reached through investments in Fiji alone, before the Tonga and Vanuatu minimum allocations have been reached. Neither the proposal, term sheet nor the accredited entity's responses address this possibility, which is the most likely manner in which the country distribution could fail.

42. Overall, the iTAP rates country ownership to be **medium**. The Fijian leadership of the programme and the depth of community engagement are real. Tempering the rating is that Tonga and Vanuatu have endorsed a programme in which, at present, MPFI1 holds only one identified investment in each country, have no share of the modelled economic benefit, investments are scheduled for the fourth and fifth years, there are no proposed resident staff and have minimum allocations that the accredited entity has itself shown cannot be met under stress.

1.7 Efficiency and effectiveness

Scale: Medium

43. Efficiency and effectiveness is the criterion with the most significant unresolved issues. The iTAP sets out its reasoning in some detail because these issues directly inform the recommendations.

44. **The financial model was substantially rebuilt during the question round.** The model submitted with the proposal did not describe the capital structure set out in the proposal

itself. It contained no scenario for the minimum fund size, even though the proposal quoted a return figure for that scenario. Its downside case applied the same annual loss rate as its central case, and therefore was not a downside case in any meaningful sense. In response to iTAP questions, the accredited entity identified and disclosed three errors it had made: the share classes were ranked against each other in a single sequence, whereas MPF1 uses two parallel sequences; capital recovered from early investments was not carried through into new investments; and the capital available to invest had been calculated for five years of management fees, although the fees run for 10 years, overstating investable capital by USD 6.8 million. The accredited entity then supplied a corrected model based on the structure described in the proposal, together with a separate model for the USD 30 million minimum size fund incorporating the four shocks the iTAP specified: a loss rate more than doubled, a Category 5 cyclone applied sector by sector, a 20 per cent currency depreciation and the failure of every sale-based exit. The accredited entity reported the results, including the unfavourable results, and confirmed that the return figures previously quoted in the proposal for the minimum close could not be reproduced and would be restated. The iTAP regards this as the strongest piece of work undertaken in the question round, and has rated this criterion higher than it would have otherwise.

45. **Outstanding legal and tax issues.** The principal instruments of MPF1 are shares that the investee company buys back at a set price and obligations to pay MPF1 a share of its profits. Whether a growing but not yet profitable company is legally permitted to buy its shares back depends on company law requirements governing the source of capital for the buyback and the applicable solvency tests. The accredited entity confirmed that this analysis is not complete for Fiji and has not commenced for Tonga or Vanuatu, that no tax opinion exists for either Tonga or Vanuatu and that it has not yet established an approach to managing the mismatch between companies that earn in local currency and obligations denominated in United States dollars. It also acknowledged that its knowledge of the legal and regulatory environment outside Fiji is considerably less developed. The iTAP notes the candour with which these gaps were disclosed and highlights them for the Board's consideration.

46. **Risk architecture.** Against the weaknesses identified in paragraphs 44–45 above is a set of controls that the iTAP has verified in the term sheet and proposal. Responsibilities will be separated between the fund manager, the general partner, the portfolio adviser and the two committees. The general partner will invest at least 1 per cent of the total for MPF1. Administration, audit and custody of the assets will be independent of the manager. Portfolio risk will be contained by diversification across four sectors and three countries, investments ranging between USD 0.25 million and USD 6 million, and limits on exposure to any single company, sector or country. Deployment risk will be addressed by a pipeline assembled before launch, a resident Fijian adviser responsible for identifying and managing investments, the business support facility working on readiness before and after investment, and a drawdown structure under which GCF capital is called progressively alongside fundraising, with a USD 30 million minimum first close and cancellation if that total is not reached. The iTAP regards the cancellation provision as the most important of these from the perspective of GCF, because it bounds the downside in a way no covenant can: if MPF1 does not reach a viable size, the GCF commitment does not proceed.

47. GCF team for this proposal has adopted milestone-based disbursement against fundraising targets, which is an excellent risk mitigation for fundraising risk. The iTAP recommends that the approach agreed for this transaction be considered for adoption across the GCF private sector portfolio.

48. Overall, the iTAP rates the efficiency and effectiveness of the programme to be **medium**. The rating reflects that operating costs will be of the same order as the size of the GCF contribution, the iTAP could not establish the capital structure ranking and there are

outstanding legal analyses for two of three participating countries. The rating does not reflect a judgment that the structure is unsound. The accredited entity's work during the question round was substantial and materially improved the ability of the iTAP to assess the programme. The iTAP is of the view that had the work been completed before submission, the rating would have been higher.

II. Overall remarks from the independent Technical Advisory Panel

49. The iTAP notes its appreciation of the Secretariat's appraisal of this proposal, which was of a notably high standard and materially assisted its work. The appraisal went beyond summarizing the funding proposal. It explained the mechanics of the transaction in greater detail than the proposal itself, bringing into view the complexities that the proposal had left implicit: the order in which the share classes are repaid and the profit-sharing arrangements that follow, the cap limiting the GCF junior participation to half of private commitments, the country limits and the point at which compliance is tested, the grounds on which the manager may be removed, and the borrowing limit and its permitted purpose. Several of the most productive questions from the iTAP arose from testing those provisions against the proposal and identifying that the two did not always align. The appraisal was equally clear about the weaknesses, identifying the applicant's first-time status both with GCF and as a fund manager, the dependence of the final capital structure on raising further commitments, the origination burden falling on a single Fijian company in shallow markets, the concentration that small investments in small markets produce, the layered governance arrangements and the key person exposure inside them, and the additional complexity introduced by multiple vehicles, differentiated investor classes and a parallel support facility. It paired each with the mitigation relied upon rather than leaving the risk named and unanswered, and it was candid that residual risk remains elevated and proportionate to the ambition rather than they have been eliminated. The iTAP regards this combination, that the complexity has been made visible and each risk is named alongside its mitigation, as the standard to which the appraisal of blended structures should be undertaken.

50. Taken together with the accredited entity's conduct during the question round, described in paragraph 7 above, the overall impression of the iTAP of the work underpinning this proposal is favourable. The findings described above should be read in that context. They are the findings of an iTAP that was provided with a substantive body of material with which to work.

51. The assessment of the iTAP is that this is a well-conceived response to a genuine market failure, brought forward by a manager with strong local standing but limited institutional history, at a stage of preparation earlier than the proposal itself suggests. Those three points are connected. The accredited entity explained during the question round that MPF1 has not reached first close, no management fees have been received, there is no fund capital and no investment team has been employed, and that the pipeline, the readiness work, the safeguards architecture and the proposal itself were funded by a series of grants from Convergence, the International Climate Finance Accelerator, 2X Global, the United States Agency for International Development and the GCF Project Preparation Facility. It is the view of the iTAP that this is a fair description of an emerging manager from the Global South bringing a proposal to the Board before it has the resources that would normally enable it to be fully prepared. It also means that several of the analyses the Board would ordinarily rely on to price the risks have not yet been carried out.

52. The iTAP considered whether the level of preparation should lead to declining the proposal, and concluded that it should not, for two reasons. First, the outstanding issues are predominately gaps in evidence rather than a flawed design. The proposal's instruments exist,

although the arrangements for dealing with an investee that cannot meet its obligations have not yet been drafted. The three programme countries have been identified, but the legal analyses have not yet been commissioned. The share classes are established, but their order of repayment is inconsistent between two documents. These are matters that can be addressed. In the view of the iTAP, these are not gaps where requiring more work be done before endorsement would simply defer rather than reduce GCF risk. Second, the iTAP places significant weight on how an entity responds when scrutinized. On this measure, the accredited entity performed well. It disclosed errors the iTAP had not identified, withdrew a figure it could not support and volunteered that its downside case breaches its own term sheet. This provides confidence that the accredited entity could be trusted in future reporting to GCF.

53. The iTAP also considered the contrary view, that a manager that is operating in three frontier markets, has a third of its expected gain concentrated in three companies and with much of the legal work for its own instruments outstanding is a substantial execution risk, however candidly the risk is presented. The iTAP debated whether to require that the outstanding work be completed and to then reconsider the proposal. The judgement of the iTAP is that the recommendations given in section 2.1 below achieve much the same protection without a potential two-year delay.

54. The iTAP acknowledges that it is assessing an early-stage vehicle against a standard designed for fully prepared proposals. However, GCF should take risks that others will not if a proposal is innovative enough and push the boundaries of what finance can achieve. The economist Kate Raworth captured the test the iTAP has in substance applied: is this very innovative fund good enough for now, and is it safe enough to try?⁵ The formulation recognizes that backing an idea involves uncertainty, and that not every element will work as intended, and that an idea need not be perfect to justify support. On both aspects, the answer of the iTAP regarding the proposal is yes. The design is coherent, the need is not in doubt, the instrument is a real answer to a real constraint and GCF exposure is bounded by a cap on its junior participation and by a minimum fund size below which its commitment would not proceed (according on the current term sheet, which has not been finalized).

55. The iTAP adds one qualification, which is the qualification that runs throughout this assessment. Successful climate adaptation requires two things: the proposal should create a market where none exists and the resilience generated by the market must reach widely enough that communities rather than only companies are better able to withstand future shocks. The first is the stronger part of this proposal, and the iTAP has given it substantial credit. The second is weaker. Eighteen businesses and their manager stand between the GCF capital and the 62,058 people the programme is projected to reach. The four community-owned enterprises account for just under 5 per cent of the capital to be deployed. The proposed return of ownership, which is intended to widen the base of local ownership, is not demonstrated to occur within the life of MPF1. And two of the three countries whose authorities have endorsed the programme are, at present, only lightly represented in the current pipeline of projects of MPF1. None of this makes the proposal unworthy of support, and the iTAP does not suggest it does. It does mean, however, that the recommendations in section 2.1 below are not marginal adjustments. They are, in the view of the iTAP, the difference between a fund that creates a market and a fund that creates a market broad enough to constitute adaptation finance for the whole community.

56. **The iTAP recommends that the Board approve this funding proposal.**

57. The iTAP further makes the following recommendations, which it considers material to the delivery of the programme's stated goals.

⁵ See <https://www.greenfund.org/blog/stepping-up-kate-raworth-on-backing-ideas-until-their-moment-to-shine/>. The piece attributes the formulation to the team working with Kate Raworth at the Doughnut Economics Action Lab, who ask of an idea whether it is "good enough for now" and "safe enough to try".

2.1 Recommendations of the independent Technical Advisory Panel

58. **Recommendation 1. Give the collectives more time, either by extending the life of MPF1 or by returning GCF capital last.** It is recommended that the accredited entity and its investors consider either extending the term of MPF1 beyond 10 plus one plus one years (the standard fund tenor), or providing for GCF capital to be returned over a longer period than the other share classes. The purpose is to avoid requiring community collectives and cooperatives repaying capital on a timetable set by MPF1 rather than the time they need for their activities to reach the size and develop the commercial relationships between them that would ensure their success.

59. MPF1 has a 10-year life, from 2027 to 2037, with two one-year extensions available. For an established company, that is a reasonable investment horizon. However, for the enterprises that MPF1 intends to reach, it is too short. Several of the cooperatives are not yet constituted. The five bodies that will comprise one of them are still being established, while another is yet to commence formation. Investments in Vanuatu are scheduled for 2030 and those in Tonga for 2031, leaving companies in those countries only six or seven years before they need to repay the capital. The accredited entity informed the iTAP that the business plans and financial models underpinning the portfolio were prepared between 2012 and 2025 and need updating. A cooperative that is incorporated in year three, professionalized in years four and five, and only then begins to trade profitably has perhaps four years of ordinary operation before MPF1 requires its capital to be returned.

60. MPF1 modelling illustrates the pressure created by the MPF1 10-year life. None of the five profit-share investments reaches its return cap by 2037 at the 50 per cent payout rate the model assumes. Closing the gap would require those companies to distribute between 63 and 90 per cent of their net income rather than 50 per cent. The choice at the end of the life of MPF1 is not simply between success and failure. It is between allowing the businesses more time and requiring the businesses to return more capital each year in order repay MPF1 on schedule.

61. Two mechanisms are available, with different consequences. An extended longer fund term is the simplest, although this would require all investors to accept the longer investment horizon. Alternatively, GCF could accept a longer repayment period, with GCF capital returned after the other classes, leaving the other investors' timetables unchanged. The iTAP has no view on which is preferable and both should be examined.

62. The iTAP recognizes the trade-off, which it is why this is only a recommendation. Extending the duration of MPF1, or returning GCF capital over a longer period, makes MPF1 less attractive to investors operating with conventional horizons, including one of the development banks interested in the project. However, this makes MPF1 more attractive to family offices, foundations and impact-first funds, for which longer returns on capital are a defining part of their mandate. The iTAP believes that the accredited entity is best placed to make such a judgment.

63. **Recommendation 2. Increase the allocations in Tonga and Vanuatu.** It is recommended that by the end of the investment period not less than 30 per cent of the capital deployed should be invested in businesses based and operating in Tonga and Vanuatu, comprising no less than 20 per cent in Vanuatu and no less than 10 per cent in Tonga. The iTAP also recommends that the investment period should not end because 75 per cent of commitments have been invested or committed until these minimum allocations are met or unless the Secretariat has agreed otherwise.

64. The term sheet already sets these minimum allocations, but the accredited entity demonstrated in its downside case that they cannot all be met simultaneously. The recommendation adds three protections not contained in the term sheet: reporting to the

Secretariat, rather than only to investors, early notification of a shortfall and removal of the mechanism by which the investment period could end once 75 per cent of commitments have been invested or committed through investments in Fiji alone. The iTAP does not believe a waiver by the investors to be an adequate safeguard since those investors may benefit from concentrating investments in Fiji, whereas GCF capital is intended to benefit three countries.

65. **Recommendation 3. Set a minimum allocation for collectively owned businesses, measured by capital deployed.** The iTAP recommends that by the end of the investment period, no less than 15 per cent of the capital deployed should be invested in businesses that are, at the time of investment, cooperatives, member owned or community owned, or that are committed to transition to worker, producer or community ownership by the time MPF1 exits. The iTAP also recommends that compliance with this minimum should be measured by capital deployed rather than by the number of investments; that the share should be reported annually on both measures; and that every investment paper should record whether a cooperative, producer, trust or buy-back structure was available and, where one was available and not used, why.

66. The accredited entity's modelling puts the allocation at USD 8.05 million, or 13.4 per cent of a USD 60 million fund, against the expectation in the term sheet of 5–10 per cent. Measured more narrowly against the four cooperative and community-owned businesses currently identified, the allocation is just under 5 per cent. The iTAP notes that two of those four are yet to be constituted: one cooperative's five constituent bodies are being established, and another has yet to be formed. The recommendation should accommodate enterprises in the process of being established, provided they have a completion date for their establishment.

67. The iTAP makes this recommendation for a specific reason: investing in community collectives will be the most challenging part of the programme. It takes longer, costs more for each dollar deployed and involves more uncertainty than investing in established companies. When an investment comes under pressure, and most do, this is the work that is most likely to be deprioritized. Managers revert to easier and more standard investments, often relying on larger institutions whose screening, investment and reporting tools already exist and whose portfolios are typically very different from that proposed for MPF1, requiring less time to develop. Such a shift is rarely announced, taking place one transaction at a time, with a good reason each time. The iTAP believes that the accredited entity's intentions are genuine and its history with the organizations it intends to work with is established. A minimum allocation would allow entities to survive difficult years.

Response from the accredited entity to the independent Technical Advisory Panel's assessment (FP319)

Proposal name:	Matanataki Pacific Fund 1
Project-specific assessment approach applicant:	Enyorra Private Equity Pte. Ltd.
Countries:	Fiji, Tonga and Vanuatu
Project/programme size:	Medium

Impact potential
We thank iTAP for its reading and accept the rating. Two points may assist the record. Several pipeline companies are identified, though whether each satisfies the Matanataki Advisory Committee and Investment Committee approval will be known only during implementation; Table 3 is best read accordingly. On the capital structure, the Fund has five classes. Classes A and B are senior, each ranking ahead of a junior class: A ahead of C, and B ahead of D. Class C is subordinated to Class A and absorbs realised Class A losses to the GCF First-Loss Cap, as between those two classes only.
Paradigm shift potential
We are grateful the iTAP has seen the exit constraint so clearly, and would add one thing. The self-liquidating structure is an intentional choice rather than a workaround. We would build it this way even were buyers plentiful, because it leaves businesses in the hands of those who hope to pass them to their grandchildren, and keeps accountability to community and ecology inside ownership rather than in covenants alone. Instruments, ranking and economics are settled; default and conversion mechanics remain. Broader ownership we support, and will pursue where owners wish it and conditions allow. This is sequencing, not reluctance.
Sustainable development potential
The USD 271.8 million figure is total accumulated EBITDA over ten years across ten identified companies. We have not been able to trace the second figure and would welcome assistance in locating it. On the cooperative example, we offer context gratefully rather than in defence: a small reimbursable grant, without equity, board seat or fee, after which revenue and profit rose significantly. The later decline reflects that thin resourcing, and the lesson is ours to carry. Schedule 2 commits 5% to 10% of capital to collectively owned businesses.
Needs of the recipient
We have nothing to add here. The iTAP has described the need in our islands accurately and with care, and we accept its finding and its rating with thanks.
Country ownership

Three clarifications, offered in good faith. The two members named will not hold equal shares; the founding woman will hold the majority. On the model, Mature Pivot and Growth Innovate companies receive the same treatment wherever they sit, through board representation, the Portfolio Advisor's investment and ESG teams, the technical assistance facility and regular travel. Only Emerging System-Scale enterprises require continuous presence, and we do not propose that segment outside Fiji. The limit concerns which segments are eligible where, not a lesser model applied to two countries. Tonga and Vanuatu investments are modelled conservatively and are not fixed.

Efficiency and effectiveness

iTAP's questioning prompted us to reassess our models, and the work is considerably stronger for it. Two matters for the record: the minimum-size fund modelling had been completed but was not annexed; and while the same cost-of-risk assumption applies in both cases, the Bear and Base scenarios differ materially at portfolio level and produce appropriately distinct outcomes. The outstanding legal and tax work is necessary and we will prioritise it after first close when we will have the resources to do so.

Overall remarks from the independent Technical Advisory Panel:

We accept the qualification, and would put it more plainly still: no fund of USD 60 million holding c. eighteen investments can widen local ownership across three countries. What MPF1 can do is show the path is walkable. The businesses do not stand between capital and people; they are how capital comes to belong here.

We also wish to note that the AE is not a first-time fund manager. It has 8 years of experience making and exiting investments, and acts as a regulated fiduciary manager for another impact fund. The AE is better characterised as the manager of a first institutional fund.

Recommendation 1. The returning GCF capital after the other classes is the mechanism we would prefer, and we would welcome that conversation. We do not believe the other option of extending the fund beyond 10 year and 1+1 will be acceptable to other investors, and we say so rather than promise what we could not deliver. Should the extensions be used, the management fee falls to USD 77,572 by 2036 against costs of USD 305,994; we therefore ask that the AE fee reach years 11 and 12, with provision for an extension-year fee.

Recommendation 2. Accepted, with Secretariat reporting and early notification. Early termination at 75 per cent is a right we may exercise, not an automatic event, and we undertake not to exercise it until the Vanuatu and Tonga minimums are met or committed, any exception resting with the Secretariat.

Recommendation 3. We share the intent, however, a 15% floor we cannot promise. Schedule 2 we offer as binding, with 13.4% as a target pursued in good faith, reported annually on both measures, and written reasons wherever an available structure goes unused.

We are grateful to have been read this closely.



Matanataki Pacific Fund I

Annex 8: Gender Assessment and Action Plan (GAAP)

Date:
10 September 2026

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Introduction and Purpose of the Gender Assessment

This Gender Assessment forms a core analytical component of the Gender Assessment and Action Plan for the Matanataki Pacific Fund 1 (MPF1) funding proposal. It provides a structured evidence base on gender dynamics relevant to MPF1's anticipated investments in Fiji, Vanuatu, and Tonga, and is intended to inform the prioritisation and operational design of the Gender Action Plan for climate-resilient private sector investment.

This Gender Assessment is aligned with MPF1's Gender Guiding Principles, Policy and Action Plan, including its four-level gender impact framework across leadership and ownership, workplace equity and agency, gender-responsive products and services, and inspirational returns, as well as its commitment to combine quantitative indicators with qualitative, story-based learning. It draws on MPF1's impact measurement and management framework, which embeds gender equity throughout the investment cycle and requires investees to meet 2X Challenge criteria for gender-smart investing.

Gender equality and women's economic empowerment are widely recognised as both human rights imperatives and drivers of sustainable development. In the Pacific region, structural barriers such as patriarchal norms, unequal unpaid care burdens, gender-based violence, discriminatory workplace practices, and limited access to finance continue to constrain women's engagement in economic activity, employment, and entrepreneurship despite relatively high levels of educational attainment among girls and women; gender norms, division of labour, and social expectations shape differential access to economic opportunities and decision-making in ways that often disadvantage women.¹

MPF1 is a financial intermediary vehicle that will channel capital primarily to small and medium enterprises (SMEs) and SME-like enterprises across Fiji, Vanuatu, and Tonga. SMEs play a critical role in the economic landscape of Pacific Island Countries (PICs), often serving as the main engines of employment and livelihoods. Within this context, gender dynamics manifest not only in aggregate participation rates but also in the quality, security, and distribution of opportunities available to women and men within the private sector. This Assessment therefore examines gender issues at the intersection of labour markets, enterprise development, business ownership, and informal employment, recognising that SME-level dynamics will fundamentally shape how gender risks and opportunities play out in MPF1-supported activities.

At the programme level, the Gender Assessment is designed to serve two interlinked purposes:

- To identify gender-differentiated vulnerabilities, risks, constraints, and opportunities among women and men that are relevant to the ecological, economic and social outcomes anticipated from MPF1 investments; and
- To inform the design and prioritisation of the Gender Action Plan, ensuring that proposed actions respond directly to evidence and that indicators can be meaningfully aligned with both gender equality outcomes and SME performance metrics.

¹Ministry of Women, Children and Poverty Alleviation, 2023, 42 *Fiji Country Gender Assessment: Visual Report*. <https://divafiji.org/fiji-country-gender-assessment/>

Consistent with the Fund's design as a financial intermediary, this Assessment is a programme-level analysis and does not replace investee-level due diligence or gender risk assessments that will be conducted as part of project-level screening and monitoring. Rather, it establishes an analytical foundation that guides subsequent operational implementation at the level of individual investments, particularly in determining how gender considerations will be integrated into screening criteria, covenants, compliance monitoring, and technical assistance strategies for SMEs.

1. Scope and Focus

The scope of this Assessment reflects the dual realities of MPF1's investment strategy and the broader socio-economic context of Fiji, Vanuatu, and Tonga:

The assessment adopts a programme-level lens, recognising that MPF1 will invest directly into SMEs that span multiple sectors with varied gender dynamics. Further, the assessment explicitly focuses on SMEs and SME-like enterprises, which are expected to be the primary recipients of Fund capital, active co-ownership, change management and technical assistance support and a major source of women's employment and entrepreneurship opportunities. Women in Pacific countries are more likely than men to be employed in informal work and in smaller enterprises, including micro and small businesses where formal HR systems and protections are typically absent or weak.²

The assessment considers how gender-differentiated risks and opportunities are shaped by socio-cultural norms, labour market structures, sectoral composition (e.g., agriculture, tourism, services), and climate-related exposures that differentially affect women's economic roles and decision-making power.

Finally, the Assessment acknowledges that gender differences are not solely captured by binary categories (women vs. men) but intersect with other factors – such as age, education, disability, rural/urban location, and informal/formal employment status – which will be further explored in subsequent sections. Nonetheless, for clarity and alignment with the GCF Gender Policy, this Analysis foregrounds gender as a primary axis of social differentiation impacting economic engagement and resilience outcomes.

This Gender Assessment is closely linked to MPF1's overarching framework, including:

- Gender Guiding Principles, Policy and Action Plan: This document provides the fund's consolidated gender commitments, implementation roadmap, and monitoring approach across four levels of gender impact, and is the primary internal reference for operationalising gender requirements with portfolio companies.
- ESGI Policy commitments: The Fund's Environmental, Social, Governance and Impact (ESGI) Policy articulates commitments to human rights, non-discrimination, inclusion, and equitable opportunity. These principles provide normative guidance for this Assessment in shaping how gender risks and opportunities are identified, and how interventions are prioritised to support equitable outcomes across investment portfolios.
- ESMS (Annex 6) risk management framework: The Environmental and Social Management System provides the Fund's operational risk framework, including gender-related risk screening. This Assessment informs and complements the ESMS by identifying gender-specific vulnerabilities that require attention in risk categorisation, mitigation measures, and ongoing supervision.
- IMMS and impact logic: The Gender Assessment informs the design of the Fund's Impact Measurement and Management System (IMMS), particularly indicators that capture gender-differentiated outcomes such as women's employment quality, leadership in SMEs,

² ILO, 2024, 6, *Pacific Employment and Social Monitor, April 2024: Towards Resilient Labour Markets and Better Jobs*. Available at: <https://www.ilo.org/sites/default/files/2024-04/pacific-employment-social-monitor-brief-2024-april-en.pdf>
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access to finance, and safety at work. Establishing gender baselines and analytic justification here supports credible measurement over time.

2. Methodology and Sources of Information

The Gender Assessment has been prepared using a desk-based methodology appropriate to the stage of the funding proposal and MPF1's role as a financial intermediary. It draws on national and regional evidence and a structured review of MPF1 programme documentation to establish a credible analytical foundation for the Gender Action Plan and implementation arrangements.

The work is based on four main streams of evidence.

First, a desk review of national gender data, policies and institutional frameworks relevant to Fiji, Vanuatu, and Tonga. This includes the most recent available official sources (e.g., national statistics offices, relevant ministries and government policy documents), as well as internationally comparable datasets (e.g., World Bank gender data profiles) where these help triangulate trends over time or gaps in national reporting. The intent is to identify the most material gender issues for SME-oriented investment in each country – particularly those affecting women's economic participation, employment conditions, enterprise ownership and management, and exposure to gender-based risks. Where national datasets are limited or not recent, the assessment relies on reputable triangulation from multilateral agencies and peer-reviewed or widely cited regional research, and flags limitations transparently rather than filling gaps with assumptions.

Second, the assessment draws on Pacific regional literature on gender, labour markets and climate vulnerability, with attention to what is known about the intersection between gender inequality, informality, and climate and disaster shocks in Pacific SIDS. This includes practitioner-oriented resources that are widely used in the region to inform gender-responsive climate programming – particularly the *Pacific Gender and Climate Change Toolkit*³, which provides practical guidance on integrating gender into climate policy and project design. This regional lens is particularly important for MPF1 because many gender constraints and risks in Fiji, Vanuatu, and Tonga are shaped by small-island conditions (e.g., remoteness, close-knit communities (with kinship obligations often expressed as respect and avoidance), limited services, and sectoral exposure to climate impacts), and because the programme's climate rationale depends on strengthening resilience in these contexts.

Third, the assessment incorporates gender and SME-focused studies and frameworks relevant to private sector investment. Given MPF1's strategy to invest predominantly in SMEs and SME-like enterprises, the assessment places emphasis on evidence regarding women's participation in SMEs as owners, workers and managers, as well as the gender-specific risks that can be amplified in smaller enterprises (such as limited HR systems, weak workplace grievance channels, and higher exposure to harassment or retaliation risks). This is particularly relevant to MPF1 because the fund-level framework anticipates proportionate, practical workplace measures in SMEs (e.g., basic policies, grievance access, safety and dignity provisions) supported through tailored technical assistance. To anchor the framing of gender outcomes and investment-relevant indicators, the assessment uses the 2X Challenge as a recognised market standard for gender lens investing.⁴ This is consistent with MPF1's stated intention to align portfolio companies with 2X Challenge indicators and KPIs, and to use those metrics within its monitoring framework. Consistent with

³ Vunisea, A., Leduc, B., Bernard, K., Duaibe, K., Cleary, L., Manley, M., & Leavai, P. 2015, *Pacific Gender and Climate Change Toolkit: Tools for Practitioners*. Secretariat of the Pacific Community, Suva, Fiji. Available at: https://www.pacificclimatechange.net/sites/default/files/documents/Pacific_gender_toolkit_full_version.pdf

⁴ 2X Challenge. Available at: <https://www.2xchallenge.org/>

MPF1's gender framework, the assessment also recognises the role of qualitative and story-based evidence (collected ethically and safely) to understand changes in workplace culture, agency, and community norms that are not captured by quantitative indicators alone. In addition, the assessment draws on established guidance on measuring gender impact in investments and selecting appropriate indicators for portfolio-level reporting and learning.⁵

Fourth, the methodology includes a structured review of MPF1 programme documentation. Key documents reviewed include the MPF1 Gender Guiding Principles, Policy and Action Plan and its proposed monitoring framework and risk mitigation elements. The assessment also considers the Gender Impact Roadmap and Guideline, which describes how gender considerations are intended to be integrated across the investment cycle. In addition, it draws on the ESMS and its gender-related screening and due diligence tools and templates, including the investment-cycle approach to due diligence and the existence of dedicated gender due diligence and gap assessment instruments. Finally, the assessment is designed to align with the programme's impact logic and the way gender results are expected to be tracked and reported. While this Gender Assessment is desk-based at proposal stage, it anticipates participatory validation during implementation (including women-only and mixed consultations where appropriate) as reflected in MPF1's operational approach.

Finally, the assessment was informed by stakeholder engagement undertaken during programme development, as documented in the Stakeholder Engagement Plan (Annex 7). This engagement included consultations with women's groups, youth groups, community representatives, Indigenous stakeholders and prospective portfolio companies. Consultation feedback helped validate and contextualise findings relating to women's economic participation, governance, enterprise development, access to finance and gender-responsive investment design. However, the Gender Assessment remains primarily based on desk review and secondary data analysis, with stakeholder engagement serving as a complementary source of evidence and contextual insight.

The approach is informed by GCF Gender Policy expectations and guidance regarding the required gender documentation for funding proposals and the expectation that gender analysis meaningfully informs design and implementation arrangements.

Limitations

This Gender Assessment is necessarily subject to several limitations. It relies primarily on secondary data at programme preparation stage and therefore cannot substitute for investee-specific gender assessments that will be conducted during implementation. It also recognises the diversity of SME contexts across sectors and islands in Fiji, Vanuatu, and Tonga; gender dynamics differ significantly between, for example, tourism SMEs, fisheries value chains, waste management enterprises, and agribusiness cooperatives. The assessment assumes that investment-level gender due diligence and monitoring – including collection of investee baseline data and qualitative engagement – will be undertaken through MPF1's ESMS tools and processes to validate, refine, and operationalise the programme-level findings over time. Finally, the fund's approach anticipates baseline gender assessments for each portfolio company during implementation,

⁵ Jordan-Kirwan, S., & Tengtio, K, 2020, *How to Measure the Gender Impact of Investments: Using the 2X Challenge Indicators in Alignment with IRIS+.* Available at: <https://assets.cdcgroup.com/wp-content/uploads/2020/03/16111901/How-to-measure-the-gender-impact-of-investments.pdf>

meaning several portfolio-level assumptions in this Assessment will be refined once investee baselines and stakeholder consultations are completed.

3. Gender context in Fiji, Vanuatu, and Tonga

Socio-economic and cultural context

Gender roles and norms affecting women's participation in economic activity.

In both Fiji, Vanuatu, and Tonga, gender roles and norms continue to shape how women and men engage with paid work, enterprise development and leadership. The most visible manifestation is the persistent gap in labour force participation. In Fiji, the World Bank Gender Data Portal (harmonised ILO estimates) reports female labour force participation at 38.5% compared with 76.7% for men (2024)⁶, a gap of almost 40 percentage points. While harmonised estimates should be interpreted cautiously at subnational level, the magnitude and persistence of the gap is consistent with regional analysis that flags Fiji as one of the Pacific contexts with particularly pronounced gender differences in economic participation. In Vanuatu, the pattern is somewhat different: estimates vary depending on the source and measurement approach (particularly how subsistence and informal work are treated), but a consistent finding across reputable sources is that women's participation is lower than men's, and women's work is more likely to be informal or unpaid.⁷ For example, an ILO country factsheet reports women's labour force participation at 59.7% compared with 78.0% for men, with employment estimates for adults aged 15+ presented for 2021.⁸ UN Women's Vanuatu gender brief, drawing on the 2020 census, reports labour force participation among people aged 15+ at 42.1% for women and 51.5% for men, highlighting how definitional choices affect reported rates.⁹ National and regional gender analyses highlight that this gap is closely linked to women's heavy unpaid care responsibilities, gendered expectations around family and community roles, and constraints associated with customary institutions, all of which restrict women's time and mobility for paid work and enterprise development.

In Tonga, World Bank data for 2024 show female labour force participation at approximately 41.7% compared with about 64.0% for men,¹⁰ again pointing to markedly lower formal labour market engagement by women than men. Studies on women's economic empowerment in the Pacific note that Tongan women, like their counterparts in other island states, are more likely to be engaged in informal and subsistence activities, and face gendered constraints related to norms,

⁶ World Bank, 2024, Labour force participation rate, female (% of female population ages 15+) (modelled ILO estimate) – Fiji and Labour force participation rate, male (% of male population ages 15+) (modelled ILO estimate). Available at:

<https://data.worldbank.org/indicator>

⁷ World Bank, 2024, *Vanuatu: Labor force participation rate (% of population ages 15+) (modelled ILO estimate)*. Available at:

<https://genderdata.worldbank.org/en/economies/vanuatu>

⁸ International Labour Organization (ILO), 2022, *ILOSTAT country profiles: Fiji and Vanuatu – labour force participation*.

Available at: <https://ilostat.ilo.org/data/country-profiles/>

⁹ UN Women, 2022, 3 *Gender Equality Brief for Vanuatu*. Available at:

https://asiapacific.unwomen.org/sites/default/files/2022-12/UN_WOMEN_VANUATU.pdf

¹⁰ World Bank, 2024, *Tonga: Gender Data Portal*. World Bank Group. Available

at: <https://genderdata.worldbank.org/en/economies/tonga>

¹¹ TheGlobalEconomy.com, 2024, *Tonga: Female labor force participation*. Available

at: https://www.theglobaleconomy.com/Tonga/Female_labor_force_participation/

care responsibilities, and limited access to decent jobs and finance, which shape both the scale and terms of their participation in the private sector.¹²

These patterns matter for MPF1 because they signal that women's engagement with the private sector in both countries is shaped less by a lack of willingness to work and more by the constraints that structure "who can do what work, where, and under what conditions." In Fiji, the Government's own gender assessment materials emphasise that social norms, unequal household responsibilities, and gendered labour market segmentation remain major drivers of women's lower economic participation and leadership.¹³ In Vanuatu, gender analyses similarly point to the ways social expectations and unequal access to resources influence women's participation and the scale and sustainability of women-led businesses.¹⁴

In Tonga, national and regional reviews of women's economic empowerment highlight that discriminatory norms, limited recognition and redistribution of unpaid care work, and gaps in gender-responsive labour and financial policies continue to restrict women's access to decent private-sector jobs and to finance and support for women-owned SMEs.¹⁵

Unpaid care and domestic work

Unpaid care and domestic work is one of the most consistently identified constraints on women's economic participation across the Pacific. It affects women's availability for paid work, the types of work they can take on, their ability to travel to markets or formal employment, and their ability to participate in training and business networks. ADB's regional analysis of women's economic empowerment in the Pacific highlights unpaid care burdens and social norms as major determinants of women's lower labour force participation and occupational segregation.¹⁶ While time-use data is not consistently available at the same level of detail in all Pacific countries, the core dynamic is well evidenced: women carry the bulk of household labour and caregiving responsibilities, which constrains continuity of employment and enterprise growth.

For SMEs, this is not a peripheral issue. A large share of women's economic activity in Fiji, Vanuatu, and Tonga occurs in micro and small enterprises that are closely interwoven with household responsibilities – through home-based production, informal services, market vending, or small-scale tourism and hospitality activities.¹⁷ In such contexts, women's capacity to expand enterprises, take on formal employment contracts, or move into supervisory roles can be limited by care burdens and by expectations that women should remain available for household and community responsibilities. Regional evidence also indicates that care burdens often increase

¹² Asian Development Bank (ADB), 2022, 4, *Women's Economic Empowerment in the Pacific Region: Summary Brief*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-summary-brief.pdf>

¹³ Government of Fiji, 2014, 15, *National Gender Policy*. Available at: <https://www.pacificclimatechange.net/document/fiji-national-gender-policy-2014>

¹⁴ Government of Vanuatu, 2020, 14, *National Gender Equality Policy 2020–2030*. Department of Women's Affairs, Ministry of Justice and Community Services, Port Vila. Available at: https://mjcs.gov.vu/images/reporting/National_Gender_Equality_Policy_2020-2030_ADD_1.pdf

¹⁵ Government of Tonga, 2024, 18, *Tonga National Review for Implementation of the Beijing Platform for Action*. Available at: [https://www.asiapacificgender.org/sites/default/files/202406/Tonga%27s%20National%20Review%20for%20Implementation%20of%20the%20Beijing%20Platform%20for%20Action%20\(2024\).pdf](https://www.asiapacificgender.org/sites/default/files/202406/Tonga%27s%20National%20Review%20for%20Implementation%20of%20the%20Beijing%20Platform%20for%20Action%20(2024).pdf)

¹⁶ Asian Development Bank, 2016, 14, *Women's Economic Empowerment in the Pacific*. Available at: <https://www.adb.org/documents/womens-economic-empowerment-pacific>

¹⁷ Asian Development Bank, 2016, 20, *Women's Economic Empowerment in the Pacific*. Available at: <https://www.adb.org/documents/womens-economic-empowerment-pacific>

sharply during periods of crisis (including disasters), affecting women entrepreneurs and women workers disproportionately.

Mobility and decision-making

Restrictions on mobility and unequal decision-making power – both within households and in community governance – further shape women’s economic opportunities. This includes constraints on travel (especially inter-island travel), limited control over household finances, and reduced influence over land and asset decisions that affect enterprise investment. In contexts where customary governance and family-based ownership structures remain important, women may contribute heavily to family enterprises without holding formal ownership, control over profits, or authority over strategic decisions. Vanuatu’s National Gender Equality Policy¹⁸ recognises structural gender inequalities in access to resources and decision-making and frames gender equality as requiring changes across institutions and social norms, not only individual behaviour. Fiji’s gender policy framework¹⁹ similarly focuses on removing systemic barriers to women’s equality and empowerment. In Tonga, research on land and gender shows that customary land inheritance rules and constraints on women’s land ownership significantly limit women’s economic autonomy and influence over productive assets, reinforcing the importance of addressing structural barriers alongside support for women-led enterprises.²⁰²¹²²

For MPF1, these dynamics influence the plausibility and design of gender outcomes. For example, if investments aim to increase women’s participation in leadership or in technical roles within SMEs, the constraint may not be only skills – it may be whether women can travel for work, work certain hours, work with (and speak to) certain male relatives (in the case of cooperatively owned companies) or participate in training and networks without facing social sanction or household conflict. This is why a programme-level Gender Assessment must look beyond formal indicators and recognise the “invisible constraints” that shape women’s ability to benefit from SME growth and climate-resilient investment.

Role of SMEs in national economies and employment

SMEs (and, more broadly, MSMEs including microenterprises) are central to both economies, and they are the segment through which MPF1 expects to generate employment, improve services, and support climate-resilient value chains and the livelihoods and wellbeing that communities derive from them. In Fiji, the Government and development partners repeatedly characterise MSMEs as essential to job creation and inclusive growth.²³²⁴ A recent UNDP analysis

¹⁸ Government of Vanuatu, 2020, *Vanuatu National Gender Equality Policy 2020–2030*. Available

at: https://mjcs.gov.vu/images/reporting/National_Gender_Equality_Policy_2020-2030_ADD_1.pdf

¹⁹ Ministry of Social Welfare, Women and Poverty Alleviation, 2014. *National gender policy*. Available at:

<https://www.pacificclimatechange.net/sites/default/files/documents/National-Gender-Policy--FIJI--250214CabinetEndorsed--final-copy.pdf>

²⁰ Otto, H., 2025, ‘Roots and rights: navigating gender equality in Tonga’s customary landscape’, *Young Australians in International Affairs*. Available at: <https://www.youngausint.org.au/post/roots-and-rights-navigating-gender-equality-in-tonga-s-customary-landscape>

²¹ Asian Development Bank, 2023, 4, *Women’s economic empowerment in the Pacific region: summary brief*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-summary-brief.pdf>

²² World Bank, 2025, *Tonga – Gender Data Portal*. Available at: <https://genderdata.worldbank.org/en/economies/tonga>

²³ Ministry of Commerce, Trade, Tourism and Transport, 2020, 1, *Micro, Small, and Medium Enterprise Fiji – policy framework*. <https://mcttt.gov.fj/wp-content/uploads/2022/05/MSME-Fiji-Policy-Framework-26-June-2020-amendments.pdf>

²⁴ UNDP, 2022, 5 *Strengthening MSME Competitiveness in Fiji*. Available at: <https://sdgs.un.org/documents/strengthening-msme-competitiveness-fiji-45764>

on strengthening MSME competitiveness in Fiji notes that Fiji has placed major emphasis on MSME development in recognition of MSMEs' importance for jobs and income generation.²⁵ The report reiterates that MSMEs are crucial to inclusive prosperity, and it highlights that women-owned enterprises account for a significant share of formal MSMEs while many more women operate in informal enterprise settings.²⁶

In Vanuatu, the private sector is also dominated by small enterprises, and women's economic participation is strongly linked to micro and small business activity.²⁷ ADB's Pacific Private Sector Development Initiative (PSDI) has produced multiple country studies that document women's concentration in small-scale tourism-related businesses and other microenterprise activities, and the heightened vulnerability of these businesses to shocks.²⁸ PSDI's broader "gender inclusive private sector" assessment for Vanuatu notes the existence of sex-disaggregated MSME data generated through a Reserve Bank of Vanuatu survey and highlights micro and small enterprise ownership dynamics.²⁹ These studies are important for MPF1 because they provide a realistic picture of enterprise size, informality, and capacity constraints that shape what gender requirements and support measures are feasible at investee level.

In Tonga, regional analysis of women's economic empowerment³⁰ and PSDI-supported work on women in business³¹ highlight that women are heavily represented in micro and small enterprises, particularly in handicrafts, retail, hospitality, and other informal or semi-formal activities, but continue to face major barriers in accessing finance, business development services, and growth opportunities.³² ADB's dedicated finance-sector initiative for women-led MSMEs in Tonga,³³ and related PSDI surveys of informal businesses³⁴, reinforce the centrality of women-owned micro and small enterprises to Tonga's private sector and the need for tailored financial products and advisory support—conditions that MPF1's investment and technical assistance model seeks to address.³⁵

Gendered patterns of SME ownership, management, and workforce participation

²⁵ Ibid

²⁶ Ibid

²⁷ Asian Development Bank – Pacific Private Sector Development Initiative (PSDI), 2019, 8 *Women in Tourism-Related Businesses in Vanuatu*. Available at: <https://pacificpsdi.org/publications-2/working-documents-and-consultants-reports/read/vanuatu-women-in-tourism-related-businesses-report>

²⁸ Ibid

²⁹ Asian Development Bank – Pacific Private Sector Development Initiative (PSDI), 2019, 12 *Women in Tourism-Related Businesses in Vanuatu*. Available at: <https://pacificpsdi.org/publications-2/working-documents-and-consultants-reports/read/vanuatu-women-in-tourism-related-businesses-report>

³⁰ Asian Development Bank (ADB), 2023, 6, *Women's Economic Empowerment in the Pacific Region: Summary Brief*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-summary-brief.pdf>

³¹ Pacific Private Sector Development Initiative (PSDI), 2020, *Invisible Hands: Enabling Pacific Women in the Informal Economy*. Available at: <https://pacificpsdi.org/assets/Uploads/Invisible-Hands.pdf>

³² Asian Development Bank (ADB), 2023, 7–8, *Women's Economic Empowerment in the Pacific Region: Summary Brief*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-summary-brief.pdf>

³³ FundsforNGOs, 2025, *US\$9 Million Funding to Strengthen Women-Led Businesses in Tonga*. Available at: <https://news.fundsforngos.org/2025/12/24/us9-million-funding-to-strengthen-women-led-businesses-in-tonga/>

³⁴ PSDI, 2020, *Invisible Hands: Enabling Pacific Women in the Informal Economy*, pp. 13–15. Available at: <https://pacificpsdi.org/assets/Uploads/Invisible-Hands.pdf>

³⁵ Matangi Tonga, 2019, 1, *Women can contribute to economic growth if barriers addressed, says ADB*. Available at: <https://matangitonga.to/2019/05/13/women-can-contribute-economic-growth-if-barriers-addressed-says-adb>

Women's participation in SMEs in Fiji, Vanuatu, and Tonga is significant, but it is often concentrated in specific sectors and enterprise forms, with implications for both gender outcomes and risk. In Fiji, recent UNDP reporting (2025) cites that women-owned enterprises account for nearly 19% of formal MSMEs and that many more women operate in the informal sector, indicating a gap between women's economic activity and formal recognition and support.^{36 37} In Vanuatu, PSDI's women-in-business and women-in-tourism reports show that women entrepreneurs are active, particularly in tourism and hospitality value chains, but face significant constraints and higher vulnerability to shocks.³⁸ A PSDI-linked gender-inclusive private sector assessment notes the existence of MSME ownership data from a Reserve Bank survey and flags that sex-disaggregated enterprise information is still uneven, which can limit policy targeting and financial inclusion strategies.³⁹ These constraints are consistent with broader Pacific evidence that women-led firms are often smaller, less capitalised, more likely to be informal, and less likely to access formal credit and insurance – factors that can slow enterprise recovery after shocks and limit growth trajectories. National initiatives to enhance women-led MSME growth, and regional programmes under the Catalyzing Women's Entrepreneurship banner, underline both the scale of women's participation and the need for targeted financial and business development support⁴⁰. In Tonga, regional assessments and PSDI-supported work indicate that a high share of micro-sized firms are owned by women, particularly in handicrafts, market trading, hospitality and other low-margin activities, with women-owned businesses facing persistent barriers in accessing collateral-backed credit, tailored products, and business advisory services.⁴¹

Workforce participation within SMEs is also gendered across all three countries. Women are frequently concentrated in customer-facing and service roles (retail, hospitality, local services, market vending), while men are more prevalent in technical, transport, and certain higher-paid roles. World Bank and ADB regional reporting has emphasised that female participation remains low in certain sectors such as energy, and some higher-productivity industries, and that structural barriers – social norms, care responsibilities, legal and regulatory constraints – continue to shape occupational segregation and women's under-representation in STEM-related and green transition jobs. For MPF1, which aims to support climate-resilient economic development and, potentially, investments linked to resource efficiency and transition sectors, the gendered distribution of skills and opportunities is likely to be relevant to both investment outcomes and technical assistance design. Broader Pacific evidence shows that expanding women's access to skills, financial resources and decision-making opportunities can strengthen women's economic participation and leadership, reinforcing the case for active gender inclusion in climate-relevant

³⁶ UNDP Pacific Office, 2025, *MSMEs in Fiji: Unlock Growth Through Data, Policy and People*. Available at: <https://www.undp.org/pacific/blog/msmes-fiji-unlock-growth-through-data-policy-and-people>

³⁷ Asian Development Bank, 2023, 4, *Women-Owned Micro, Small, And Medium-Sized Enterprises in Fiji: Opportunities and Challenges for Private Sector Financial Institutions*. Available at: <https://www.adb.org/sites/default/files/publication/900981/women-owned-msmes-fiji-opportunities-challenges.pdf>

³⁸ Voigt-Graf, C., 2023, 10, *Women in Tourism Related Businesses: Technical Assistance Consultant's Report, Project Number: TA53071-001*. Available at: <https://pacificpsdi.org/assets/Uploads/ADBPSDI-Vanuatu-Women-in-Tourism-Business-Consultants-Reports.pdf>

³⁹ Voigt-Graf, C., 2023, 11, *Women in Tourism Related Businesses: Technical Assistance Consultant's Report, Project Number: TA53071-001*. Available at: <https://pacificpsdi.org/assets/Uploads/ADBPSDI-Vanuatu-Women-in-Tourism-Business-Consultants-Reports.pdf>

⁴⁰ ADB, 2023, 9, *Women's Economic Empowerment in the Pacific Region: Summary Brief*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-summary-brief.pdf>

⁴¹ World Bank, 2014, 110, *Gender at Work: A Companion to the World Development Report on Jobs*. Available at: https://www.worldbank.org/content/dam/Worldbank/document/Gender/GenderAtWork_web.pdf

SMEs.⁴² At the same time, labour mobility schemes are reshaping the care and labour landscape for women and men from Fiji, Vanuatu, and Tonga. Under Australia's Pacific Australia Labour Mobility (PALM) scheme⁴³ and related global seasonal worker programmes, growing numbers of Pacific workers – including women – are employed in agriculture. Similar long-standing dynamics exist as Pacific workers, many of them women, take up temporary and sometimes permanent care-giving roles in the United States under H-2A/H-2B and related arrangements, raising important questions for MPF1 about how outbound labour mobility interacts with local labour supply, care responsibilities, and the resilience of women-owned and women-led enterprises in its target countries. Research on these schemes highlights that while remittances and skills acquisition can be significant,⁴⁴ the model often relies on (and can deepen) gender-unequal care arrangements in sending communities, with women either migrating into low-paid care jobs abroad, absorbing increased unpaid care burdens when male relatives migrate, or local caregiving responsibilities left to grandmothers supported by younger, unmarried female relatives.⁴⁵

⁴² *Pacific Women Lead, 2025. Pacific Women Lead Annual Progress Report: July 2024 to June 2025. Pacific Women Lead.* Available at: <https://pacificwomen.org/pacific-women-lead-annual-progress-report-july-2024-to-june-2025/>

⁴³ Chatter, P., 2019, *Beyond development impact: Gender and care in the Pacific Seasonal Worker Programme.* Available at: <https://www.palmscheme.gov.au/research/beyond-development-impact-gender-and-care-pacific-seasonal-worker-programme>

⁴⁴ Howes, S., Curtain, R. and Sharman, E., 2022, *Labour mobility in the Pacific: transformational and/or negligible?* Available at: <https://devpolicy.org/labour-mobility-in-the-pacific-transformational-and-or-negligible-20221010/>

⁴⁵ Chatter, P., 2019, *Beyond development impact: gender and care in the Pacific Seasonal Worker Programme.* Available at: <https://policy-practice.oxfam.org/resources/beyond-development-impact-gender-and-care-in-the-pacific-seasonal-worker-progra-620635/>

4. Legal and Institutional Framework

Gender equality policy frameworks

Both Fiji and Vanuatu have established policy frameworks for gender equality and women's empowerment, and both have ratified core international commitments such as CEDAW (Vanuatu's PSDI-linked assessment summarises key commitments and reporting history).⁴⁶ For Vanuatu, the National Gender Equality Policy 2020–2030⁴⁷ sets a long-term policy direction focused on accelerating equal rights, opportunities, resources and rewards for women and girls and on mobilising broad societal support for gender equality. In Fiji, gender policy frameworks are also well established; UN Women's knowledge hub provides documentation on Fiji's national gender policy, describing its goal of promoting gender equity, equality, social justice and sustainable development.⁴⁸ Fiji has also developed complementary gender-related policy instruments in climate and resilience domains, such as a Gender Equity and Social Inclusion policy for climate action⁴⁹, which explicitly links gender inclusion to climate adaptation and disaster risk reduction efforts.

Tonga, while it has not ratified CEDAW, has adopted a National Women's Empowerment and Gender Equality (WEDGE) policy⁵⁰ and related strategic plans that seek to advance women's access to economic assets, employment and decision-making, including in the private sector.^{51,52}

These national commitments provide an enabling policy environment, but they do not automatically translate into gender-equal outcomes in the private sector – particularly within SMEs. In practice, gaps often relate to enforcement capacity, geographic dispersion of labour inspection and services, limited awareness among small employers and workers, and persistent social norms that shape women's bargaining power and access to redress.⁵³

Labour legislation and employment protections relevant to SMEs

⁴⁶ UN Women Fiji Multi-Country Office (MCO), n.d., *Country office – Vanuatu*. Available at: <https://asiapacific.unwomen.org/en/countries/fiji/co/vanuatu>

⁴⁷ Department of Women's Affairs, Government of the Republic of Vanuatu, 2020, 2, *National Gender Equality Policy 2020–2030*. Available at: <https://www.sistalibrary.com.vu/wp-content/uploads/2021/11/NGEP-1.pdf>

⁴⁸ UN Women (2014) *Fiji: National Gender Policy*. Available at: <https://wrds.unwomen.org/practice/resources/fiji-national-gender-policy>

⁴⁹ Government of Fiji, 2021, 5–10 *Fiji: Gender Equality and Social Inclusion Policy*. Available at: https://fiji.climatechangeportal.gov.fj/wp-content/uploads/2022/01/Fiji_GenderEquitySocialInclusionPolicy_ActionPlan_GESI-Policy.pdf

⁵⁰ Ministry of Internal Affairs (MIA), 2019, 8, *National Women's Empowerment and Gender Equality Tonga 2019–2025*. Available at: https://hrsd.spc.int/sites/default/files/2021-07/WEDGET_STRATEGIC_PLAN_OF_ACTION_2019_2025_Final.pdf

⁵¹ Asian Development Bank (ADB), 2023, 29, *Women's Economic Empowerment in the Pacific Region: A Comprehensive Analysis of Existing Research and Data*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-region.pdf>

⁵² Pacific Private Sector Development Initiative (PSDI), 2024, 12, *Unlocking Potential: A Gender Inclusive Private Sector Framework – Tonga Assessment*. Available at: <https://pacificpsdi.org/assets/Unlocking-Potential-GIPS-framework-Tonga-assessment.pdf>

⁵³ Asian Development Bank (ADB), 2023, 13, *Women's Economic Empowerment in the Pacific Region: A Comprehensive Analysis of Existing Research and Data*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-region.pdf>

Fiji has a relatively developed labour law framework compared with many small island contexts. The Employment Relations Act⁵⁴ includes provisions requiring employers to develop and maintain a policy to prevent sexual harassment, consistent with national policy guidelines. This requirement is reflected in official legal texts and supporting documentation. Fiji has also issued a National Policy on Sexual Harassment in the Workplace (2008)⁵⁵ which sets out complaint processes through employment grievance provisions and provides a national reference point for prevention and response expectations. The existence of these provisions is relevant for MPF1 because it establishes a legal baseline for workplace safety and dignity that can be reinforced through investee-level requirements and practical implementation support.

Vanuatu's framework presents a more mixed picture. The World Bank's "Women, Business and the Law" country notes (2020 profile)⁵⁶ indicate that, at least as of that assessment, specific legislation addressing sexual harassment in employment was not identified, and that restrictions existed on women's night work under the Employment Act (with implications for women's access to certain types of paid work). At the same time, other legal and policy materials suggest evolving attention to discrimination and harassment issues, including ILO-linked legal review documents that reference prohibiting sexual harassment in the workplace in broader equality legislation contexts. Importantly for programme design, even where legal provisions exist, the practical capacity of SMEs to comply – particularly in rural and outer-island settings – can be limited, and enforcement can be uneven.

In Tonga, a Public Service Sexual Harassment Policy establishes a zero-tolerance approach to sexual harassment in government workplaces and sets out formal and informal complaint procedures, roles and responsibilities, and sanctions, representing the country's first dedicated policy response to workplace sexual harassment. These developments are relevant benchmarks for MPF1's engagement with public-facing investees and with SMEs that contract with government entities.⁵⁷

From an SME perspective, the key issue is often not whether labour protections exist in principle, but whether they are known, applied, and enforceable in the settings where women work.

Enforcement challenges and informality

Across the Pacific, including Fiji, Vanuatu, and Tonga, informality and limited institutional capacity are persistent features of labour markets and enterprise ecosystems⁵⁸. Regional evidence highlights that women are disproportionately represented in the informal economy and that informality is associated with weaker access to social protection, limited job security, and heightened vulnerability to shocks.⁵⁹ This has two implications for MPF1's gender approach. First,

⁵⁴ Government of Fiji, 2007, *Act No. 36 of 2007, Employment Relations Act 2007*. Available at: <https://www.laws.gov.fj/Acts/DisplayAct/2910>

⁵⁵ Ministry of Labour, Industrial Relations and Employment, Government of Fiji, 2008, *Policy on Sexual Harassment in the Workplace*. Available at: <https://www.employment.gov.fj/resources/laws/PolicyonSexualHarassmentinWorkplace2008.pdf>

⁵⁶ World Bank, 2024, *Women, Business and the Law 2.0 – Vanuatu snapshot*. Available at: <https://wbl.worldbank.org/content/dam/documents/wbl/2024/snapshots/Vanuatu.pdf>

⁵⁷ Tonga Ministry of Internal Affairs – Women's Affairs and Gender Equality Division, 2024, 12-22, *Tonga National Review of the Implementation of the Beijing Platform for Action*. Available at: https://www.unwomen.org/sites/default/files/2024-09/b30_report_tonga_en.pdf

⁵⁸ Asian Development Bank, 2023, 1–3, *Women's Economic Empowerment in the Pacific Region*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-region.pdf>

⁵⁹ International Labour Organization (ILO), 2023, 15–18, *Women and Men in the Informal Economy: A Statistical Update*. Available at: <https://ilostat.ilo.org/en/latest/publications/women-and-men-in-the-informal-economy>

MPF1 investments that help SMEs formalise employment, improve job quality, and strengthen workplace protections can have significant gender benefits. Second, gender risk management must be realistic about the starting point: many investees will not have sophisticated systems, but they can still meet core standards through proportionate measures (e.g., codes of conduct, basic grievance access, documented non-retaliation commitments, and training).

Legal frameworks addressing GBV and workplace harassment.

Gender-based violence (GBV) prevalence in the Pacific is widely documented as high relative to global averages, and both Fiji and Vanuatu have legal and policy frameworks addressing domestic and family violence.⁶⁰ For Fiji, UN Women-hosted documentation of Fiji's National Action Plan to Prevent Violence Against All Women and Girls (2023–2028)⁶¹ references findings from a 2010–2011 prevalence survey and uses those results as part of the rationale for intensified prevention and response. Independent national research summaries from Fiji Women's Crisis Centre (FWCC) also provide evidence from a national survey undertaken in 2011 with WHO-methodology influence and technical support from the national statistics office, documenting high prevalence of men's violence against women.⁶² While prevalence figures should be handled with care in this narrative, the key programme-relevant finding is robust: GBV is a significant social risk context, and it influences women's safety, mobility, decision-making power, and economic participation.

For Vanuatu, the Vanuatu National Survey on Women's Lives and Family Relationships – a population-based study conducted with national institutions – provides a foundational evidence base on prevalence, attitudes, effects, and coping strategies related to violence against women.⁶³ The Australian Government's DFAT publication page summarises the survey's purpose and scope, and the full report is publicly available through national and partner channels.⁶⁴

In Tonga, the first National Study on Domestic Violence against Women shows extremely high lifetime and partner-violence prevalence rates and documents the ways in which social norms and attitudes can justify or tolerate violence against women.⁶⁵ These findings underpin national and regional advocacy for stronger legal protections, services, and prevention programmes in Tonga.⁶⁶

In addition to domestic and family violence, workplace sexual harassment is an important dimension of gender safety risks, particularly in SMEs and service sectors. In Vanuatu, specific

⁶⁰ Pacific Women Lead at SPC, 2023, *Thematic Brief: Ending Violence Against Women in the Pacific*. Available at: https://pacificdata.org/data/dataset/acf42df5-54c0-43e2-98c4-e2afefb1bce0/resource/4cf275c7-ea06-419f-845e-7b49cff21e96/download/spc-pwl_thematicbrief_evawg.pdf

⁶¹ UN Women Asia and the Pacific, 2023, 18, *Fiji National Action Plan to Prevent Violence Against All Women and Girls 2023–2028*. Available at: https://asiapacific.unwomen.org/sites/default/files/2023-09/fiji_nap_2023-2028-digital-final.pdf

⁶² Ibid

⁶³ Vanuatu Women's Centre and Vanuatu National Statistics Office, 2011, *Vanuatu National Survey on Women's Lives and Family Relationships*. Available at: <https://pacificdata.org/data/dataset/pwl-vanuatu-national-survey-on-women-s-lives-and-family-relationships>

⁶⁴ Australian Government Department of Foreign Affairs and Trade (DFAT), 2011, 1–8, *Vanuatu National Survey on Women's Lives and Family Relationships – publication summary*. Available at: <https://www.dfat.gov.au/sites/default/files/vanuatu-national-survey-womens-lives-family-relationships.pdf>

⁶⁵ Ma'a Fafine mo e Famili (MFF), 2012, 35, *National Study on Domestic Violence against Women in Tonga 2009*. Available at: <https://pacific.unfpa.org/sites/default/files/pub-pdf/tonga-vaw-report-final-2012.pdf>

⁶⁶ The Pacific Community, 2013, *National Study on Domestic Violence on Women in Tonga*. Available at: <https://pacific-data.sprep.org/dataset/national-study-domestic-violence-women-tonga>

research has been produced on sexual harassment in the workplace, reflecting both the presence of the issue and the need for clearer systems and protections.⁶⁷

For Fiji, legal requirements for workplace sexual harassment policies, and national policy guidance, establish an expectation that employers should maintain preventive policies and grievance channels. However, the practical reality remains that SMEs may not implement these requirements consistently without support and enforcement, and women may face barriers to reporting – especially in small communities where anonymity is limited and the risk of retaliation or social consequences is high.⁶⁸

In Tonga, evidence of violence and harassment in both public and private spaces, coupled with limited formal complaints mechanisms, suggests that many women face significant barriers to reporting, particularly in small communities where anonymity is limited and the risk of retaliation or social consequences is high.

These legal and policy conditions are not simply background context; they inform MPF1's approach to risk management and opportunity creation. A gender strategy that focuses only on women's economic inclusion without addressing safety and dignity in workplaces and value chains may fail to deliver meaningful outcomes and may expose the programme to significant reputational and implementation risks.

⁶⁷ International Labour Organization (ILO), 2016, 6, *Sexual Harassment in the World of Work in Pacific Island Countries*. Available at: https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@asia/@ro-bangkok/@ilo-suva/documents/policy/wcms_407363.pdf

⁶⁸ Ma'a Fafine mo e Famili, 2012, 1, *National Study on Domestic Violence against Women in Tonga 2009*. Available at: <https://www.toksavapacificgender.net/research-paper/national-study-on-domestic-violence-on-women-in-tonga/>

5. Gender, climate vulnerability, and SMEs

Climate risk context and why it matters for gender

Fiji, Vanuatu, and Tonga are among the most climate- and disaster-exposed countries globally, with recurrent experience of cyclones, flooding, drought variability and sea-level rise. The World Bank Climate Change Knowledge Portal provides country resource profiles for the three countries that highlight hazards such as tropical cyclones, extreme precipitation events and sea level change, reflecting the multi-hazard environment in which SMEs operate.^{69 70} Fiji has also undertaken a nationally led Climate Vulnerability Assessment with World Bank support, aimed at quantifying climate risks and identifying priority resilience investments.⁷¹ For Vanuatu, the World Bank has characterised the country as facing some of the most severe climate risks in the world, with increasingly frequent cyclones posing serious threats to lives, infrastructure, and the economy. Tonga's climate risk profile similarly highlights intensified tropical cyclones, saline intrusion, wave-driven flooding and the long-term threat of permanent inundation of low-lying coastal areas, with recent events such as the 2022 volcanic eruption and tsunami illustrating the scale of potential impacts on livelihoods, infrastructure and key sectors.

Gender matters in this context because climate shocks do not affect all people or all enterprises equally. Impacts are filtered through existing social and economic structures: the division of labour, ownership patterns, access to finance and assets, and differential exposure to violence and safety risks. For SMEs – especially micro and small enterprises – climate shocks can translate quickly into income loss, asset damage, debt accumulation and reduced food security. These effects can be gendered where women are concentrated in sectors, have less savings and collateral, face more constraints on mobility, and shoulder greater unpaid care burdens during crises.

Differential climate impacts on women and men in SME-dominated sectors

Several sectors likely to feature in MPF1's investment pipeline – such as agriculture, fisheries, tourism, and local services – are dominated by SMEs and are climate sensitive. In tourism, evidence from Vanuatu highlights how shocks have disproportionately affected women because of their overrepresentation in tourism and hospitality roles and businesses.⁷² PSDI's report on women in tourism-related businesses in Vanuatu notes that tourism was the sector hardest hit by border closures and lockdowns, and that women were significantly impacted due to their concentration in tourism and hospitality; it also cites surveys in which women were less confident than men that their businesses would survive.⁷³ This is directly relevant to MPF1, as recovery and resilience

⁶⁹ World Bank, 2024, *Climate Risk Country Profile: Fiji*. Available

at: https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/15854-WB_Fiji%20Country%20Profile-WEB.pdf

⁷⁰ World Bank, 2024, *Climate Risk Country Profile: Vanuatu*. Available

at: https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/15825-WB_Vanuatu%20Country%20Profile-WEB.pdf

⁷¹ Government of Fiji and World Bank, 2017, *Climate Vulnerability Assessment: Making Fiji Climate Resilient*. Available

at: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/163081509454340771>

⁷² UNCTAD, 2022, 3, *Prospects for the post-pandemic tourism and economic recovery in Vanuatu*. Available

at: https://unctad.org/system/files/official-document/ser-rp-2022d6_en.pdf

⁷³ Asian Development Bank (ADB) Pacific Private Sector Development Initiative (PSDI), 2021, 1–12, *Women in Tourism-Related Businesses in Vanuatu*. Available at: <https://pacificpsdi.org/assets/Uploads/ADBPSDI-Vanuatu-Women-in-Tourism-Business-Consultants-Reports.pdf>

strategies for tourism-linked SMEs need to be gender-responsive to avoid reinforcing existing inequalities.

In Fiji, the intersection of climate shocks and women's livelihoods has been documented through post-disaster work with women in informal and small-scale economic activities, such as market vending. UN Women's reporting on response to Cyclone Winston, for example, notes engagement with women market vendors and affected communities, reflecting the gendered livelihood impacts of major cyclone events.⁷⁴ Fiji's national Climate Vulnerability Assessment also emphasises the urgency of addressing climate vulnerability across society, which includes differential impacts on vulnerable groups and livelihoods.

In Tonga, national studies of informal and micro-businesses show that many women operate small tourism-linked, handicraft, market and service enterprises that are highly exposed to cyclones, coastal hazards and external shocks such as border closures.⁷⁵ Regional women's economic empowerment analysis for the Pacific further notes that Tongan women's enterprises are typically smaller and less capitalised, and that women face persistent barriers to finance and business support, increasing their vulnerability when climate-related events disrupt tourism and local markets.⁷⁶

In fisheries and "blue economy" value chains, women are often concentrated in processing, marketing and small-scale trading rather than in offshore capture activities, which can lead to differentiated vulnerability when climate affects resource availability, market access, and infrastructure. Broader evidence on women's economic empowerment in blue economy sectors in SIDS indicates that tourism and related services are major employment sectors for women but are also often gender-segregated, with women concentrated in lower-paid roles and experiencing constraints in advancement and leadership.⁷⁷

How climate shocks affect women's income stability and enterprise continuity.

Climate shocks can disrupt women's income stability through several channels that are particularly relevant for SMEs. First, women-led enterprises are often smaller, less capitalised, and more likely to operate informally; this can reduce access to formal relief, insurance, and recovery finance. Second, women may have less collateral and lower access to formal credit, which constrains recovery and adaptation investment. Third, women's work is more likely to be casual, part-time, or seasonal in sectors such as tourism and services, so shocks can translate quickly into income loss without protections such as paid leave, unemployment support, or formal severance.⁷⁸

⁷⁴ UN Women, 2016, 1–24, *Gender Assessment of Tropical Cyclone Winston: Fiji*. Available at: <https://asiapacific.unwomen.org/en/digital-library/publications/2016/06/gender-assessment-of-tropical-cyclone-winston>

⁷⁵ Ministry of Trade and Economic Development (Tonga), 2021, 52, *Report: Tonga Informal Business Survey 2021*. Available at: <https://www.mted.gov.to/wp-content/uploads/2023/05/INFORMAL-SECTOR-REPORT-FINAL-VERSION-1.-03-12-2021.pdf>

⁷⁶ Asian Development Bank (ADB), 2023, 1–4, *Women's Economic Empowerment in the Pacific Region: Summary Brief*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-summary-brief.pdf>

⁷⁷ Work and Opportunities for Women (WOW) Programme, 2023, WOW Helpdesk Query No. 73, *Women's Economic Empowerment in the Blue Economy in Small Island Developing States*. Available at: <https://assets.publishing.service.gov.uk/media/64072dd18fa8f527fc6d9d71/QUERY-73-WEE-in-blue-economy-in-SIDS.pdf>

⁷⁸ Asian Development Bank, 2023, Page 8 / Publication Stock No. ARM230165-2, *Women's Economic Empowerment in the Pacific Region: Summary Brief*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-summary-brief.pdf>

Evidence from Vanuatu illustrates how “parallel disasters” (climate shocks combined with other crises such as COVID-related tourism collapse) can create compounded vulnerability for women-led MSMEs. UN Women’s case narrative on a women-led business in Vanuatu describes the ways MSMEs faced overlapping shocks and the implications for women entrepreneurs.⁷⁹ UN Women’s Vanuatu gender brief also references rapid gender analysis following Tropical Cyclone Harold, indicating that women were likely to be disproportionately affected – consistent with the broader evidence that disasters can intensify gender inequality and reduce women’s access to resources and recovery support.⁸⁰

In Fiji, the combination of high climate exposure and significant gender gaps in labour force participation suggests that resilience-building strategies that rely on “the workforce” as a homogeneous category will miss the differentiated constraints facing women. For MPF1, this supports the need for gender-responsive approaches to SME resilience: for example, ensuring women entrepreneurs can access finance and technical support for adaptation measures, and ensuring workplace continuity strategies do not push women out of employment during and after shocks.

In Tonga, crisis impact assessments for the tourism sector and COVID-19 response planning show that multiple shocks – including tropical cyclones, volcanic eruption and tsunami, and prolonged border closures – have severely damaged tourism businesses and delayed recovery,^{81 82} with women and informal workers in tourism and handicrafts identified as particularly vulnerable to income loss and slow enterprise recovery. Regional evidence on women’s economic empowerment in the Pacific further notes that women-owned firms in Tonga and other small island states tend to be smaller, more informal, and less likely to have access to collateral-backed credit, which compounds the effects of climate and economic shocks on women’s income stability.⁸³

Impacts on informal and casual work

A key feature of both economies is the prominence of informal and semi-formal work, including within SMEs. Informality is not gender neutral. Pacific evidence indicates women are disproportionately represented in informal economic activity and face greater barriers to accessing social protection and formal grievance systems. During climate shocks, informal workers are often among the first to lose income and the last to regain stable earnings. For MPF1, this matters because investments that upgrade SME practices – formalising employment relationships, improving working conditions, and providing safe grievance access – can contribute not only to better job quality but also to resilience, especially if such improvements are targeted toward sectors and enterprise types where women predominate.

Care burdens and crisis amplification in SME households and communities

⁷⁹ Alston, M., Fuller, S., & Kwarney, N. (2025). Women and climate change in Vanuatu, Pacific Islands Region. *Gender, Place & Culture*, 32(1), 83–104. <https://doi.org/10.1080/0966369X.2023.2229530>

⁸⁰ UN Women, 2022, *Gender Equality Brief for Vanuatu*. Available at: https://asiapacific.unwomen.org/sites/default/files/2022-12/UN_WOMEN_VANUATU.pdf

⁸¹ Ministry of Tourism (Tonga), 2022, 6, *Tonga Tourism Crises Impacts Assessment Report*. Available at: <https://tourismtonga.gov.to/wp-content/uploads/2022/12/TMoT.pdf>

⁸² Department of Foreign Affairs and Trade (DFAT), 2020, 1, *Tonga COVID-19 Development Response Plan*. Available at: <https://www.dfat.gov.au/sites/default/files/covid-response-plan-tonga.pdf>

⁸³ Asian Development Bank (ADB), 2023, 1–4, *Women’s Economic Empowerment in the Pacific Region: Summary Brief*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-summary-brief.pdf>

Climate shocks frequently increase unpaid care demands, which can disproportionately affect women. After disasters, women often take on greater responsibility for caring for children, older persons, and injured or displaced family members; they may also become primary organisers of household recovery tasks such as securing water, food, and temporary shelter. These additional responsibilities can reduce women's ability to work, rebuild enterprises, or participate in recovery programmes. The gendered nature of disaster response has been repeatedly documented in Pacific contexts, including through UN Women's post-cyclone engagement and rapid analyses.⁸⁴

This dynamic can be particularly acute in SMEs because the boundary between household labour and enterprise activity is often blurred. Many micro and small enterprises are family-run, home-based, or dependent on household labour allocation. When care burdens rise, women's enterprise participation can decline even if the enterprise itself remains operational. Conversely, when an enterprise collapses due to climate shock, women may increase unpaid labour to compensate for lost income (e.g., subsistence activities, informal trading), reinforcing time poverty and limiting recovery prospects.

Compounded risks: climate stress, safety, and GBV

The intersection of climate vulnerability and GBV risk is increasingly recognised in humanitarian and development evidence. Crises – displacement, economic stress, weakened community protection systems – can increase risks of GBV and reduce access to support services. In contexts where baseline GBV prevalence is already high, climate shocks can exacerbate risk factors and constrain women's agency. For Fiji and Vanuatu, the existence of robust prevalence evidence (Fiji VAW survey references in national plans; Vanuatu national survey on women's lives and relationships⁸⁵) underscores that GBV is not a marginal issue but a structural risk environment that can influence women's mobility, economic decisions, and ability to participate in work safely. In Tonga, domestic violence research and disaster impact assessments indicate that cyclones, volcanic eruptions and tsunamis have compounded high rates of violence against women and increased pressure on support services after major events.^{86 87}

From an SME perspective, this intersection matters because many women work in settings where formal protections are weak and reporting channels limited. If climate shocks increase household stress and reduce women's bargaining power, women may be more vulnerable to exploitation or harassment at work, or more reliant on informal arrangements that increase exposure to unsafe conditions. This reinforces the importance of MPF1's emphasis on safe grievance mechanisms and SEA/SH-sensitive approaches at investee level.

What this context implies for MPF1

Three implications follow for MPF1's gender strategy in Fiji, Vanuatu, and Tonga.

⁸⁴ UN Women Fiji Multi-Country Office. 2025. Available at: https://asiapacific.unwomen.org/sites/default/files/2024-06/unw-fiji-mco-brief_web_maryann-philomena-lo_comp.pdf

⁸⁵ UN Women, 2023, 21, *Fiji National Action Plan to Prevent Violence Against All Women and Girls 2023–2028*. Available at: https://asiapacific.unwomen.org/sites/default/files/2023-09/fiji_nap_2023-2028-digital-final.pdf

⁸⁶ Ma'a Fafine mo e Famili, 2012, *National Study on Domestic Violence against Women in Tonga 2009*. Available at: <https://pacific.unfpa.org/sites/default/files/pub-pdf/tonga-vaw-report-final-2012.pdf>

⁸⁷ Munich Climate Insurance Initiative (MCII), 2020, 16, *Economic Impacts of Natural Hazards on Vulnerable Populations in Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu*. Available at: <https://www.climateinsurance.org/publications/economic-impacts-of-natural-hazards-on-vulnerable-populations-in-tonga>

First, SMEs are the principal arena where gender outcomes will occur. Women's economic participation is heavily linked to micro and small enterprise ecosystems – both as entrepreneurs and as workers – and these ecosystems are shaped by informality, limited HR capacity, and strong interdependence with household responsibilities. Evidence on women-owned MSMEs in Fiji (including the frequently cited 19% share of formal MSMEs as mentioned above), women's concentration in vulnerable sectors in Vanuatu (notably tourism), and the prominence of women-led MSMEs in tourism, services and retail in Tonga all support the need for targeted measures that go beyond generic “inclusion” statements.

Second, gender equality measures must be designed with a realistic understanding of constraints. Fiji's very large labour force participation gap is a headline indicator that signals structural barriers; Vanuatu's data variability across sources highlights the importance of careful interpretation and the need for investee-level baseline data. In Tonga, survey evidence shows women's micro-businesses are smaller, less capitalised and heavily concentrated in informal activities, with limited access to formal credit and business support. Across all three countries, care burdens and social norms mean that “equal opportunity” policies alone may not deliver equal outcomes without practical enabling measures (e.g., flexible working arrangements that do not penalise women, safe transport considerations, childcare supports where feasible, and targeted skills development).

Third, climate resilience is not gender neutral. The climate hazard context established by World Bank resources and national vulnerability assessment work confirms that MPF1 investments will be made in a high-risk environment. Evidence from Vanuatu and Fiji shows that women's livelihoods and women-led businesses can be disproportionately affected by shocks due to sector concentration, enterprise size, and differential access to recovery resources⁸⁸ and similar patterns are documented for women-led MSMEs in Tonga during COVID-19 and climate-related crises. This supports an approach where gender measures are integrated not only as equity actions but as part of resilience strategy – ensuring that women can access climate-resilient opportunities and are protected from heightened risks during and after climate events.

⁸⁸ Asian Development Bank (ADB), 2023, Women's Economic Empowerment in the Pacific Region: A Comprehensive Analysis of Existing Research and Data. Manila: Asian Development Bank. Available at: <https://www.adb.org/publications/pacific-women-entrepreneurs-covid-19>

6. Gender-differentiated risks relevant to MPF1 SME investments

MPF1's investment focus on SMEs and SME-like enterprises in Fiji, Vanuatu, and Tonga creates a very specific gender risk profile. SMEs are where many women participate in the economy – as entrepreneurs, informal workers, and employees in services, tourism, agribusiness, and value-chain activities – but SMEs are also where constraints related to finance, asset ownership, job quality and workplace safety are most likely to be pronounced. Evidence from Fiji, Vanuatu, and Tonga, supported by Pacific-wide research, suggests that without deliberate design features (in investment selection, technical assistance, monitoring and post-investment hands-on active co-ownership, change management and mentorship support), SME growth can reinforce existing inequalities: men may capture a disproportionate share of higher-value ownership and leadership roles, while women remain concentrated in lower-paid or less secure work, and safety risks (including sexual harassment) may remain unaddressed.

Risks of exclusion from economic opportunities

Barriers to finance and credit

Access to finance is one of the most consistently documented barriers facing women entrepreneurs in the Pacific, including in Fiji, Vanuatu, and Tonga. In Fiji, existing reports highlights constraints faced by women entrepreneurs and the need for financial institutions to better serve women-owned enterprises.⁸⁹ More recently, Fiji's Reserve Bank publicised findings from its Gender Inclusive Finance work, reporting that 30.2% of MSMEs are women-owned and a further 13.2% are jointly owned, while also providing sex-disaggregated inclusion indicators and calling attention to persistent gaps in access to financial services.⁹⁰

In Vanuatu, PSDI's *Women in Business* report documents that women business owners identify access to finance as a priority and face practical barriers such as lack of collateral, lack of information, and limited credit histories; respondents reported negative consequences including lower profits and an inability to grow due to constrained access to finance.⁹¹ PSDI's *Women in Tourism Related Businesses* report shows similar patterns among women entrepreneurs in tourism-linked SMEs, with women citing access to finance as important and reporting growth constraints where finance is limited⁹².

In Tonga, a dedicated ADB finance-sector initiative for women entrepreneurs responds to long-standing barriers including rigid collateral requirements linked to land ownership restrictions, high informality among women-led enterprises, and limited access to business development

⁸⁹ Asian Development Bank, 2023, 13, *Women's Economic Empowerment in the Pacific Region: A Comprehensive Analysis of Existing Research and Data*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-region.pdf>

⁹⁰ Reserve Bank of Fiji, 2025, RBF Launches Gender Inclusive Finance Report. Available at: <https://www.rbf.gov.fj/press-release-no-16-rbf-launches-gender-inclusive-finance-report/>

⁹¹ Asian Development Bank (ADB) Pacific Private Sector Development Initiative (PSDI), 2018, 281–318, *Women and Business in the Pacific*. Sydney: ADB / PSDI. Available at: <https://www.adbpsdi.org/publications/women-in-business-in-vanuatu/>

⁹² Ibid

services, and is structured around risk-sharing facilities and advisory hubs to expand credit to women-led MSMEs.⁹³⁹⁴

At the regional level, ADB's *Women's Economic Empowerment in the Pacific Region* synthesises evidence on structural constraints to women's access to formal finance and highlights cost and product barriers – including high effective borrowing costs, fees, and collateral requirements – that restrict women's ability to access bank and SME finance in some Pacific contexts, including Vanuatu.⁹⁵ For MPF1, these findings matter because they suggest that a purely “market-based” approach to SME finance may not automatically reach women entrepreneurs at scale, and that gender-responsive product design, eligibility criteria, and technical assistance are required. Experience also shows that progress depends on dedicated leadership and clearly assigned responsibility for gender outcomes, ensuring that gender equity is actively driven rather than treated as a procedural compliance requirement.

Barriers related to asset ownership and collateral

Asset ownership, especially land and property, is closely linked to women's ability to access credit because collateral requirements remain a standard condition for many forms of business lending. In customary tenure contexts, and in households where land and major assets are controlled by men, women may have limited access to collateral even when they operate enterprises. This dynamic is widely recognised in Pacific gender and private sector analysis and is one of the reasons women-led firms are often smaller, less capitalised, and more likely to remain informal.

Legal and supportive frameworks also influence women's ability to participate fully in entrepreneurship and credit markets. The World Bank's *Women, Business and the Law* country snapshots provide a useful benchmark of gender-related legal rights and policy supports.⁹⁶ Fiji's WBL 2.0 snapshot (2024)⁹⁷ highlights gaps in supportive frameworks and implementation measures even where basic legal rights exist. For Vanuatu, WBL 2024 reports a comparatively low score in legal and supportive frameworks, indicating persistent barriers across key life-cycle indicators that affect women's economic participation.⁹⁸ In Tonga, analysis of gender and law and national reviews under CEDAW and Beijing commitments highlight that customary land rules and related legal frameworks continue to limit women's land ownership and collateral rights, directly affecting their ability to secure business credit.⁹⁹¹⁰⁰¹⁰¹ While WBL does not replace country

⁹³ Radio New Zealand (RNZ), 2025, *US\$9 million grant to support Tongan women in business*. Available at: <https://www.rnz.co.nz/international/pacific-news/582607/us-9-million-grant-to-support-tongan-women-in-business>

⁹⁴ UNESCAP, 2022, *Catalyzing Women's Entrepreneurship*. Available at: <https://www.asiapacificgender.org/our-work/catalyzing-womens-entrepreneurship>

⁹⁵ Asian Development Bank (ADB), 2023, 16, *Women's Economic Empowerment in the Pacific Region: A Comprehensive Analysis of Existing Research and Data*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-region.pdf>

⁹⁶ World Bank, 2024, 1–190, *Women, Business and the Law 2024*. Available at: <https://wbl.worldbank.org/en/reports>

⁹⁷ Ibid

⁹⁸ Ibid

⁹⁹ Young Australians in International Affairs (YAIA), 2024, *Roots and Rights: Navigating Gender Equality in Tonga's Customary Landscape*. Available at: <https://www.youngausint.org.au/post/roots-and-rights-navigating-gender-equality-in-tonga-s-customary-landscape>

¹⁰⁰ Tonga Ministry of Internal Affairs – Women's Affairs and Gender Equality Division, 2024, 1–44, *Tonga National Review of the Implementation of the Beijing Platform for Action*. Available at: [https://www.asiapacificgender.org/sites/default/files/2024-06/Tonga's%20National%20Review%20for%20Implementation%20of%20the%20Beijing%20Platform%20for%20Action%20\(2024\).pdf\[2\]](https://www.asiapacificgender.org/sites/default/files/2024-06/Tonga's%20National%20Review%20for%20Implementation%20of%20the%20Beijing%20Platform%20for%20Action%20(2024).pdf[2])

¹⁰¹ Ministry of Internal Affairs (Tonga), 2019, *National Women's Empowerment and Gender Equality Tonga (WEDGET) Strategic Plan of Action 2019–2025*. Available at: https://hrsd.spc.int/sites/default/files/2021-07/WEDGET_STRATEGIC_PLAN_OF_ACTION_2019_2025_Final.pdf

legal analysis, it provides a credible, comparative evidence base that strengthens the case for targeted measures to ensure women can access the programme's economic benefits.

Barriers to skilled and leadership positions

Even where women participate significantly as SME workers and entrepreneurs, they may be underrepresented in leadership, management and technical roles. Pacific-wide evidence indicates that women are concentrated in microenterprise and service roles, while men more often hold senior positions and technical roles. PSDI's "Leadership Matters" work in Vanuatu (and across Pacific developing member countries) has been used to build baseline understanding of women's representation in business leadership, reflecting the recognition that gender gaps persist at senior levels even as women increasingly join the workforce.¹⁰²

For MPF1, the risk is not only that women will be underrepresented among investee owners; it is also that, in investee companies that grow due to investment support, leadership and higher-value jobs may disproportionately accrue to men unless there are explicit expectations and support for inclusive recruitment, promotion pathways, and leadership development. This risk is especially relevant where SMEs are family-owned and male-headed, where leadership succession norms may privilege men even when women contribute significantly to business operations.

Risk that SME growth benefits accrue disproportionately to men without targeted measures

Internationally and in the Pacific, gender-lens investing experience shows that growth and formalisation do not automatically translate into gender-equitable outcomes. In Pacific economies where women face structural barriers to finance, leadership and mobility, additional capital may expand enterprises without shifting gender dynamics – women may remain in informal roles or lower-paid service positions, while men capture the gains from scaling, formalisation and asset accumulation. This is precisely why MPF1's gender framework (including its stated alignment with recognised gender investing criteria and its use of gender due diligence tools) is important: it reflects a deliberate, experience-informed approach that embeds mechanisms to translate investment activity into measurable gender outcomes, rather than relying on assumptions that inclusion will occur organically.

Labour and working conditions' risks in SMEs

Concentration of women in informal, temporary, or lower-paid SME roles

Women are disproportionately represented in informal economic activity and in lower-paid or less secure roles within SMEs, a pattern observed across many Pacific settings. In Vanuatu, ILO reporting on informality provides sex-disaggregated evidence: an ILO news item (based on national rapid assessment) reports that 68.7% of employed women were in informal employment compared to 65.5% of men¹⁰³, indicating very high levels of informality for both women and men, with women marginally more affected. While definitions and measurement approaches vary, the overall conclusion is robust: informal employment is widespread, and women are highly represented within it – particularly in micro and small enterprise contexts.

¹⁰² Asian Development Bank (ADB), 2023, 8, *Women's Economic Empowerment in the Pacific Region: A Comprehensive Analysis of Existing Research and Data*. Available at: <https://www.adb.org/sites/default/files/publication/884486/women-economic-empowerment-pacific-region.pdf>

¹⁰³ United Nations Country Team (UNCT), 2024, 14, *Fourth Cycle Universal Periodic Review of Vanuatu: Joint Submission of the UN Country Team*. Available at: <https://uprdoc.ohchr.org/uprweb/downloadfile.aspx?filename=12795&file=EnglishTranslation>

This matters for MPF1 because informality is strongly associated with limited labour protections, weak access to grievance mechanisms, and limited social protection coverage – factors that can depress women’s job quality even when employment numbers increase. UNDP’s Pacific commentary on women in informal business further underscores that women’s informal livelihoods (including market vending, farming, fishing and daily wage earning) can be highly exposed to shocks and lack safety nets such as insurance and paid leave.¹⁰⁴ While this is a regional-level narrative, it is consistent with the structural features of Fiji, Vanuatu, and Tonga SME ecosystems and supports the need for MPF1 to treat job quality and protections as part of gender outcomes, not just job counts.

Sectors with limited labour protections and enforcement challenges

SMEs often operate with limited HR capacity and weaker compliance systems. This can be particularly acute in sectors where women are concentrated – retail, hospitality, tourism services, and informal trade – where jobs may be casual and where labour inspections are less frequent. In Vanuatu, broader policy discussion has noted the challenge of workplace protections and the absence (or limited presence) of legally mandated sexual harassment policies in many Pacific workplaces; an ILO policy note on eliminating sexual harassment in the Pacific states that employers are not legally required to have sexual harassment policies in some Pacific contexts,¹⁰⁵ highlighting a gap between desired protections and actual regulatory obligations.

Occupational health and safety considerations in small enterprises

Occupational Health and Safety (OHS) risks in SMEs are often under-managed because smaller enterprises may lack formal safety procedures, training, or protective equipment and may not have systematic incident reporting. These risks are not gender neutral. Women’s concentration in certain roles (e.g., food processing, cleaning, hospitality, informal vending, inshore fishing and fisheries processing) may expose them to specific hazards such as repetitive strain injuries, exposure to heat, unsafe transport, sanitation-related health risks, and risks associated with working late hours in public-facing roles. Meanwhile, men may be concentrated in higher-risk physical roles (construction, transport, certain technical tasks). For MPF1, the key gender-relevant risk is that SME investments might improve productivity without improving safety standards, leaving women in precarious roles and increasing exposure to accidents and health risks. The Fund’s ESMS screening and due diligence tools, together with embedded, hands-on change management support provided by investment managers and technical assistance specialists, mitigate this risk when applied consistently and proportionately. This includes supporting investee companies to develop, implement, and institutionalise workplace policies, procedures, and systems for safety, dignity, and effective grievance access, rather than relying on compliance tools alone.

Limited HR capacity and formal grievance systems

The limited HR capacity creates risks of 1) under-detection of workplace issues, 2) under-reporting due to fear of retaliation, and 3) limited capacity to respond appropriately when issues

¹⁰⁴ UN ESCAP, 2021, 1–58, COVID-19 and the Unpaid Care Economy in Asia and the Pacific. United Nations Economic and Social Commission for Asia and the Pacific. Available at: https://www.unescap.org/sites/default/d8files/knowledge-products/2021_Regional_Report_Covid19-Care-Economy.pdf

¹⁰⁵ International Labour Organization (ILO), 2020, 1–32, *Ending Violence and Harassment in the World of Work in the Pacific*. Available at: <https://www.ilo.org/media/216601/download>

arise. These risks are particularly significant for women, given power asymmetries and the prevalence of harassment concerns in small workplaces. Evidence from the Vanuatu workplace sexual harassment research¹⁰⁶ indicates that lack of policies and unclear reporting strategies contribute to under-reporting and normalisation of harassment.

For MPF1, the implication is that gender outcomes depend not only on encouraging women's employment and entrepreneurship, but also on ensuring SMEs have practical, minimal systems to protect workers, manage grievances safely, and uphold dignity at work. This aligns with the Fund's own intention to use structured gender and ESG due diligence tools and action plans at investee level.

SEA/SH and GBV-related risks in SME contexts

SEA/SH is a distinct risk area, not the same as "gender equality outcomes." It is important to distinguish between (a) gender equality objectives – such as increasing women's employment, leadership, and access to finance – and (b) SEA/SH and GBV risk management, which concerns preventing and responding to sexual exploitation, abuse, and harassment and ensuring survivor-centred reporting and support systems. A programme can perform strongly on women's economic inclusion while still failing to manage SEA/SH risks; conversely, strong SEA/SH measures do not automatically deliver broader economic empowerment outcomes. This distinction is reflected in international good practice, including the World Bank's Good Practice Notes on SEA/SH¹⁰⁷, which explicitly frame SEA/SH risks as arising from power dynamics and requiring dedicated prevention and response measures.

SEA/SH risks arising from close working relationships and hierarchical owner-worker dynamics

SMEs often involve close working relationships, blurred boundaries, and high dependence on owners, managers or clients / customers for continued employment. These conditions can increase vulnerability to harassment and reduce reporting. The World Bank's SEA/SH good practice guidance emphasises that SEA/SH risks are driven by power dynamics and can emerge in a range of sectoral and organisational contexts, not only in large infrastructure projects. In SME settings, owner-worker and worker-customer power imbalances can be acute: workers may fear job loss, reputational harm or harm to the company if they report, especially where alternative employment options are limited.

Worker-community interactions and contractor/supply-chain arrangements

SEA/SH risks are also relevant where SMEs engage with communities (e.g., in tourism, services delivery, agriculture value chains) or rely on contractors and suppliers. Tourism value chains are a relevant example in Vanuatu, where women's employment and entrepreneurship is concentrated and where power differentials (including between customers and staff) can be pronounced. PSDI's work on women in tourism highlights women's heavy involvement in tourism-related SMEs and their vulnerability to shocks, underscoring the importance of ensuring safe working environments

¹⁰⁶ Fiji Women's Rights Movement, 2022, *Sexual Harassment in the Workplace in Vanuatu..* Available at: <https://www.stanapstrong.com/wp-content/uploads/2023/10/Sexual-Harassment-Research-Analysis-Report.pdf>

¹⁰⁷ World Bank, 2018, 2, *Good Practice Note: Addressing Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) in Investment Project Financing involving Major Civil Works.* Available

at: <https://documents1.worldbank.org/curated/en/099430304232515972/pdf/IDU-0df177e9-284c-4850-bdf5-10a5cb6607b3.pdf>

in sectors where women are concentrated.¹⁰⁸ Even where MPF1 investments are not infrastructure-heavy, contractor relationships can arise through service provision, construction/repair work for SMEs, or supply-chain activities; good practice SEA/SH guidance stresses the need for codes of conduct, training, and safe complaint channels in such arrangements.

Heightened risks in small-island SME environments: anonymity, retaliation, limited services

Small-island contexts can heighten SEA/SH risks because anonymity is limited, social networks are close, customary rights may conflict with legislation, and institutional capacity and awareness of SEA/SH legal frameworks among frontline services (including police and social workers) can be uneven meaning that reporting can have immediate social consequences and limited access to effective response. Vanuatu-specific research on workplace sexual harassment has documented normalisation of harassment, limited workplace policies, and unclear reporting strategies as reasons women do not report.¹⁰⁹ A U.S. State Department human rights report (2023) summarises that sexual harassment was not prohibited by law and was reported as widespread in the workplace, referencing a 2022 survey;¹¹⁰ while such sources are not substitutes for national legal reviews, they highlight the reputational and human-rights salience of the issue and reinforce the need for robust workplace mechanisms.

Vanuatu's legal environment also remains relevant. The World Bank's Women, Business and the Law (2020)¹¹¹ country note indicated that no applicable provisions on sexual harassment in employment were located at that time and flagged restrictions on women's night work under the Employment Act; this helps explain why policy and institutional measures may be particularly important in Vanuatu contexts. In Fiji, legal requirements for sexual harassment policies in workplaces exist (as reflected in the Employment Relations Act and national policy instruments), and established external support services for survivors of gender-based violence are available; however, SMEs may still face challenges in translating these frameworks into effective workplace-level reporting and response practices, particularly where employer awareness, willingness, or leadership commitment is uneven.

In Tonga, implementation experience with domestic violence legislation underscores that women may be reluctant to report abuse or harassment because of social pressure, customary expectations, and concerns about community backlash, particularly in smaller outer-island communities.¹¹²

Limited survivor services and referral pathways can also constrain safe response. In small and remote island settings, even where strong and trusted organisations exist, formal survivor support services may face capacity, coverage, and resourcing constraints, and community stigma can discourage disclosure. This reinforces the importance of establishing survivor-centred approaches

¹⁰⁸ Asian Development Bank (ADB) Pacific Private Sector Development Initiative (PSDI), 2021 vi-vii, *Women in Tourism-related Businesses in Vanuatu*. Available at: <https://pacificpsdi.org/assets/Uploads/ADBPSDI-Vanuatu-Women-in-Tourism-Business-Consultants-Reports.pdf>

¹⁰⁹ Fiji Women's Rights Movement, 2022, *Sexual Harassment in the Workplace in Vanuatu*. Available at: <https://www.stanapstrong.com/wp-content/uploads/2023/10/Sexual-Harassment-Research-Analysis-Report.pdf>

¹¹⁰ U.S. Department of State, 2023, *2022 Country Reports on Human Rights Practices: Vanuatu*. Available at: <https://www.state.gov/reports/2022-country-reports-on-human-rights-practices/vanuatu/>

¹¹¹ World Bank, 2020, Report Number 145417, *Women, Business and the Law 2020: Vanuatu Country Profile*. Available at: <https://wbl.worldbank.org/content/dam/documents/wbl/2020/sep/Vanuatu.pdf>

¹¹² Pacific Community (SPC), 2021, *Tonga's experience: Implementation of Domestic Violence Legislation*. Available at: <https://www.spc.int/updates/blog/2021/08/tongas-experience-implementation-of-domestic-violence-legislation>

and confidential reporting channels adapted to local realities, consistent with international good practice.

Implications for MPF1: integrate SEA/SH risk management alongside gender outcomes

For MPF1, the practical implication is that investments targeting women's economic participation should be accompanied by explicit, proportionate SEA/SH risk screening and response measures appropriate to SMEs. SEA/SH risks will be assessed through the Fund's ESMS screening, due diligence, and portfolio supervision processes proportionate to sector, operational context, and enterprise risk profile. Relevant mitigation measures may be operationalised through ESAPs, GAP implementation measures, technical assistance support, portfolio engagement, and ongoing supervision processes at both fund and investee level where appropriate. These measures typically include: a clear code of conduct, training, safe grievance pathways (including confidentiality and protection from retaliation), and referral mechanisms to services where available - implemented in ways that do not require complex corporate systems but do require clear expectations. The Fund's gender and ESG due diligence tools provide an operational entry point which is reinforced through hands-on engagement by investment managers and technical assistance specialists to support implementation, problem-solving, and continuous improvement across the portfolio.

7. Gender-related opportunities linked to SME investments

The SME focus of MPF1 creates a practical opportunity to deliver measurable gender outcomes through mechanisms that are already familiar to private sector investees: capital, governance expectations, operational improvements, and performance monitoring. This matters in Fiji, Vanuatu, and Tonga because many of the barriers highlighted in the context and risk sections – women’s lower access to finance, concentration in lower-paid work, weak HR systems, and limited safe reporting – are not best addressed through standalone “women’s programmes”, but through changes in how SMEs are financed, managed, and held accountable. In other words, MPF1 can treat gender outcomes as part of value creation and risk management, while still tailoring expectations to the capacity constraints of smaller enterprises.

A useful way to frame the opportunity set is through the same pillars that MPF1 already uses in its foundational Gender Guiding Principles, Policy and Action Plan and in the ESMS gender investing guidelines: 1) leadership and ownership, 2) workplace equity and agency, 3) gender-inclusive value chains, 4) gender-responsive products/services, and 5) “inspirational returns” and norms change. This is broadly consistent with 2X-aligned approaches that translate gender intent into investment structuring, due diligence questions, covenants, and monitored indicators across the portfolio.

Supporting women-owned and women-led SMEs

A core opportunity is to use MPF1’s sourcing, screening, and investment structuring to increase the share of capital reaching women-owned and women-led SMEs, including enterprises founded by women and enterprises where women hold meaningful ownership stakes. MPF1 already signals an intention to direct significant amounts of capital towards women-led or gender-equitable enterprises in the pipeline and to assess investees against 2X criteria at entry. This direction aligns well with the wider evidence base that women-owned SMEs are systematically underserved by formal finance and face both financial and non-financial barriers (including collateral constraints and network effects), meaning that targeted investment strategies can address a clear market gap rather than “crowding out” commercial finance.

In practice, MPF1 can treat this as a pipeline and structuring opportunity rather than a standalone target. For example, 2X’s Entrepreneurship criterion provides a clear reference point for defining what qualifies as women ownership/founding and how it is measured (useful for both selection and reporting). MPF1’s own Gender Guiding Principles, Policy and Action Plan already includes 2X-aligned portfolio KPIs for women’s ownership/founding and women in leadership, which gives the fund a ready-made monitoring architecture once it is grounded in Fijian/Vanuatu/Tongan realities through the Gender Assessment and investee-level baselines.

Improving job quality for women in SMEs

Because SMEs often sit at the “thin end” of labour protections (limited HR capacity, limited formal grievance systems, variable OHS), MPF1 will have an opportunity to translate its gender intent into tangible improvements in job quality for women – especially in sectors where women are concentrated (services, tourism value chains, agro-processing and other SME-dominated segments). This aligns with MPF1’s stated intention to go beyond compliance by requiring at least

one “quality employment” indicator as part of 2X alignment, rather than tracking headcount alone.

This approach matches good practice in gender impact measurement. The 2X Challenge guidance and the “How to Measure the Gender Impact of Investments” (aligned with IRIS+) emphasise collecting baseline gender data at due diligence and then tracking workforce and “quality” metrics (e.g., flexible work arrangements, anti-harassment policies, fair advancement policies) through legal agreements and periodic reporting.¹¹³ It also aligns with private sector evidence that gender-smart workplace practices can support retention and productivity – especially relevant for SMEs that struggle with turnover and skills constraints. IFC’s Gender-Smart Business Solutions programme is an example of the private sector framing of workplace inclusion as a performance issue as well as a social outcome.

Concretely, MPF1 can use investment-linked technical assistance (where available) to support SMEs to implement “light but real” systems: simple HR policies, documented non-discrimination and equal pay commitments, mechanisms for flexible work, basic OHS procedures, and practical grievance access. The Gender Action Plan already anticipates actions such as equal pay, flexible working hours/job sharing, childcare supports where feasible, and workplace training on sexual harassment prevention and human rights, all of which can be operationalised at SME level through proportionate measures.

Strengthening women’s participation across SME value chains

Another opportunity is to use MPF1’s influence with investees to improve women’s participation not only inside the enterprise (employment and leadership) but also in the surrounding ecosystem – suppliers, outgrowers, service providers, and other linked livelihoods. This is particularly relevant to MPF1’s stated strategy of combining larger investments with smaller community-owned cooperatives and rural enterprises in a value-chain, systems-type approach, and its interest in agriculture, fisheries/mariculture, tourism and nature-linked value chains.

Within a 2X-aligned framework, this maps most directly to the Supply Chain criterion (commitment to women in supply chains plus a “quality” indicator beyond compliance). For Fiji, Vanuatu, and Tonga, value-chain measures can be especially powerful because women are often active as informal suppliers and processors even when they are underrepresented in formal ownership. Where MPF1 investees operate in agrifood, fisheries or tourism-linked supply chains, gender-responsive procurement, supplier development, and fair contracting practices can deliver meaningful gains in women’s income stability and resilience – while also improving supply reliability and quality for the business.

Promoting gender-responsive workplace practices

Beyond outcomes, MPF1 can help shift “how business is done” in a way that is feasible for SMEs. This includes gender-responsive workplace practices such as clear codes of conduct, prevention and response to harassment, flexible work arrangements, transparent promotion criteria, and leadership development pathways for women. Many of these practices are explicitly recognised in gender impact measurement guidance as valid “quality” indicators beyond compliance.

¹¹³ Global Impact Investing Network (GIIN), 2019. IRIS+ and 2X Challenge. IRIS+ System. Available at: <https://iris.thegiin.org/document/iris-and-2x-challenge/>

Alignment with the Gender Impact Roadmap, IMMS indicators, and 2X-aligned investment approaches

MPF1 is already set up to align these opportunities with a portfolio-level measurement system. The Gender ToR explicitly requires the Gender Review to assess performance against the Gender Policy and Action Plan, the Gender Impact Roadmap and Guideline (leadership & ownership; workplace equity & agency; gender-responsive products; inspirational returns), 2X criteria, and the fund's impact measurement framework. The Gender Guiding Principles, Policy and Action Plan also states that reporting is grounded in the fund's Impact Measurement & Management System approach and that quantitative reporting will draw on an LP reporting template, with gender-disaggregated job metrics and qualitative narratives included in regular reporting cycles.

Externally, the 2X Criteria and its Reference Guide provide a recognised investment standard that can be used to structure gender intent into investment decisions and to present results credibly to investors and stakeholders. Given that MPF1 is already 2X aligned and has defined a set of 2X-linked KPIs across ownership, leadership, workforce quality, supply chains, and products/services, the main opportunity is to ensure the next layer is in place: robust baselines, realistic pathways for SMEs, and clear links between investee-level actions and portfolio-level metrics.

Addressing key gender risks and opportunities identified for SMEs

The Gender Assessment highlights several recurring risks – exclusion from economic opportunities, concentration of women in lower-quality jobs, and exposure to safety risks – as well as opportunities to use SME investment as a lever for positive change. The Gender Action Plan responds by focusing on leverage points that MPF1 can realistically influence.

For example, the risk that women-owned and women-led SMEs remain underrepresented in investment pipelines is addressed through actions that prioritise gender-responsive sourcing, screening, and eligibility criteria, and that explicitly reference recognised gender investment standards (such as 2X-aligned criteria) to define what constitutes women's ownership, leadership, or workforce participation. This directly responds to evidence that women entrepreneurs face disproportionate barriers to finance and that capital allocation alone does not guarantee inclusion without intentional design.

Similarly, the Assessment's findings on job quality and labour risks in SMEs are reflected in Action Plan measures that go beyond headcount targets. Actions related to workplace equity, agency, and "quality employment" respond to evidence that women are concentrated in informal or lower-paid roles and that SMEs often lack formal HR systems. MPF1 therefore applies proportionate minimum requirements supported by technical assistance, including basic workplace policies (e.g., non-discrimination, equal pay principles, zero tolerance for sexual harassment), accessible grievance channels, and practical training. Training and awareness-building activities may include workplace safeguarding, gender-based violence prevention, codes of conduct, and survivor-centred response approaches where appropriate. Where relevant, implementation arrangements may incorporate appropriate referral pathways and safeguarding support mechanisms through local service providers and implementation partners. The Gender Action Plan's emphasis on policies such as equal pay, flexible work arrangements, grievance access, and training is therefore not generic, but grounded in the specific risk profile identified for SME contexts in Fiji, Vanuatu, and Tonga.

Where appropriate, MPF1 may collaborate with Pacific women's organisations, community-based groups, and specialist service providers to support training, mentoring, stakeholder engagement, gender learning, and survivor-centred referral pathways, while retaining flexibility to identify the most appropriate country- and sector-specific partners during implementation.

The distinction drawn in the Gender Assessment between gender equality outcomes and SEA/SH risk management is also reflected in the gender action plan. While women's economic participation and leadership are treated as development and impact objectives, SEA/SH-related actions are framed as essential safeguards and risk mitigation measures. This includes commitments to training, codes of conduct, grievance mechanisms, and partnerships with local organisations, recognising that improvements in economic inclusion alone do not eliminate risks related to abuse or harassment.

Rationale for prioritised actions at different levels

The Gender Action Plan is structured to operate across three mutually reinforcing levels: fund level, investee (SME) level, and monitoring and reporting level. This reflects the Gender Assessment's conclusion that no single level of intervention is sufficient on its own.

At fund level, prioritised actions focus on governance, systems, and decision-making processes. These include embedding gender considerations in investment screening and due diligence, clarifying responsibilities for gender oversight, and aligning investment decisions with the Fund's Gender Policy and Impact Roadmap. The rationale is that, as a financial intermediary, MPF1's greatest leverage lies in how it allocates capital, sets expectations, and monitors performance across its portfolio. Fund-level actions therefore aim to ensure that gender considerations are not dependent on individual deal teams or investees but are applied consistently through institutional processes.

At investee (SME) level, actions are prioritised based on feasibility and risk proportionality. The Gender Assessment recognises that SMEs in Fiji, Vanuatu, and Tonga often have limited formal systems and experience with gender or SEA/SH policies. Accordingly, the Gender Action Plan focuses on minimum, practical requirements – such as basic workplace policies, grievance access, and awareness-raising – combined with capacity-building and technical support. This approach balances ambition with realism: it aims to reduce gender and SEA/SH risks and improve job quality without imposing burdens that SMEs cannot reasonably meet. The prioritisation of SME-level actions is therefore directly informed by the Assessment's analysis of typical capacity constraints and risk exposure.

Relevant gender-related measures may be incorporated into investee engagement arrangements, ESG action plans, portfolio monitoring processes, and investment-related implementation measures proportionate to enterprise size, sector, and risk profile.

Portfolio companies will be expected to implement gender-related measures proportionate to their size, sector, operational context, and risk profile, consistent with MPF1's Gender Policy, ESMS requirements, and Gender Action Plan objectives. Where appropriate, this may include support for the development of practical workplace measures, gender-related policies, or implementation actions through due diligence, technical assistance, and portfolio engagement processes.

Investee-level gender measures may include workplace policies, grievance access mechanisms, gender-responsive employment practices, safeguarding measures, leadership and workforce participation actions, and other practical implementation measures integrated through due diligence, ESMS processes, technical assistance, portfolio engagement, and ongoing monitoring.

Where relevant, identified SEA/SH mitigation measures and implementation actions may be incorporated into ESAPs, GAP implementation arrangements, technical assistance support, and portfolio engagement processes proportionate to identified risks and SME capacity.

Accessible and confidential grievance pathways relating to workplace safety, SEA/SH and safeguarding concerns will operate through the Fund's ESMS framework and associated grievance procedures. Gender-sensitive safeguarding measures apply across both fund-level operations and investee-level activities proportionate to enterprise size, sector, and operational context.

At monitoring and reporting level, prioritised actions reflect the need to make gender outcomes visible, measurable, and actionable over time.

8. Monitoring, Reporting and Learning

Monitoring, reporting and learning arrangements are designed to ensure that MPF1's gender commitments translate into measurable, portfolio-wide outcomes in a way that is proportionate to SME capacity. The approach is integrated into existing fund systems (IMMS, ESMS and investor reporting) and is intended to support both accountability and continuous improvement over time.

Monitoring approach

Monitoring gender outcomes under MPF1 will operate at three interconnected levels: fund level, investee (SME) level, and portfolio level. This structure reflects the Gender Assessment's finding that gender risks and opportunities arise both from how capital is allocated and governed at fund level, and from how SMEs operate on the ground.

At fund level, monitoring will focus on the consistent application of gender-related policies, tools, and decision-making processes including governance and operational practices of the Fund and its Portfolio Advisor (Matanataki Pte Ltd), such as staffing, roles and responsibilities, and internal accountability for gender outcomes. This includes tracking the integration of gender considerations into investment screening, due diligence, investment approvals, and supervision processes. Monitoring at this level ensures that gender commitments are institutionalised and not dependent on individual transactions or personnel.

Gender-responsive workplace practices and implementation measures are intended to support longer-term institutional strengthening within portfolio companies beyond the immediate investment period. Where appropriate, portfolio engagement and exit processes may consider continuity of key gender-related practices and systems.

Gender-related indicators and portfolio-level performance metrics will be incorporated into the Fund's IMMS and periodic portfolio monitoring processes, including monitoring of workplace equity, leadership participation, job quality, grievance access, and implementation of gender-related action measures where applicable.

At investee (SME) level, monitoring will focus on gender outcomes and practices that are proportionate to enterprise size and risk profile. This includes tracking baseline and progress data on women's ownership and leadership, workforce participation and job quality, and the presence and functioning of basic workplace and grievance mechanisms. Where relevant, monitoring will also cover gender-responsive products, services, or value-chain participation.

At portfolio level, monitoring will aggregate and synthesise investee-level data to assess overall progress against the Gender Action Plan, identify trends and gaps, and inform reporting to investors and stakeholders. Portfolio-level analysis will also support strategic learning and prioritisation of technical assistance. Gender-related indicators and implementation progress at investee level will be monitored through the Fund's IMMS and portfolio reporting processes proportionate to enterprise size, sector, and risk exposure.

Responsibility for gender monitoring and learning will be led by the Gender Equity Specialist, with oversight and adaptive guidance provided through the Fund's ESG Committee, within which a dedicated Gender Equity Technical Working Group will be constituted. The Gender Equity Specialist will participate in investment screening and due diligence processes and will have authority to review and provide recommendations on gender-related investment risks, opportunities, safeguards, and alignment with the Fund's Gender Policy, ESMS, and Gender Action Plan prior to investment decision-making. Gender considerations will form part of Investment Committee deliberations through integration of gender-related findings from due diligence, ESMS screening, and portfolio monitoring processes, including material gender risks, opportunities, safeguards, and gender performance considerations where relevant.

The Working Group will convene at least quarterly and report into fund governance through established ESG oversight mechanisms. Ultimate responsibility for gender outcomes lies with the Fund's Founding GP.

Accountability for implementation of gender commitments is embedded across fund governance, investment management, ESG oversight, and portfolio monitoring functions, with oversight provided through the ESG Committee and Gender Equity Technical Working Group. Gender-related implementation progress and material issues will be periodically reviewed through established ESG and impact oversight processes.

Baseline setting and data collection

The Gender Assessment provides the analytical foundation for baseline setting but recognises that meaningful baselines for SME investments must be established at investee level. As part of the investment process, baseline gender data will be collected through existing screening and due diligence tools, including gender questionnaires and gap assessments.

Baseline data collection will focus on:

- Women's ownership and leadership (where applicable);
- Workforce composition by sex and role;
- Job quality indicators relevant to SMEs (e.g. presence of workplace policies, grievance access);

- Contextual gender risks, including SEA/SH risk factors.

Given the diversity of SME contexts and data availability, MPF1 will apply a progressive baseline approach, whereby initial baseline information is refined over time as investees improve data systems and reporting capacity.

MPF1's monitoring frequency is designed to combine regular quantitative tracking with periodic qualitative learning: quarterly quantitative data collection and progress reporting; biannual qualitative story collection and reflection; and an annual comprehensive gender progress report and review of indicators and targets. Qualitative learning and reporting may include gender-responsive indicators relevant to SME contexts, including workplace agency, leadership participation, perceptions of inclusion, workplace safety and dignity, and broader transformational gender outcomes where appropriate.

Indicators and metrics

Gender monitoring will use a mixed set of quantitative and qualitative indicators, aligned with:

- The Gender Action Plan (see below);
- The IMMS;
- Recognised gender investment frameworks, including 2X-aligned criteria where relevant.

Quantitative indicators will track progress at both fund and portfolio levels and will include:

- Number or proportion of women owners/founders (where applicable);
- Proportion of women in senior management, governance, and decision-making roles;
- Proportion of women in the workforce, disaggregated by broad role categories where feasible;
- Adoption and implementation of core workplace practices including non-discrimination policies, pay equity measures, grievance mechanisms, and flexible working arrangements.

Qualitative indicators will complement quantitative data by capturing:

- Changes in workplace practices, behaviours, and organisational culture over time;
- Perceived accessibility, trust and effectiveness of grievance and reporting mechanisms;
- Enabling factors and constraints affecting women's participation, retention and advancement;
- Lessons learned from the practical application of gender measures in SME and small-island contexts, including what support approaches prove most effective.

SEA/SH monitoring will focus on verifying the existence and functionality of prevention and response systems – including codes of conduct, safe and confidential reporting channels, non-

retaliation commitments, referral pathways, and staff training and awareness – rather than on incident-count reporting. This approach is designed to avoid perverse incentives, protect confidentiality, and uphold survivor-centred practice, consistent with the Programme’s ESMS, and Donor requirements. Incident data, if reported, will be treated confidentially and used for system improvement rather than performance comparison.

Reporting arrangements

Gender-related reporting will be integrated into MPF1’s existing reporting architecture rather than treated as a parallel system. This includes:

- Periodic internal reporting to fund management and investment committees;
- Portfolio-level reporting through LP reporting templates;
- Integration of gender outcomes into broader ESGI and impact reporting.

Reporting will be proportionate and risk-based, with more detailed reporting expected where gender risks or opportunities are higher, and lighter reporting for lower-risk or early-stage SMEs. Narrative reporting will be used alongside metrics to provide context, explain deviations from targets, and highlight good practice or emerging risks.

At programme level, gender reporting will support transparency and accountability, while also serving as an input into management decisions and learning processes rather than as a purely compliance-oriented exercise.

In addition to investor reporting, MPF1 anticipates annual public reporting on gender performance and learning, using accessible narrative formats alongside metrics.

Learning and adaptive management

A core objective of MPF1’s monitoring framework is to enable learning and adaptation. The Gender Assessment recognises that gender dynamics, SME capacity, and external conditions (including climate shocks) will evolve over time, and that the effectiveness of gender measures cannot be fully predicted at programme outset.

Learning mechanisms will include:

- Periodic review of gender performance data at fund and portfolio level;
- Reflection on which gender measures are delivering results in different sectors or contexts;
- Identification of common implementation challenges faced by SMEs;
- Sharing of practical lessons across the portfolio, where appropriate.

Findings from monitoring and learning will be used to:

- Refine screening and due diligence tools;

- Adjust investee action plan templates and guidance;
- Prioritise or redesign technical assistance;
- Update targets and indicators where necessary.

Feedback loops and accountability

The monitoring, reporting and learning framework is designed to create clear feedback loops between evidence and decision-making. Gender monitoring results will feed into:

- Investment supervision and engagement with investees;
- Periodic reviews of the Gender Action Plan;
- Updates to fund-level policies and procedures where required.

Accountability will be reinforced by linking monitoring outcomes to existing governance structures, including management oversight and portfolio reviews.

9. Gender Action Plan

Implementation of the quantified line items in the Gender Action Plan below is contingent upon agreement by the donor.

Action	Indicators	Targets	Timeline	Responsibility	Budget (USD)
Gender implementation, specialist support, capacity building and technical assistance. Includes appointing a dedicated, part time Gender Equity Specialist (GES) ¹¹⁴ during the investment period	Specialist recruited; ToR approved	Specialist in place	Year 1	Fund Management	Up to 250,000 (aggregated amount)
Integrate gender oversight into ESG Committee (incl. Portfolio Advisor governance)	ESG Committee ToR updated; review minutes	Gender standing agenda item; quarterly reviews	Year 1, ongoing	Fund Governance / ESG Committee	1,500
Train fund staff (incl. investment managers IM)) and portfolio company teams on gender and SEA/SH and “Gender Smart” Executive Training	% staff trained; evaluation results	100% staff trained	Year 1–2; refreshers ongoing	Gender Equity Specialist and external specialists	87,000
Apply gender lens in all investment decisions	Gender analysis in IC papers	100% of IC submissions	Ongoing	Investment Team + Gender Specialist	Included in IM and GES salaries
Monitor Portfolio Advisor governance, staffing, and gender accountability	Annual internal review	Review completed annually	Annual	ESG Committee	Included in ESG Committee salaries
Conduct gender and SEA/SH due diligence for each investment	Gender DD reports	100% of investments	Pre-investment	Investment Team + Gender Specialist	Included in IM, GES, and ESGI team salaries

¹¹⁴ The Gender Equity Specialist will be appointed for the duration of the Fund’s investment period in a part time capacity.

Action	Indicators	Targets	Timeline	Responsibility	Budget (USD)
Co-develop company Gender Action Plans	GAP approved and integrated	GAP in place for all investees	Within 6 months of investment	Gender Specialist + Company	Included in IM and GES salaries
Establish/strengthen workplace gender policies and grievance mechanisms	Policies adopted; staff awareness	100% companies; $\geq 90\%$ staff awareness	Year 1–2	Company Management	15,000
Provide hands-on TA to implement gender systems	TA delivered; milestones met	Minimum TA per company delivered	Ongoing	IMs + TA Specialists	As required
Increase women's representation in leadership	% women in management/board	$\geq 30\%$ women in management and/or board roles, where feasible and context-appropriate	Year 1–3	Company + Fund	No separate cost as it will be part of required business practice
Promote equitable employment opportunities for women within portfolio companies	% women employees; recruitment and retention data reported	Employment opportunities for women actively promoted and tracked in 100% portfolio companies, proportionate to sector and operational context	Ongoing	Company Management + Gender Specialist	No separate cost as it will be part of required business practice
Support skills development, training and career progression opportunities for women and men	Number of women and men participating in training (men and women), and mentoring or leadership development (women) via an internship programme activities	Skills development opportunities provided for women and men in 100% portfolio companies, proportionate to company size and operational context	Ongoing	Company Management + Gender Specialist	Included within TA budget

Action	Indicators	Targets	Timeline	Responsibility	Budget (USD)
Implement SEA/SH prevention and survivor-centred response	Functional grievance mechanisms	Mechanisms functional in 100% companies	Ongoing	Company + Fund (via ESMS)	15,000
Promote gender-responsive products/services	Products/services identified	≥1 per company (where relevant)	Ongoing	Company + Fund	No separate cost as it will be part of required business practice
Collect and review gender performance data	Monitoring reports	100% reporting compliance	Quarterly	Associate (ESG & I) + Gender Specialist	Included in Associate (ESG & I) and GES salaries
ESG Committee review and adaptive management	Review notes	Quarterly reviews held	Quarterly	ESG Committee	Included in ESG Committee salaries
Annual gender reporting to Donors	Gender section in reports	Reports submitted	Annually	Associate (ESG & I) + Gender Specialist	Included in Associate (ESG & I) and GES salaries
Conduct mid-term and end-of-programme gender evaluation	Evaluation reports	Evaluations completed	Mid-term / End	Independent Evaluator	60,000
				TOTAL (USD)	428,500 ¹¹⁵

¹¹⁵ Amount reflects an indicative programme-level allocation to support policy development templates, training materials and grievance system setup; company-specific implementation costs may be co-financed through TA where required.

CHANGE HISTORY LOG

Revision	Effective Date	Description of Changes
0	26-Feb-26	Approved by MPL and formally adopted
1	10-Jul-26	