



**Mid-Term Review of UNDP Project: *Investing in Coral Reefs
and Blue Economy (ICRBE) Project***
(Time frame: March 2021 to November 2024)

(QUANTUM ID: 00126732)

January 2025

**United Nations Development Programme
United Nations Capital Development Fund
UN Environment Programme**

Government of Fiji

Final Report

Mission Members:

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ACKNOWLEDGEMENTS

The MTR team thanks everyone who contributed to the Mid Term Review of the UNDP Project “Investing in Coral Reefs and Blue Economy (ICRBE)” in Fiji, in particular, the Project personnel, the UN Global Team of the Global Fund for Coral Reefs and UNDP staff for their invaluable guidance and assistance. Sincere gratitude is extended to the beneficiaries, government and other organizations representatives, resource and implementation partners who responded to inquiries of the evaluator. Their contributions were critical to the work and are deeply appreciated.

PROJECT AND EVALUATION INFORMATION DETAILS

Project title:	Investing in Coral Reefs and Blue Economy (ICRBE) Project	
Quantum ID:	00126732	
Corporate Priorities:	<p>COOPERATION FRAMEWORK OUTCOME INVOLVING UNDP #1: By 2027, people, communities and institutions are more empowered and resilient to face diverse shocks and stresses, especially related to climate variability impacts, and ecosystems and biodiversity are better protected, managed, and restored.</p> <ul style="list-style-type: none"> • Output 1.3: Institutions and communities have improved capacities to protect and manage ocean and land ecosystems. <p>COOPERATION FRAMEWORK OUTCOME INVOLVING UNDP #2: By 2027, more people, especially those at risk of being left behind, contribute to and benefit from sustainable, resilient, diversified, inclusive and human-centered socio-economic systems with decent work and equal livelihoods' opportunities, reducing inequalities and ensuring shared prosperity.</p> <ul style="list-style-type: none"> • Output 2.2: Policy frameworks and financing available to leverage the potential of blue/green economy 	
Country:	Fiji	
Region:	Regional Bureau for Asia and the Pacific	
Date project proposal signed:	30 November 2020	
Project dates:	Start date:	Planned end date:
	March 2021	March 2025
Project budget:	\$10,503,769.19 [GFCR \$5,164,331.43 & Joint SDG Funds \$5,339,437.76]	
Project expenditure at the time of evaluation:	UNDP \$86,0863 (90% of funds received) UNCDF \$2,314,261 (47% of funds received) UNEP \$76,552 (20% of funds received) Total Expenditures \$3,254,675 (out of US\$6,228,849 released this far to the Project)	
Funding source:	GFCR & Joint SDG	
Implementing party:	UNDP, UNCDF (United Nations Capital Development Fund), UNEP (UN Environment Programme)	

Evaluation information		
Evaluation type	Project Evaluation	
Final/midterm review/ other	Midterm review	
Period under evaluation	Start	End
	2020	December 2024
Evaluator	Roland Wong	
Evaluator's email address	rolandwong@shaw.ca	
Evaluation dates	Start	End
	August 2024	December 2024

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ABBREVIATIONS

Acronym	Meaning
ADB	Asian Development Bank
BAD	Beqa Adventure Divers
CSO	Civil Society Organization
DAC	Development Assistance Committee
EIA	Environmental Impact Assessment
EoP	End-of-Project
ESAP	Environmental and Social Action Plan
EU	European Union
FDB	Fiji Development Bank
FJD	Fijian dollar
GESI	Gender Equity and Social Inclusion
GFCR	Global Fund for Coral Reefs
GoF	Government of Fiji
ICRBE	Investing in Coral Reefs and Blue Economy
JP	Joint Programme
JPRF	JP Results Framework
JPSC	JP Steering Committee
KiW	Korolevu-i-Wai community
LMMA	Locally Managed Marine Area
MCO	UNDP Fiji Multi-Country Office
M&E	Monitoring and Evaluation
MoECC	Ministry of Environment and Climate Change
MPA	Marine Protected Areas
MPL	Matanataki Pte. Ltd
MRF	Materials recycling facility
MTR	Midterm Review
NBSAP	National Biodiversity Strategy and Action Plan
NCCP	National Climate Change Policy
NGO	Non-government organization
OECD	Organization of the Economic Cooperation Development
PBG	Performance Based Grants
PMU	Project Management Unit
PPP	Public-private partnership
PRF	Project Results Framework
PSC	Project Steering Committee
PUNO	Participating UN Organizations
SESP	UNDP's Social and Environmental Screening Procedure
SDG	Sustainable Development Goals
SIDS	Small Island Developing States
SME	Small-to-medium enterprise
SPE	Special Purpose Entity
SPREP	Secretariat of the Pacific Regional Environment Programme
SRMR	Shark Reef Marine Reserve
TAF	Technical Assistance Facility

Acronym	Meaning
TFFC	The Fertile Fertilizer Consortium
ToC	Theory of Change
ToR	Terms of Reference
UNCDF	United Nation Capital Development Fund
UNDP	United Nation Development Programme
UNEP	United Nation Environment Programme
UNGT	United Nations Global Team

EXECUTIVE SUMMARY

Project Description

- E-1. Coral reef ecosystems provide important cross-cutting SDG co-benefits for local communities through entry points such as coral reef tourism, food security, shoreline protection, and human health and wellbeing. The ICRBE Project is a joint Programme (JP) by UN agencies including UNDP, UNCDF and UNEP, financed by the Global Fund for Coral Reefs and Joint SDG Fund, seeking to create a blended finance facility and build capacity to mobilize private and public investment capital for initiatives that have a positive impact on Fiji’s coral reefs and the communities that rely on them. The Theory of Change (Figure 2) for the ICRBE strategy shows the immediate threats that hinder sustainable coral reef management, revenue stream to mitigate these threats, ICRBE Project outputs and outcomes, impact of these investments that lead to the desired changes in coral reefs and associated ecosystems. The ICRBE Project period is March 2021-March 2025 with a total project budget of US\$10,503,769 (GFCR \$5,164,331 and Joint SDG Funds \$5,339,438). Out of this total budget, US\$6,228,849 was released to the PUNOs by the donors while the remaining funds were to be released once released fund utilisation reaches above 75%.
- E-2. The outcomes of the ICRBE Project include:
- Outcome 1: “Protection and effective management of Fijian priority coral reef sites and climate change-affected refugia are sustainably financed”; under which there is Transaction 1 consisting of private sector investment in a US\$10 million blended finance facility for effective management of 30 Locally Managed Marine Areas (LMMAs) in Fiji.
 - Outcome 2: “Transforming the livelihoods of coral reef-dependent communities” under which there is:
 - Transaction 2 consisting of a private sector investment in a US\$14 million blended finance facility for sanitary landfill project.
 - Transaction 3 consisting of private sector investment in an eco-fertilizer factory; and
 - Transaction 4 consisting of an established and operational gender responsive Technical Assistance Facility (TAF) for blue economy SMEs and financial instruments.

Purpose and Objective

- E-3. The overall purpose of this report is to summarize the Midterm Review findings conducted between August to December 2024 for the UNDP Project: “*Investing in Coral Reefs and Blue Economy (ICRBE) Project*”, (hereby referred to as the *ICRBE Project* or the *Project*) that received US\$6,228,849 funding up until the time of this MTR. The MTR makes an assessment based on the key objectives ensuring to document lessons learnt with specific recommendations. The three key objectives of the MTR are:
- a. To assess progress towards the achievement of the ICRBE Joint Programme (JP) Outcomes and its corresponding Outputs,
 - b. Assess early signs of project delay or failure with the goal of identifying the necessary changes to be made in order to set the project on-track to achieve its intended results.
 - c. Provide a clear direction to the Project Steering Committee/Board, Donors, and PMU on suggested ways to improve progress towards JP Outcomes.

- E-4. The primary target audience for the MTR are the members of the Project Board – referred to as the Joint Project Steering Committee (JPSC), the Government of Fiji (GOF), the United Nations Development Programme (UNDP) as the Project Convening Agent along with the United Nations Capital Development Fund (UNCDF) and the United Nations Environment Programme (UNEP) as Participating UN Organisations (PUNOs), the project donors, the participating stakeholder. The evaluation is a reporting requirement of the Global Fund for Coral Reefs. The report will also be shared with other project stakeholders in government, development partners, UN Agencies, civil society, and private sector and will be publicly accessible. The MTR approach adopted was non-experimental evaluation¹ where questions needed to be answered concerning policy and market for government stakeholders and Project executors, and the benefits and impacts of community investments for Project investors and beneficiaries.
- E-5. The MTR was conducted through reviewing of project documents and interview with key stakeholders. Data gathered from interviews (which included members of the project management unit, implementing partners, project partners and project beneficiaries) and documents (Project Documents, Progress Reports, Board meeting minutes) reviewed were triangulated against results tracked and achieved by the project to further the analysis for concluding remarks and recommendation.

Project Progress Summary

- E-6. Aside from the concessional loan provided to Beqa Adventure Divers, the ICRBE Project has not yet disbursed any investments and is behind schedule on delivery. There were several implementation issues including:
- the failure of a former contractor engaged by the ICRBE Project, Blue Alliance, to bring any transactions to investment readiness that resulted in irresolvable disputes between Blue Alliance and the beneficiary communities on how the LMMA investments would be managed on a daily basis (Paras 41-42). The partnership with Blue Alliance was terminated on 9 May 2024;
 - Matanataki Pte Ltd (MPL), a former contractor engaged by the ICRBE Project, took an equity stake in Transactions 2 and 3 placing it in a conflict of interest. MPL had also prepared 5 investment proposals on Transaction 4 that were deemed not investment ready in May 2024. All these circumstances led to MPL's voluntary withdrawal from the Project on 8 July 2024;
 - In December 2024, the Project has agreed on the following adaptive measures:
 - Transaction 1 (Outcome 1) a new contractor to be engaged (Paras 43-44) along with a local development financial institution such as to engage the Fiji Development Bank (FDB) as a Responsible Party (Para 45 **Error! Reference source not found.**);
 - Transaction 2 to focus on a feasibility study for remediation approaches and waste management authority, grant financing for dumpsite rehabilitation for the PPP partner, and debt financing/credit guarantee for PPP partner's equipment purchase (Para 54). The ICRBE Project has also been able to solicit the assistance of ADB to undertake the role of an independent transaction advisor for the GoF. The PUNOs are confident that the target of the Project to setup this transaction to the point where it can be financed and implemented, will be completed by December 2025 or earlier (Paras 55-56);

¹ From the UNEG Compendium of Evaluation Methods: <http://www.unevaluation.org/document/detail/2939>

- Transactions 3 and 4 where the PUNOs along with the GoF made the decision to either divert Transaction 3 and 4 funds towards Transaction 2 or divert Transaction 3 and 4 funds to Transaction 1 if there are no reservations by the donors to move funds from one outcome to another (Para 59).

E-7. Table A reflects the Project’s categorical performance against the OECD DAC evaluation criteria with specific rating for the Sustainability and Gender Mainstreaming. In summary, the ICRBE Project has expended 52% of Project funds (US\$6,228,849) released to the PUNOs with very little impact thus far.

Table A: MTR Ratings against OECD DAC Evaluation Criteria

OECD DAC Evaluation Criteria	Rating (4 tier scale: unsatisfactory – excellent)	Findings	Recommendation
Relevance	Satisfactory (3/4)	The Project’s policy context is well aligned with government plans for the protection of coral reefs and building back-efforts related to the COVID-19 economic recovery. The ICRBE project contributes to the National Development Plan through the establishment of and improvement of marine protected areas with effective management. Also, it supports the following policies including the Fiji National Biodiversity Strategy and Action Plan (NBSAP) 2017-2024 and its Implementation Framework, National Climate Change Policy (2018–2030) (NCCP), Moreover, the JP is well aligned to the United Nations Pacific Sustainable Development Cooperation Framework (2023-2027) which sets regional direction for accelerating progress towards the 2030 development agenda.	Recommendation 4 – Recruit a Strategic Communication Specialist to amplify the work of the Project (Para 98)
Coherence	Satisfactory (3/4)	The Project’s objectives are within the objectives of the Joint SDG Fund, Global Fund for Coral Reefs, and National Priorities. The Project addresses a very significant sustainable development challenge, and the barriers and threats at different levels are relevant and well described. The Project Document follows global designs and standards for such type of projects, with content that is well informed and well-articulated. Lessons learned from other similar projects were used for the design, which is in line with national priorities.	Recommendation 3 – Recruit a Strategic Communication Specialist to amplify the work of the Project (Para 98)
Effectiveness	Unsatisfactory (1/4)	The use of the ICRBE Project budget to date has been unsatisfactory , due to resources paid to MPL with no impact. (Para 65)	Recommendation 2 - Seek a NCE of the project (12-24months) (Para 97)
Efficiency	Unsatisfactory (1/4)	For Transaction 1, the partnership with Blue Alliance failed as it has not produced any meaningful or strategic partnerships with LMMA communities due to an arms-length relationship with local Fijian communities and a lack of presence in Fiji. Though payments to Blue Alliance were to be based on performance, the US\$180,000 paid to Blue Alliance was ineffective, as the partnership did not enhance Project efficiency or resource utilization. Consequently, the UNDP terminated the partnership agreement with Blue Alliance in May 2024. For Transactions 2 and 3, the weak agreement between the UNCDF and MPL led to MPL taking equity positions on each of these transactions. For Transaction 4, the 5 business	Recommendation 2 - Seek a NCE of the project (12-24 months) (Para 97)

OECD DAC Evaluation Criteria	Rating (4 tier scale: unsatisfactory – excellent)	Findings	Recommendation
		projects prepared by MPL were deemed not investment-ready by an independent consultant (Para 61). Again, resources were expended on MPL to provide technical assistance to project proponents for the 5 businesses; this did not contribute to Project efficiency in the use of Project resources. Resources totalling US\$1.032 million were expended on MPL to provide technical assistance to project proponents with little impact due to MPL's conflict-of-interest positions in these transactions; this did not contribute to Project efficiency in the use of Project resources. MPL withdrew as an implementing partner to the Project on 8 July 2024 (Para 49).	
Sustainability	ML (moderately likely – 3/4)	Overall sustainability of the ICRBE Project is moderately likely due to the risks of climate change that potentially impact the Project's investments before they are completed (Paras 82-87)	Recommendation 1 – Review the ICRBE Project Re-Orientation Plan (Para 96)
Impact	Unsatisfactory (1/4)	There is virtually no impact of the ICRBE Project. The departure of the 2 implementing partners of the Project, Blue Alliance and MPL has set back the Project in terms of its progress towards getting LMMAs, the Western Sanitary Landfill, the biofertilizer factory and the TAF investment ready. To address impact, there is optimism that this vacuum will be quickly filled in as the new contractor is to be engaged for Transaction 1 (Para 43). The GoF in collaboration with the ICRBE Project team plans to scale down Transaction 2 to focus on facilitating a phased approach to the development of a new landfill in the western division of Fiji (Para 54).	Recommendation 1 – Review the ICRBE Project Re-Orientation Plan (Para 96)
Cross-Cutting Issues	Unsatisfactory (1/4)	The departure of MPL from the project necessitates the recommencement of the gender-related work under Transaction 4, now to be undertaken with new contractors/partners, subject to the conditions outlined in Transaction 1 (see Para 62). New investments will need to be found with an emphasis on developing women-led businesses. Women and other disadvantaged and marginalized groups will again need to be consulted and meaningfully involved in project planning, implementation, and monitoring. The Project will need to adopt gender-sensitive, human rights-based and conflict sensitive approaches, in compliance to the principle of "Leaving No One Behind" (Para 69).	Recommendation 1 – Review the ICRBE Project Re-Orientation Plan (Para 96)
Gender Mainstreaming	MU (moderately unsatisfactory)	Efforts to mainstream gender are rated as moderately unsatisfactory considering low level of gender-related activities to date related to the withdrawal of MPL from the Project, the difficulties of recruiting a gender consultant for GESI-related activities and the need to deliver gender activity in the newly formed Transaction 1 (Paras 67-69).	Recommendation 1 – Review the ICRBE Project Re-Orientation Plan (Para 96)

Summary of Conclusions

E-8. The December 2024 Reorientation Plan prepared by the PMU focuses only on the Transaction 1 (the LMMA and associated Blue Lending Facility) and Transaction 2 (the Western Landfill transaction) and resolves several of the issues including the removal of Blue Alliance and withdrawal

of Matanataki (MPL) as contractors. The Reorientation Plan has proposed to engage a new contractor for Transaction 1 with Transaction 1 receiving resources diverted from Transactions 3 and 4 provided there are no issues in diverting funds from Outcome 2 to a different Outcome 1 (Para 91, 2nd bullet). A reoriented and scaled down Transaction 2, the Western Landfill would focus rehabilitating one dumpsite in the Western Division and lay the groundwork for a future sanitary landfill in the Western Division (Para 54) and soliciting the assistance of ADB to undertake the role of an independent transaction advisor for the GoF (Paras 55-56). If there are issues in diverting funds from Transactions 3 and 4 to Outcome 1 (or Transaction 1), resources from Transactions 3 and 4 are proposed to be diverted to Transaction 2. The request for a no-cost 12-month extension for ICRBE is fraught with risks concerning unforeseen delays for all transactions. The Project should either be ready for another extension past December 2025 or just extend the Project to December 2026 (Paras 64 and 91, 4th bullet).

Lessons Learned

- E-9. *Lesson #1: The very successful Beqa Adventure Divers transaction shows that reef positive solutions can be built around pre-existing businesses which have a higher probability to succeed (Para 92).*
- E-10. *Lesson #2: The unsuccessful Korolevu-i-wai transaction demonstrates how a business should not be introduced to a community that is being dealt with at arms-length and already extremely cautious about losing its traditional LMMA access rights (Para 93).*
- E-11. *Lesson #3: Private sector contractors for UNDP projects should be selected in a tender process in full accordance with UNDP's POPP, with strict requirements on knowledge of local customs and conflict of interest (Para 94)*

Recommendations

Rec #	Recommendation	Entity Responsible	Time Frame
	Recommendation 1		
E-12.	<i>Review and revise the Project Results Framework (PRF) in synergy with the Reorientation Plan (Para 95).</i>	GoF and PUNOs	Immediate
	Recommendation 2		
E-13.	<i>Ensure the ICRBE Project Re-Orientation Plan aligns with Project priorities and priorities of the Government of Fiji and execute the Plan (Para 96).</i>	GoF and PUNOs	Immediate
	Recommendation 3		
E-14.	<i>Instead of a 12-month extension, seek a no-cost extension to the ICRBE Project ranging from a 12 to 24-month period (Para 97).</i>	GoF and PUNOs	Immediate
	Recommendation 4		
E-15.	<i>Recruit a Strategic Communications Specialist who can amplify the intricate and transformative work being delivered by the ICRBE Project (Para 98).</i>	GoF and PUNOs	Medium term

1. INTRODUCTION

1. This report summarizes the findings of the Midterm Review (MTR) conducted during the August to December 2024 period for the “*Investing in Coral Reefs and Blue Economy*” (otherwise referred to as ICRBE, ICRBE Project or the Project), a joint programme (JP) by UN agencies including United Nation Development Programme (UNDP), UN Capital Development Fund (UNCDF) and United Nation Environment Programme (UNEP).

1.1 Purpose of the Mid-Term Review

2. The MTR serves two immediate purposes: decision-making and taking stock of initial lessons from experience. Specifically, this MTR provides a comprehensive and systematic account of the performance of an ongoing project by reviewing its design, process of implementation and achievements vis-à-vis project objectives and any agreed changes during project implementation. This MTR delivers an independent and impartial assessment of the ICRBE Project that is comprised technical assistance, investments, and capacity building activities. As such, the MTR for this Project serves to:
 - assess early signs of project success or failure with the goal of identifying the necessary changes to be made to set the Project on-track to achieve its intended results;
 - strengthen the adaptive management and monitoring functions of the Project;
 - enhance the likelihood of achievement of Project and its objectives through analyzing Project strengths and weaknesses and suggesting measures for improvement;
 - enable informed decision-making by identifying and validating proposed changes to the ProDoc to ensure achievement of all Project objectives;
 - create the basis for replication of successful Project outcomes achieved to date; and
 - assess whether it is possible to achieve the objectives in the given timeframe, taking into consideration the pace at which the Project is proceeding.
 - provide forward-looking recommendations regarding specific actions or revisions that will be used and implemented to improve the efficiency, effectiveness, and sustainability of the programme.
3. This MTR was prepared to:
 - be undertaken independent of Project management to ensure independent quality assurance;
 - apply UNDP norms and standards for midterm reviews;
 - assess achievements of outputs and outcomes, likelihood of the sustainability of outcomes, and if the Project met the minimum M&E requirements;
 - provide credible, useful, and evidence-based information of the Project;
 - provide recommendations to increase the likelihood of the Project delivering all its intended outputs and achieving intended outcomes.
 - bring up key issues that will serve as a means of strengthening learning within the ICRBE Project team and its stakeholders to support better decision-making.

4. The primary target audience for the MTR are the members of the Project Board/JPSC, the Government of Fiji (GoF), UNDP as the Project Convening Agent along with UNCDF and UNEP as Participating UN Organisations (PUNOs), Project donors, and participating stakeholders. The report will also be shared with other project stakeholders in government, development partners, UN Agencies, civil society, and private sector and will be publicly accessible.

1.2 Scope and Methodology

5. The scope of the MTR covers the entire ICRBE Project implemented by UNDP, UNCDF and UNEP. This MTR assesses 44 months of Project progress, achievements and implementation taking into account the status of Project activities, outputs and the resource disbursements made up to 30 November 2024. The MTR estimates the extent of barrier removal in each Project component by reporting on the progress against objective, outcome, output, and impact indicators listed in the latest Project Results Framework (PRF) as provided in Appendix F. The Organization for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) criteria of relevance, coherence, effectiveness, efficiency, impact, and sustainability were used to frame evaluation questions and methodology for the evaluation. The MTR was also approached through criteria of *relevance, effectiveness, efficiency, sustainability, and impact*, as defined, and explained in the UNDP “Guidance for Conducting Midterm Reviews of UNDP-supported, GEF-financed Projects”², in the absence of any MTR guidelines for non-GEF projects.
6. The ICRBE Project was also reviewed in the context of:
 - *Project strategy*: This includes an analysis of the ICRBE Project design (and the PRF) as outlined in the ProDoc to identify if the strategy is effective in achieving the desired outcomes.
 - *Progress towards results*: This is to include information provided from, amongst others, Project work plans, progress reports, relevant Project reports and information provided from various Project stakeholders.
 - *Project implementation and adaptive management*: This is an assessment of the quality of support to the Project from UNDP, UNCDF and UNEP. Assessment parameters include management arrangements, work planning, finance, Project level monitoring and evaluation systems, stakeholder engagement, reporting and communications; and
 - *Sustainability*: The likely ability of an intervention to continue to deliver benefits for an extended period after the end-of-Project (EoP). The MTR sustainability assessment essentially sets the stage for the Terminal Evaluation during which sustainability will be rated under four categories of sustainability, namely financial, socioeconomic, institutional framework, and governance, and environmental.
7. The MTR approach adopted was non-experimental evaluation³ where questions needed to be answered concerning policy and market for government stakeholders and Project executors, and the benefits and impacts of community investments for Project investors and beneficiaries. Interviews with government stakeholders were to bring up key issues with respect to the process of prioritizing ICRBE measures and enhancing diffusion of ICRBE investments with policies and the regulatory frameworks; this was to strengthen learning within the ICRBE Project team and its stakeholders to support better decision-making to attain the Project objective. Project executors were interviewed

² http://web.undp.org/evaluation/documents/guidance/GEF/mid-term/Guidance_Midterm%20Review%20_EN_2014.pdf

³ From the UNEG Compendium of Evaluation Methods: <http://www.unevaluation.org/document/detail/2939>

using a participatory approach on their experiences interacting with beneficiary stakeholders. These approaches contributed to an impartial assessment of the ICRBE Project.

8. In the context of methodology, the strategy for data and information collection and analysis adopted for this MTR includes:
 - setting up the MTR report in the context of evaluation criteria of relevance, coherence, effectiveness, efficiency, sustainability and impact, defined as per UNDP “Guidance for Conducting Midterm Reviews of UNDP-supported”;
 - review of Project documentation (such as progress reports, meeting minutes of the Joint Programme Steering Committee) and pertinent background information;
 - interviews with key Project personnel (including the current Project Manager, Project Coordinators, technical advisors, and Project developers) as well as relevant stakeholders (including other government agencies, private sector entities, CSOs and NGOs). This was important as these MTR criteria were likely undocumented. The interview process was conducted in a participatory manner and in a spirit of collaboration with ICRBE PMU personnel with the intention of providing constructive inputs that can inform activities of the ICRBE Project.
 - field visits to Project sites were substituted by interviews with beneficiaries;
 - triangulation of the various data sources that ensured optimum validity and quality of the information and data sources (i.e. interviews, focused group discussions and documents).
 - compile and evaluate the progress and quality of implementation against the indicators of each objective and outcomes in the PRF as provided Appendix F.
 - formulation of MTR conclusions and recommendations that focus on the current setup of the ICRBE Project to its current completion date of 31 March 2025.
9. The MTR of the ICRBE Project is based on evaluability analysis consisting of formal (clear outputs, indicators, baselines, data) and substantive (identification of problem addressed, theory of change, results framework) inputs. Considering the information provided into this MTR (which is mainly whether or not the technical assistance and investments of the ICRBE Project were effective to ICRBE stakeholders), the implication of this methodology is that it should be effective in the MTR process and should inform stakeholders and the ICRBE Project team as it attempts to deliver its investments and built capacities.
10. Data and information for this MTR were sourced from:
 - Project documentation that was reviewed and deemed important in establishing information pertaining to efforts in implementing the Project. This was done primarily at the home base of the International MTR Reviewer;
 - the combination of in-depth interviews, field visits and focused groups discussions which were semi-structured interviews with key stakeholders within an interview schedule). These discussions were based on questions designed for different stakeholders based on evaluation questions around relevance, coherence, effectiveness, efficiency, and sustainability; interviews were conducted with selected stakeholders to gauge the effectiveness and efficiency of “progress towards results”. Different key groups involved in the Project to be interviewed included Interviews were conducted with:

- Project team. The purpose of interviews with the UNDP Fiji MCO, UNDP NCE Asia-Pacific and the PMU are the issues of implementation and execution. Main questions asked involved utilization of Project resources from donors.
- The Government of Fiji. This involved implementation personnel at the Ministry of Environment. Main questions to be asked are what to do with the Project resources.
- Beneficiaries. This involved one local community.

All interviews between the International MTR Reviewer and the various stakeholders were held virtually on Teams platform during the December 2024 period. A full list of people interviewed, and documents reviewed are given in Appendix B and Appendix C respectively.

11. The limitations to this MTR process were:

- the time spent by the MTR Consultant during the August-October period 2024 without interviewing any stakeholders. This was deemed to be insufficient to meet the purposes of the MTR; and
- interview of a limited number of stakeholders in December 2024 by the MTR Consultant.

12. As such, the MTR to a large extent was dependent on the information gathered during the 9-20 December 2024 period, as well as the limited documentation from progress reports and other reports. Regardless, the MTR Consultant has made every effort to understand and present a fair and a well-balanced assessment of the Project. Any misrepresentation of the Project has been resolved through discussions with the Project team.

1.3 Structure of the MTR Report

13. This MTR report is presented as follows:

- An overview of ICRBE Project activities from a development context from its commencement of operations in March 2021 to the present;
- An assessment of Project strategy and design;
- An assessment of Project progress towards results;
- An assessment of Project implementation and adaptive management;
- Assessment of sustainability of Project outcomes; and
- Conclusions and recommendations.

2. PROJECT DESCRIPTION AND DEVELOPMENT CONTEXT

2.1 Development Context

14. Fiji has an extensive and high diversity of marine habitats, including coral reefs and slope, estuaries, sea grass, macro-algal assemblages, protected and exposed soft shores. Fiji's coral reef area covers more than 10,020 km² and this reef system is a biodiversity hotspot for corals in the Southwest Pacific, with diverse reef formations. Fiji's coral reefs are generally in an above-average state compared to the global average, showing 50% live coral cover (above the global average)⁴. The country also has the third largest area of mangrove within the Pacific Island region (517 sq. km).
15. In Fiji, coral reefs, together with other habitats support a rich biodiversity, and a major subsistence and moderate commercial inshore fisheries. Thus far, researchers have identified 1,198 species of fish, 1,056 marine invertebrates and approximately 1,000 coral reefs in Fiji. The country's inshore fisheries sector plays an important role in the livelihood of all Fijians, as it is closely linked to the local and national economy, generates employment opportunities and is an important food source⁵. A study on the Vatu-i-Ra Seascape by Wildlife Conservation Society, estimates the value of recreational services provided by coral reefs throughout Fiji in 2013 to be between US\$79.7 million and US\$377 million. Additionally, Fiji's coral reefs and mangroves provide critical shoreline protection services, protecting infrastructure and people's livelihoods from storms, large waves, and erosion.
16. However, the biodiversity and the ecosystem services provided by Fijian coral reefs are at risk. The main drivers of coral degradation identified in Fiji are the compounded effects of local impacts from overfishing and coastal development along with climate change stressors⁶. Two thirds of Fiji's reefs are being threatened by local activities, with pollution, eutrophication and coastal development threatening coral reefs near urban centres⁷. Other reported threats include destructive fishing methods, coral harvesting for the curio and live aquarium trade, and degradation due to climatic or natural events (often exacerbated by human activity) including cyclones, coral bleaching, and predator outbreaks such as crown-of-thorns starfish. Further, uncontrolled waste management including dump expansion are leading to direct mangrove forest loss in Fiji, and additional areas of mangrove forest around dumps have begun to degrade. The toxicity of run-off from agricultural fertilizers is also having continued deleterious effects on the coral ecosystem in Fiji⁸.
17. According to Joint SDG Fund⁹, women played important roles in the establishment of coral reef conservation initiatives including helping to decide conservation rules, assisting with the implementation of environmental projects in their villages like waste management and water system improvement, playing an active role with enforcement and compliance efforts, and assisting with research to evaluate the status of their fishing ground.
18. Urgent financial resources are required to pursue active adaptation strategies to save the reefs from climate change and multiple local anthropogenic threats. Well managed and financed Marine Protected Areas (MPAs) and blue economy projects are the cornerstones of international efforts to

⁴ Moritz C, Vii J, Lee Long W, Tamelander J, Thomassin A, Planes S (editors). (2018) Status and Trends of Coral Reefs of the Pacific. Global Coral Reef Monitoring Network

⁵ FAO 2022. Fishery and Aquaculture Country Profiles. Fiji. Country Profile Fact Sheets. Fisheries and Aquaculture Division. Rome.

⁶ www.reefresilience.org

⁷ UNEP-WCMC, 2015

⁸ WWF 2019, University of Newcastle Australia 2019

⁹ Joint SDG Fund. (2022). Women With Vision: Enhancing coral reef conservation in rural Fiji, these women show how our shared future is blue. <https://jointsdgfund.org/article/women-vision-enhancing-coral-reef-conservation-rural-fiji-these-women-show-how-our-shared>

“replenish biodiversity and nourish the growing human population”¹⁰. Benefits that flow from improved marine ecosystems include enhanced food supply and fishing incomes for coastal communities, opportunities for nature tourism businesses, shoreline protection and greater resilience to climate change (contributing to SDGs 14, 1, 5, 8 and 13). Despite the commercial viability of blue economy initiatives with positive impact on coral reefs, neither public nor private funding is invested in adequate sums.

19. Conservation projects, particularly around marine ecosystems, are not attracting impact capital at the same pace as the rest of the impact investment market¹¹, largely due to a shortage of investment-ready projects and organizations developing future opportunities, private sector perceived risk of investing in blue natural capital and the resulting high interest rates to get blue economy businesses operationalized. Development finance is a scarce and precious resource, and the mobilization of additional funds from commercial investors into marine conservation is indispensable for meeting the financing needs of the 2030 Agenda.

2.2 Problems the ICRBE Project sought to address and the Blue Economy Concept

20. The Fiji economy, like many Pacific SIDS, was projected to record an historic economic contraction of 15% in 2020 because of the impact of the COVID-19 pandemic. Challenges, such as debt sustainability stress, high dependency on tourism, limited natural resources and climate disaster risks are common across the Pacific SIDS and were exacerbated by the impact of COVID-19.
21. Recently the concept of the “blue economy” is being explored as an economic force for development in SIDS. As defined by the World Bank, the blue economy is the “sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of the ocean ecosystem.” Developing the blue economy is a promising avenue to “build back better” the economies of Pacific SIDS.
22. As highlighted in UNDP’s discussion paper on financing the SDGs in the Pacific, “the challenge is to identify (catalytic) investment opportunities, new and innovative investments in the blue economy as well as opportunities for established industries to transition to more environmentally sustainable practices.” UNDP’s “Building Back Blue” Project, which is now closed and being succeeded by the Sustainable Pacific Blue Circle Fund Project, has successfully provided technical and financial assistance to support the development of a blue economy investment portfolio and promote regional South-South knowledge sharing and blue economy investment matchmaking. This also entails sustainable use of capital markets to mobilize development finance for blue economy development as demonstrated by the successful issuance of [Fiji’s first sovereign blue bond](#) in November 2023.
23. The JP paired with Fiji’s relatively strong capacity to develop a pipeline of revenue generating projects to sustain the rich biodiversity of Fiji’s Great Sea Reef (known locally as Cakaulevu) and other coral reefs, make it the ideal entrant to serve as a regional financial hub for coral reef conservation and development initiatives. This JP was to showcase the success of blended finance to leverage private and public investment and engagement in the blue economy. As a regional hub, Fiji was to share expertise and lessons learned from this JP with other South Pacific SIDS to allow them to harness the potential of their burgeoning blue economies.

¹⁰ IUCN, 2018

¹¹ GIIN, 2018

2.3 ICRBE Project Description and Strategy

24. The ICRBE Project is a JP which began in April 2021. Financed by the GFCR and the Joint SDG Fund, the objectives of the ICRBE Project are to create a blended finance facility and build capacity to mobilize private and public investment capital for initiatives that have a positive impact on Fijian coral reefs and the communities that rely on them, particularly women and youth. The JP aims to work with GoF to improve the enabling environment for investment in ocean-positive outcomes including the regulatory framework, and to raise public and private funds for investment in a pipeline of bankable projects. These projects comprise of a blend of technical assistance, performance grants and concessional capital for de-risking. These projects are intended to leverage a total US\$50 million in public and private investments in reef-first SMEs and financial instruments. Measurement and verification of positive economic and environmental impacts to vulnerable coastal communities (>70,000 beneficiaries) and coral reefs (of which 50% will be women and youth) are to be implemented. The outcomes of the ICRBE Project include:
- Outcome 1: “Protection and effective management of Fijian priority coral reef sites and climate change-affected refugia are sustainably financed”.
 - Outcome 2: “Transforming the livelihoods of coral reef-dependent communities”.
25. The JP’s expected results include:
- Transaction 1, from Outcome 1, consisting of private sector investment in a US\$10 million blended finance facility for effective management of 30 Locally Managed Marine Areas (LMMAs) in Fiji. The JP will accelerate the short-term investment readiness of a pipeline of 10 LMMA projects (US\$3.1 million target) and bring the wider pipeline to market (US\$10 million target). Business models include reef-first businesses such as eco-tourism, visitor centers, and sustainable fisheries.
 - Transaction 2 from Outcome 2, consisting of private sector investment in a US\$14 million blended finance facility for sanitary landfill project before replicating the approach to other landfill projects in the country.
 - Transaction 3 also from Outcome 2, consisting of private sector investment in an eco-fertilizer factory before replicating the approach to other 5 reef-first SME projects in the pipeline supported through Transaction 4; and
 - Transaction 4 from Outcome 2, consisting of an established and operational gender responsive Technical Assistance Facility (TAF) for blue economy SMEs and financial instruments. The TAF will:
 - bring expertise during the pre-investment and post-investment life cycle of the Blue Economy SMEs.
 - aggregate and pool the investments and other financial instruments reducing transaction costs and reducing risk profile.
26. This is a 4-year project that started in March 2021, with a total grant allocation of US \$10,503,770 consisting of US \$5,339,438 from the Joint SDG Fund and anticipated US\$5,164,332 (subject to replenishment) from the GFCR. This illustrated on Figure 1. A Theory of Change (ToC) for the ICRBE Project is shown on Figure 2.

Figure 1: ICRBE - Financial Snapshot

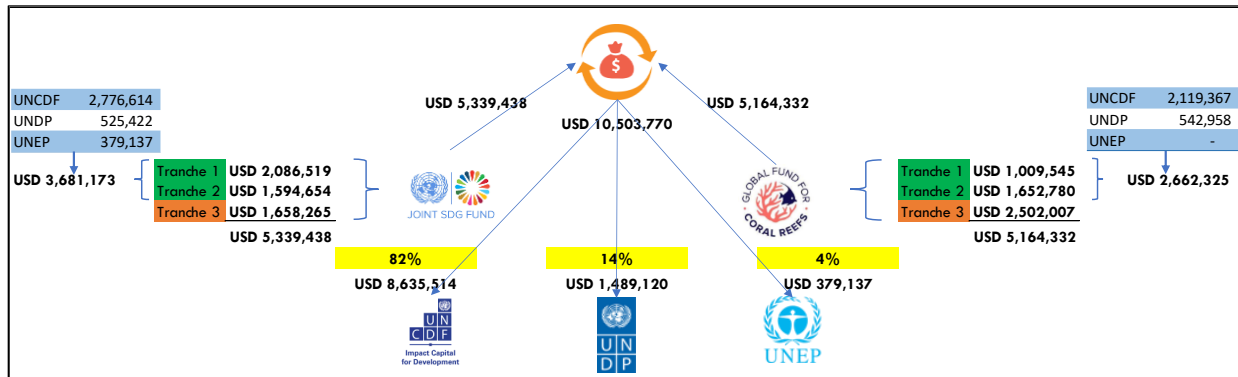
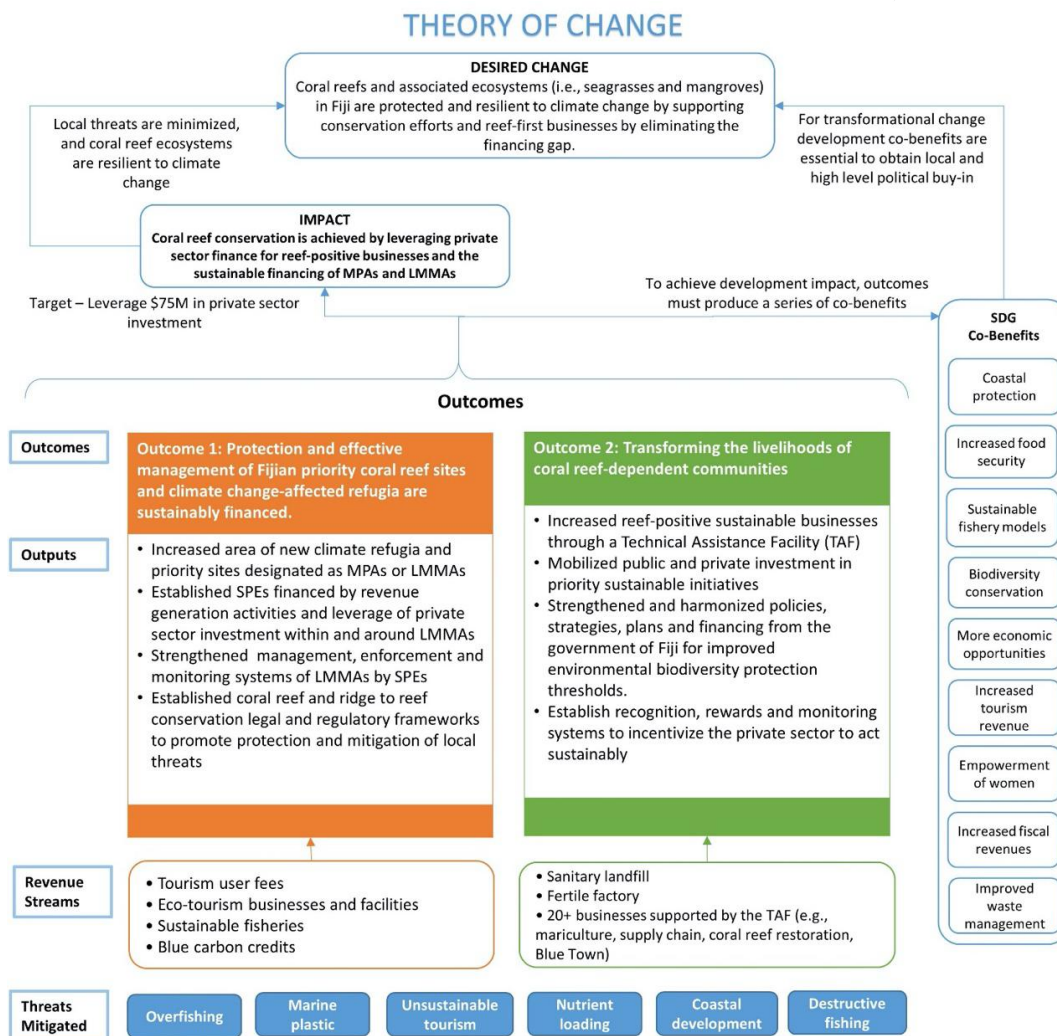


Figure 2: ICRBE Theory of Change



2.4 ICRBE Project Governance & Implementation Arrangements

27. The governance and institutional arrangement for the ICRBE Project is structured to ensure accountability, alignment with national priorities, and donor confidence. The Project Management Unit (PMU) is responsible for the day-to-day implementation of the Project and reports to the local Joint Project Steering Committee (JPSC), which comprises representatives from the Resident Coordinator's Office, senior officials from the Ministry of Environment and Climate Change (MoECC), Ministry of Finance (MoF), and Local Government. The JPSC oversees the PMU's work, ensuring timely and transparent achievement of Project outcomes while aligning with Fiji's national priorities. The UNDP Management, Performance, and Oversight Unit provides an additional layer of quality assurance before JPSC reviews. Donor representatives from GFCR and the Joint SDG Fund attend JPSC meetings, receiving quarterly updates supplemented by biannual and annual reports to maintain oversight of project progress. Further details of implementation arrangements and staffing for the PMU are in Para 71-72.

2.5 ICRBE Project Timing and Milestones

28. The ICRBE Project was designed as a 4-year project that commenced in March 2021, scheduled to end in March 2025. Progress up to 30 November 2024 has been unsatisfactory as further detailed in Section 3.2. A summary of significant events for the first 44 months of the ICRBE Project include:

- JSDGF signed in November 2020 for US\$5,339,438;
- GFCR signed in March 2021 for US\$5,164,332;
- GoF and PUNOs signing the ICRBE ProDoc in March 2021;
- the Inception Workshop was conducted in June 2021.
- first Steering Committee meeting was in July 2021.
- first disbursement of Joint SDG and GFCR funds in August 2021;
- MPL and Blue Alliance started work on 16 August 2021 and 4 August 2021 respectively;
- Project Manager started January 2022;
- in February 2023, GoF decided to undertake an open tender process rather than committing to MPL for the Western Landfill transaction as there are no policies allowing GoF to directly commit to a private sector entity;
- Gender-sensitive M&E framework was completed in April 2023;
- from December 2023 to May 2024, an independent consultant was engaged to develop a preassessment memo for 3 out of the 5 TAF projects proposed by MPL. Based on the findings of the preassessment, these projects were not investment ready and were not enabled to deploy blended finance instruments. This was further evaluated by the UNCDF GFCF Global Team who agreed with the findings of the independent consultants;
- Blue Alliance partnership was terminated by Project on 9 May 2024;
- MPL withdrawal from Project on 8 July 2024;
- ICRBE Project Team develop a reorientation plan with the intention to achieve the overall goals of the Project in line with the ToC in September 2024;

- suggestions made by the PMU in September 2024 to pivot away from TFFC and TAF in favor of an open tender through a local development financial institution;
 - in December 2024, a process was underway to engage a new contractor for Outcome 1 to replace Blue Finance and ADB is in negotiations with the GoF to support the PUNOs with the Open Tender process for the broader Western Landfill Project.
29. Though the ProDoc was signed on 18 March 2021, effective outreach to all stakeholders was established (with COVID-19 restrictions not being relaxed until 3Q 2022). At the time of writing this MTR report, there are less than 4 months of time remaining to complete all ICRBE activities. Details of the challenges that remain to achieve all ICRBE targets and other progress-related issues are provided in Section 3.2 of this report.

2.6 Main Stakeholders

30. To achieve the specific ICRBE Project or JP objective of “creating a blended finance facility and build capacity to mobilize private and public investment capital for initiatives that have a positive impact on Fijian coral reefs and the communities that rely on them”, the ICRBE Project needed to engage a range of stakeholders in Fiji (as specified in the ProDoc and with more details in Section 3.3.5 or Para 78) that included:
- PUNOs, namely UNDP, UNCDF and UNEP;
 - National authorities: Ministry of Economy, Ministry of Local Government, Ministry of Fisheries, Ministry of Forestry;
 - Civil society organizations and NGOs: Fiji Hotel and Tourism Association; Fiji Locally Managed Marine Area Network (LMMA);
 - Private sector: Sustainable Ocean Fund - Althelia/Mirova (Private Investment); Blue Alliance (Technical Assistance and Implementing Partner); MPL (Technical Assistance and Implementing Partner); and
 - Donors: Joint SDG Fund and GFCR, which are multi-partner trust funds, backed by a coalition of Private and Public entities (with grant co-funding and public and private investment through GFCR investments).

3. FINDINGS

3.1 Project Strategy

31. With more than 60% of coral reefs in the South Pacific being under immediate and direct threat¹², over 3 million people in the region will be directly impacted for food and income on coral reefs, making these populations particularly vulnerable to reef-loss and a “poverty trap”. Coral reefs also provide vital shoreline protection from wave action to low-lying communities at risk of coastal flooding, this ecosystem service is becoming critical in the context of accelerating climate change. As such, a project to enhance the sustainability of coral reef ecosystems would appear as an important cross-cutting development activity that generates SDG co-benefits for local communities. This can be done through entry points such as coral reef tourism, food security, shoreline protection, and human health and wellbeing.
32. Furthermore, the Fijian economy, like many other Pacific SIDS, has experienced a historic economic contraction of 15% in 2020 because of the impact of the COVID-19 pandemic. Challenges exacerbated by the impact of COVID-19, such as debt sustainability stress, high dependency on tourism, limited natural resources and climate disaster risks, were common in Fiji as well as across the Pacific SIDS.
33. With UNDP’s discussion paper on financing the SDG’s in the Pacific, the strategy of the ICRBE Project strongly aligns with the concept of the “blue economy” as an economic force for development in SIDS (as explained in Paras 20-26), generating possibilities towards sustainable management of coral reef ecosystems. This MTR confirms the basis and rationale for the ICRBE Project strategy and its underlying objectives to mobilize private and public investment capital for revenue-generating initiatives that are to have a positive impact on Fijian coral reefs and the communities that rely on them.
34. The Project strategy in the ProDoc supports national, regional, and international policies and frameworks and remains valid with objectives still widely supported at national and local levels. The Project strategy, based on actions at local and national levels, is sound and well suited to achieving results. The ICRBE strategy is illustrated in the Theory of Change (ToC) diagram on Figure 2. The ToC diagram shows the immediate threats that hinder sustainable coral reef management, revenue stream to mitigate these threats, ICRBE Project outputs and outcomes, impact of these investments that lead to the desired changes in coral reefs and associated ecosystems.

3.1.1. Original Project Design

35. The ICRBE Project was designed to construct a pipeline of bankable projects, providing a blend of technical assistance, performance grants and concessional capital for de-risking and solidly grounded on learning from preceding coral reef projects in Fiji. The ProDoc was signed in March 2021 with an intended duration of 48 months (until March 2025) and with an Inception Workshop taking place in June 2021. Implementation of ICRBE activities were designed to remove perceived threats to enable the realization of achievement of the Project objective with the following outcomes:
 - Outcome 1: Protection and effective management of Fijian priority coral reef sites and climate change-affected refugia are sustainably financed;

¹² WRI, 2018

- Outcome 2: Transforming the livelihoods of coral reef-dependent communities.
36. The design of activities around these Outcomes address the identified threats. A threat mitigation approach was deemed the best available strategy because of its sustainability; by removing the threats, the Project would be able to ensure coral reef ecosystems are more resilient to climate change, and development co-benefits (such as coastal protection, increased food security, sustainable fisheries, more economic opportunities, increased tourism, empowerment of women, and improved waste management) are realized to obtain local and high level political buy-in.

3.1.2 Analysis of Project Results Framework

37. The JP Results Framework (JPRF) has SMART indicators and targets in Annex 2 of the ProDoc (as well as Appendix F in this report) that reflect the intended impacts of the 4 transactions. Outcome 1 is related to the impacts of Transaction 1 and its investments into LMMAs. Outcome 2 is related to the impacts of Transaction 2 (sanitary landfill), Transaction 3 (biofertilizer plant) and Transaction 4 (TAF). However, the indicators and targets on Table 1 only monitor the impacts of the transactions, and do not directly address the actual progress of these transactions. Actual progress of the transactions has been done through the monitoring of the progress of Outcome “activities” provided on Table 2 for Outcome 1 and Table 3 for Outcome 2 (as taken from Annex 8: Detailed Outcomes, Outputs and Activities of the ProDoc).

3.2 Progress towards results

38. Progress towards results is provided on Table 1 against the End of Project (EoP) targets in the ICRBE Project PRF. Comments on some of the ratings are provided in the following paragraphs. For Table 1, the “achievement rating” is color-coded according to the following scheme:

Green: Completed, indicator shows successful achievements	Yellow: Indicator shows expected completion by the EOP	Red: Indicator shows poor achievement – unlikely to be completed by project closure
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3.2.1 Outcome 1 indicators and targets

39. Targets planned for this Outcome include those targets listed on Table 1 with actual achievements and comments. There is a disconnect between the outcomes and indicators highlighted. The targets are unrealistic and need to be changed to reflect achievable ones.
40. For Outcome 1, the protection and effective management of Fijian priority coral reef sites and climate change-affected refugia were supposed to be sustainably financed. This was to lead to 4 outputs:
- Output 1.1: Increased area of new climate refugia and priority sites designated as MPAs or LMMAs;
 - Output 1.2: Established SPEs financed by revenue generation activities within and around LMMAs and a blended finance facility with high leverage potential for the private sector;
 - Output 1.3: Strengthened management, enforcement, and monitoring systems of LMMAs by Special Purpose Entities (SPEs);
 - Output 1.4: Established coral reef and ridge to reef conservation legal and regulatory frameworks to promote protection and mitigation of local threats.

Table 1: Progress Towards the ICRBE Project PRF (from the March 2021 ProDoc)

Project Strategy	Results/Indicator	Baseline Level	Mid-Term Target	End-of-Project Target	Midterm Level and Assessment	Achievement Rating	Justification for Rating
Outcome 1: Protection and effective management of Fijian priority coral reef sites and climate change-affected refugia are sustainably financed. (Also referred to as Transaction #1: Blended finance facility for effective management of LMMA Networks)	1.1 Area of new climate refugia and priority sites designated as MPAs or LMMAs (km ²)	0	15,000	30,000	0	Yellow	See Paras 41-45
	1.2 Coral and fish species richness in MPAs	Actual species richness = 100	100	120	0	Red	
	1.3 Number of coral reef and ridge to reef conservation related resolutions, declarations and laws passed	0	2	4	0	Red	
	1.4 MtCO ₂ e per year sequestered through protection and/or restoration of threatened mangrove and seagrass ecosystems	Baseline= 100	100	120	0	Red	
	1.5 Management Effectiveness of MPAs	Initial METT score per MPA	2 MPAs with METT score >70	4 MPAs with METT score >70	0 MPAs	Red	
Outcome 2: Transform the livelihoods of coral reef-dependent communities through enhanced national, regional, and global support	2.1 Number of locals/entrepreneurs and women employed in businesses with a positive impact on coral reefs	Tbd	Tbd	Tbd	-	Red	See Paras 48-50
	2.2 Increased private investment in sustainable initiatives and blue economy SMEs related to Coral Reefs	Tbd	Tbd	Tbd	-	Red	
	2.3 Water quality and reduction of nutrient inputs	100	105	120	0	Red	
	2.4 Number of TAF incubated blue economy SMEs that become investment ready	0	3	6	4	Red	
	2.5 Number of new government strategies and plans to support financing for improved marine biodiversity protection and the blue economy	0	1	3	1	Red	
	2.6 Number of new government incentives to support financing for improved marine biodiversity protection and the blue economy	0	1	2	0	Yellow	

41. This Outcome 1 is also referred to as *Transaction 1* with the intention to identify and commercialize 10 LMMAs. Blue Alliance (also known as Blue Finance) was engaged for this Outcome. However, Blue Alliance did not deliver as intended, primarily due to the fact they were not based in Fiji and lacked local presence. Blue Alliance failed to understand how to establish and commercialize LMMAs, encountering difficulties in both the conceptualization and establishment of the necessary financial facilities linked to their inability to secure community buy-in and the lack of identification of any local financial institutions that could be involved in derisking or taking on the long-term administration of a financing facility¹³. All of Blue Alliance’s developed business and designs of a blended finance facility were rejected by all participating communities.
42. As a result, Blue Alliance were not able to bring any transactions to investment readiness that resulted in irresolvable disputes between Blue Alliance and the beneficiary communities on how the LMMA investments would be managed on a daily basis. The community wanted controlling stakes in the investments while Blue Alliance and its investors were not comfortable relinquishing too much control of investment operations to the community. For one community, community-based proponents provided investment concepts to Blue Alliance which were adopted but without any acknowledgement by Blue Alliance of the contribution made by the community. Blue Alliance sought an arms-length relationship with local communities, a very poorly conceived business relationship. UNDP could not salvage the relationship between Blue Alliance and the community. Out of US\$200,000 to be paid to Blue Alliance by UNCDF to develop projects under this outcome, payments of US\$180,000 were made. Blue Alliance’s partnership agreement with the PUNOs was terminated on 9 May 2024. The PUNOs have since undertaken community consultations in Korolevu-i-Wai (KiW) and sought their consent to be part of the LMMA register and the Blue Lending Facility as proposed as part of the Reorientation Plan. *The pre-selection of Blue Alliance is a major design flaw of the ICRBE Project.*
43. Transaction 1 was being adaptively managed from this point. A Call for Proposals to onboard a new Fiji based contractor was done in September 2024 for Outcome 1 requiring applicants to have vast experience in developing commercially viable LMMAs in Fiji with preferable experience in supporting communities dependent on the Great Sea Reef, a priority reef project site for the ICRBE. The purpose of the new contractor will be to accelerate an investment-ready pipeline of 10 LMMA projects that will be sent to an operational Blue Economy Lending Facility (a specialized lending window for LMMAs that are critical for sustainable marine conservation and resource management¹⁴) in collaboration with local development financial institution (who is proposed to be engaged as a Responsible Party). In August 2023, an independent consultant who has extensive experience in LMMAs has identified over 30 LMMAs eligible for investment assistance from the Project and the new contractor will be tasked to bring at least 10 of these LMMAs to investment readiness.
44. In addition, remaining PUNO funds from Transactions 3 and 4 (both under Outcome 2) are to be added to support the credit guarantee to be provided to the Blue Lending Facility (more details in Paras 59 and 62) if there are no issues with donors diverting funds to a different Outcome. The focus for the new contractor within these 30+ LMMAs will be on community-based cooperatives¹⁵ with an emphasis on women-led cooperatives. The work of the new contractor with the local development financial institution is to be monitored and reviewed by UNEP.

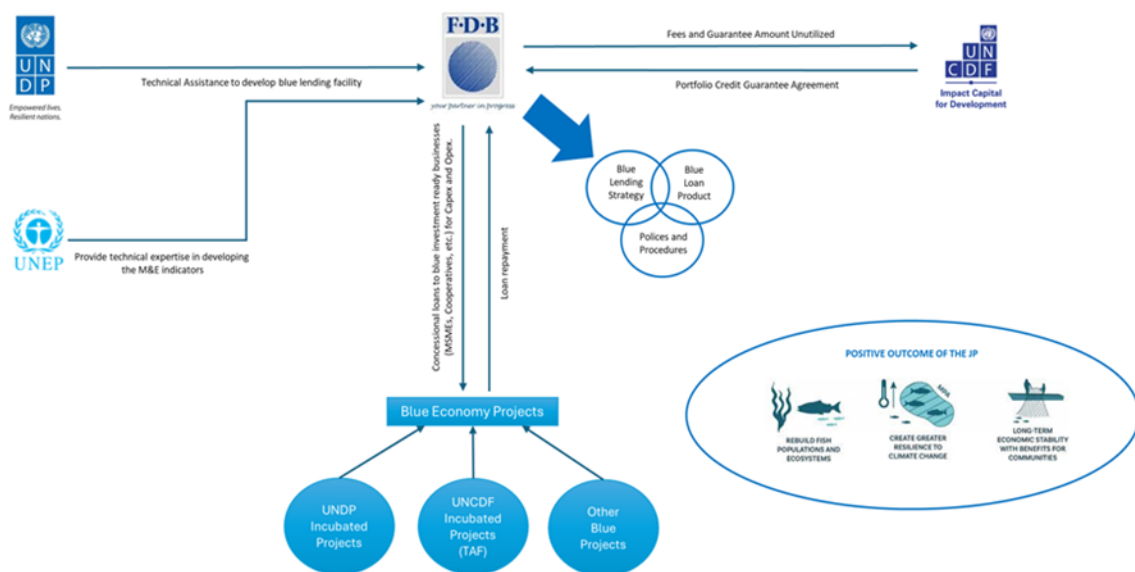
¹³ Blue Alliance has delivered investment memos for the Kuata- Yakawe and Beqa Lagoon Seascape LMMAs but have communicated lack of progress with local community and authorities for support.

¹⁴ The Blue Economy Lending Facility was a part of another project that complements ICRBE activities.

¹⁵ Cooperatives are made up of community groups who have combined businesses for a long period of time to form a joint venture, with financial structures and business operations in place and good track records of business operations.

45. The rationale to use a local development financial institution as a Responsible Party is that such organization are uniquely positioned in terms of its developmental mandate, have tailored financial products (agricultural loan, SME financing, green financing), are willing to take on higher risks, and have deep-rooted legitimacy. Such organization have strong government backing, long-standing domestic presence, and focus on underserved areas (rural and remote areas) enabling them to effectively reach and support underserved communities (including small-scale farmers, women entrepreneurs, and indigenous communities) across Fiji. The portfolio credit scheme to support the Blue Lending Facility between a local development financial institution such as FDB and the PUNOs is illustrated in Figure 3. Further details of the portfolio credit guarantee and potentially FDB's role on the Project are provided in Appendix H.

Figure 3: Schematic of Portfolio Credit Guarantee for Transaction 1



46. For Transaction 1, the Project has generated 2 very important lessons:
- there is a need to either work with established businesses within the LMMAs such as Beqa Adventure Divers (who protect the Shark Reef Marine Reserve) or to work with established community cooperatives who have a keen interest in developing alternative livelihoods that prevent pillage of LMMAs and help generate revenue streams to support community-based protection activities for the LMMAs. *This was a major design flaw in the initial JP design which now needs to be addressed by onboarding a Fiji based organization, to work in the marine conservation space coupled with financial institutions (such as FDB) that are familiar with lending to local businesses and community cooperatives;*
 - avoid developing businesses from scratch in communities with little to no business experience such as the KiW community.

These lessons are detailed in Paras 92-93. Table 2 provides a comparison between the intended targets and achievements of the Outcome Activities of Transaction 1 (Outcome Activities are from Annex 8 of the ProDoc) that are color-coded (as described in Para 38) as indications of progress.

Table 2: Intended Outcome 1 activities and achievements

Activity and intended target	Actual achievement
<p>Activity 1.1.1: LMMA screening, feasibility study and selection of priority sites with at least 20 sites identified using multi-criteria analysis for financial support</p>	<p>Multicriteria analysis has been completed by Blue Alliance and report submitted to UNDP/UNCDF for consideration. Unfortunately, the former contractor, Blue Alliance, was not willing to pursue any further business ventures in the areas identified due to lack of presence in Fiji.</p> <p>A new contractor is to be engaged for Outcome 1 (Transaction 1). An experienced consultant has developed robust and simplified selection criteria for LMMAs based of the multicriteria analysis developed by Blue Alliance. The consultant has been able to identify and secure community consent from 30 LMMAs across Fiji and drafted national regulations for a National LMMA Register to legally recognize LMMAs under the Fisheries Act (1941). The new contractor is to pick up the 30 LMMAs and develop business cases around at least 10 of the most promising LMMAs for eventual funding through the Blue Lending Facility to be operated by a local development financial institution. This work by the new contractor will help implicitly achieve Activity 1.1.2 as well.</p>
<p>Activity 1.1.2: Design of the LMMAs high-level business plan and set-up of the Special Purpose Entities (SPEs - co-management body for the LMMAs) with a business plan and high-level financial model to be developed for the sea-sensorium business at Korolevu-i-Wai</p>	<p>Business plans were developed by Blue Alliance for Korolevu-i-Wai and sense checked by an independent consultant. The community has rejected the business plan due to extensive disagreements with Blue Alliance around the management of the SPE. The community wanted to manage the daily activities themselves while Blue Alliance and their proposed investors wanted Blue Alliance to manage the SPE while the community would be an arms-length shareholder.</p> <p>Blue Alliance also developed business plans and investment models for two other MPAs, Kuata Marine Management Area Network and Beqa Lagoon Seascape. The private sector custodians for both sites have been facing lease renewal and legal recognition problems with the traditional land and qoliqoli owners¹⁶. Blue Alliance is no longer a contractor for the Project. Reference is made to the narrative for Activity 1.1.1 explaining how the new contractor will work on facilitating this activity.</p>
<p>Activity 1.1.3: Design of the blended finance solution and fundraising for one SPE to protect and conserve at least 500 hectares of coral reefs per year</p>	<p>Blue Alliance had designed the blended finance facility and conducted fundraising exercise with 2 financiers providing soft commitment on the basis that Blue Alliance would handle daily operations of the SPE. As mentioned in Activity 1.1.1, the disagreement with the KiW community resulted in the investors pulling out of investing in Fiji completely.</p>

¹⁶ Qoliqoli are large, community-managed fishing areas in Fiji that are a centuries-old cultural practice. They are traditional fishing grounds that are located in Fiji's archipelagic waters and territorial waters.

Activity and intended target	Actual achievement
	<p>Blue Alliance had secured funding for two other MPAs mentioned under Activity 1.1.2, but financing did not occur due to land lease and legal recognition issues and Blue Alliance pulling out of the Project.</p> <p>The blended finance facility will now be the design of the Blue Lending Facility with a local development financial institution which is expected to leverage of the extensive market presence and implementation capacity across Fiji.</p>
<p>Activity 1.1.4: Stakeholder engagement and advocacy including the conducting of 3 stakeholder meetings with stakeholders involved in the establishment of the MPAs</p>	<p>Blue Alliance, through its local partner, had conducted 3 community discussions and 2 leadership discussions with the people of KiW to develop the Trust Deed for the Sea-sensorium SPE.</p> <p>Blue Alliance also conducted online discussions with Barefoot Kuata Island and Pacific Blue Foundation to develop a business plan and financial model for investment in the Kuata Marine Management Area Network and Beqa Lagoon Seascape.</p> <p>The experienced consultant hired under Activity 1.1.1 has conducted over 30 community consultations to seek endorsement for being part of the proposed National LMMA Register and to be supported to develop LMMA centric business plans. Further consultation will be done by the contractor in this regard.</p>
<p>Activity 1.2.1: Business and investment plans developed for SPEs for Korolevu-i-wai MMA and Shark Reef Marine Reserve</p>	<p>Further to Activity 1.1.3, Blue Alliance developed a comprehensive business plan for the KiW sea-sensorium project that was peer reviewed by an independent consultant and refined further to support further investment leveraging. However, the business plan was rejected by the community and the local partner for Blue Alliance also ended ties with each other.</p> <p>Shark Reef Marine Reserve already had robust investment readiness plans in place and did not need support to commence work on the loan/financing facility under Activity 1.2.3.</p> <p>This work will now be done in unison with Activity 1.1.2.</p>
<p>Activity 1.2.2: Environmental readiness of the SPEs for investment in Korolevu-i-wai MMA, and Shark Reef Marine Reserve that includes a complete SESP Screening for Korolevu-i-Wai and Shark Reef Marine Reserve and an EIA with associated mitigation measures</p>	<p>SESP screening completed for both KiW and SRMR. Given that the KiW investment did not occur, the EIA was not done. The EIA for the SRMR was screened and deemed not needed by the Department of Environment as it mostly entailed the construction of a dive base on land far away from any ecological sites, upgrade of existing dive vessels and equipment, and enhanced patrolling of the SRMR. Funds have largely been unspent in this activity.</p>
<p>Activity 1.2.3: Concessional debt and other blended finance instruments to the SPE for investment in Korolevu-i-wai MMA, and Shark Reef Marine Reserve including Performance Based Grants (PBG) offered to develop business case and ensure investment readiness of the SPEs for investment in KiW and SRMR.</p>	<p>Performance Based Grants:</p> <p>Blue Alliance: US\$180,000 out of US\$200,000 disbursed (with US\$20,000 not disbursed) to develop business case to ensure SPEs are investment ready.</p> <p>Beqa Adventure Divers (BAD): US\$150,000 (USD133,380 disbursed) to initiate projects in line with sustainability and the ocean. The remaining tranche will not be disbursed as per the request from the partner as all the milestones as per the PBG have been completed.</p>

Activity and intended target	Actual achievement
<p>The PBGs were subject to investment readiness of the SPEs, concessional debt or other blended finance instruments deployed to SPEs.</p>	<p>Concessional debt:</p> <p>A concessional loan agreement with BAD was executed in November 2021 in the sum of FJD720,000 to purchase new engines for boats and construction of a new and sustainable base station for diving and marine research, including a new building. This transaction demonstrates the potential of the programme to contribute towards the goal of the Project when there is a credible and collaborative implementing partner.</p> <p>BAD has honored all the loan repayments, pre and post loan restructuring. In the initial loan agreement, the term of the loan was 5 years, and the loan repayments were quite substantial however, BAD honored the loan repayments. Due to the effects of COVID-19 on the operation of BAD (due to the closure of borders), the financial performance was significantly affected. As such, BAD requested for a loan restructuring in Q4-2023 to extend loan tenor and reduce principal repayments to avoid pressure on cash flow.</p> <p>The loan restructuring was approved in early 2024 after a thorough analysis was undertaken by the Project in consultation with the implementing partner. The new loan tenor was extended to 7.5 years which has reduced the loan repayments in line with the financial performance of BAD. To date, BAD has made a total of FJD322,000 in loan repayments (interest plus principal). The total principal outstanding is FJD545,000.</p> <p>In addition, BAD has adhered to all the reporting requirements as part of the loan agreement and are involved in regular consultation with the Project team with regards to monitoring and areas for further collaboration.</p> <p>Furthermore, once approval is provided to pivot from Blue Alliance to the new contractor, the Project will design a suitable blended finance instrument to enable businesses within MPAs to access funding for sustainable business development – this could potential be in the form of helping a local development financial institution to operationalise the Blue Lending Facility with initial financing of US\$300,000 as credit guarantee earmarked for supporting financing of 10 of the 30 LMMAs for which the new contractor will develop business plans.</p>
<p>Activity 1.3.1: Establish Project Management Office for each of the SPVs successfully operationalized Project Management Office to build capacity to for SPEs and LMMAs on social entrepreneurship and sustainable business management</p>	<p>Since none of the LMMAs were operationalized by Blue Alliance and only SRMR was successfully implemented, partial funds have been used from this Activity to support cost overruns incurred by BAD (proponents of the SRMR) to implement its grant-based initiatives such as mangrove rehabilitation and increased fish warden patrols.</p> <p>The new contractor will be onboarded for Transaction 1 and is likely to use most of the funds under this activity to support a local development financial institution to further enhance its internal capacity to successfully implement the Blue Lending Facility.</p>
<p>Activity 1.3.2: Performance indicators for the SPE and Environmental and Social</p>	<p>As mentioned in Activity 1.2.2, only SRMR was successfully implemented, and the EIA screening deemed an ESAP as not being</p>

Activity and intended target	Actual achievement
Action Plan (ESAP) by completing SESP Screening for Korolevu-i-Wai and Shark Reef Marine Reserve as well as conducting complete EIA with associated mitigation measures for the ESAP	needed. Funds to develop key performance indicators for the whole Project are still not used.
Activity 1.4.1: Support the development of one comprehensive legal framework for establishment, management, and financing of MPAs that will support the creation of a National Ledger System for LMMAs in Fiji	Extensive discussions have been held with the Ministry of Fisheries to leverage the ongoing review of the 1941 Fisheries Act. With the help of BAD, the Project had submitted a concept note to circumvent the legal recognition LMMAs in Fiji using a national ledger system. With endorsement secured from the Ministry of Fisheries, an experienced consultant has developed robust selection criteria for LMMAs, identified and secured community consent from 30 LMMAs across Fiji and drafted national regulations for a National LMMMA Register to legally recognize LMMAs under the Fisheries Act (1941). The new contractor is to consider the 30 LMMAs and develop business cases around at least 10 of the most promising LMMAs for eventual funding through the Blue Lending Facility.

3.2.2 Outcome 2 indicators and targets

47. Outcome 2 was intended to provide investments to 3 private sector led solutions that would transform the livelihoods of coral reef dependent communities via sanitary landfill (*Transaction 2*), biofertilizer factory (*Transaction 3*), and a business incubator (*Transaction 4*). This was to lead to 4 outputs:
- Output 2.1: Established Technical Assistance Facility (TAF), managed by local investment manager MPL (Transaction 4), supported by UNCDF to develop a pipeline of investment ready reef-positive sustainable businesses and projects with an emphasis on employing local community members, especially women and youth;
 - Output 2.2: Mobilized public and private investment in priority sustainable initiatives related to addressing coral reef degradation drivers (Transactions 2 and 3);
 - Output 2.3: Strengthened and harmonized policies, strategies, plans, and financing from the government of Fiji for improved environmental biodiversity protection; and
 - Output 2.4: Establish recognition, rewards, and monitoring systems to incentivize the private sector to act sustainably.
48. Targets planned for this Outcome included those targets listed in Table 1 with actual achievements and comments. Similar to Outcome 1, the targets listed in Table 1 for Outcome 2 do not reflect the actual progress of transaction development. Actual progress of the transactions has been done through the monitoring of the progress of Outcome “activities” as provided on Table 4 for Outcome 2.
49. MPL was the contractor of the ICRBE Project for Outcome 2. A total of US\$1,032,905 was expended on MPL to get Transactions 2, 3 and 4 investment-ready to the extent of having UNCDF invest ICRBE Project funds through a combination of reimbursable grants and debt financing. However, due to various reasons (as detailed in Table 3), the PUNOs agreed to MPL’s withdrawal as a contractor of the ICRBE Project:

- MPL had become increasingly difficult over the past year seeking ICRBE investments to be placed directly into their “Impact Fund” which is not what the ICRBE ProDoc agreed to. Ultimately, there was no contractual agreement between the ICRBE Programme and MPL to help MPL to establish its own impact fund, as it would lead to conflict of interest between MPL’s role as a neutral broker to build the pipeline and as a future co-investor in the pipeline;
- the inability of MPL to secure crucial Fiji Government regulatory clearances (such as Environment Impact Clearances and land lease clearance) for Transaction 3 (TFFC) resulted in co-investor Waste Clear Fiji not wanting to continue with its investment in view of project delays of over a year and unbudgeted cost overruns;
- MPL clearly informed by GoF that Transaction 2 (the Western Sanitary Landfill Project) was a high-level Fiji Government Project that ICRBE Programme is supporting that will need to go through an open tender process with MPL needing to bid as any other private sector bidder. This is a crucial process for the Government of Fiji to get into concessional and gate fee agreements with a private operator for the proposed landfill. It would be a massive reputational risk for all UN agencies involved in the ICRBE Project to continue supporting MPL in this regard. Under no circumstances that UN can be seen as supporting a particular private entity such as MPL to win an open tender run by the Government. Ultimately, the ICRBE programme serves the best interest of the GoF and not a private entity. MPL had already caused reputational damage for the ICRBE Programme by hounding government officials about the tender process which the Local Team had to then manage.

For these reasons, MPL stated its desire to withdraw in a letter dated 8 July 2024, citing unsubstantiated reasons which mainly related to MPL’s interpretation of a Letter of Exchange signed during the Project design phase. MPL refused to engage with the PUNOs to resolve their concerns despite numerous attempts by senior management of UNDP and UNCDF.

50. The withdrawal of MPL compelled UNDP and UNCDF into the development of a *re-orientation plan* to manage Outcome 2 (as well as Outcome 1). The re-orientation plan was developed from August-December 2024 to manage all Project activities, especially those of Outcome 2, using a no-cost extension to December 2025 to complete all Project work for Transactions 2, 3 and 4 and to March 2026 for reporting and Project closure. Details are provided in the following Paras. The pre-selection of MPL as an implementing partner should be viewed as a major design flaw of the ICRBE Project

Transaction 2 - Western Sanitary Landfill

51. Transaction 2, the Western Sanitary Landfill is proposed to be a new sanitary landfill site in Western Fiji. Development of this project was tasked to MPL in 2021 with the signing of the Project document to broker and advance a public-private consortium to develop this landfill. This transaction underwent several consultations with stakeholders which was delayed for 12 months due to the inability of key stakeholders, to attain consensus on how they would like to be involved in the investment and what solicitation process should be used. Another reason for the delay was the change in the Fiji Government in 2023, after the Project had been implemented for 3 years.
52. As the transaction matured, MPL also took a 25% equity stake on this investment. This was partly the fault of the Project design, which did not take into account how the GoF procurement system functions and undertakes transactions where all transactions must first go through a proper tendering process to have any partnerships, public or private. This is an inherent design flaw in the Project Document to develop the Western Landfill Transaction through MPL without due recognition of domestic PPP and tendering procedures. With MPL also serving as the broker from the start of the

Project, GoF had difficulties starting in late 2022 committing to this process knowing MPL's conflict of interest on this investment. The GoF was to partner in a consortium and take the lead on the project by designing the parameters of the landfill, placing these contents in a tender with the assistance of a broker and allowing companies to bid on it to come up with a landfill solution that the GoF can subscribe to.

53. GoF made decisions to:

- drop MPL's participation on any future dealings on the investment considering their stake on the investment, a decision made in late 2022.
- with the change in government, re-design a tender without participation of MPL. This decision took some time for the new government to settle into their new roles by late 2023.
- by early 2024, the Cabinet of Ministers agreeing to an Open Tender process for a new landfill project costing between US\$17 and 30 million depending on whether there is construction of a new landfill or a new landfill plus 4 additional dump sites which are to be rehabilitated with material sorting facilities.
- hire an independent technical advisory firm in May 2024 funded by the Project to support the Ministry of Local Government to design and implement the Open Tender process.

54. In a decision made in December 2024 by the GoF in collaboration with the ICRBE Project, Transaction 2 is slated to be scaled down to focus on facilitating a phased approach to the development of a new landfill in the western division of Fiji. This entails using ICRBE Project funds to begin rehabilitation of one of the four dumpsites into a Material Recycling Facility run in collaboration with the municipal council and a private sector operator under a public-private partnership (PPP) model. A reoriented Transaction 2 would focus on three major areas that would lay the groundwork for a future sanitary landfill in the Western Division:

- *Feasibility Study for Remediation Approaches and Waste Management Authority*: This includes a comprehensive study to identify possible remedial measures for existing dumpsites, as well as an evaluation of the feasibility of establishing a Waste Management Authority in Fiji. The feasibility study will provide critical information to guide future decisions and help structure not only the dumpsite rehabilitation plan but the entire Western Landfill transaction. Amount to be spent is to be US\$150,000.
- *Grant Financing for Dumpsite Rehabilitation (PPP Partner)*: A significant portion of PUNO funding would be allocated to the rehabilitation of the existing dumpsite, provided as grant financing to the private-sector PPP partner. This funding would be placed in and drawn from the Environmental Trust Fund to ensure it is used appropriately and in alignment with environmental goals. Amount to be spent will be US\$2.0 million.
- *Debt Financing/Credit Guarantee for PPP Partner's Equipment Purchase*: To ensure that the rehabilitated dumpsite and MRF can be effectively operated, this expenditure would be used to provide debt financing or a credit guarantee to the private-sector PPP partner to be implemented through the Blue Lending Facility with a local development financial institution such as FDB. This financing would enable the partner to purchase the necessary machinery and equipment for the facility's operations. Amount to be spent will be US\$1.5 million¹⁷.

¹⁷ The US\$2.0 million for grant financing and US\$1.5 million for debt financing was allocated for deployment as concessional loan for the landfill project and this lies with UNCDF. An approval from the donors would be needed to convert part of the funds to Grant and also whether it is possible for UNCDF to deploy the funds as grant.

55. By reorienting Transaction 2 in this way, the ICRBE Project can still achieve meaningful progress towards waste management and environmental sustainability goals, while also positioning the Western Division for future sanitary landfill developments to be replicated to the other 3 existing landfill sites (to be upgraded with an MRF) and one new SMART greenfield landfill site. This approach ensures that the available funding is used effectively and that the Project leaves a lasting impact, even within its limited timeframe. An independent transaction advisor will be engaged to oversee and provide guidance to the development of the Western Landfill Project. The ICRBE Project has been able to solicit the assistance of ADB to undertake the role of an independent transaction advisor for the GoF given their extensive expertise in developing PPP projects both in Fiji and globally. An agreement between the GoF and the ADB for this assistance is scheduled to be signed by end of January 2025.
56. This will accelerate the Open Tender process to 4 to 6 months. There is confidence within the PUNOs as well as ADB (who will be assisting with the PPP Open Tendering process for the phased rehabilitation of a model dumpsite) that the target of the Project to setup this transaction to the point where it can be financed and implemented, will be completed by December 2025 or earlier. The technical assistance being provided by ADB for the PPP arrangements and open tender process of this transaction will partially offset the TA expenditures that were made to MPL. This allows the Project to free up funds to fill in other gaps in the other transactions. Funds from Transactions 3 and 4 may be diverted to this Transaction if there are issues with donors to divert funds from Outcome 2 to Outcome 1. Table 3 provides a comparison between the intended targets and achievements of the Activities.

Transaction 3 - Biofertilizer Factory

57. Transaction 3 was the development of a greenfield bio-fertilizer factory. It was tasked to MPL to broker this investment. Delays plagued this transaction with stakeholder consultations and financing arrangements taking a long time to mature. There was a 14-month delay in getting EIA clearances by the Fiji Department of Environment, with UNDP having to step in to mitigate these delays. There were also delays in securing land tenure from the Ministry of Lands and Mineral Resources.
58. The transaction was made even more complex when MPL took a 25% stake in the biofertilizer factory with Waste Clear Ltd. who jointly formed a consortium known as The Fertile Fertilizer Consortium or TFFC. This arrangement clearly placed MPL in another conflict of interest. The Project in September 2024 made the decision to pivot away from TFFC and promote a new investment through the Blue Economy Lending Facility supporting Transaction 1.
59. With MPL's withdrawal from the Project, the PUNOs are in discussions with the GoF to:
- divert Transaction 3 funds towards Transaction 2: or
 - divert Transaction 3 funds towards Transaction 1 with a local development financial institution such as FDB as a Responsible Party. In this instance, the biofertilizer factory funds would be combined with the LMMAs in the Blue Lending Facility. With UNCDF providing a portfolio guarantee or concessional loan, a local development financial institution should be able to lend to blue economy projects at concessional rates with projects and businesses selected according to its rules and regulations. The credit guarantee or concessional loan will be coupled with TA from UNCDF to help them strengthen their operations and better meet the needs of these types of businesses.

Transaction 4 - the Technical Assistance Facility (TAF)

60. The purpose of the TAF was to develop pipeline of investible projects which would have a positive impact on marine biodiversity and the coral reefs. The TAF was highlighted by a performance-based agreement that was signed between UNCDF and MPL for US\$321,405 in 2021 to deliver 5 new investment ready business projects with impact on coral reef protection and blue economic development. MPL had incubated and provided investment readiness services to 5 businesses and provided the Project with the business cases and financial models for preassessment for Sealink, Mango Fish, Siga Damu, Yavahuna Pte Ltd., and Sunshine; details of these businesses are found on under Activities 2.1.1 and 2.2.3 in Table 3.
61. Of these 5 businesses, Mango Fish and Yavahuna Pte Ltd were selected for financing by the UNCDF with the financing approaches. Initially, UNCDF was to deploy the blended finance instruments to the projects incubated by MPL based on a preassessment and due diligence with FDB to provide a credit guarantee facility that will allow for loans at concessional rates for the other 4 projects. However, UNCDF went through an audit in 2023 which questioned the sourcing and selection of these projects. In addition, an independent consultant was engaged to develop a pre-assessment memo for 3 out of the 5 TAF projects that was proposed by MPL. Based on the findings of the preassessment, these projects were not investment ready and not enabled to deploy blended finance instruments¹⁸. MPL's project pipeline could no longer be considered due to MPL's intellectual property.
62. Transaction 4 was being adaptively managed from this point. With MPL's withdrawal from the Project, the PUNOs are in discussions with the GoF to:
- divert Transaction 4 funds towards Transaction 2: or
 - divert Transaction 4 funds towards Transaction 1 with a local development financial institution such as FDB as mentioned in Para 59. In this instance, funding for TAF projects would be combined with the LMMAs funding in the Blue Lending Facility with UNCDF providing a portfolio guarantee or concessional loan.

History of the Western Landfill, biofertilizer factory and TAF transactions are provided in Table 3.

Table 3: Intended Outcome 2 activities and achievements

Activity and intended target	Actual achievement
<p>Activity 2.1.1: Pipeline development through scoping, technical assistance, and training to upskill local businesses operating in the blue economy on social entrepreneurship, sustainable business, and financial management to build a portfolio of investment ready businesses and projects. This will include generating 5 new investment ready projects with impact on coral reef protection and blue economy development through the TAF</p>	<p>A performance-based agreement was signed between UNCDF and MPL for US\$321,405 (fully disbursed based on all deliverables being met) to generate 5 new investment ready businesses with impact on coral reef protection and blue economy development.</p> <p>MPL had incubated and provided investment readiness services to 5 businesses and provided UNCDF with the business cases and financial models for preassessment:</p> <ul style="list-style-type: none"> • Sealink: processing of agriculture produces, and seafood harvested sustainably.

¹⁸ The Yavahuna investment was based on sargassum seaweed being processed in a biofertilizer factory which has not yet been constructed (Transaction 3); hence, the return on investment was in doubt. Mango Fish's business plan was based on domestic demand for tilapia fish; there was seemingly little demand for tilapia fish in the Fijian market whose preference was for coral reef fish. Both businesses would have failed.

Activity and intended target	Actual achievement
<p>(<i>Transaction 4</i>), where activities include scoping, pre-selection, due diligence, community and other stakeholder engagement, business plan development, regulatory approvals, and financial structuring.</p>	<ul style="list-style-type: none"> • Mango Fish: sustainably managed tilapia aquaculture. • Siga Damu: Sea cucumber aquaculture. • Yavahuna Pte Ltd: farmers and fishers cooperative supplying raw material for food processing and bio-fertilizer production; and • Sunshine: food processing using agri and fish goods supplied sustainably. <p>However, an independent consultant recruited by ICRBE project to develop a pre-assessment memo for 3 out of the 5 TAF projects that was proposed by MPL and based on the findings of the preassessment, these projects were not investment ready to enable deployment of blended finance instruments. A proposal has been made in the re-orientation plan by the PUNOs to involve FDB as a financial intermediary for new projects.</p>
<p>Activity 2.1.2: Technical assistance and training to upskill local businesses on methodology to measure, monitor and manage the environmental impact of their business</p>	<p>Technical assistance is to be provided through UNEP to monitor and measure ecological indicators to substantiate progress across Output 2 interventions.</p> <p>M&E Framework for the Project has been completed and is being enhanced in line with revised global indicators of GFCR. A locally based technical NGO will be engaged to conduct detailed baseline setting for each investment once they get into investment readiness stage.</p>
<p>Activity 2.2.1: Provide blended finance and technical support to unlock private capital for the Fertile Factory Company Limited (TFFC) so that it is investment ready (<i>Transaction #3: Fertile Factory</i>)</p>	<p>A performance-based agreement was signed between UNCDF and MPL on 16 August 2021 for US\$230,000 (disbursed) to deliver investment readiness services to TFFC.</p> <p>Based on the investment readiness services provided by MPL, UNCDF approved a concessional loan of US\$750,000 to TFFC for CAPEX and working capital.</p> <p>Despite the loan agreement being executed in January 2023, the loan drawdown had not been processed as the EIA clearance was not fulfilled. In addition, MPL's equity stake in TFFC places it in a conflict of interest. Efforts are now being made to pivot away from TFFC towards an investment with another company, who have an existing biofertilizer plant that needs upgrading.</p>
<p>Activity 2.2.2: Provide blended finance and technical support to unlock private capital for Western Landfill and Regional Transfer Stations project so that it is investment ready and able to leverage private capital (<i>Transaction 2</i>)</p>	<p>A performance-based agreement was signed between UNCDF and MPL in the sum of US\$481,500 (disbursed) to deliver investment readiness services to the Western Landfill project. This included the business case and financial model to be submitted to UNCDF and GoF for independent review.</p> <p>The independent review of the business case by GoF has yet to commence as the GoF has clearly decided to commence with an open tender process to source a private sector partner. This decision is predicated on the fact that there are no GoF procedures, policies or laws guiding the issuance of conditional approval to a private</p>

Activity and intended target	Actual achievement
	<p>company for any public sector related work. This was an issue that MPL was asking the GoF to resolve.</p> <p>In this regard, the GoF is in final talks with ADB to come in as an independent transaction advisor to assist the GoF and the PUNOs with the design of a PPP structure, design of the entire Open Tender process and to execute the entire contracting implementation.</p> <p>Transaction 2 funds for the Open Tender process are being proposed to be re-allocated to support ADB's Open Tender work with technical studies to support the tender process. This takes away the highly technical risks of a Landfill Transaction from the PUNOs. UNDP's role on this Transaction will be to ensure the social and environmental safeguards and other key indicators are aligned with all donors. UNCDF will manage the US\$3.1 million that is set aside for this Transaction as a loan to the private entity. UNEP will be providing technical support to the PPP to conduct and monitor key environmental indicators that are important to GFCR and the JFSDG (see Para 77).</p>
<p>Activity 2.2.3: Concessional debt and other blended finance instruments to crowd in private sector capital for investment ready projects from developed pipeline under Activity 2.1.1 that are offered to businesses incubated and which are investment ready as per TAF (<i>Transaction 4</i>).</p>	<p>Based on the actual achievement of Activity 2.1.1, there are no concessional debts or other blended financial instruments since there are no investment-ready projects. The PUNOs have proposed to involve a local development financial institution such as FDB in a portfolio credit guarantee scheme.</p>
<p>Activity 2.3.1: Develop and promote at least one national financing strategy for GoF focused on protecting coastal ecosystems and investment in the blue economy</p>	<p>The National Blue Town Framework to be developed with support from the Project will inculcate reef positive principles aligned to GFCR theory of change. This will not only help identify up to 10 reef positive investment opportunities under the Savusavu Blue Town Master Plan (to be developed in collaboration with SPREP and funding from EU) but also enable the development and sandbox implementation of National Regulations for Coral Reef Protection and Conservation. Project funds will be used to recruit a technical consultant to develop the National Blue Town Framework.</p> <p>After receiving approval from the ICRBE Steering Committee to hire a consultant to develop the National Blue Town Framework, the ICRBE Project developed a ToR in collaboration with the Ministry of Local Government and had the ToR successful advertised.</p>
<p>Activity 2.4.1: Support the development and promotion of at least one national incentive scheme supporting investment in blue economy space to attract additional investment in blue economy</p>	<p>The Project has helped to develop the Wastewater Sector Feasibility study and the development of the Fiji Wastewater Strategy. The Project has also helped create a baseline asset assessment through a comprehensive Condition Assessment and has also created a robust Wastewater PPP model for use by the Water Authority Fiji. These are major milestones in a phased approach to upgrade the 14 Wastewater Treatment Plants across Fiji that are key driver of coral reef degradation in Fiji.</p>

3.2.3 Remaining Barriers to Achieving Project Objective

63. The adaptive measures required to overcome remaining barriers to the full achievement of targets of the ICRBE Project include the following:
- Provision of technical support to the GoF in carrying out technical preparatory works for Transaction 2 (Western Sanitary Landfill) .
 - support is needed to assist a local development financial institution such as FDB to develop and finance pipeline as a part of Outcome 1 of investible projects as a part of the TAF which would have a positive impact on marine biodiversity and the coral reefs.
64. Without an extension to complete the ICRBE Project to an extent that the investments are shovel-ready, many of these barriers would remain. With the granting of a no-cost Project extension of 12 to 24 months to implement remaining aspects of the Project strategy with remaining ICRBE Project resources¹⁹, there should be sufficient time to lower the barriers listed in Para 63. The extension should also be cognizant that a no-cost 12-month extension for ICRBE is fraught with risks concerning unforeseen delays for all transactions (such as delays in the open tender process or difficulties obtaining community agreements). The Project should either be ready for another extension past December 2025 or just extend the Project to December 2026.

3.2.4 Effectiveness and Efficiency

65. To date, the Project has neither been effective nor efficient in its implementation:
- For Transaction 1, the partnership with Blue Alliance failed as it has not produced any meaningful or strategic partnerships with LMMA communities due to an arms-length relationship with local Fijian communities and a lack of presence in Fiji. Though payments to Blue Alliance were to be based on performance, the US\$180,000 paid to Blue Alliance did not contribute to Project efficiency in its use of Project resources. UNDP terminated the partnership agreement with Blue Alliance in May 2024;
 - For Transactions 2 and 3, the weak agreement between the UNCDF and MPL led to MPL taking equity positions on each of these transactions with ultimately MPL withdrawing from the project. Resources were expended on MPL to provide technical assistance to project proponents with little impact due to MPL's conflict-of-interest positions in these transactions; this did not contribute to Project efficiency in the use of Project resources.
 - For Transaction 4, the 3 out of 5 business projects prepared by MPL were deemed not investment-ready for deployment of blended finance instrument (Para 61).

3.2.5 Implementation of gender mainstreaming and other cross-cutting issues

66. This JP was to deploy the expertise and reach of UNDP, UNEP and UNCDF to remove structural barriers to women's economic empowerment; promote women's participation and leadership in all forms of decision-making; and strengthen gender-responsive strategies in tackling the combined nature and climate crisis that threatens to foreclose future sustainable development in Fiji. The JP's gender strategy was to ensure an inclusive approach throughout Project implementation through

¹⁹ This can only be said with certainty depending on how quickly the Reorientation Plan is approved by the two donors. There are Project activities that will need to be expedited with more implementation specialists recruited by the PMU.

the JPRF which was to include indicators and set targets that are gender disaggregated and reflect balanced social and economic benefits. This included:

- UNCDF to provide technical assistance for financial structuring of gender responsive investments and deploy financial instruments such as guarantees and concessional loans to de-risk portfolios and attract gender responsive private investment into the priority pipeline through the TAF and SPEs.
- establishment of a gender responsive TAF under MPL. MPL's role was to manage the TAF and build a pipeline of gender sensitive investment proposals through identification and capacity building of investment-ready blue economy and sustainable businesses in Fiji. This would catalyze private sector investment into reef-positive businesses.
- increased Blue Economy financial impact where MPA management is self-financed and gender responsive generating improved economic opportunities, sustainable fisheries, and food security for vulnerable coastal communities.

67. Actual gender activity to date includes a UNEP-led effort with UNDP, UNCDF and other implementing partners to facilitate preliminary baseline assessments and surveys to be conducted by a UNEP-hired technical consultant (who visited Fiji twice in 2023 in addition to working remotely from Australia). The gender-sensitive M&E framework was completed in April 2023, serving as the foundation for development of the Gender Equity and Social Inclusion (GESI) Action Plan for the Project. The framework took a transaction level approach to gender mainstreaming approach rather than at a Project level; this was to ensure targeted gender mainstreaming across all Project activities. However, without any Transactions being completed, the Project has not had the opportunity to develop a specific GESI Action Plan. The Project or UNDP should try to engage a consultant through its LTA modality or seek support from UN Women to develop the GESI Action Plan.
68. The Project also worked with MPL to empower women-led business development. With at least 2 out of the 5 TAF projects earmarked for TAF financing, at least 10 jobs per project were expected to be created, with around 50% of the jobs to women. One of these businesses was a women-led marine and agricultural logistics business, Sealink that supports women fishers in coastal communities to transport their produce freshly to markets. While investment due diligence by UNCDF remains impartial of gender, the PUNOs were working with MPL to provide tailored support to Sealink to have its investment ready.
69. However, the departure of MPL from the project necessitates the recommencement of the gender-related work under Transaction 4, now to be undertaken by new contractors/partners, subject to the conditions outlined in Transaction 1 (see Para 62). This aspect of the Project will now have to be adaptively managed. New investments will need to be found with an emphasis on developing women-led businesses. Women and other disadvantaged and marginalized groups will again need to be consulted and meaningfully involved in project planning, implementation, and monitoring. The Project will need to adopt gender-sensitive, human rights-based and conflict sensitive approaches, in compliance to the principle of "Leaving No One Behind".
70. As such, efforts to mainstream gender are rated as **moderately unsatisfactory** considering low level of gender-related activities to date related to the withdrawal of MPL from the Project, the difficulties

of recruiting a gender consultant for GESI-related activities and the need to deliver gender activity in the newly formed Transaction 1.

3.3 Project Implementation and Adaptive Management

3.3.1 Management Arrangements

71. The ICRBE Project is managed as per UN guidance note on joint Projects. As such, the JP Steering Committee (JPSC) has oversight of the overall implementation of the Project or Project and is co-chaired by the UN Resident Coordinator and a Permanent Secretary from the Ministry of Environment and Climate Change (formerly under the ambit of the Ministry of Economy as a government department but now a standalone Ministry). The JPSC has met in January 2021, May 2022, and February 2024. According to the JPSC meeting minutes in 2021, 2022 or 2024, UNCDF, UNDP, UNEP and the Ministry of Environment and Climate Change²⁰ are all required to perform executive roles to ensure accountability for the implementation of the programme. The JPSC has been providing oversight, guidance and strategic direction to the JP and approving annual work plans. Their activities also include recommending approval of all investments (grants, loans and guarantees) under the UNCDF Investment Committee in line with UNDP POPP and ensuring efficient and transparent use of all resources. The JPSC has been assisted by independent technical consultants from various organisations in topical areas directly relevant to the investments. There has been no need for a technical advisory group, thus far, for the JPSC.
72. Day-to-day management and implementation of all JP interventions are managed by the PMU. The current version of the PMU consists of a Project Manager, Programme Analyst, Finance Associate and Finance Officer. Quality assurances of UNDP are provided by the Resident Representative, the Deputy Resident Representative, a Monitoring and Reporting Officer, Programme Oversight Specialist, Resource Mobilisation Specialist and Operations Manager as well as an RCO-UN Partnerships Specialist, the Permanent Secretary of MoECC and a UNEP representative. The PMU reports to the JPSC through UNDP as convening agent. To manage Project risks, the following adaptive measures are proposed:
- the unsuccessful Blue Alliance partnership needs to be refreshed with a new contractor for Transaction 1, which is currently under procurement (Para 44);
 - when MPL also took a 25% equity stake on the Western Landfill investment, the Project followed GoF's lead in wanting to conduct an Open Tender with the assistance of ADB (Paras 52-56);
 - when MPL took a 25% stake in TFFC, the Project pivoted away from TFFC and proposes to divert funds as described in Para 59;
 - when MPL did not deliver investment ready projects under the TAF, the PUNOs propose to divert funds as described in Para 62;
 - with the Reorientation Plan (under review and approval by the GFCR and JSDGF global teams), a no-cost extension to the Project will be requested to at least December 2025 (Para 50);

²⁰ GoF was formerly represented by Ministry of Economy up to 2023.

3.3.2 Work Planning

73. Work plans for 2021, 2022, 2023 and 2024 were prepared. The 2025 work plan has been provided that aligns with the reorientation plan prepared for ICRBE that requests a 12-month extension to the Project (to be reviewed by the JPSC). The plan is thorough in its content.

3.3.3 Finance

74. After 44 months of implementation, ICRBE Project disbursements are 52% expended (US\$3.254 million versus a budget of US\$6.229 million) as of 30 November 2024:
- Out of a total budget of US\$10,503,769, US\$6,228,849 was released to the PUNOs by the donors while the remaining funds are to be released once released fund utilisation reaches above 75%.
 - Disbursements for Outcome 1 has been 31% expended.
 - Disbursements for Outcome 2 has been 70% expended. This includes US\$1,032,905 spent on MPL to get Transactions 2, 3 and 4 investments ready. These funds are not recoverable.
 - Disbursements for management and operations, communications and learning, and evaluation were only 43% expended.
75. In conclusion, the cost effectiveness of the use of the ICRBE Project budget to date has been **unsatisfactory**, due to resources paid to MPL with no impact. A summary of disbursements of the ICRBE resources is provided in Table 4.

3.3.4 Project Level Monitoring and Evaluation Systems

76. In addition to the gender-sensitive M&E framework described in Para 67, the Project's M&E system appears to be well funded with sufficient resources allocated to the effective monitoring and evaluation of various Project activities. From March to April 2023, reports were prepared by a UNEP-appointed consultant:
- to establish the M&E framework to measure and assess the JP's impacts and performance that will strengthen the delivery of successful outcomes of the programme. A well-designed and well-implemented M&E strategy will provide evidence of results achieved to help identify lessons learned and best practices.
 - on the baseline for indicators identified in the M&E framework to assess the JP's baseline situation quantitatively and qualitatively;
 - to outline the projected progress against all indicators in each project under the JP as identified in the M&E framework.

Establishing the baseline for indicators and documenting the progress in each project are critical elements of the JP monitoring and evaluation efforts to help tracking progress toward targets and building the JP capacity in future monitoring for future evaluations.

77. The framework was to establish the M&E context including validating the ToC as a basis to drive the M&E focus for the Project. The M&E framework consists of an overall evaluation framework that defines evaluation scope, questions, and activities across the JP lifecycle, and monitoring three key pillars: ecological, socio-economic and governance. Once investments for all transactions have been set up, monitoring can take place as per the M&E framework setup by UNEP. While preparation of some of the transactions will be completed:

Table 4: Budget and Expenditures Summary for the ICRBE Project (in USD as of August 2024)

PUNOs	Funding Received			As at August 2024					
	GFCR	Joint SDG	Total	GFCR		JSDG		Total	
				Total Commitments & Expenditures (C)	Delivery as a % of funding received	Total Commitments & Expenditures	Delivery as a % of funding received	Total Commitments & Expenditures	Delivery as a % of funding received
UNDP	542,958	410,772	953,730	521,784	96%	339,079	83%	860,863	90%
UNCDF	2,119,367	2,776,614	4,895,981	929,563	44%	1,387,698	50%	2,317,261	47%
UNEP	-	379,137	379,137	-	0%	76,552	20%	76,552	20%
Total	2,662,325	3,566,523	6,228,849	1,451,347	55%	1,803,328	51%	3,254,675	52%

- there will be little time during the Project to monitor investment outcomes (prior to extended ICRBE EoP date of December 2025) given that activities have been delayed or diverted;
- the M&E framework should be sufficient to conduct effective monitoring of all ICRBE transactions during Project implementation and after the EoP;
- there is specific issue of the funding of Indicator 1.4: “MtCO₂e per year sequestered through protection and/or restoration of threatened mangrove and seagrass ecosystems”, Indicator 1.5: “Management Effectiveness of MPAs”, and Indicator 2.3: “Water quality and reduction of nutrient inputs”. The issue for the monitoring of these indicators is the absence of project fund allocation from the inception of the Project to monitor these indicators. The SPEs do not have the financial resources to sustain such a cost burden. Additional resources will be needed to monitor these indicators in a revised PRF.

As such, the M&E systems of the ICRBE Project are rated as **moderately satisfactory** considering the comprehensive monitoring framework in place to monitor how the investments are implemented post-Project but without sufficient resources to monitor all indicators.

3.3.5 Stakeholder Engagement

78. The main stakeholder engagements by the Project have been with the contractors, Blue Alliance and MPL as well as consultant specialists who have advised the Project on specific topics to guide implementation. Stakeholder engagement of Blue Alliance was not successful since the company wanted an arm-length relationship with Fijian communities and did not have a presence in Fiji. MPL had some stakeholder engagement but did not develop the TAF investments to a point of being investment-ready for local financial institutional partners such as FDB (Paras 52 and 58), and were involved with conflict-of-interest issues with Transactions 2 and 3 (Paras 58). With the departure of both companies from the Project, the process of stakeholder engagement for all Transactions needs to start over again. As such, stakeholder engagement of the Project is rated as **moderately unsatisfactory**.

3.3.6 Reporting

79. The MTR Reviewer has had access to progress reports, the 2021 and 2022 JSDGF & GFCR Semi-Annual Reports of SDG Investments and the original draft MTR report of April 2024. There was also the discussion paper of the Reorientation Plan prepared in September 2024 with the latest revision of the Plan in December 2024. Overall, reporting has been rated as **moderately satisfactory** considering the small volume of reports.

3.3.7 Communications

80. A communications consultant did not start work on this Project until early 2022. The result of that consultant’s work has been the RCO providing a platform to the JP for regular communication, coordination meetings, joint planning sessions, enabling Project stakeholders to share information and expertise. The links in the footnote are examples of stories provided by this consultant³³. However, a weakness on this Project has been the lack of visibility of the ICRBE Project with a need to increase awareness of the innovative financial structuring and solutions that the Project is championing. Stakeholders acknowledge that the PMU is “stretched” in terms of resources to

³³ <https://undp-biodiversity.exposure.co/a-deep-dive>; <https://undp-biodiversity.exposure.co/une-immersion-en-eaux-profondes>; <https://undp-biodiversity.exposure.co/una-immersion-profunda>; <https://twitter.com/UNDPClimate/status/1542176853749891072>.

improve communications and stakeholder outreach of the Project. In particular, there is a need to put in place a Strategic Communications Specialist who can amplify the intricate and transformative work being delivered by the Project. As a result, ICRBE communications has been rated as ***moderately unsatisfactory***.

3.4 Sustainability

81. In assessing sustainability of the ICRBE Project, the mid-term reviewers asked, “how likely will the Project outcomes be sustained beyond Project termination?” This Joint SDG and GFCR-financed ICRBE Project is intended to be environmentally as well as institutionally, financially, politically, culturally, and socially sustainable. Sustainability of these dimensions was rated using a simple ranking scheme:
- 4 = *Likely (L)*: negligible risks to sustainability;
 - 3 = *Moderately Likely (ML)*: moderate risks to sustainability;
 - 2 = *Moderately Unlikely (MU)*: significant risks to sustainability; and
 - 1 = *Unlikely (U)*: severe risks to sustainability; and
 - U/A = *unable to assess*.
82. Financial risks to sustainability: There are no financial risks to the sustainability of the ICRBE Project. The Blue Lending Facility under the FDB are in discussions with the [iTaukei Affairs Trust Fund Board](#), [Fijian Holdings Limited](#), and [Merchant Finance](#) to continue capitalization of this facility. Moreover, the UNDP/UNCDF also led the successful issuance of Fiji’s first ever Sovereign Blue Bond issued in November 2023 valued at US\$10 million which was oversubscribed 3 times. As a result of the successful blue bond issuance, the Government of Fiji is keen to issue a gender bond focusing on empowering women in the blue economy space with one of the potential project beneficiaries being the Blue Lending Facility. Hence, there is a likelihood of financial and economic resources being available once the Project ends assuming income generating activities and funding from gender bonds are available. These financial resources should be adequate for sustaining Project outcomes. For this reason, the rating for financial risks to sustainability is likely (L).
83. Socioeconomic risks to sustainability: For Transactions 1 (and Transaction 4 which has been subsumed into Transaction 1), there is demand and willingness on the part of community-based cooperatives to undertake improvements to LMMAs and businesses that enhance coral reef protections. Furthermore, the Western Landfill, Transaction 2, is of national significance to the GoF.
84. There may also be discriminations against women and other disadvantaged groups though a GESI Action Plan is designed to mitigate these discriminations. There is also a risk that the level of stakeholder ownership by governments and other key stakeholders is insufficient to allow for the investment outcomes to be sustained. Currently, most (if not all) key stakeholders are aware that it is in their interest to have investment benefits flow. As such, socioeconomic risks to sustainability are rated as likely (L).
85. Institutional framework and governance risks: GoF is highly supportive of the ICRBE Project. As an example, the Western Landfill is included in national plans and policies such as the National Waste Management Strategy 2011-2014 under Section 13.4, the 2017 Green Growth Framework for Fiji under Thematic Area 2, and under Section 7.4 of the Fiji National Development Plan 2025 - 2029 and Vision 2050. The GoF is also highly supportive of the LMMA transactions through the involvement of

Blue Economy Lending Facility with FDB as the national public sector entity and Government-owned development bank based in Fiji.

86. From interviews with senior MoECC officials, the GoF have a commitment to make legal frameworks, policies, governance structures and processes efficient that will create mechanisms for accountability, transparency, and technical knowledge transfer. This will reduce risks that may jeopardize investment benefits provided institutional capacities are built to be operated after the EoP. These capacities also do not include yet-to-be-identified champions; the process of selecting champions is underway. As such, the strong involvement of the GoF on the ICRBE Project only serves to mitigate the institutional framework and governance risks to sustainability. As such, institutional framework and governance risks to sustainability is rated as likely (L).
87. Environmental risks to sustainability: There are still risks related to climate change that are expected to increase the frequency and severity of floods in these communities, potentially impacting the Project's investments before they are completed. As there is no certainty of how often this may occur, the rating of environmental risks to sustainability is moderately likely (ML).
88. Overall sustainability of the ICRBE Project is *moderately likely* due to the risks of climate change that potentially impact the Project's investments before they are completed.

4. FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

4.1 Findings

89. Aside from the concessional loan provided to Beqa Adventure Divers, the ICRBE Project has not yet completed any investments and is behind schedule on delivery. A summary of the several implementation issues is provided as follows:

- Blue Alliance was engaged as a contractor on 4 August 2021 to identify and commercialize 10 LMMAs under Transaction 1 within Outcome 1. Despite payments made to Blue Alliance in 2022 of US\$180,000, Blue Alliance were not able to bring any transactions to investment readiness that resulted in irresolvable disputes between Blue Alliance and the beneficiary communities on how the LMMA investments would be managed on a daily basis. The Blue Alliance partnership was terminated on 9 May 2024;
- MPL were engaged on 16 August 2021 with a total of US\$1,032,905 expended on MPL to get 3 Transactions investment-ready (Para 49) including:
 - a new Western Sanitary Landfill (Transaction 2). MPL took a 25% equity stake on this investment, placing it in a conflict of interest. The GoF made the decision to drop MPL's participation on any future dealings on the investment, and to conduct an Open Tender process for a new landfill project costing between US\$17 and 30 million depending on whether there is construction of a new landfill or a new landfill plus 4 additional dump sites which are to be rehabilitated with material sorting facilities (Paras 51-53);
 - a biofertilizer factory (Transaction 3). MPL also took a 25% stake in the biofertilizer factory with Waste Clear Ltd. who jointly formed a consortium known as The Fertile Fertilizer Consortium or TFFC. This also placed MPL in another conflict-of-interest position. The Project proposed in September 2024 to pivot away from TFFC and promote a new investment through the Blue Economy Lending Facility under Transaction 1 (Paras 57-58); and
 - the TAF (Transaction 4) that was to develop a pipeline of investible projects which would have a positive impact on marine biodiversity and the coral reefs. Despite US\$321,405 of Project resources expended to deliver 5 new investment ready business projects with impact on coral reef protection and blue economic development, an independent consultant was engaged to develop a preassessment memo for 3 out of the 5 TAF projects that was proposed by MPL and based on the findings of the preassessment, these projects were not investment ready to enable deployment of blended finance instruments. (Paras 60-61). On 8 July 2024, MPL withdrew from the project.

90. With the departure of Blue Alliance and MPL as contractors, the Project has had to take the following adaptive measures:

- For Transaction 1 (Outcome 1), a new contractor will be engaged in line with UNDP POPP (Para 44) and the FDB as a Responsible Party (Para 45) in December 2024, subject to concurrence by donors;
- Transaction 2 was slated to be scaled down to focus on facilitating a phased approach to the development of a new landfill in the western division of Fiji. This entails using ICRBE project funds to begin rehabilitation of one of the four dumpsites into a Material Recycling Facility run in collaboration with the municipal council and a private sector operator under a public-private

partnership (PPP) model. Hence, the reoriented Transaction 2 would focus on a feasibility study for remediation approaches and waste management authority, grant financing for dumpsite rehabilitation for the PPP partner, and debt financing/credit guarantee for PPP partner's equipment purchase (Para 54). The ICRBE project has also been able to solicit the assistance of ADB to undertake the role of an independent transaction advisor for the GoF. There is confidence within the PUNOs as well as ADB that the target of the Project to setup this transaction to the point where it can be financed and implemented, will be completed by December 2025 or earlier (Paras 55-56);

- For Transaction 3, PUNOs along with the GoF made the decision in December 2024 to either divert Transaction 3 funds towards Transaction 2 or divert Transaction 3 funds to Transaction 1 if there are no reservations by the donors to move funds from one outcome to another (Para 59);
- For Transaction 4, the PUNOs along with the GoF made the decision in December 2024 to either divert Transaction 4 funds towards Transaction 2 or divert these funds to Transaction 1 if there are no reservations by the donors to move funds from one outcome to another (Para 62);
- There is a need for increased visibility of the ICRBE Project with an emphasis on the innovative financial structuring and solutions that the Project is championing. There is a need to put in place a Strategic Communications Specialist who can amplify the intricate and transformative work being delivered by the Project (Para 80).

Table 5 reflects further findings of this MTR.

Table 5: MTR Ratings & Achievement Summary Table for ICRBE Project in Fiji

Measure	MTR Rating ³⁴	Achievement Description
Project Formulation	Design and PRF Rating: 4	The PRF of the ICRBE Project does not reflect progress of the transactions. Actual progress of the transactions has been done through the monitoring of the progress of Outcome "activities" (Para 37).
	Stakeholder Participation Rating: 5	Stakeholder participation has been classified into PUNOs, national authorities, CSOs and NGOs, the private sector, and funders (Para 30).
Progress Towards Results	Outcome 1 Achievement Rating: 3	The contractor, Blue Alliance, has withdrawn from the Project based on their inability to secure community buy-in and the lack of identification of any local financial institutions that could be involved in derisking or taking on the long-term administration of a financing facility. Furthermore, they were not based in Fiji. A new contractor will be replacing Blue Alliance using lessons learned and focusing on community-based cooperatives with an emphasis on women-led cooperatives (Paras 41-43). A new contractor is in the process of being selected for Outcome 1 to implement commercially viable LMMAs (Para 43) as well as projects from Transactions 3 and 4 (Para 44). The government of Fiji has suggested to engage FDB to operate the Blue Economy Lending Facility (Para 45).

³⁴ Evaluation rating indices (except sustainability – see Para 70): 6=*Highly Satisfactory (HS)*: The project has no shortcomings in the achievement of its objectives; 5=*Satisfactory (S)*: The project has minor shortcomings in the achievement of its objectives; 4=*Moderately Satisfactory (MS)*: The project has moderate shortcomings in the achievement of its objectives; 3=*Moderately Unsatisfactory (MU)*: The project has significant shortcomings in the achievement of its objectives; 2=*Unsatisfactory (U)*: The project has major shortcomings in the achievement of its objectives; 1=*Highly Unsatisfactory (HU)*: The project has severe shortcomings in the achievement of its objectives.

Measure	MTR Rating ³⁴	Achievement Description
	Outcome 2 Achievement Rating: 3	<p>The withdrawal of MPL as a contractor has forced the PUNOs to develop a Reorientation Plan to manage Outcome 2 (as well as Outcome 1 which has already been completed). The Reorientation Plan incorporates a no-cost extension to December 2025 to complete all Project work for Transactions 2, 3 and 4 and to March 2026 for reporting and Project closure (Para 50).</p> <p>A reoriented Transaction 2 would focus on three major areas that would lay the groundwork for a future sanitary landfill in the Western Division (Para 54) and receive technical assistance from ADB for PPP formation and preparing an Open tender process. There is confidence within the PUNOs as well as a ADB that the PPP Open Tendering process will be completed by December 2025 or earlier (Paras 55-56).</p> <p>Transaction 3, the biofertilizer factory, is pivoting away from TFFC and having its funds diverted to Transaction 1 or 2 (Para 59).</p> <p>Transaction 4, the TAF, progressed to a point where an independent consultant recruited by the Project from December 2023 to June 2024 deemed that all 5 MPL proposals were not investment ready. As a result, the PUNOs are in discussions with the GoF to engage the FDB, as a Responsible Party, with UNCDF and having its funds diverted to Transactions 1 or 2 (Paras 60-62).</p>
Project Implementation & Adaptive Management	Implementation Approach Rating: 4	<p>Major challenges for Project implementation include the departure of the 2 implementing partners of the Project, Blue Alliance and MPL. Moreover, the PMU has had to adaptively manage the Project through:</p> <ul style="list-style-type: none"> finding a new contractor to replace the unsuccessful Blue Alliance partnership for Transaction 1 (Para 43); reorienting Transaction 2 to focus on 3 major areas that would lay the groundwork for a future sanitary landfill in the Western Division and bringing in ADB to assist GoF's lead in conducting an Open Tender for the Landfill investment (Paras 52-54); diverting funds from Transaction 3 (bio-fertilizer factory) to Transactions 1 or 2 (Para 58-59); diverting funds from Transaction 4 (TAF) to Transactions 1 or 2 (Paras 61-62); preparing a re-orientation plan which will effectively provide a no-cost extension to the Project to at least December 2025 (Para 50 and 72).
	Monitoring and Evaluation Rating: 4	<p>The UNEP-prepared M&E framework consists of an overall evaluation framework that defines evaluation scope, evaluation questions and evaluation activities across the JP lifecycle that will monitor three key pillars: ecological, socio-economic and governance. However, there will be little time during the Project to monitor investment outcomes prior to extended ICRBE EoP date of December 2025. Furthermore, there is an absence of Project fund allocation from the Project inception to monitor some indicators (Para 77).</p>
	Stakeholder Participation Rating: 3	<p>Main stakeholder engagements by the Project have been with the implementing partners, Blue Alliance and MPL as well as consultant specialists who have advised the Project on specific topics to guide implementation. Stakeholder engagements were not successful with Blue Alliance and MPL with the process of stakeholder engagement for all Transactions needs to start over again (Para 78).</p>
Sustainability	Sustainability Rating: ML	<p>Overall sustainability of the ICRBE Project is moderately likely due to the risks of climate change that potentially impact the Project's investments before they are completed (Paras 82-87).</p>
Overall Project Achievement	Rating: 3	<p>The Project has experienced the departure of the 2 implementing partners of the Project, Blue Alliance and MPL. This has set back the Project in terms of its progress</p>

Measure	MTR Rating ³⁴	Achievement Description
and impact		towards getting LMMAs, the Western Sanitary Landfill, the biofertilizer factory and the TAF investment ready. There is optimism that this vacuum will be quickly filled in as the new contractor is to be engaged for Transaction 1 (Para 43). The GoF in collaboration with the ICRBE Project team plans to scale down Transaction 2 to focus on facilitating a phased approach to the development of a new landfill in the western division of Fiji (Para 54). The ICRBE project has also been able to solicit the assistance of ADB to undertake the role of an independent transaction advisor for the GoF given their extensive expertise in developing PPP projects both in Fiji and globally. An agreement between the GoF and the ADB is scheduled to be signed by end of January 2025 (Para 55). The Project in December 2024 made the decision to divert funds from Transaction 3 to the Transaction 1 (the Blue Economy Lending Facility) or to Transaction 2 (Para 59). The PUNOs also made the decision to subsume Transaction 4 into Transaction 1 or to Transaction 2 (Para 62).

4.2 Conclusions

91. This MTR Reviewer concludes that:

- the December 2024 Re-orientation Plan prepared by the project resolves several of the issues including the removal of Blue Alliance and Matanataki (MPL) as contractors and focuses only on the Transaction 1 (the LMMA and associated Blue Lending Facility) and Transaction 2 (the Western Landfill transaction);
- the Re-Orientation Plan has a new contractor to be engaged for Transaction 1. Resources from Transactions 3 and 4 are proposed to be diverted to Transaction 1 if there are no issues in diverting funds from Outcome 2 to a different Outcome 1 (or Transaction 1). From the GFCR perspective, the funds should be utilised to catalyse private sector investment and action for reef-positive outcomes, and go beyond traditional protected area finance work to engage local businesses or establish new finance mechanisms that support conservation and development objectives;
- the most important Transaction is the Western Landfill (Transaction 2) with a reoriented Transaction 2 focusing on three major areas to lay the groundwork for a future sanitary landfill in the Western Division (Para 54) and soliciting the assistance of ADB to undertake the role of an independent transaction advisor for the GoF (Paras 55-56). If there are issues in diverting funds from Transactions 3 and 4 to a different Outcome 1 (or Transaction 1), resources from Transactions 3 and 4 are proposed to be diverted to Transaction 2;
- the request for a no-cost 12-month extension for ICRBE is fraught with risks concerning unforeseen delays for all transactions (such as delays in the open tender process or difficulties obtaining community agreements). The Project should either be ready for another extension past December 2025 or just extend the Project to December 2026;
- there is a need to put in place a Strategic Communications Specialist who can amplify the intricate and transformative work being delivered by the Project. This needs to be done to increase the visibility of the ICRBE Project with an emphasis on the innovative financial structuring and solutions that the Project is championing.

4.3 Lessons Learned

92. Lesson #1: The very successful Beqa Adventure Divers transaction shows that reef positive solutions can be built around pre-existing businesses which have a higher probability to succeed. Reasons for this are that the governance and institutional modalities of a pre-existing business are already in place and funding support from the Project can serve as catalytic seed capital. BAD was an investment on its own under Blue Alliance even though they did receive technical assistance from Blue Alliance. They have continued to work autonomously on their own, benefitting from a project preparation grant, obtaining a loan from FDB to build an entire new research facility office and purchase a new outboard engine for their monitoring vessel. This was done to scale up their operations, all while continuing to develop business plans and financial models. They have been successfully paying off the loan with no issues. Lending from domestic financial institutions to an existing business is more feasible since the existing business needs to be cash positive and demonstrate operations for 3 years.
93. Lesson #2: The unsuccessful Korolevu-i-wai transaction demonstrates how a business should not be introduced to a community that is being dealt with at arms-length and already extremely cautious about losing its traditional LMMA access rights. These complex financial transactions, no matter how catalytic or transformative, require a development entity that understands Fijian traditions. Blue Alliance wanted to develop a Special Purpose Entity (SPE) that would establish a sea sensorium along with other complex tourist ventures that the KiW community had no prior experience in. In response, the community agreed to the transaction but wanted to oversee the daily operations of the SPE to ensure their customary interests were protected. This was not agreeable with Blue Finance as their investors wanted Blue Finance to manage daily operations. Though the KiW community had some knowledge of doing business, the feasibility of doing business in a Fijian community needs an appreciation of local knowledge which was absent with Blue Finance. The inability for Blue Finance to have proper in-country representation and its insistence to remotely control such a sensitive transaction from other parts of the world with very limited understanding, made this transaction impractical.
94. Lesson #3: Private sector for projects implemented by PUNOs should be selected in a tender process with strict requirements of the applicable policies and procedures on knowledge of local customs and conflict of interest. The selection of Blue Alliance as a contractor based outside of Fiji to develop LMMA projects was a deviation that PUNO cannot afford to repeat. There were many issues that arose during MPL's engagement time in the implementing ICRBE. Clauses should have been in MPL's contract to:
- not take equity position on any transactions it develops since such involvement would place the entity in a conflict of interest;
 - recognize GoF transactions are subject to an open tender process;
 - place responsibility of the entity to comply with all government legislation around the transaction and secure all government permits to ensure the transaction is implemented.

4.4 Recommendations

Rec #	Recommendation	Entity Responsible	Time Frame
	Recommendation 1:		
95.	<u>Review and revise the PRF in synergy with the Reorientation Plan.</u> There is a disconnect between the outcomes and indicators highlighted in both Outcomes 1 and 2. The targets are unrealistic and need to be changed to reflect achievable ones. This will clarify the intentions of the Project towards delivering its outputs and achieving its outcomes and objective.	PUNOs	Immediate
	Recommendation 2:		
96.	<p><u>Ensure the ICRBE Project Re-Orientation Plan aligns with Project priorities and priorities of the Government of Fiji and execute the Plan.</u> It has become evident that the initial implementing partners/contractors have faced challenges in delivering the Project's objectives, particularly in key areas that require targeted local expertise and effective partnership management with community beneficiaries and Government stakeholders. Consequently, to better align the Project with its intended outcomes and ensure the effective use of resources, a reorientation is necessary. The Plan was designed to ensure that remaining resources in the ICRBE Project are effectively used.</p> <p>The ICRBE Project has built strong goodwill and relationships with GoF who are keen on developing a robust financing facility under Outcome 1 (Transaction 1) in collaboration with a local development financial institution such as FDB and developing a new sanitary landfill in the western division of Fiji under Outcome 2 (Transaction 2). The Cabinet of Ministers in Fiji have acknowledged and endorsed the work of the PUNOs under ICRBE along with mentioning this in the Parliament of Fiji as well as in global forums. Failing to achieve these Transactions will damage relations of the PUNOs and donors with GoF. As such, support for these proposed transactions should be implemented as follows:</p> <ul style="list-style-type: none"> • A new contractor to be engaged for accelerating an investment-ready pipeline of 10 LMMA projects for Transaction 1 which will be sent to an operational Blue Economy Lending Facility Error! Reference source not found. that is a specialized lending window for LMMAs that are critical for sustainable marine conservation and resource management³⁵. The new agreement incorporates lessons learned in Lessons #1 to 3 (Paras 92-94); 	PUNOs	Immediate

³⁵ The Blue Economy Lending Facility was a part of another project that complements ICRBE activities.

Rec #	Recommendation	Entity Responsible	Time Frame
	<ul style="list-style-type: none"> • remaining PUNO funds from Transactions 3 and 4 are to be re-diverted to Outcome 1 if there are no issues with donors diverting funds to a different Outcome (Para 44); • the Western Landfill of Transaction 2 will have a phased approach to its development as detailed in Para 54. This entails using ICRBE project funds to begin rehabilitation of one of the four dumpsites into a MRF run in collaboration with the municipal council and a private sector operator under a PPP model. A reoriented Transaction 2 would focus on three major areas that would lay the groundwork for a future sanitary landfill in the Western Division (Para 54). • further review has made it clear that such this investment may require more time than the ICRBE Programme's duration allows (see Recommendation 3 - Para 97). • this will accelerate the Open Tender process to 4 to 6 months with confidence within the PUNOs as well as a ADB (who are assisting with PPP Open Tendering process) rehabilitation works will be completed by December 2025 or earlier. Funds from Transactions 3 and 4 may be diverted to this Transaction if there are issues with donors to divert funds from Outcome 2 to Outcome 1 (Paras 55-56); • design a partnership strategy to validate all engagement of the Project with existing and new partners (such as FDB, ADB) and seek approval from JPSC; • review the SESP particularly the GRM given the history of community issues (Paras 41-42); • funds for technical assistance for all Transactions should be focused on technical expertise relating to blended finance for business development and financial instruments that will enable strong activities and generate the desired outputs for coral reef conservation and development. 		
	Recommendation 3:		
97.	<p><u>Instead of a 12-month extension, seek a no-cost extension to the ICRBE Project ranging from a 12 to 24-month period.</u> The original Re-Orientation Plan envisaged a 9-month implementation extension to 31 December 2025, and an operational extension to 31 March 2026 to close accounts and provide monitoring reports. A 24-month extension is recommended as there are unforeseen circumstances which may delay the completion of the Project's Transactions such as delays in the Open Tendering process, delays in getting community approvals and climate-induced or natural disasters.</p>	PUNOs	Immediate

Rec #	Recommendation	Entity Responsible	Time Frame
	<p>Upon further review and a comparative analysis of past infrastructure projects in Fiji, including the construction of the Naboro Landfill in Suva, it has become clear that such this ambitious investment may require more time than the ICRBE Programme's duration allows. The timeline for developing a new sanitary landfill in a jurisdiction as challenging as Fiji is potentially significantly longer than the current lifespan of the ICRBE Programme, even with a potential no-cost extension until March 2026. As such, an implementation extension to 31 December 2026, and an operational extension to 31 March 2027, is recommended.</p>		
	Recommendation 4		
98.	<p><u>Recruit a Strategic Communications Specialist who can amplify the intricate and transformative work being delivered by the ICRBE Project.</u> A weakness on this Project has been the lack of visibility of the ICRBE Project. There is a need to increase awareness of the innovative financial structuring and solutions that the Project is championing. Despite the PMU's resources being stretched, resources need to be found to improve Project communications and stakeholder outreach.</p>	PUNOs	Medium Term

APPENDIX A – TERMS OF REFERENCE FOR ICRBE PROJECT MTR

Assignment Title: Mid Term Evaluation – Investing in Coral Reefs and Blue Economy (ICRBE) Project

Cluster/Project: Investing in Coral Reefs and Blue Economy (ICRBE)

Post Level: Senior Specialist

Contract Type: Individual Contractor (IC)

Duty Station: Office based Fiji.

Expected Place of Travel: Not applicable

Contract Duration: 4 Weeks (November 2024 – January 2025)

1. Background and context

The Investing in Coral Reefs and Blue Economy (ICRBE) Project is a joint fund program (JP) which began in April 2021. The JP seeks to create a blended finance facility and build capacity to mobilize private and public investment capital for initiatives that have a positive impact on Fiji’s coral reefs and the communities that rely on them, particularly women and youth. The JP will construct a pipeline of bankable projects providing a blend of technical assistance, performance grants and concessional. capital for de-risking. Projects will leverage finance from private investors and other financing facilities. The JP’s expected results include:

- Private sector investment in a US \$10 million blended finance facility for effective management of 30 Locally Managed Marine Areas (LMMAs) in Fiji. The JP will accelerate the short-term investment readiness of a pipeline of 10 LMMA projects (US \$3.1 million target) and bring the wider pipeline to market (US \$10 million target). Business model includes reef-first businesses. such as eco-tourism, visitor center, sustainable fisheries, and blue carbon credits.
- Private sector investment in a US \$14 million blended finance facility for sanitary landfill project before replicating the approach to other landfill projects in the country.
- Private sector investment in an eco-fertilizer factory before replicating the approach to other 5 reef-first SME projects in the pipeline.
- Established and operational gender responsive Technical Assistance Facility (TAF) for blue economy SMEs and financial instruments.

Reporting on the Joint SDG (Sustainable Development Goals) Fund will be results-oriented, and evidence based. A Mid-term progress review report (MTR (Mid Term Review)) to be submitted halfway through the implementation of Joint Project. The MTR will be conducted through a decentralized review process procured by the PUNO(s) with joint management arrangements including the RC/O, JP team, national government, and Joint SDG Fund Secretariat to ensure stakeholder oversight of the assessment and follow-up response. The MTR is conducted at the mid-point of the JP and is expected to be completed by October 2024.

PROJECT INFORMATION		
Project title:	Investing in Coral Reefs and Blue Economy (ICRBE) Project	
Quantum ID:	00126732	
Corporate Priorities:	<p>COOPERATION FRAMEWORK OUTCOME INVOLVING UNDP #1: By 2027, people, communities and institutions are more empowered and resilient to face diverse shocks and stresses, especially related to climate variability impacts, and ecosystems and biodiversity are better protected, managed, and restored.</p> <ul style="list-style-type: none"> • Output 1.3: Institutions and communities have improved capacities to protect and manage ocean and land ecosystems <p>COOPERATION FRAMEWORK OUTCOME INVOLVING UNDP #2: By 2027, more people, especially those at risk of being left behind, contribute to and benefit from sustainable, resilient, diversified, inclusive and human-centered socio-economic systems with decent work and equal livelihoods' opportunities, reducing inequalities and ensuring shared prosperity.</p> <ul style="list-style-type: none"> • Output 2.2: Policy frameworks and financing available to leverage the potential of blue/green economy 	
Country:	Fiji	
Region:	Regional Bureau for Asia and the Pacific	
Date project proposal signed:	30 November 2020	
Project dates:	Start date:	Planned end date:
	March 2021	March 2025
Project budget:	\$10,503,769.19 [GFCR \$5,164,331.43 & Joint SDG Funds \$5,339,437.76]	
Project expenditure at the time of evaluation:	UNDP \$548,248 UNCDF \$2,214,380 UNEP \$86,375 Total Expenditures \$2,849,003	
Funding source:	GFCR & Joint SDG	
Implementing party:	UNDP, UNCDF (United Nations Capital Development Fund), UNEP (UN Environment Programme), Blue Finance, Matanataki, Beqa Adventure Divers	

2. Evaluation purpose, objectives, scope

2.1 Purpose

The ICRBE Project team is looking for a talented Evaluation Consultant to update the mid-term review report by assessing the progress towards the achievement of the JP objectives and key results, both developmental and financial, as specified in quality assurance report.

The Evaluation Consultant is to perform the review and update the report where necessary based on the following four categories using the OECD principles of evaluation as per the UNDP Evaluation Policy:

- i. Design.
- ii. Progress/Results to date.
- iii. Management efficiency; and

iv. iv) Risk management and sustainability.

2.2 Objectives

The specific objectives of this independent evaluation are to address the quality assurance requirements guided by the following areas:

- Assess the relevance and strategic positioning of the project to respond to the needs and challenges.
- Review and update the OECD criteria (relevance, coherence, effectiveness, efficiency, impact and sustainability) against the indicators in the results framework, to ensure the quality of the indicators are aligned using SMART criteria.
- Assess whether and how the project enhanced the application of cross cutting issues (LNOB, SES and risks) using a human right-based approach, gender equality and women’s empowerment, and participation of other groups such as youth persons with disabilities, and private sector etc.
- Assess the monitoring system (as designed and as implemented) of intervention by the project and its overall quality?

Scope

Review and update the MTR report to also include a conclusion section summarizing the findings and recommendations, and a rating section based on the findings and assessments adding the below criteria:

i. Management efficiency

- Recommendations on the above areas must be added to the Conclusions and Recommendations section.

ii. Risk Management and Sustainability

- Validate whether the risks identified in the Project Document, Annual Reports are the most important and whether the risk ratings applied are appropriate and up to date. Suggestions to revise the risk matrix must be added to the Conclusions and Recommendation section.
- Assess the level of monitoring and reporting against the social environmental screening process (SES) from design, the mitigation strategies adopted and its implementation, referring to the SES during design phase
- What are the key factors that will require attention to improve prospects of sustainability, scalability, or replication of project outcomes/outputs/results?

3. Evaluation criteria and guiding questions

The final MTR evaluation will generate evidence of progress, lessons, and challenges, helping to ensure accountability for the implementation of the project, as well as identifying and sharing knowledge and good practices. The Organization for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) criteria of relevance, coherence, effectiveness, efficiency, impact, and sustainability will be used to frame evaluation questions and methodology for the evaluation. Indicative lists of evaluation questions are presented below and will be broadened and agreed further between UNDP and the independent evaluator during the inception phase. The Consultant will be expected to critically reflect on them during the development of the evaluation questionnaires.

3.1 Relevance - to assess the relevance of the project’s strategies, design, and

implementation arrangements to the needs and priorities of Fiji Islands:

- How do stakeholders perceive the relevance of the project and how has the activities implemented improved local conditions? Are there any stories of change?

- To what extent does the Theory of Change remain relevant at this stage of the project?

3.2 Coherence – to identify consistency in the interventions across countries.

- To what extent are UNDP contributions, role, value added, comparative advantage fit within the wider context it is embedded in? Why?

- To what extent are interlinkages between the intervention and other interventions carried out by UNDP?

3.3 Effectiveness - to assess how effective was the project in achieving the objectives (outputs and outcomes) using the project's result framework as a basis for the assessment.

- To what extent did the project achieve the intended results of i) strengthening youth's role in conflict resolution; ii) strengthening youth's participation in developing local solutions for the management of land and natural resources; and iii) empowering local communities to manage and transform land use through adapting conflict resolutions tools?

- To what extent did the project contribute to creating an enabling environment for youth participation as agents of change in building local peace and dialogue and facilitating transmission of knowledge? Were there any unintended effects whether positive or negative?

- How effective are the strategies and tools used in the implementation of the project?

- What were the major factors influencing the achievement or non-achievement of the objectives?

3.4 Efficiency: to assess the relevance of the project's strategies, design, and implementation arrangements to the needs and priorities of Fiji Islands

- To what extent were resources used to address inequalities and gender issues?

- To what extent did UNDP engage/coordinate with different beneficiaries, implementing partners, other actors, and national counterparts to achieve outcome-level results?

- To what extent were partnership modalities conducive to the delivery of country Project outputs?

- To what extent have UNDP practices, policies, processes, and decision-making capabilities affected the achievement of the country Project outcomes?

3.5 Sustainability: The evaluation will assess how the project achievements contribute to sustainability by engaging appropriate Government, Non-Government, and other relevant stakeholders.

- To what extent do national partners have the institutional capacities, including sustainability strategies, in place to sustain the outcome-level results?

- What components or which interventions of the project are likely to be sustainable and/or scalable, and why?

- Which key factors are required to improve prospects of sustainability of project outputs and outcomes and the potential for replication?

- Are there any social or political risks that may jeopardize sustainability of project outputs and the project contributions to country Project outputs and outcomes?

3.6 Cross-cutting themes Human Rights:

Gender Equality

- To what extent has gender been mainstreamed within the design, implementation, and monitoring of the project?
- To what extent has the project promoted positive changes in gender equality and empowerment of women?
- To what extent did UNDP establish mechanisms to ensure the sustainability for female and male beneficiaries of the country programme outcomes?
- To what extent do mechanisms, procedures and policies exist to carry forward the results attained on gender equality, empowerment of women, human rights, and human development by primary stakeholders?

Leaving No One Behind

- Were women and other disadvantaged and marginalized groups consulted and meaningfully involved in project planning, implementation, and monitoring?
- To what extent does the project adopt gender-sensitive, human rights-based and conflict sensitive approaches, in compliance to the principle of Leaving No One Behind (LNOB)

The above guiding questions for the final MTR evaluation will be further refined and jointly agreed by the consultant, UNDP, and other relevant stakeholders.

4. Approach and Methodology

The methodology will be further refined after the selection process is completed during the inception phase. However, in general, the design of the final evaluation is expected to be guided by the “Theory of Change (TOC)” approach to determine causal links between the interventions that the project supported and the pathways through which the interventions contribute to achieving the intended results. The theory of change will then inform the appropriate methods of data collection and analysis. It is anticipated that consultant will adopt mixed methods consisting of both qualitative and quantitative data collection and analysis tools to generate complementary evidence to substantiate all findings. The methodology should be participatory and collaborative in its approach, that facilitate continuous engagement with UNDP teams, implementing partners, direct beneficiaries, and other stakeholders. The methodology should include sampling methods for selecting stakeholders and methods for assessing results stated in the results frameworks. The methodology for this review would include, but not be limited to the following elements:

- Document review of key documents underpinning the project, including but not limited to:
 - o Project proposal (including Theory of Change)
 - o Project Results framework.
 - o Annual workplans (AWPs).
 - o Contribution Agreement
 - o Financial and narrative reports (Quarterly, annual etc.).
 - o Highlights of project board meetings etc.

An agreed primary data collection method for this virtual evaluation will include but not limited to:

- Online interviews and meetings with key stakeholders (men and women) such as key government counterparts, donor community members, representatives of key civil society organizations, and implementing partners:
 - o Key informant and Focus Group Discussions (FGDs) with men and women, project beneficiaries and stakeholders.
 - o All interviews should be undertaken in full confidence and anonymity. The final MTR evaluation report should not assign specific comments to individuals.
- Other methods such as outcome mapping, observational visits, group discussions, etc.
- Data review and analysis of monitoring and other data sources and methods. To ensure maximum validity, reliability of data (quality) and promote use, the evaluation team will ensure triangulation of the various data sources.
- For the above interviews, the consultant will need to propose the approach/tool, e.g., survey, semi-structured interview, focus group discussion, etc.
- Gender and human rights lens: All evaluation products need to address gender, disability, and human rights issues. Hence, the consultant will need to design the tool allowing the collection of the data to provide the evaluation from those lenses.
- Kindly note that the consultant is required to propose other approaches and multiple ways of engaging, including target groups disaggregated by gender, age categories, disability, urban and rural to ensure representation of different stakeholders. The consultant will share the inception report, the proposed approach/methodology to interpret the qualitative data, and/or the input information received from stakeholders as relevant.

Data Validation: Data and information collected from different sources and through various means will be triangulated to strengthen the validity of findings and conclusions. The consultant should highlight his/her approach to address this in the inception report. All conclusions, judgments, and opinions must be qualified by evidence and not be based on opinions. Once on board, the consultant will propose the methodology in close consultation with UNDP. The final methodological approach including interview schedule, field visits, and data to be used in the evaluation should be clearly outlined in the inception report and fully discussed and agreed upon between UNDP and the evaluator.

Post-data collection debriefing: the consultant will have a debriefing with project key stakeholders on the preliminary finding after the completion of data collection. The meeting will also serve as an opportunity to identify areas requiring further analysis and any missing information and evidence before the consultant will enter a full synthesis and drafting phase. All data collected and used for this evaluation must be disclosed and comprehensively discussed in the draft MTR report.

Identification and selection of final respondents will be done independently by the consultant and is under their full responsibility. Assistance will be provided by the UNDP project teams in contacting final respondents selected by the consultant and in facilitating the schedule of interviews, focus groups and site visits, when and where required. However, this is fully under the responsibility of the consultant. Cross-cutting issues should be integrated into the final evaluation report. The final methodological approach including interview schedule, field visits and data to be used in the evaluation should be clearly outlined in the inception report and fully discussed and agreed between UNDP and the evaluator. The consultant will be assisted by the Project Manager or their delegated individual with authority.

Overall, the evaluation will be carried out in accordance with UNDP evaluation guidelines and policies, the United Nations Group Evaluation (UNEG) Norms and Ethical Standards, the OECD/DAC evaluation principles and guidelines and DAC Evaluation Quality Standards.

5. Evaluation products (key deliverables)

The consultant is expected to produce the following products as part of deliverables: The consultant is expected to produce the following products as part of deliverables:

i. Update inception report (7-10 pages. excluding Annexes) and PPT (PowerPoint presentations) presentation: The inception report should be carried out following the desk review and based on preliminary discussions with UNDP. It should detail an understanding, to address the expectation as mentioned in the methodology section above, of what is being evaluated and why, showing how each evaluation question will be answered by way of proposed methods, sources of data, and data collection procedures. The inception report should include a proposed schedule of tasks, activities, and deliverables. The inception report must include detailed data collection tools and questions to be asked of the different stakeholders. The updated Evaluation matrix should be included in the inception report. The evaluation matrix is a tool that the evaluator creates as a map and reference in planning and conducting an evaluation. It also serves as a useful tool for summarizing and visually presenting the evaluation design and methodology for discussions with stakeholders. It details evaluation questions that the evaluation will answer, data sources, data collection and analysis tools or methods appropriate for each data source, and the standard or measure by which each question will be evaluated. Below is the sample of the evaluation matrix template.

ii. Draft evaluation report (30 pages) excluding annexes to be submitted to the evaluation commissioner (see Annexes for suggested report format). The first draft report shall cover the evaluator's findings from the document review and analysis of the data collected during the field mission. The first draft will be reviewed by the Project management team and selected stakeholders to ensure that the evaluation meets the required quality criteria, standards, and that the evaluation's purpose and objectives are fulfilled. The comments shall be addressed in the second draft report and submitted to the evaluation Commissioner. The content of the report should consist of the following:

- List of Acronyms and Abbreviations (1 page)
- Executive Summary summarizing the key findings with rating scale, and recommendation (1-2pages)
- Introduction (1 page)
- Evaluation Scope and Objective (1-2 pages)
- Evaluation Approach and Methods (1-2 pages)
- Data analysis, finding, including a table of progress against indicators (15-20 pages)
- The report will also reflect human/best practice narrative as per the evidence collected from the field visit.
- Conclusion, recommendations and Lessons Learned (5 pages)
- The report should consist of good flow reflecting clear linkage from data analysis to each finding, its relevant conclusion, and recommendation.
- The recommendation should be focus, specific, and actionable.
- The lesson learnt should be elaborated based on the reflection from the project performance,

coupled with the experience from the consultant. The lesson learnt should be able to serve the purpose to inform the current project and could be leveraged to inform other future project/programming.

- Annexes: Survey/ questionnaire questions and analyses, List of contacts, and other relevant information.

UNDP will coordinate with key stakeholders to review the draft evaluation report and provide comments to the evaluator within an agreed period (within two weeks after receiving the document), addressing the content required (as agreed in the TOR (Terms of Reference) and inception report) and quality criteria as outlined in these guidelines.

iii. Final evaluation report, Presentation, and audit trail: After comments from all stakeholders, the evaluator shall update the draft report into a final report to be submitted to the evaluation commissioner. Feedback received on the second draft evaluation report should be considered when preparing the final report. The evaluator should produce an audit trail in track changes, indicating whether and how each comment received was addressed and integrated into the Final Report.

Note: inception and final reports must meet UNDPs (United Nations Development Programme)' Independent Evaluation Office (IEO's) Quality criteria. There will also be multiple iterations with relevant UNDP units until the report is considered approved.

All deliverables are subject to UNDP approval before they are considered final, and before corresponding milestones payment can be released. Upon submission of any report (draft inception, draft evaluation, and final evaluation) as required under the expected deliverables, UNDP will formulate comments and indicate any factual errors within appropriate timeline of receipt. Comments will be formulated based on Quality Control Checklists that will be provided to the consultant at the beginning of the evaluation. The consultant should consider all comments before the reports are considered completed. The consultant shall take note of these comments and decide whether to revise the reports and, where appropriate, succinctly explain why comments cannot be considered. The consultant is expected to submit a revised version of the assessment report to UNDP clearly highlighting the incorporation of suggested changes made for consideration. It should be noted that the above list of deliverables, together with the below implementation timeframe are subject to review and revision in discussion with the consultant.

In the event of unexpected changes to the context/ working environment during the consultancy period and in line with the UNDP's financial regulations, when determined by the UNDP Country Office that a deliverable or service cannot be satisfactorily completed due to genuine and unavoidable limitations to the assignment, it shall be discussed and agreed mutually with the consultant in relation to payments.

Comments and changes by the evaluator in response to the draft report should be kept in "track changes" by the evaluator to show how they have addressed comments in this Audit Trail Report.

Final Mid Term Review Evaluation Report: The Consultant will revise the draft based on the inputs provided and submit the final report within two weeks after receiving the comments. The evaluator is expected to develop a brief PowerPoint presentation and present the evaluation results (max two times) to UNDP, the project board or relevant stakeholders as suggested by the project team.

No.	Deliverables/Outputs	Estimated Duration to Complete	Target Due Dates	Review and Approvals Required
1	Deliverable 1: Submission of the Evaluation Inception report produced with detailed review	2 days	20 November 2024	MTR team submits inception report to JP team.
2	Deliverable 2: Submission of a draft version of the evaluation report	5 days	9 December 2024	MTR team submits draft MTR report to JP team. JP team to share draft MTR report with MTR reference group and receive feedback and validation (via call or email).
3	Deliverable 3: Submission of satisfactory final evaluation report incorporating comments at the quality required in compliance with the required Evaluation Report Outline, PowerPoint of evaluation results, and attached with Audit Trail Report.	3 days	20 December 2024	MTR team submits revised MTR report to JP team.

All deliverables are subject to UNDP (United Nations Development Programme) approval before they are considered final, and before corresponding milestones payment can be released. Upon submission of any report (draft inception, draft evaluation, and final evaluation) as required under the expected deliverables, UNDP (United Nations Development Programme) will formulate comments and indicate any factual errors within appropriate timeline of receipt. Comments will be formulated based on Quality Control Checklists that will be provided to the consultant at the beginning of the evaluation. The consultant should consider all comments before the reports are considered completed. The consultant shall take note of these comments and decide whether to revise the reports and, where appropriate, succinctly explain why comments cannot be considered. The consultant is expected to submit a revised version of the assessment report to UNDP (United Nations Development Programme) clearly highlighting the incorporation of suggested changes made for consideration. It should be noted that the above list of deliverables, together with the below implementation timeframe are subject to review and revision in discussion with the consultant.

In the event of unexpected changes to the context/ working environment during the consultancy period and in line with the UNDP's financial regulations, when determined by the UNDP Multi Country Office that a deliverable or service cannot be satisfactorily completed due to genuine and unavoidable limitations to the assignment, it shall be discussed and agreed mutually with the consultant in relation to payments.

6. Evaluation ethics

Evaluations in the UN (United Nations) are conducted in accordance with the principles outlined in the United Nations Evaluation Group (UNEG) 'Ethical Guidelines for Evaluations'¹. The consultant must safeguard the rights and confidentiality of information providers, interviewees, and stakeholders through measures to ensure compliance with legal and other relevant codes governing collection of data

and reporting on data. The consultant must also ensure security of collected information before and after the evaluation to ensure anonymity and confidentiality of sources of information where that is expected. The information knowledge and data gathered in the evaluation process must also be solely used for the evaluation purposes and not for other uses with the express authorization of UNDP (United Nations Development Programme), World Vision International, and their partners.

7. Implementation arrangements

The project evaluation is jointly commissioned by UNDP and WVI and the joint commissioners for this evaluation will be UNDP's Resident Representative in the Multi-Country Office in Fiji. Principally, the consultant will report to the Management and Performance Unit, who will continuously collaborate with the WVI and respective project managers who will support the process by providing both substantive and logistical support to the consultant. Assistance will be provided by the UNDP and WVI senior management and PBF project teams. Additional assistance will be provided jointly by UNDP/WVI including contacting stakeholders and organizing meetings and facilitating field visits when necessary.

Where necessary, UNDP (United Nations Development Programme) and WVI field teams will support the consultant in data collection and information gathering based on discussions with, and approval of UNDP (United Nations Development Programme) and WVI. This TOR (Terms of Reference) forms the basis upon which compliance with assignment requirements and overall quality of services provided by the consultant will be assessed by UNDP (United Nations Development Programme) and WVI.

As part of the assignment:

- UNDP will provide office space with access to internet and printer when in-country in Honiara.
- UNDP and WVI will provide list of additional documents as per TOR Annexes.
- The consultant is expected to:
 - o Use their own laptop/s, and other relevant software/equipment.
 - o Use their own communication platforms, mobile, personal email address etc., during the consultancy period, including when in-country.
 - o Make own travel arrangements to fly in-country and transportation arrangements where necessary.

8. Time frame for the evaluation process

The timeframe for this consultancy is 15 days. The consultant should ensure the completion of all deliverables within this timeframe. ACTIVITY	# WORKING DAYS
Document review and preparing MTR (Mid Term Review) Inception Report	2 days
MTR (Mid Term Review) data collection: stakeholder meetings, interviews, field visits	5 days
Preparing draft MTR (Mid Term Review) report	5 days
Incorporating audit trail on draft report and complete the final MTR (Mid Term Review) report	3 days
Total	15 days

APPENDIX B – MISSION ITINERARY (FOR DECEMBER 2024)

#	Activity	Stakeholder involved	Place
9 December 2024 (Monday)			
1	Meeting with UNDP	Deputy Resident Representative of Fiji MCO	
10 December 2024 (Tuesday)			
2	Meeting with PMU	UNDP	On-line
11 December 2024 (Wednesday)			
3	Meeting with representative from Korolevu-i-Wai District	Korolevu-i-Wai Community	On-line
15 December 2024 (Sunday)			
4	Meeting with MoECC	MoECC	On-line
17 December 2024 (Tuesday)			
5	Meeting with PMU	UNDP	On-line

APPENDIX C – LIST OF PERSONS INTERVIEWED

This is a listing of persons contacted in Fiji (unless otherwise noted) during the Mid-Term Review Period (December 2024) only. The Evaluation Team regrets any omissions to this list.

1. Mr. Vineil Narayan, ICRBE Project Manager, UNDP;
2. Mr. Patrick Tuimalealiifano, ICRBE Deputy Team Leader, UNDP;
3. Mr. Abduvakkos Abdurahmanov, Deputy Resident Representative, UNDP.
4. Dr. Michael Sivendra, Permanent Secretary of MoECC.
5. Mr. Victor Bonito, Korolevu-i-wai Community Representative

APPENDIX D – LIST OF DOCUMENTS REVIEWED

1. UNDP ProDoc for Component 2 Joint Programme Document “Fiji - Investing in Coral Reefs and the Blue Economy”, November 2020.
2. Simplified minutes of the Local Project Appraisal Committee for “Fiji - Investing in Coral Reefs and the Blue Economy”, November 2020.
3. Steering Committee Minutes for Meeting #1 (July 2021), #2 (May 2022) and #3 (February 2024).
4. 2021 Annual Progress Report - C2 Catalytic Investment.
5. 2022 JSDGF & GFCR Semi-Annual Report - SDG Investments
6. Investing In Coral Reefs and Blue Economy (ICRBE) Project Acceleration Plan, 5 September 2023.
7. Original MTR for ICRBE Project (2021-2024), 26 April 2024.
8. Information Brief - Meeting with GFCR, JSDG and the UNDP Request for Discontinuation of Matanataki as the Implementing Partner, 1 August 2024.
9. Investing in Coral Reefs and Blue Economy – Fiji - Reorientation Plan, December 2024.

APPENDIX E – PROJECT RESULTS FRAMEWORK FOR ICRBE PROJECT FROM NOVEMBER 2020

Outcome	Results / Indicators	Baseline	Targets				Means of Verification	Responsible Partner
			2021	2022	2023	2024		
Outcome 1: Protect priority coral reef sites and climate change refugia	1.1 Area of new climate refugia and priority sites designated as MPAs or LMMAs (km ²)	0	9000	15000	25000	30000	Coral Reef ecosystems areas under MPA official designation and active management	Blue Finance
	1.2 Coral and fish species richness in MPAs	Actual species richness = 100	100	105	110	120	Fish surveys campaigns. E.g., photography, hydrophones, tagging, acoustics, artificial substrata, light-traps, hook and line, and live-traps	Blue Finance
	1.3 Number of coral reef and ridge to reef conservation related resolutions, declarations and laws passed	0	1	2	3	4	Annual review of how many laws / regulations have been retained or reasonably updated since implementation	Blue Finance
	1.4 MtCO ₂ e per year sequestered through protection and/or restoration of threatened mangrove and seagrass ecosystems	Baseline= 100	100	100	110	120	Annual survey of mangrove and seagrass biomass	Blue Finance
	1.5 Management Effectiveness of MPAs	Initial METT score per MPA	1 MPA with METT score >60	2 MPAs with METT score >70	3 MPAs with METT score >70	4 MPAs with METT score >70	Independent assessment of “Management Effectiveness Tracking Tool” (METT) for MPA management	Blue Finance
Outcome 2: Transform the livelihoods of coral reef-dependent communities	2.1 Number of locals/entrepreneurs and women employed in businesses with a positive impact on coral reefs	Tbd	Tbd	Tbd	Tbd	Tbd	Reporting from supported businesses	MPL
	2.2 Increased private investment in sustainable initiatives and blue economy SMEs related to Coral Reefs	Tbd	Tbd	Tbd	Tbd	Tbd	Reporting from Althelia / Matanataki	MPL

Outcome	Results / Indicators	Baseline	Targets				Means of Verification	Responsible Partner
			2021	2022	2023	2024		
	2.3 Water quality and reduction of nutrient inputs	100	100	105	110	120	Periodic sampling	MPL
	2.4 Number of TAF incubated blue economy SMEs that become investment ready	0	2	3	4	6	Reporting from Matanataki	MPL
	2.5 Number of new government strategies and plans to support financing for improved marine biodiversity protection and the blue economy	0	0	1	2	3	Reporting from UNDP and MoE	MPL
	2.6 Number of new government incentives to support financing for improved marine biodiversity protection and the blue economy	0	0	1	2	2	Reporting from UNDP and MoE/Invest Fiji	MPL

APPENDIX F – EVALUATION MATRIX

Evaluative Questions	Indicators	Sources	Methodology
Project Strategy: To what extent is the project strategy relevant to country priorities, country ownership, and the best route towards expected results?			
Were lessons from other relevant projects properly incorporated into the project design?	Number of stakeholders participating in PPG Number of stakeholders participating in project sponsored training sessions and meetings	PPG stakeholder meeting minutes Project designers QPRs	Desk review of QPRs and interviews with project designers, PMU, stakeholders
Was the project concept in line with the national sector development priorities and plans of the country (or of participating countries in the case of multi-country projects)?	Quality of outcomes and indicators on log frame	Project document	Desk review
Were relevant gender issues (e.g., the impact of the project on gender equality in the programme country, involvement of women's groups, engaging women in project activities) raised in the Project Document?	Gender indicators in PRF	QPRs	Desk review, interviews with PMU and stakeholders
Are the project's objective and outcomes clear, practical, and feasible to be realized within its time frame?	Quality of outcomes and indicators on log frame	Project document	Desk review
Are each of the project components comprised of the relevant and necessary activities that will deliver the required outputs that will collectively bring about the expected outcome in each component?	Quality of outcomes and indicators on log frame	Project document	Desk review
Progress Towards Results: To what extent have the expected outcomes and objectives of the project been achieved thus far?			
Has the Project been effective in achieving the expected outcomes and objectives?	Effectiveness ratings of the project by the evaluation	QPRs	Desk review, interviews with PMU and stakeholders
How well are risks, assumptions and impact drivers being managed?	Content of risk management in QPRs	QPRs and information from PMU personnel	Desk review, interviews with PMU and GoF personnel
To what extent has the project contributed to the following: <ul style="list-style-type: none"> • institutional arrangements strengthened. • effective information dissemination program developed. • stakeholder capacity enhanced 	Indicator targets of GoF and other institutional strengthening Indicator targets of governate and stakeholder strengthening	Progress reports, QPRs, and information from PMU and GoF personnel	

Evaluative Questions	Indicators	Sources	Methodology
To what extent did the dissemination activities facilitate progress towards Project impacts?	Number of knowledge products created by Project	Survey of feedback of training sessions, testimonial evidence from training participants, and information from PMU and GoF personnel	Desk review, interviews with training participants, PMU and GoF personnel
Project Implementation and Adaptive Management: Has the project been implemented efficiently, cost-effectively, and been able to adapt to any changing conditions thus far? To what extent are project-level monitoring and evaluation systems, reporting, and project communications supporting the project's implementation?			
Have changes been made and are they effective? Are responsibilities and reporting lines clear?	Effectiveness ratings of the project by the evaluation	QPRs	Desk review, interviews with PMU and stakeholders
Do the Executing Agency/Implementing Partner and/or UNDP and other partners have the capacity to deliver benefits to or involve women? If yes, how?	Adaptive management reporting in QPRs	QPRs and information from PMU personnel	Desk review, interviews with PMU
What is the gender balance of project staff? What steps have been taken to ensure gender balance in project staff?	Adaptive management reporting in QPRs	QPRs and information from PMU personnel	Desk review, interviews with PMU
What is the gender balance of the Project Board? What steps have been taken to ensure gender balance in the Project Board?	Adaptive management reporting in QPRs	QPRs and information from PMU personnel	Desk review, interviews with PMU
Are work-planning processes results-based? If not, suggest ways to re-orientate work planning to focus on results.	Annual work plans	AWPs and information from PMU personnel	Desk review, interviews with PMU
Does the project have the appropriate financial controls, including reporting and planning, which allow management to make informed decisions regarding the budget and allow for timely flow of funds?	Institutional arrangements of the Project	QPRs and information from PMU personnel	Desk review, interviews with PMU
Is co-financing being used strategically to help the objectives of the project? Is the Project Team meeting with all co-financing partners regularly to align financing priorities and annual work plans? Are the committed co-financing by the project partners/co-financers being realized?	Institutional arrangements of the Project	QPRs and information from PMU personnel	Desk review, interviews with PMU
Regarding monitoring tools being used, do they provide the necessary information? Do they involve key partners? Are they aligned or mainstreamed with national systems? Do they use existing information? Are they efficient? Are they cost-effective? Are additional tools required? How could they be made more participatory and inclusive?	Monitoring systems	QPRs and information from PMU personnel	Desk review, interviews with PMU

Evaluative Questions	Indicators	Sources	Methodology
Has the project developed and leveraged the necessary and appropriate partnerships with direct and tangential stakeholders?	Level of stakeholder engagement	QPRs and information from PMU personnel and stakeholders	Desk review, interviews with PMU and stakeholders
Do local and national government stakeholders support the objectives of the project? Do they continue to have an active role in project decision-making that supports efficient and effective project implementation?	Level of stakeholder engagement	QPRs and information from PMU personnel and stakeholders	Desk review, interviews with PMU and stakeholders
To what extent has stakeholder involvement and public awareness contributed to the progress towards achievement of project objectives?	Level of stakeholder engagement	QPRs and information from PMU personnel and stakeholders	Desk review, interviews with PMU and stakeholders
How does the project engage women and girls? Is the project likely to have the same positive and/or negative effects on women and men, girls, and boys? Identify, if possible, legal, cultural, or religious constraints on women's participation in the project. What can the project do to enhance its gender benefits?	Level of stakeholder engagement	QPRs and information from PMU personnel and stakeholders	Desk review, interviews with PMU and stakeholders
How has the Project Team addressed poorly rated PIRs, if applicable?	Monitoring systems	QPRs and information from PMU personnel	Desk review, interviews with PMU
Is internal project communication with stakeholders regular and effective? Are there key stakeholders left out of communication? Are there feedback mechanisms when communication is received? Does this communication with stakeholders contribute to their awareness of project outcomes and activities and investment in the sustainability of project results?	Adaptive management reporting in QPRs	QPRs and information from PMU personnel	Desk review, interviews with PMU
Are proper means of external project communication established or being established to express the project progress and intended impact to the public (is there a web presence, for example? Or did the project implement appropriate outreach and public awareness campaigns?)	Level of stakeholder engagement	QPRs and information from PMU personnel and stakeholders	Desk review, interviews with PMU and stakeholders
Sustainability: To what extent are there financial, institutional, socio-economic, and/or environmental risks to sustaining long-term project results?			
What is the likelihood of financial and economic resources not being available once the donor assistance ends (consider potential resources can be from multiple sources, such as the public and private sectors, income generating activities, and	Opinions of stakeholders	Survey of feedback of training sessions, and testimonial evidence from government personnel and stakeholders	Desk review, interviews with government personnel and stakeholders

Evaluative Questions	Indicators	Sources	Methodology
other funding that will be adequate financial resources for sustaining project's outcomes)?			
Appropriateness of the institutional arrangement and whether there was adequate commitment to the Project	Number of institutions and local government agencies that have had capacities built	Progress reports, QPRs, and information from PMU and GoF personnel	Desk review, interviews with government personnel and stakeholders
To what extent are the stakeholders are realizing benefits from the project?	Opinions of stakeholders (i.e., farmers, fishermen, local residents)	Stakeholder interviews	Stakeholder interviews
Sustainability: To what extent are there financial risks to sustaining long-term project results?			
What is the likelihood of financial and economic resources not being available once the donor assistance ends (consider potential resources can be from multiple sources, such as the public and private sectors, income generating activities, and other funding that will be adequate financial resources for sustaining project's outcomes)??	Opinions of GoF and PMU personnel	Stakeholder interviews	Desk review, interviews with government personnel, PMU and stakeholders
Appropriateness of the institutional arrangement and whether there was adequate commitment to the Project	Number of institutions and local government agencies that have had capacities built	Progress reports, QPRs, and information from PMU and DoECC personnel	Desk review, interviews with government personnel and stakeholders
To what extent are the stakeholders are realizing benefits from the project?	Opinions of stakeholders (i.e., farmers, fishermen, local residents)	Stakeholder interviews	Stakeholder interviews
Sustainability: To what extent are there institutional risks to sustaining long-term project results?			
How effective is the project in terms of strengthening the capacity of GoF professionals?	Opinions of training participants	Survey of feedback of training sessions, and testimonial evidence from government personnel and stakeholders	Desk review, interviews with government personnel and stakeholders
Appropriateness of the institutional arrangement and whether there was adequate commitment to the Project	Number of institutions and local government agencies that have had capacities built	Progress reports, QPRs, and information from PMU and GoF personnel	Desk review, interviews with government personnel and stakeholders
Do the legal frameworks, policies, governance structures and processes pose risks that may jeopardize sustenance of project benefits?	Opinions of GoF stakeholders and PMU	Stakeholder interviews	Stakeholder interviews

Evaluative Questions	Indicators	Sources	Methodology
Sustainability: To what extent are there socio-economic risks to sustaining long-term project results?			
What is the risk that the level of stakeholder ownership (including ownership by governments and other key stakeholders) will be insufficient to allow for the project outcomes/benefits to be sustained?	Opinions of training participants and GoF personnel	Survey of feedback of testimonial evidence from government personnel and stakeholders	Desk review, interviews with government personnel and stakeholders
Do the various key stakeholders see that it is in their interest that the project benefits continue to flow? Is there sufficient public / stakeholder awareness in support of the long-term objectives of the project?	Opinions of training participants and GoF personnel	Survey of feedback of testimonial evidence from government personnel and stakeholders	Desk review, interviews with government personnel and stakeholders
Are lessons learned being documented by the Project Team on a continual basis and shared/ transferred to appropriate parties who could learn from the project and potentially replicate and/or scale it in the future?	Opinions of training participants and GoF personnel	Survey of feedback of testimonial evidence from government personnel and stakeholders	Desk review, interviews with government personnel and stakeholders
Sustainability: To what extent are there environmental risks to sustaining long-term project results?			
Are there any environmental risks that may jeopardize sustenance of project outcomes?	Opinions of training participants and GoF personnel	Survey of feedback of testimonial evidence from government personnel and stakeholders	Desk review, interviews with government personnel and stakeholders

APPENDIX G – EXCERPTS FROM PROPOSED PUNO’S RE-ORIENTATION PLAN FOR ICRBE

This is taken from the proposed “re-orientation” plan as prepared in collaboration with PUNOs.

1. Outcome 1 – Effective Management of LMMAs (Total Funds Available – USD450,000)

This output entails the design of the LMMAs high-level business plan and set-up of Special Purpose Entities (SPEs - co-management body for the LMMAs); design of the blended finance solution and fundraising for **10 LMMAs** to be later scaled to 30 LMMAs; stakeholder engagement and advocacy; and environmental readiness of the SPEs for investment in LMMAs, and Shark Reef Marine Reserve.

Challenges:

Blue Alliance encountered difficulties in both the conceptualization and establishment of the necessary financial facilities linked to their inability to secure community buy-in and did not identify any local financial institutions that would be involved in helping derisking or taking on the long-term administration of the financing facility³⁶. This underscores the need to either work with established businesses within the LMMAs like BAD or to work with established community cooperatives who have a keen interest in developing alternative livelihoods that prevent pillage of LMMAs help generate revenue streams to under community-based protection activities for the LMMAs. This was a crucial design flaw in the initial Programme design which now needs to be addressed by onboarding Fiji based organisations working in the marine conservation space coupled with financial institution that is familiar with lending to local businesses and community cooperatives.

As a result, the grant agreement with Blue Alliance was terminated due to the deliverables i.e. the prefeasibility study and the investment memos submitted for the last tranche, were deemed unsatisfactory as none of the LMMAs were investment ready to proceed to investor discussions.

Reorientation Plan:

Given the termination of Blue Finance, the project team sought approval from the Steering Committee to advertise for Call for Proposals to select a new implementing partner.

The Call for Proposals was advertised in 2nd quarter of 2024 and only Conversation International provided its proposal. Upon evaluation, it was decided that given only one organization had submitted the proposal, the Call for Proposals be readvertised. The project team socialized the Call for Proposals with other organizations operating in the similar space to enable a competitive selection process. The Call for Proposals closed on 20 September 2024 with four applicants.

The high-level scope of works as per the terms of reference is summarized below relating to LMMAs:

1. Selection and prioritization of **10 LMMAs**, Value Chain Assessment and Planning
2. Biodiversity Monitoring Protocols
3. Reporting and Verification Support
4. Capacity Building
5. Support Investment Promotion

³⁶ Blue Alliance has delivered investment memos for the Kuata- Yakawe and Beqa Lagoon Seascape LMMAs but have communicated lack of progress with local community and authorities for support.

6. Collaboration with the JP Team and the Local Development Finance Institution
7. Budget and Resources
8. Governance and Oversight
9. Sustainability and Impact Plan

The budget for this work is USD150,000 and this will be funded through performance-based payments.

Following a rigorous selection process, [C3 International Limited](#) has been selected as the implementing partner for Output 1 having vast experience developing commercially viable LMMAs in the Northern Division of Fiji supporting communities dependent on the Great Sea Reef (GSF) – a priority reef/project site for the ICRBE Programme. It is proposed that **C3 International Limited** be onboarded to support the operationalisation of a **Blue Economy Lending Facility** in collaboration with the 37. This facility will include a specialized lending window for **Locally Managed Marine Areas (LMMAs)**, which are critical for sustainable marine conservation and resource management. C3's work will be technically monitored and reviewed by UNEP.

C3 would support FDB and the ICRBE Programme to place investments in at least 10 LMMAs from the list of 30 that have been identified. **Focusing on getting 10 LMMAs investment ready rather the entire list 30 LMMAs is expected to be more viable within the 12 month No Cost Extension sought up until March 2026.**

The FDB has proven to be the most experienced domestic financial entity to deliver the objectives of the ICRBE Project.

The proposed reorientation plan is informed by a robust [feasibility study](#) conducted by Clima Capital Partners to establish a Blue Investment Fund (BIF) as part of the Fiji Blue Bond Support Project run by UNDP. The Blue Lending Facility is a focused and scaled down version of the BIF that seeks to use the implementation recommendations suggested in the feasibility study.

Additionality – How Can This Be Scaled?




The reorientation plan has mapped out a three-pillar intervention strategy for Output 1 which will create a more synchronised and realistic solution to scale up a LMMA blended financing by unlocking and leveraging capital from the domestic financial sector. The three pillars focus on: Pillar 1: Creating legal recognition of LMMAs; Pillar 2: Establishing a dedicated lending facility for LMMAs and Pillar 3: Developing Robust Monitoring and Evaluation Solutions for LMMAs (Pillar three is to be funded through other parallel initiatives being done through regional development agencies). See Figure G-1.

Work on **Pillar 1** ties into Activities **2.3: Strengthened and harmonized policies, strategies, plans and financing from the government of Fiji for improved environmental biodiversity protection** and **2.4: Establish recognition, rewards, and monitoring systems to incentivize the private sector to act sustainably** of the ICRBE Project. Currently LMMAs can only achieve legal recognition under the archaic [1941 Fisheries Act](#) by relinquishing traditional custodianship to the Government and being designed as a Marine Protected Area (MPA). This is highly sensitive for coastal communities who depend on inshore biodiversity and consider the inshore fisheries as part of the Vanua (traditional home). This legal recognition is expected to allow financial institutions in Fiji to recognise LMMAs as an asset and allow LMMA custodians to access debt/capital to develop reef positive businesses such as

37 The FDB has proven to be the most experienced domestic financial entity to deliver the objectives of the ICRBE Project.

mariculture/aquaculture, eco-tourism, sustainable agriculture, and improved cold storage for sustainable community-based fisheries. This approach is predicated on supporting successful community cooperatives that are keen to venture away from fishing into alternative reef-positive livelihoods but do not have accessed to affordable financial solutions.

Figure G-1: LMMA Pillars

 Legal and Regulatory Support	 Financial Mechanism	 Monitoring and Evaluation
<p>a. LMMA Ledger</p> <ul style="list-style-type: none"> • Establish a country-wide central ledger of declared no-fishing areas managed by communities. The ledger is to be managed by Ministry of Fisheries containing the following information: <ul style="list-style-type: none"> ○ Name of tabu – done for first 30 LMMAs ○ Geographical coordinates – done for first 30 LMMAs ○ Managing entity (e.g. village, hotel, dive shop etc.) – to be done by C3 for first 30 LMMAs. ○ Any already existing management guidelines – to be done by C3 for first 30 LMMAs. ○ Conduct technoeconomic feasibility studies to develop investment business cases for first 30 LMMAs. <p>b. Regulation</p> <ul style="list-style-type: none"> • Draft and gazette a simple regulation under the fisheries Act stating the following: <ul style="list-style-type: none"> ○ There is a registered ledger of no-take MPAs ○ Nobody may take from, throw into, or anchor in those areas (with exemption for research) ○ Non-compliance leads to fines and/or imprisonment ○ The registered managing entity can monitor and enforce the fishing ban and any registered management guidelines ○ There will be guidelines for <ul style="list-style-type: none"> ▪ Adding or retracting MPAs to/from the ledger, ▪ Adding/retracting/amending any management guidelines. 	<p>As part of their Blue Bond support to the Fiji Government, UNDP and UNCDF have worked with FDB to develop a the Blue Lending Facility for FDB targeted towards supporting blue economy related activities using a value chain perspective e.g. funding the entire value chain for fishing from boats, to processing facilities, to cold storage, to market connectivity solutions. This Blue Lending Facility will provide preferential lending to communities registered on the National LMMA Register.</p> <p>The next step entails:</p> <ol style="list-style-type: none"> 1. The ICRBE Programme will work with C3 and FDB to pilot the 30 identified well developed LMMAs to pilot the lending product through FDB. UNDP/UNCDF will support this work by putting up a US \$300,000 credit guarantee for FDB to enable lending risk reduction and quick rollout of the lending facility. The credit guarantee will be from the Investing in Coral Reefs and Blue Economy Project. 2. Facilitate co-financing arrangement with domestic financing institutions to continue capitalizing and lending through the Blue Lending Facility. Leverage of existing MoUs between FDB and local financial institutions. Use FDB's accreditation to the Green Climate Fund to leverage new and additional portfolio based financing for the Blue Lending Facility which could be backed by sovereign credit guarantee from the Government of Fiji. 3. Work with the Government of Fiji to potentially issue a second thematic bond to support long term capitalization of the Blue Lending Facility or allocate annual reoccurring fiscal budget support to similar to ongoing agricultural lending initiatives. 	<p>The ICRBE Programme to work with development partners working in the maritime sector/maritime surveillance to develop integrated coastal monitoring solutions using the following:</p> <ol style="list-style-type: none"> 1. Coastal Radar Solutions 2. Drone Surveillance 3. Inshore vessel tracking solutions <p>These interventions are crucial to protect and preserve the LMMAs on the National LMMA register from illegal fishing, drug trafficking, etc.</p>

While awaiting the onboarding of C3, UNDP had commenced a systematic identification, mapping, and socialisation of 30 high impact LMMAs with the assistance of a highly experienced LMMA practitioner and former Ministry of Fisheries official. This work has been completed with 27 of the 30 villages in charge of protecting the LMMAs signing up to be part of the ICRBE Programme and be on the LMMA register, GIS coordinates of the 30 LMMAs have been mapped, and a draft national regulation has been developed for submission to the Cabinet Ministers for endorsement entailing mechanisms for legally recognising the LMMA register under the Fisheries Act.

Once onboarded as the implementing partner for Output 1, C3 will commence techno-economic scoping and investment structuring of the 30 LMMAs already identified with a focus on supporting preexisting SPEs (community cooperatives) and the operationalization of the Blue Lending Facility with FDB by providing technical guidance on investment covenants related to ecological impact indicators. C3 will be tasked to support FDB and the ICRBE Programme place investments in at least 10 of the 30 LMMAs identified. The work on the LMMA register, the national regulations, and the Blue Lending Facility has the ability to revolutionize sustainable inshore fisheries financing in Fiji and unlock domestic financing for over 400 LMMAs registered in Fiji covering 4% of Fiji's EEZ.

From a gender perspective, the United Nations Food and Agriculture Organization estimates that of the 247,126 rural Fijians dependent on the fisheries sector, there are around 30,000 subsistence fishers in

Fiji, with women make up more than 80% of those 30,000 fishers. Support to the 30 LMMA SPEs will focus on having at least 50% of the beneficiaries being women or women led cooperatives.

With regard to long term sustainability of the Blue Lending Facility, discussions are already underway with the [iTaukei Affairs Trust Fund Board](#), [Fijian Holdings Limited](#), and [Merchant Finance](#) to capitalize the lending facility beyond the duration of the ICRBE Programme. Moreover, the UNDP/UNCDF project team also led the successful issuance of Fiji's first ever [Sovereign Blue Bond](#) issued in November 2023 valued at US \$10 million which was oversubscribed 3 times. As a result of the successful blue bond issuance, the Government of Fiji is keen to issue a gender bond focusing on empowering women in the blue economy space with one of the potential project beneficiaries being the Blue Lending Facility.

Schematics to Deploy Blended Lending Facility:

With regard to Pillar 2, most of these SPEs (community cooperatives) operating in the 30 selected LMMA will be small in nature, therefore, providing concessional loans to each LMMA will not be feasible and viable. As such, the Programme team intends to work with FDB as a responsible party.

UNDP/UNCDF have already completed the development of the following documents to support the operationalization of the Blue Lending Facility with FDB:

- [Blue Financing Framework Baseline Study](#)
- [Sustainable Blue Economy Finance Strategy](#) for FDB as an organization.
- [Sustainable Blue Finance Policy](#) for FDB as an organization.
- [Blue Lending Facility Product Information Package](#);
- [Client Screening Checklist for the Blue Lending Facility](#); and
- [Credit Risk Approval Memo](#) for the Blue Lending Facility.

The Blue Lending Facility will be initially capitalized by FDB's internal resources and is envisaged to be backed by a US \$300,000 credit guarantee using funds from the ICRBE Programme being managed by UNCDF thereby enabling lending risk reduction and quick rollout of the lending on the back of robust technoeconomic baseline work and technical advice provided by C3. Figure 3 provides are working schematic of the Blue Lending Facility.

Financial Leveraging:

The total allocation for the establishment of the LMMA Financing facility stands at US \$450,000 of which a US \$150,000 is allocated for engagement of C3 to undertake technoeconomic preparatory works across the 30 identified LMMAs and supporting investment placement in at least 10 of those LMMAs. The remaining US \$300,000 is to be placed as a credit guarantee with FDB for the Blue Lending Facility.

The credit guarantee of USD \$300,000 will leverage US \$2.1 million through the following resulting in a 1 is to 7 leverage ratios:

- Financial lending of up to US \$600,000 by FDB internal resources
- Senior loan from Merchant Finance offered to the FDB portfolio of US \$600,000 – matching FDB lending.
- Credit Guarantee for Merchant Finance from the iTaukei Trust Fund Board of US \$600,000
- Equity investment from Fijian Holdings Limited or Provincial Councils of US \$300,000.

Timelines:

Output 1 is expected to be achieved by December 2025 in the following chronological order:

Activity	Timeline
Complete onboarding of C3	31 January 2025
Finalise coordinates for LMMA areas and digitize them on GIS platform	31 January 2025
Submit LMMA Regulations to Cabinet of Ministers for endorsement/enactment	14 February 2025
Undertake LMMA technoeconomic assessments for the 30 LMMAs	6 January 2025 to March 2025
Review assessment finding and finalise first set of LMMAs to lend to through the Blue Lending Facility from the list of 30 LMMAs or more	18 April 2025
Finalise the guiding documents for the Blue Lending Facility for FDB with technical guidance provided by C3 and reviewed by UNEP.	25 April 2025
Facilitate formal Memorandum of Agreements between FDB and local financial institutions to support the financial leveraging targets of the Blue Lending Facility.	25 April 2025
Launch the Blue Lending with FDB	2 May 2025
Loan disbursement to the to the first set of LMMAs completed	16 May 2025
Monitoring and reporting on loan disbursements, ecological targets and leveraging targets – every quarter from the point of disbursement. To be led by FDB with technical support from C3 and UNEP for 12 months period	15 August 2025/14 November 2025/19 February 2026
Fund raising and capitalization for scaling up the Blue Lending Facility	May – November 2025
Project operational closure and final reporting	March 2026

2. Outcome 2 – Transforming the livelihoods of coral reef-dependent communities (Total Funds Available – USD5.6M)

Outcome 2 of the Programme had three investments that were to be brought to investment readiness by MPL but did not eventuate due to reasons explained in the ensuing subsections. The three transactions are as follows:

- i. Development of Fiji’s first modern sanitary landfill in the Western Division to serve 350,000 inhabitants (1/3 of Fiji population) and 80% of 900,000+ tourists who visit Fiji annually, ensuring no waste enters the inshore reef ecosystem from waste treatment facilities in Western Fiji. This transition also included the rehabilitation of the four existing western dumpsites in Sigatoka, Lautoka, Ba, and Rakiraki townships and convert the dumpsites into a network of collection and sorting facilities.
- ii. Establishment of a biofertilizer factory to reduce Fiji’s dependence on synthetic fertilisers and its impact on coral reefs linked to unsustainable agriculture practices.

- iii. Establishment of Technical Assistance Facility (TAF) to support the startup of reef positive businesses in Fiji.

i. **Western Landfill Transaction:**

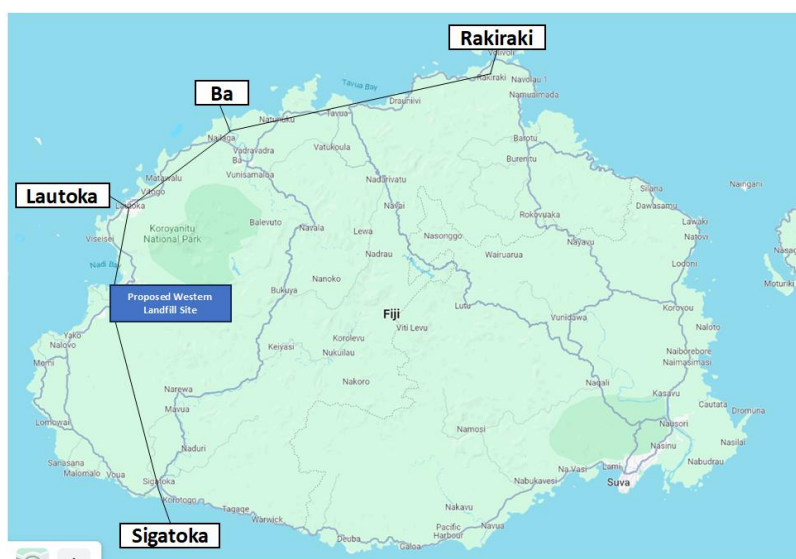
A summary of the Western Landfill transaction is provided in Figure G-2 which has been taken from a presentation deck developed by the Government of Fiji. Total funding available for this transaction is US \$3.75 million of which US \$250,000 is for technical preparatory works and US \$3.5 million is for investment as blended finance in the transaction.

Figure G-2: Western Landfill Transaction Summary

Western Landfill Project



- The Western Landfill will be Fiji's first modern landfill: it will serve 350,000 inhabitants (1/3 of Fiji population) and 80% of 900,000+ tourists who visit Fiji annually, ensuring no waste enters the inshore reef ecosystem again.
- The Government of Fiji plans to tender out for a new sanitary landfill solution in the Western Division to replace four existing western dumpsites in Sigatoka, Lautoka, Ba, and Rakiraki townships and convert the dumpsites into a network of collection and sorting facilities.
- Through the Investing in Coral Reefs and Blue Economy Project (ICBRE), UNDP and UNCDF are supporting the Government with a US \$3.5 million concessional loan/grant and US \$250,000 in technical support.
- The project size is US\$15–30 million and is expected to be financed through a blend of public and private finance, including funds allocated from the ICBRE.



The overall Western Landfill transaction entails the simultaneous or sequential (depending on PPP approach suggested by ADB) activities of rehabilitating the existing dumpsite into Material Sorting Facilities and constructing of new sanitary landfill which is expected to be sequenced as shown in Figure G-3.

Challenges:

Although this transaction had progressed to the preassessment stages for investment placement through UNCDF, the Government of Fiji was reluctant to provide a conditional approval to enter into a PPP with MPL and its Consortia without an open tender process as there is no such provision to issue direct commitment to the private sector under the Fiji Public Private Partnerships (PPP) Policy or any other Government of Fiji regulations. This is an inherent design flaw in the Project Document which seemingly committed to develop the Western Landfill Transaction through MPL without due recognition of domestic PPP procedures.

Figure G-3: Western Landfill Project Sequencing

The Government of Fiji through a Cabinet of Ministers decision and under technical guidance of the Ministry of Local Government, have decided that the Western Landfill transaction is to proceed through an open and transparent tender process run through the Government tender procedures to select a private sector partner. The initial process indicatively suggested by the Government of Fiji was to work through an ‘unsolicited bid’ procedure in the PPP Policy which still would have required a competitive process. In this regard, the ICRBE Project cannot be favouring a particular private sector entity in an open tender process thereby being unable to proceed with the Western Landfill transaction with MPL. The Government of Fiji has clearly informed MPL that it would need to participate in the tender process like any other company.

A total of US \$481,500 was provided in grants to MPL to develop the transaction which does give them a competitive advantage in the tender process.

Proposed Reorientation Plan:

Given that the Western Landfill transaction is a major Government priority³⁸, the project team will work closely with the Ministry of Local Government, as decided by the Cabinet of Ministers, to progress this transaction in line with Government tender procedures.

However, upon further review and a comparative analysis of past infrastructure projects in Fiji, including the construction of the Naboro Landfill in Suva, it has become clear that such an ambitious project requires more time than the ICRBE Programme's duration allows. The timeline for developing a new sanitary landfill in a jurisdiction as challenging as Fiji is significantly longer than the current lifespan of the ICRBE Programme, even with a potential no-cost extension until March 2026.

³⁸ The Western Landfill transaction is of national significance to the Government of Fiji and is included in national plans and policies such as the National Waste Management Strategy 2011-2014 under Section 13.4, the 2017 Green Growth Framework for Fiji (GGFF) under Thematic Area 2, and under Section 7.4 of the Fiji National Development Plan 2025 - 2029 and Vision 2050. Moreover, a Cabinet Decision has also been issued in this regard.

The development of a landfill involves complex regulatory, technical, and environmental considerations that demand extensive planning, stakeholder engagement, land acquisition, financing arrangements, and long-term infrastructure development. The experience with the Naboro Landfill, which took several years to bring online, highlights the lengthy process involved. Given this, it is unlikely that the ICRBE Programme will be able to complete a full landfill transaction by the time the programme concludes.

To ensure the ICRBE Programme's objectives are still met, it is recommended that the focus of this particular transaction be reoriented and smartly downsized. Instead of aiming for the development of a new landfill, the ICRBE Programme can catalyse the foundational work required for the long-term development of the Western Division landfill by focusing on critical preparatory actions. This entails rehabilitating at least one major dumpsite and transforming it into a Material Recycling Facility (MRF), which can demonstrate the public-private partnership (PPP) model needed to scale up the solution for the broader Western Landfill transaction and eventual replication on Vanua Levu.

The reoriented transaction would focus on three major areas that would lay the groundwork for a future sanitary landfill in the Western Division. These are as follows:

Feasibility Study for Remediation Approaches and Waste Management Authority

This includes a comprehensive study to identify possible remedial measures for existing dumpsites, as well as an evaluation of the feasibility of establishing a Waste Management Authority in Fiji. The feasibility study will provide critical information to guide future decisions and help structure not only the dumpsite rehabilitation plan but the entire Western Landfill transaction as well.

Amount: US \$150,000

Grant Financing for Dumpsite Rehabilitation (PPP Partner)

A significant portion of the funding would be allocated to the rehabilitation of the existing dumpsite, provided as grant financing to the private-sector PPP partner. This funding would be placed in and drawn from the Environmental Trust Fund to ensure it is used appropriately and in alignment with environmental goals.

Amount: US \$2 million

Debt Financing/Credit Guarantee for PPP Partner's Equipment Purchase

To ensure that the rehabilitated dumpsite and MRF can be effectively operated, this component of the funding would be used to provide debt financing or a credit guarantee to the private-sector PPP partner to be implemented directly through UNCDF. This financing would enable the partner to purchase the necessary machinery and equipment for the facility's operations similar to the support given to Beqa Adventure Divers under Outcome 1.

Amount: US \$1.5 million

By reorienting the transaction in this way, the ICRBE Programme can still achieve meaningful progress towards waste management and environmental sustainability goals, while also positioning the Western Division for a future sanitary landfill development. This approach ensures that the available funding is used effectively and that the Programme leaves a lasting impact, even within its limited timeframe.

In addition, an independent transaction advisor will be engaged to oversee and provide guidance in relation to the development of the overall/broader Western Landfill Project. The ICRBE Programme team has been able to solicit the assistance of ADB to undertake the role of an independent transaction advisor for the Government of Fiji given their extensive expertise in developing PPP projects both in Fiji and

globally (an [agreement](#) between the Government of Fiji and the ADB is scheduled to be signed by end of January 2025). ADB is generally tasked to:

- i) develop a PPP methodology for the Western landfill project that is in line with the Fiji laws, regulations, and policies.
- ii) develop the PPP tender documents and conduct the tender process for the Government of Fiji.
- iii) provide contracting support to the Government of Fiji; and
- iv) if needed, support the Government of Fiji to oversee construction and commission of the new Western Landfill.

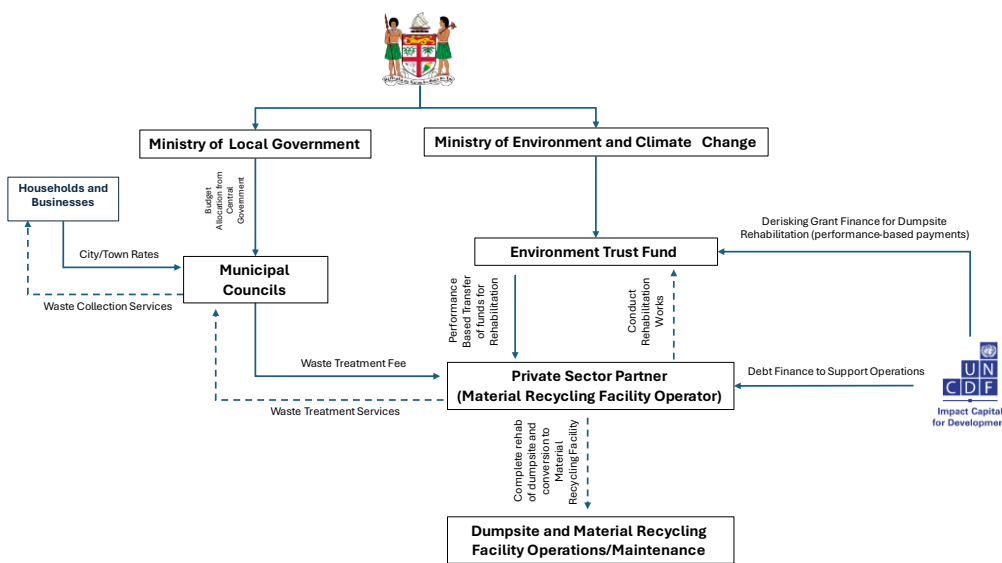
Through the ICRBE Project, UNDP, UNCDF and UNEP will provide technical support to tendering process ensuring sustainability and alignment with Joint SDG Fund and GFCR investment principles/global indicators are maintained, support collaboration within an intergovernmental taskforce (to be established by the Ministry of Local Government, as per Cabinet of Ministers directive, to ensure all government agencies are working in unison to achieve the Western Land transaction) and that the smaller dumpsite rehab PPP is incorporated into the broader Western Landfill transaction.

This approach helps enhance the credibility of the Western Landfill transaction showcasing multi-stakeholder partnership between development partners, allows ADB to eventually place investments/financing into the PPP transaction as it deems appropriate, derisks the pressure placed on PUNOs to structure a PPP transaction that may be beyond the technical expertise of the ICRBE project team, and encourages bilateral development agencies such as the Australian Infrastructure Financing Facility for the Pacific and the US Development Finance Cooperation to engage in the PPP transaction if it is structured well.

Schematics to Deploy Blended Finance Instrument:

A total of US \$3.5M is available for deployment as blended finance to support the landfill project. The proposed schematics for funding the rehabilitation of a dumpsite under a PPP model is shown in Figure G-4.

Figure G-4: Western Landfill Blended Finance Deployment



Additionality – How Can This Be Scaled?

The Western Landfill transaction is expected to inform the Waste Management System Enhancements component of the newly approved World Bank [Fiji Tourism Development Program in Vanua Levu](#) that aims to support Fiji’s efforts to develop the tourism potential of Vanua Levu, the country’s second largest island, is expected to benefit at least 60,000 Fijians through the creation of new jobs, and tourism infrastructure investment. Amongst various infrastructure improvement, this US \$200 million project seeks to modernise waster management solutions in the Northern Division of Fiji which is in close proximity to major coral reef and marine biodiversity hotspots – including the Great Sea Reef. Specific interventions in this regard include:

- Develop new landfill/solid waste management system for Vanua Levu (component 2b.).
- Rehabilitation of Savusavu dumpsite (capping, reveg, runoff mgmt.) (component 2b.); and
- Small-scale pilot of sewerage treatment facility Savusavu town centre (component 2b.)

Following various discussions with all key stakeholders facilitated by the Ministry of Local Government, the abovementioned World Bank project will await the commencement of the Western Landfill transaction to ascertain how workable solutions can be replicated in Vanua Levu (Fiji’s second largest island). Discussions are underway to discuss solutions that may entail waste collection and recycling facilities in the northern division and an interisland waste transfer solution that would link non-recyclable waste to the Western Landfill. Further details on the World Bank project can be found [here](#) along with its [Environment and Social Management Framework](#).

Financial Leveraging:

With a US \$3.5 million investment by the ICRBE Project managed by UNCDF, a total of US \$7 million is expected to be leveraged through the following resulting in a 1 is to 2 leverage ratios:

- Private sector partner equity of at least US \$1 million.
- Derisking finance in collaboration with SPC US \$3 million.
- Potential grant financing from Environment Trust Fund of Government of Fiji US \$1 million; and
- Fiji Government equity contribution in the form of land and municipal waste transportation solution of at least US \$2 million.

Timelines:

The rehabilitation of one of the four dumpsites and conversion to a MSF is expected to have the following timelines:

Activity	Timeline
Advertise and recruit a firm to do Feasibility Study, Design and Construction supervision for the rehabilitation of a dumpsite and conversion to MRF using a PPP model.	31 January 2025
Finalise contracting of the Firm	28 February 2025
Firm completes is feasibility and design deliverables	15 May 2025
Stakeholder engagement and agreement in line with way forward suggested in the Feasibility Study	29 May 2025

Activity	Timeline
Tender design completed for preferred type of solution	15 June 2025
Tender advertised	25 June – 15 August 2025
Tender evaluation and award – this include financing agreement for debt/loan finalised with UNCDF	1 September 2025
Commence rehabilitation and MRF conversion	2 May 2025
Construction completed and commissioning done	1 March 2026
Monitoring and reporting on loan disbursements, ecological targets and leveraging targets – every quarter from the point of disbursement. To be led by Government of Fiji with technical support from UNDP and UNEP for 12 months period	1 December 2025/1 March 2026/1 June 2026
Fund raising and capitalization for scaling up the PPP Model for Western Landfill Transaction	August – March 2026
Project operational closure and final reporting	March 2026

3. The Fertile Factory Company

TFFC³⁹ transaction aims to produce organic fertilizer locally by diverting carbon-generating organic waste destined for landfills. Given Fiji's heavy reliance on imported synthetic fertiliser (FJD22M), the project intends to use organic fertilizer to displace imported synthetics which in turn will improve soil quality; reduce run-off that harms adjacent coral ecosystems and reduces costs to farmers and Government (subsidizes for sugar cane farmers).

Issue:

Despite the loan agreement being executed in January 2023, the loan drawdown was not processed as the conditions were not met (Environment Impact Assessment).

In January 2024, once TFFC had fulfilled all conditions precedent, they requested for the loan drawdown. Due to the substantial time lapse between the loan approval and the request for loan drawdown, a loan amendment was required to realign the repayment schedule with the business's financial projections.

However, due to the change in leadership at UNCDF, an amendment was only approved in March (three months after TFFC issued the drawdown notice). Although UNCDF's new Executive Secretary signed the amendment, because of the unavoidable delay, TFFC was hesitant to sign it as further financial analysis was deemed necessary.

Given the withdrawal of MPL from the JP, this transaction will not progress to ensure that no issues arise regarding intellectual property claims by MPL. A total of USD230,000 was provided in grants to develop this transaction. A total of USD0.75M is available for deployment as blended finance to support an organic fertiliser business.

³⁹ Please note that TFFC also refers to MPL as MPL has a 25% stake in TFFC.

4. Technical Assistance Facility

The purpose of this output was to use the technical assistance facility to develop pipeline of investible projects which have positive impact on marine biodiversity and the coral reefs.

Through the Technical Assistance Facility (TAF), Matanataki developed a pipeline of investment ready reef-positive sustainable businesses with an emphasis on employing local community members, especially women and youth. UNCDF provided a total grant of USD321,400 to Matanataki over the period between 16-Aug-2021 to 30 Sep-2023 to develop the following pipeline of projects: Sealink, Mango Fish, Siga Damu, Yavahuna Pte Ltd and Sunshine. **Annex 2** provides a brief update on this pipeline of projects.

Issue:

Initially, UNCDF was to deploy the blended finance instruments to the projects incubated by Matanataki based on a preassessment and due diligence. However, in 2023, UNCDF went through an audit which questioned the sourcing and selection of these projects. In addition, with the withdrawal of MPL from the JP, the access to this pipeline of projects. A total of USD1.01M is available under the activity to support TAF projects.

Proposed Reorientation Plan:

Given the limited time available to implement the ICRBE Project even with a no cost extension till March 2026, it is recommended that the TFFC and TAF transactions be removed. This will allow the Programme to focus on 'big ticket' transactions with high scale-up potential thereby using the remaining Programme funds efficiently. In this regard, it is suggested that the total of US \$1.76 million be either:

- Option 1: allocated to the Output 1 to help scale up the Blue Lending Facility; or
- Option 2: returned to the donors.

5. Next Steps and Overall Timelines

Action	Sub-Action	Responsibility	Deadline	Status
Correspondence to Matanataki	UNCDF to respond to Jodi Smith (CEO Matanataki) acknowledging Matanataki's withdrawal from the ICRBE project. *Confirm legal status of the Letter of Exchange and adapt UNDP Fiji RR's response accordingly.	UNCDF	October – November 2024	Completed
Close out contractual obligations with Matanataki	Confirm that there are no pending contractual obligations with Matanataki.	UNCDF	October – November 2024	Completed
Formal communication from UNDP Fiji CO to Donors (GFCR and UNJSDG Fund)	High level communication from UNDP Fiji CO to Donors (Joint SDG Fund and GFCR) to present Reorientation Plan and way forward.	UNDP Fiji MCO	20 December 2024	Pending

Action	Sub-Action	Responsibility	Deadline	Status
UNDP & UNCDF Technical Team Meeting with Donor Representatives.	Technical discussion between ICRBE Project and Donor Representatives on the Reorientation Plan. Finalise technical amendments before donors commence with their formal approval processes. *Expected programme closure in March 2025 - seeking no cost extension until March 2026.	UNDP-UNCDF technical teams	10 January 2025	Pending
Project Amendment Reviewed by the JSDGF Board and the GFCR Executive Board	Review of the amended Project adjustment request by the JSDGF and GFCR Board.	JSDF Global Team and the GFCR Project Team	January to February 2025	Pending
JSDGF Board and the GFCR Executive Board Final Decision shared with Fiji CO	Communicate donor Board decision to UNDP Fiji CO via Official Decision Memo.	JSDF Global Team and the GFCR Project Team	January to February 2025	Pending
Fiji Project Board meeting	Based on the outcomes of the decision of the donors, presentation of the current Project issues and implications, and endorsement of way forward. *Approval and signature of a Note to File documenting the current status, amendments, decision-making process, compliance with the UNDP rules and procedures, next steps.	UNDP Fiji MCO	12 March 2025	Pending

APPENDIX H – RESPONSES TO COMMENTS RECEIVED ON DRAFT MTR REPORT

Annexed as a separate file.



APPENDIX I – EVALUATION CONSULTANT AGREEMENT FORM

Evaluator 1:

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded.
2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.
3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and respect people’s right not to engage. Evaluators must respect people’s right to provide information in confidence and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals and must balance an evaluation of management functions with this general principle.
4. Sometimes uncover evidence of wrongdoing while conducting evaluations. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.
5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact during the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders’ dignity and self-worth.
6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study imitations, findings, and recommendations.
7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.
8. Must ensure that independence of judgement is maintained, and that evaluation findings and recommendations are independently presented.
9. Must confirm that they have not been involved in designing, executing, or advising on the project being evaluated.

Evaluation Consultant Agreement Form²⁸

Agreement to abide by the Code of Conduct for Evaluation in the UN System

Name of Consultant: Roland Wong

Name of Consultancy Organization (where relevant): _____

I confirm that I have received and understood and will abide by the United Nations Code of Conduct for Evaluation.

Signed at Surrey, BC, Canada on 31 December 2024



²⁸ www.unevaluation.org/unegcodeofconduct