ANNUAL PROGRESS REPORT

# Investing in Coral Reefs and the Blue Economy

FIJI | 2025


*A blended-finance pathway for reef protection, resilient livelihoods and reduced land-based pollution.*

**REPORTING PERIOD • JANUARY–DECEMBER 2025**

# 00 REPORT AT A GLANCE

*Strategic performance, results architecture and the 2026 delivery focus*

## A year of institutional consolidation

The programme moved decisively from broad pipeline identification to institutional consolidation, embedding reef-positive finance within Fiji's national development banking architecture while strengthening community governance through 'Yaubula' Committees.

| 10 | $3.206M | 200+ | $1.15M |
|---|---|---|---|
| PRIORITY LMMAs | MOBILISED PIPELINE | PEOPLE TRAINED | GOF CO-FINANCING |

### Report structure

01 **Executive Summary —** Strategic performance snapshot
02 **Programme Milestones & Ecological Impact —** Readiness, finance and drivers of change
03 **Beneficiary Experience & Gender Equity —** Agency, inclusion and safeguards
04 **Financial Architecture & Resource Mobilisation —** Capital mobilisation and de-risking
05 **Risk Management & Adaptive Governance —** Challenges, mitigations and lessons
06 **Sustainability, 2026 Objectives & Next Steps —** Transition and institutional legacy
07 **Governance —** Board decisions and management follow-through

> **2026 DELIVERY IMPERATIVE**
> Convert strong readiness and institutional foundations into active capital deployment, verified ecological and livelihood results, and a durable transition beyond programme closure in August 2026.

# 01 EXECUTIVE SUMMARY

*Strategic performance snapshot*

## From design to national financial architecture

The 2025 reporting period marks a definitive inflection point for the Investment in Coral Reefs and the Blue Economy (ICRBE) programme, signalling a strategic transition from broad pipeline identification to deep institutional consolidation.

The programme has moved beyond the design of a blended-finance framework to the operationalisation of coordinated financing, governance and environmental management mechanisms. This is being delivered through the Fiji Development Bank's Blue Lending Facility, community governance structures led by local Yaubula Committees, and the Western Landfill initiative, which targets land-based pollution affecting coastal and marine ecosystems.

The programme has also secured a major implementation milestone through Board endorsement of the Phase 1 remediation schedule for the Sigatoka and Rakiraki dumpsites. This covers the completion of the Ministry of Local Government HACT assessment, execution of the Letter of Agreement, release of funds, finalization and advertisement of tender documentation, and contract award. Government of Fiji co-financing of **USD 1.15 million** further strengthens national ownership and supports action to reduce land-based pollution across three priority districts

### Significant achievements during the reporting period

- **Identification and readiness of 10 priority LMMA sites.** The programme completed Value Chain and Investment Readiness Reports for ten high-potential sites, transitioning them towards bankable status.
- **Operationalisation of the FDB Blue Lending Facility.** FDB's formal adoption of the Blue Lending Strategy and Framework embeds reef-positive finance within Fiji's permanent national financial architecture.
- **Government co-financing secured.** USD 1.15 million was secured for the Western Landfill initiative to support priority remediation works aimed at reducing land-based pollution across three targeted districts.
- **USD 3.2 million co-financing milestone.** Catalytic capital includes an USD 800,000 grant from the Bezos Earth Fund and USD 1.15 million from the Government of Fiji, signalling high-level philanthropic and sovereign alignment.

These milestones represent a fundamental shift away from traditional grant dependency. By constructing a blended-finance architecture, the programme is de-risking domestic capital and creating a more self-sustaining investment cycle in which conservation performance is linked to financial access. The foundations established in 2025 provide the required stability for the capital deployment phase scheduled for 2026.

*Community-based restoration and stewardship remain central to the programme's long-term sustainability model.*

# 02 PROGRAMME MILESTONES & ECOLOGICAL IMPACT

*Readiness, finance and the drivers of reef-positive change*

## Readiness as the safeguard for responsible capital deployment

Within blue finance, investment readiness is a critical risk-management measure that helps ensure capital is directed toward viable initiatives with strong governance, credible implementation capacity and measurable environmental outcomes.

### 2025 key milestones and completion status

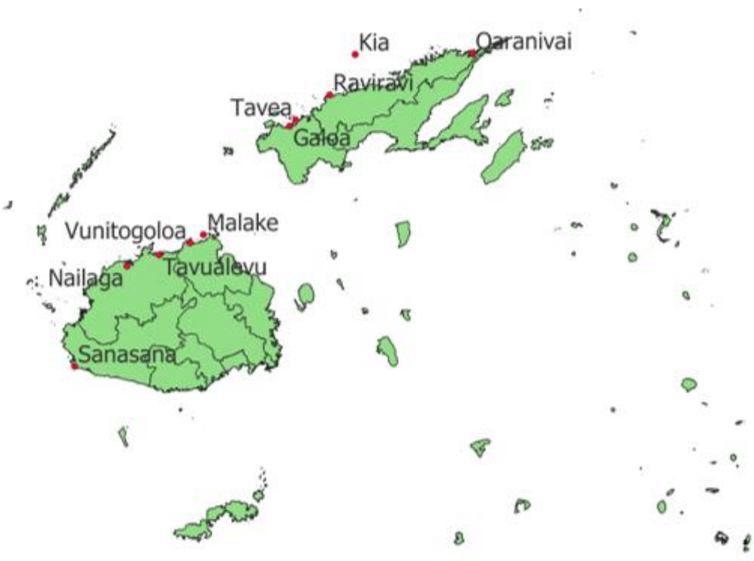
ACHIEVED **LMMA screening and selection:** Ten priority sites, including Tavea, Galoa, Nailaga, Sanasana and Qaranivai, were selected to support high-impact deployment.

ACHIEVED **Blue Lending Facility structuring:** The facility institutionalised blue finance within FDB and established a permanent domestic lending channel for reef-positive activity.

ACHIEVED **Credit guarantee and insurance preparation:** A USD 924,489 mechanism, including parametric reef insurance, was structured to de-risk commercial lending.

SECURED **Western Landfill co-financing:** USD 1.15 million from the Government of Fiji was secured to address land-based pollution across three priority districts.

DECISION REQUIRED **National Blue Town Framework:** The framework remains delayed because of an estimated USD 80,000 funding gap and requires a strategic decision on resource allocation.




10 LMMA sites that were assessed by c3

### Ecological progress and drivers of change

The programme's footprint encompasses some of the Pacific's most critical marine ecosystems. Strategic financing supports the conservation of the Shark Reef Marine Reserve and the associated Beqa Adventure Divers footprint, covering 1,820 hectares of marine protected areas and 460 hectares of mangroves. The programme also targets the Great Sea Reef (Cakaulevu), covering approximately 330,000 hectares.

During 2025, the programme addressed local drivers of reef degradation through the following targeted interventions:

- **Overfishing and weak compliance.** Community-led governance was strengthened through Yaubula Committees, while monitoring capacity was expanded in communities such as Sanasana and Qaranivai.
- **Weak monitoring systems.** Standardised observation protocols aligned with MERMAID were introduced across the ten priority LMMAs.
- **Pressure from unsustainable livelihoods.** Communities were supported to move from extractive practices towards biodiversity-positive pathways through training by C3.

**RESULT PATHWAY**
The programme is moving beyond simple protection towards finance-linked stewardship, where ecological performance, community governance and sustainable enterprise development reinforce one another.

# 03 BENEFICIARY EXPERIENCE & GENDER EQUITY

*From symbolic inclusion to technical agency*

## Inclusive stewardship as a condition for lasting conservation

The longevity of Marine Protected Areas is contingent upon local ownership and inclusive governance. In 2025, the programme moved beyond symbolic inclusion towards technical agency, ensuring that women and young people participate as active contributors to reef monitoring, decision-making and enterprise development.

### The three pillars of GESI outcomes

**1. Technical confidence**
More than 200 beneficiaries were trained in biodiversity monitoring, with women representing approximately 40–55 per cent of participants in sites such as Tavea and Galoa. This increased women's visibility and technical credibility in community decision-making forums.

**2. Inclusive governance**
Yaubula Committees began formally nominating women and young people to monitoring teams, creating practical entry points into governance roles that have traditionally been less accessible.

**3. Structural safeguards**
The Blue Lending Facility incorporated provisions that respond to barriers such as limited formal business registration and lack of traditional collateral—constraints that disproportionately exclude women-led enterprises from the blue economy.

Youth participation in biodiversity monitoring also provides a strategic mechanism for intergenerational knowledge transfer. By equipping younger community members with modern monitoring protocols, the programme helps ensure that long-term stewardship remains locally held and technically credible.


*Community training and locally led planning strengthen women's and youth agency in reef governance and livelihood decisions.*

# 04 FINANCIAL ARCHITECTURE & RESOURCE MOBILISATION

*Capital mobilisation, risk reduction and domestic leverage*

## De-risking capital for reef-positive enterprise

ICRBE uses de-risking mechanisms to mobilise domestic capital into the emerging reef-positive small and medium enterprise sector. By absorbing first-loss and climate-related risks, the programme lowers barriers for traditional financial institutions and makes marine conservation-linked investments more viable.

### Mobilised co-financing and lending pipeline — 2025

| SOURCE / INSTRUMENT | AMOUNT (USD) | CAPITAL TYPE |
|---|---|---|
| **FDB Blue Lending Pipeline** | $1,106,413 | Domestic lending pipeline |
| **Government of Fiji** | $1,150,000 | Public capital — landfill reform |
| **Bezos Earth Fund** | $800,000 | Philanthropic grant |
| **UNCDF PICAP** | $150,000 | Parametric insurance and guarantee |
| **TOTAL** | **$3,206,413** | **Combined mobilisation** |

The USD 924,489 credit guarantee is a catalytic instrument comprising USD 774,489 for loan de-risking and USD 150,000 for parametric reef insurance through UNCDF PICAP. The insurance component reduces exposure to climate-related financial shocks, while the guarantee is structured to unlock approximately USD 1.32 million in domestic lending.

The 2026 financial outlook is defined by capital activation through the Blue Lending Facility and by implementation of the Western Sanitary Landfill reform, which addresses land-based pollution that directly affects the value and resilience of Fiji's marine assets.

> **LEVERAGE PRINCIPLE**
> Public and philanthropic capital are being used strategically to lower risk, strengthen bankability and crowd domestic finance into investments that generate both conservation and livelihood returns.

# 05 RISK MANAGEMENT & ADAPTIVE GOVERNANCE

*Challenges, mitigations and lessons from implementation*

## Adaptive management in a first-of-its-kind facility

Building a blue-finance facility in a developing market requires frequent adaptation, disciplined prioritisation and strong coordination. The Project Management Unit proactively narrowed the programme's focus to protect the quality of the investment pipeline and improve the probability of successful delivery.

### Top implementation challenges and adaptations

**Investment-readiness gaps.** Many LMMAs lacked the documentation, governance systems and business information required for formal bankability.

- **Adaptive response.** The programme narrowed its focus from 30 LMMAs to ten higher-readiness sites, prioritising deep technical support over superficial breadth.

**Institutional coordination complexity.** Aligning C3, FDB, Blue Prosperity Fiji and government stakeholders required sustained negotiation and role clarification.

- **Adaptive response.** Delivery and coordination were increasingly localised to reduce external dependency and strengthen domestic ownership.

**Funding constraints.** National budget shifts affected the feasibility of selected policy workstreams.

- **Adaptive response.** Resources were consolidated around the Western Sanitary Landfill and the core blended-finance architecture.

### Emerging risks and mitigation

**1. Financing deployment risk**
Slower loan uptake could affect leverage targets. Mitigation focuses on phased lending, stronger enterprise preparation and enhanced financial literacy.

**2. Reporting and data risk**
There is a risk of over-attribution before ecological baselines are finalised. Reporting will distinguish clearly between readiness outputs and independently verified ecological outcomes.

**3. Institutional capacity risk**
Governance capacity varies across LMMAs. Mitigation includes formalising standard operating procedures and providing continuous mentoring.

CORE LESSON
Financial capital cannot be deployed responsibly without robust ecological baselines, transparent local management and reliable monitoring systems.

# 06 SUSTAINABILITY, 2026 OBJECTIVES & NEXT STEPS

*Institutionalising the programme's financing, governance and monitoring legacy*

## A focused transition from programme delivery to durable systems

The programme's sustainability strategy for 2026 focuses on institutionalising the financing, governance and monitoring mechanisms established under ICRBE before programme closure in August 2026.

### Priority 1 — Activate reef-positive lending

A central priority is the full operationalisation of the Fiji Development Bank Blue Lending Facility, supported by the ICRBE-funded credit guarantee. The programme will work with FDB and Community Centered Conservation to complete assessment of the reef-positive business pipeline and enable at least three eligible enterprises to access concessional financing by June 2026. Baseline assessments, biodiversity monitoring, investment-readiness support and gender-disaggregated data collection across the ten selected LMMAs will also be completed to strengthen accountability and demonstrate measurable reef, livelihood and social outcomes.

### Priority 2 — Move dumpsite remediation into implementation

For the Western Division Dumpsite Remediation Project, the immediate objective is to transition from feasibility and design to implementation. This includes completing the HACT assessment and Letter of Agreement with the Ministry of Local Government, releasing the first financing tranche, finalising tender documentation, and awarding the Phase 1 remediation contract for the Sigatoka and Rakiraki dumpsites. Government co-financing of USD 1.15 million, alongside USD 1 million from ICRBE, provides a strong foundation for national ownership and continuation beyond the Joint Programme.

### Priority 3 — Embed the institutional legacy

Additional sustainability measures will include embedding ecological and socioeconomic indicators within partner monitoring systems, strengthening LMMA governance and national registration arrangements, implementing the programme's GESI Action Plan, and documenting lessons from the BAD, Blue Lending Facility and dumpsite transactions. A structured transition and handover plan will clarify post-project responsibilities among FDB, relevant ministries, communities, financing partners and technical institutions.

### 2026 delivery runway

A clear pathway to complete delivery and secure lasting impact beyond programme closure.

| | 2026 DELIVERY RUNWAY |
|---|---|
| 1 | 1. BY JUNE 2026<br>At least three reef-positive enterprises access concessional financing through FDB. |
| 2 | 2. 2026 SANITARY LANDFILL DELIVERY<br>Complete the HACT assessment and Letter of Agreement, release funding, finalize and advertise tender documents, award the Sigatoka and Rakiraki remediation contract, and commence priority works supported by USD 1.15 million in Government of Fiji co-financing. |
| 3 | 3. BEFORE AUGUST 2026<br>Priority monitoring, GESI, governance and transition deliverables are completed. |
| 4 | 4. AT PROGRAMME CLOSURE<br>A structured handover that clarifies post-project responsibilities across FDB, government ministries, communities, financing partners and technical institutions. |

# 07 GOVERNANCE

*Board decisions and management follow-through*

## Board direction for accelerated delivery

At its March 2026 meeting, the ICRBE Project Board approved the following directions to accelerate delivery through the remaining implementation period:

**1. Blue Lending Facility operationalisation**
The Board noted progress following programme restructuring and endorsed the target of financing at least three reef-positive businesses by June 2026, together with continued investment-readiness, baseline assessment and monitoring support for the ten shortlisted LMMAs and associated enterprises.

**2. Phase 1 dumpsite-remediation schedule**
The Board endorsed completion of the Ministry of Local Government HACT assessment, execution of the Letter of Agreement, release of programme funds, finalisation and advertisement of tender documentation, and contract award for Sigatoka and Rakiraki.

**3. Sequencing of programme financing**
The Board confirmed the prioritisation of available Joint SDG Fund resources for the initial financing tranche, followed by GFCR resources for subsequent payments, in line with the respective funding deadlines.

**4. Resource reallocation and phased delivery**
The Board noted and endorsed the reallocation of GFCR resources and the phased implementation approach adopted following the Mid-Term Review, prioritising achievable, high-impact transactions over the programme's earlier broader scope.

**5. Sustainability, GESI and oversight measures**
The Board endorsed development and implementation of a formal sustainability and transition plan, the programme-level GESI Action Plan, and strengthened monthly oversight of procurement, expenditure, risk management and results delivery.

**MANAGEMENT ACCOUNTABILITY**
Implementing partners should provide timely exception reports on delays that could affect financing, procurement, contracting or completion of priority activities before programme closure.

### Conclusion

Overall, the ICRBE Joint Programme has regained strong implementation momentum and made substantial progress in advancing sustainable financing for coral reef protection, reef-positive enterprises and improved waste management in Fiji.

Key achievements include operationalising the Blue Lending Facility, strengthening the investment readiness of priority LMMAs and businesses, and securing significant Government co-financing for dumpsite remediation.

During the remaining implementation period, focused attention will be required to accelerate lending, complete ecological and socioeconomic monitoring, finalise procurement processes and commence priority remediation works.

Continued government ownership, effective partner coordination and timely Board oversight will be critical to sustaining the programme's results beyond its closure in August 2026.

# A DURABLE BLUE-ECONOMY LEGACY

**Finance • conservation • community stewardship**


*The Beqa Adventure Divers Dive, Research and Conservation Compound demonstrates an integrated model of tourism, research, conservation and community benefit.*

**CLOSING PERSPECTIVE**

ICRBE has established the institutional, financial and community foundations needed to connect reef protection with viable enterprise and resilient livelihoods. The final delivery phase must now convert those foundations into active financing, verified outcomes and sustained national ownership.

**END OF REPORT**