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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 16-Sep-2026 | Report No: PIDIA01481

BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Fiji	EAST ASIA AND PACIFIC	P508806	Fiji: Promoting Scalable Rural Prosperity and Economic Resilience (PROSPER)
Financing Instrument	**Estimated Appraisal Date**	**Estimated Approval Date**	**Practice Area (Lead)**
Investment Project Financing (IPF)	04-Sep-2026	18-Nov-2026	Environment, Natural Resources & the Blue Economy
Borrower(s)	**Implementing Agency**		
Republic of Fiji, Pacific Island Farmers Organization Network (PIFON)	Ministry of Rural and Maritime Development and Disaster Management, Ministry of Environment and Climate Change		

Proposed Development Objective(s)

To increase income opportunities for rural communities in selected value chains and enhance climate resilience in targeted areas.

Components

Rural Economic Prosperity
Integrated Landscape Management
Strengthened Government Capacity
Project Management
Dedicated Grant Mechanism
Contingent Emergency Response Component

PROJECT FINANCING DATA (US$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?	Yes
Is this project Private Capital Enabling (PCE)?	No

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SUMMARY

Total Operation Cost	**44.80**
Total Financing	**44.80**
of which IBRD/IDA	**7.00**
Financing Gap	**0.00**

DETAILS

World Bank Group Financing

International Development Association (IDA)	7.00
IDA Credit	7.00

Non-World Bank Group Financing

Trust Funds	36.75
Climate Investment Funds	30.75
Global P'ship for Sust. and Resilient Landscapes - PROGREEN	2.25
PROBLUE MDTF	3.75
Commercial Financing	1.05
Unguaranteed Commercial Financing	1.05

Environmental And Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

Fiji is a democratic island nation located in the center of the Southwest Pacific Ocean with rich terrestrial and marine resources but remains vulnerable to external factors and faces persistent inequality, particularly in rural areas. It is the region's second largest and most industrially diversified economy of the Pacific Island Countries (PICs), serving as a regional hub for transport, trade and financial services across the PICs. The country achieved upper-middle-income status in 2014 and recorded a gross domestic product (GDP) of US$5.6 billion in 2024, with GDP per capita of approximately US$5,996.

Despite Fiji's upper-middle-income status and recent progress in reducing poverty, significant rural disparities persist, with the livelihoods and welfare of a large share of the population remaining closely tied to the productivity of the country's natural resource base. Poverty remains a structural challenge with approximately 29.9 percent of the population living below the national cost-of-basic needs poverty line, though rates are diminishing. The bottom 40 percent of the rural population derives approximately 40 percent of its income from subsistence or commercial agriculture, which are the main source of work for more than 83 percent of the rural population, underlining the extent to which rural welfare is directly tied to the productive capacity of the natural landscape.

The national development trajectory is increasingly shaped by its high exposure to climate change and natural hazards, which threaten livelihoods, economic growth, and the sustainability of key productive sectors. Rising temperatures, sea-level rise, changing rainfall patterns, and more intense extreme weather events are already contributing to coastal erosion, flooding, prolonged dry spells, agricultural losses, infrastructure damage, and service disruptions. Climate change also poses growing risks to agriculture, with a 1°C increase in temperature projected to reduce yields of key crops, including taro and cassava, by up to 19 percent, threatening both food security and rural livelihoods. Without strengthened adaptation and resilience measures, these impacts are expected to intensify, reducing annual GDP by an estimated 3.1 to 4.5 percent by 2050 under a moderate scenario and by 5.5 to 7.2 percent under a pessimistic scenario, undermining Fiji's long-term development aspirations.

Compounding these structural vulnerabilities, Fiji is experiencing acute demographic and labor market pressures constraining investment. Annual resident departures averaged approximately 1.5 percent of the population during the period 2020 – 2023. Persistent out-migration and skilled labor shortages alongside natural disasters and global commodity price shocks are primary risks to the medium-term growth outlook. Gender inequality is persistent, as indicated by reduced opportunities for women in work, community-level, and political decision-making forums, and increased risks of Gender-Based Violence (GBV), and women remain particularly vulnerable in rural areas.

Sectoral and Institutional Context

Fiji’s economy rests on three mutually reinforcing sectors – tourism, agriculture, and fisheries – all of which depend critically on the integrity of the country’s natural resources. Tourism contributed 35 percent of GDP and 21.8 percent of national employment in 2023, while the combination of agriculture, aquaculture, fisheries, and forestry accounts for 32 and 23 percent of GDP and formal jobs, respectively. The sustainability of these economic sectors depends on the health of the 9,000 km^2 of primary forests, 488.1km^2 of mangrove forest, 1,745.6km^2 of seagrass meadows, and 6,741.7km^2 of coral reef area, which provide services that sustain agricultural, fisheries and the coastal environment that supports tourism. While these dynamics are well recognized, previous attempts at integrated natural resource management, using a landscape approach, have struggled primarily because they omitted the economic development dimension that sustains governance arrangements.

Rural economic sectors present an opportunity for economic development, food security and climate resilience. Agriculture remains a critical source of income, employment, and food security in rural Fiji, with significant potential to capture a larger share of growing domestic demand, and the opportunity to replace a growing food demand currently met through imports. Coastal, inshore and freshwater fisheries support local livelihoods and food security while aquaculture is rising as a new economic opportunity for rural communities. Constraints across value chains include limited producer organizations are available to aggregate smallholders products to access commercial markets; inadequate cold chain and post-harvest infrastructure that prevents consistent quality supply; limited access to phytosanitary certifications required by export and premium domestic markets that expect fresh produce to meet health and safety standards; and insufficient capital for smallholders to meet formal buyer standards. Degradation of Fiji's watersheds is increasingly undermining the productivity and resilience of ecosystems and economic sectors that depend on them.

Achieving sustained rural economic growth and climate resilience across Fiji's agriculture, fisheries, agroforestry and aquaculture ("agribusiness") sectors will require greater mobilization of private capital alongside public investment. Public investment plays a catalytic role in addressing market failures and reducing investment risks by strengthening enabling infrastructure, institutions, information systems and producer capacity. Building on lessons from Fiji's experience with productive alliance approaches, public support can help connect producers and communities with commercial markets while crowding in private investment that would otherwise be unlikely to materialize. Applied consistently across Fiji's key productive sectors, this approach can unlock long-term commercial investment that complements public resources, turning project-level interventions into self-sustaining economic activities delivering inclusive and resilient growth. This approach is particularly important in sectors where sustainable management of natural resources and ecosystem services underpins long-term economic returns, creating opportunities to align rural livelihoods, environmental stewardship, and private sector participation.

The project was designed to contribute to national priorities in alignment with World Bank strategies. Agribusiness development and climate resilience are central to the Government of Fiji's (GoF) long-term vision for inclusive and sustainable growth. The proposed Project contributes to Pillar 2. Financial Ecosystem for Agriculture, Pillar 3. Aggregation Models and Pillar 4. Physical Infrastructure of AgriConnect and is aligned with the priorities established in the World Bank Group (WBG) Small States Strategy, the Country Partnership Framework (CPF) FY21-24 for the Republic of Fiji, addressing critical aspects highlighted by the recent Fiji Country Climate and Development Report (CCDR), and the WBG Jobs Framework. Two priority geographies were identified through a multicriteria spatial assessment that considered climate vulnerability, erosion dynamics, coastal protection needs and economic development potential: the coral coast along Viti Levu and the island of Taveuni.

C. Proposed Development Objective(s)

Development Objective(s)

To increase income opportunities[1] for rural communities in selected value chains and enhance climate resilience in targeted areas.

Key Results

Outcome Area 1: Increased income opportunities for rural communities

- PDO Indicator 1: Number of more and better-paid job equivalents (disaggregated by gender and youth) (Number)
- PDO Indicator 2: Farmers benefiting from activities that improve production, value addition, and market linkages (disaggregated by gender and youth) (Number)

Outcome Area 2: Enhanced climate resilience

- People benefitting from enhanced resilience of terrestrial and aquatic systems (disaggregated by gender and youth) (Number of people)

[1] New or improved employment/ self-employment and income-generating opportunities arising from increased production, value addition and market access

- Terrestrial and aquatic areas under enhanced conservation and management
  - Landscapes under enhanced conservation and/or sustainable management (Hectares)
  - Seascapes Under Enhanced Conservation and/or Sustainable Management (Hectares)

C. Project Description

Component 1. Rural Economic Prosperity

Component 1 will pilot the scaling up of agriculture opportunities by helping primary producers sustainably increase their productivity while also improving their access to higher-value, more stable markets, thereby improving both incomes and environmental outcomes. Engagement with producers will be targeted utilizing a three-tier typology: Tier 1 – Subsistence, Tier 2 – Emerging commercial and Tier 3 – Commercial. The support will be intrinsically linked with Component 2 activities.

Subcomponent 1.1 Strengthening foundations for rural prosperity. This subcomponent will provide technical advice and training support for producers, fishers, productive alliances, and cooperatives to improve productivity, adopt more sustainable practices and increase income through improved market access. The activities to be financed under this subcomponent include: (i) technical assistance (TA) to Ministry of Agriculture, Waterways and Sugar Industry (MoAWSI) to identify barriers and opportunities to agriculture development; (ii) provision of TA and training to agriculture and nature-based solutions tourism operators and the tuna industry on business development and cooperatives; (iii) TA and digital platform to connect agriculture operators with service providers and buyers; (iv) carrying out a research program to identify and evaluate the potential for native species production and sale; and (v) building capacity of training services for selected Training Centers, including through minor refurbishments and procurement of equipment.

Subcomponent 1.2 Agriculture value chain and livelihood development. This subcomponent will support targeted investments to strengthen market linkages between producers and agribusinesses off-takers through investments in value chain linkages and logistics alongside increased access to finance. Activities include (i) implementation of selected investments for agriculture development identified under subcomponent 1.1(i) including, the development of infrastructure to support market access; (ii) acquisition and installation of biodegradable Fish Aggregation Devices (FADs); and (iii) provision of matching grants to beneficiaries under the Matching Grants Program. The activities under subcomponent 1.2 will target youth and women (aiming for 40 percent of beneficiaries to be women).

Subcomponent 1.3. Agriculture public-private partnership. The activity will support the Government to implement a climate -resilient controlled-environment agriculture (CEA) initiative that applies a public-private-producer partnership (4Ps) model to strengthen connections between smallholder producers and commercial markets. By combining public investment in enabling infrastructure and producer capacity with private sector participation in aggregation, marketing, and offtake, the initiative will expand domestic production of high-quality horticultural products for the tourism and retail sectors, reduce dependence on imports, and catalyze longer-term private investment in Fiji's horticulture value chains. This subcomponent will finance (i) Technical Assistance (TA) for upstream preparation of the PPP, including feasibility analysis, PPP structuring, transaction advisory services, contracting arrangements and appraisal against World Bank requirements, including development of the economic model, relevant indicators and environment and social documents. Subject to the findings of the feasibility assessment, the Government may seek separate follow-on financing for implementation of the proposed PPP. Any such financing would be subject to confirmation of financial and technical viability, completion of applicable due diligence, and the relevant approval processes.

Component 2. Integrated Landscape Management

Component 2 will protect and restore the natural resources that underpin Fiji's rural economy in the project's target landscapes. It will do so through integrated management of the inland, water, coastal, and marine resources that sustain agricultural productivity, fisheries, and tourism, building on and scaling up existing government programs and community-based management arrangements. The activities directly support the interventions under Component 1.

***Subcomponent 2.1. Integrated management of coastal and marine areas**.* This subcomponent will support improved management of fisheries and coastal areas and thereby contribute to the protection and restoration of critical mangroves, coral reefs, and seagrass ecosystems. Activities to be financed include (i) TA, training, and goods and equipment for the improved management of *qoliqolis* and Locally Managed Marine Areas (LMMAs); (ii) coastal ecosystem mapping, protection and restoration; and (iii) the design, construction, and supervision of hybrid NbS seawalls for communities.

***Subcomponent 2.2. Integrated watershed management*.** The subcomponent will support targeted watersheds to improve natural resource and ecosystem management, in line with newly established watershed management planning regulations. This component is expected to finance: (i) development and implementation of an integrated watershed management plan for the Sigatoka basin; (ii) TA, training, goods and equipment for supporting upstream primary forests protection; (iii) support for reforestation and forest and watershed restoration activities; (iv) the design, construction, and supervision of NbS wastewater treatment facilities; and (v) the training of community members and support for the design, construction, and supervision, for activities under the High Risk Water and Sanitation (HRWS) Program.

Component 3. Strengthened Government Capacity

Component 3 will strengthen government capacity, inter-ministerial coordination, and the policy and financing frameworks needed to sustain the investments under Components 1 and 2, through targeted TA. It will focus on enhancing coordination across ministries, improving integration of policy frameworks, and establishing sustainable financing mechanisms, implemented through two subcomponents.

Subcomponent 3.1. Policies and enabling conditions. The subcomponent will support and promote strengthened coordination and inform activities under Component 2. The proposed activities include: (i) cross-sectoral TA, including legal dimensions, to inform policies, programs, and management frameworks relevant to NbS; (ii) support for the operations of coastal management, NBS and related committees; (iii) establish a research program for coastal ecosystem and fisheries stock assessments; and (iv) provision of operational support for surveying and conducting a census of LMMAs.

Subcomponent 3.2. Institutional strengthening and capacity building. This subcomponent will contribute to filling in the technical and cross-cutting capacity and coordination gaps, for implementing project activities under components 1 and 2, across participating institutions, with an emphasis on extension officers. It will finance: (i) trainings for government staff; (ii) train-the-trainer capacity building for extension officers; (iii) building monitoring and evaluation capacity and supporting the development of centralized information systems; (iv) vehicles for project support to rural extension service delivery and monitoring and evaluation purposes; and (v) providing specialist on demand technical assistance, including infrastructure audit engineering.

Component 4. Project Management

Component 4 will establish the Project Management Unit (PMU), and finance logistical and operational costs, equipment, and software necessary for Project management and implementation.

Component 5. Dedicated Grant Mechanism

Component 5 will strengthen the capacity, participation and access of IPLCs to benefit from and contribute to PROSPER supported investments. This component will be implemented by the Pacific Island Farmer Organization Network (PIFON) as the non-government National Executing Agency and will provide direct support to IPLCs through capacity building, technical assistance, knowledge exchanges, leadership development, and community-led small grants.

Subcomponent 5.1 Capacity building, communication, and advocacy. This subcomponent will strengthen the organizational and technical capacities of IPLCs and their representative organizations, by supporting: (i) institutional strengthening, communication, and policy engagement to enhance participation in climate resilience and sustainable landscape management decision-making; (ii) leadership development and targeted capacity building for women, youth, and emerging community leaders; and (iii) knowledge generation, knowledge -sharing and peer-learning exchanges among IPLCs and partner organizations.

Subcomponent 5.2. Community-led grants for resilient livelihoods and resource management. This subcomponent will provide direct financing for community-driven initiatives, including support to Tier 1 subsistence smallholders in coordination with Component 1, through two small grant windows: (i) climate-resilient livelihoods and economic development including climate smart agriculture, fisheries, ecotourism, value-added enterprises, with targeted funding for women and youth led initiatives including entrepreneurship and social enterprises; and (ii) inclusive governance and natural resource management, including community planning, ecosystem restoration and management, innovation.

Subcomponent 5.3. DGM management, monitoring, evaluation, and knowledge. This subcomponent will finance DGM implementation and oversight, including operational support on grant administration, fiduciary management, environmental and social risk management, monitoring and evaluation, communications, gender and social inclusion, grievance redress, learning, knowledge management, and dissemination of lessons and good practices.

Component 6. Contingent Emergency Response Component (CERC).

Following an eligible crisis or emergency, the Government may request the Bank to re-allocate IDA Credit Project funds to support emergency response and reconstruction. This component would draw from the uncommitted IDA credit under the Project from other components to cover emergency response.

Legal Operational Policies	**Triggered?**
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The project's overall environmental and social risk classification is Substantial, reflecting the breadth of activities across rural economic development, landscape and watershed management, coastal and marine ecosystem restoration, small-scale infrastructure, matching grants, and the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities. The project is expected to deliver important positive Environmental and Social (E&S) outcomes, including improved climate resilience, strengthened natural resource management, protection and restoration of forests, mangroves and coral reefs, improved water and sanitation services, enhanced livelihood and income opportunities, and stronger community participation in local development. At the same time, the project presents environmental risks related to civil works impacts, waste management, erosion, dust, runoff, agrochemical use, water resource pressure, impacts on sensitive terrestrial, coastal and marine habitats, potential introduction of invasive species, and risks associated with future emergency response activities under the CERC. Social risks include labor and occupational health and safety risks, labor influx and community health and safety impacts, Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) risks, temporary livelihood or access restrictions, exclusion of vulnerable groups, risks related to activities on customary land

and qoliqoli areas, the need for Free, Prior and Informed Consent (FPIC) with iTaukei communities, potential inequitable benefit-sharing, and possible disturbance of cultural heritage.

These risks and impacts will be addressed through implementation of the project's Environmental and Social Management Framework, Stakeholder Engagement Plan, Labor Management Procedures, Environmental and Social Commitment Plan, Code of Environmental and Social Practice, Chance Find Procedure, and site-specific ESMPs prepared before civil works commence. All subprojects and grants will be subject to E&S screening, application of the Exclusion List, documentation of land and resource access arrangements, and clearance by PMU E&S staff before approval. Contractors will be required to implement an approved Contractor-Environmental and Social Management Plan (ESMP), including Occupational Health and Safety (OHS) measures, traffic and waste management controls, Codes of Conduct, SEA/SH prevention measures, and community health and safety requirements. Activities affecting iTaukei customary land, marine resources or culturally significant areas will require culturally appropriate consultation, FPIC where applicable, and grievance access through project and community-level mechanisms. Biodiversity-related activities will use site selection criteria to ensure physical investments avoid unsuitable or sensitive locations, exclusion of activities with high or significant adverse impacts including activities that would cause major biodiversity loss or unacceptable environmental impacts, use of certified locally native species, and apply habitat management and monitoring measures. Implementation will be supported by dedicated E&S staffing in the main PMU and DGM PMU, targeted ESF training for implementing agencies, contractors and community representatives, quarterly E&S reporting to the World Bank, incident notification procedures, and adaptive management through ongoing monitoring, supervision and updates to E&S instruments as needed.

E. Implementation

Institutional and Implementation Arrangements

The Project will be led by the Ministry of Rural and Maritime Development and Disaster Management (MRMDDM). MRMDDM will act as main Implementing Agency (IA) responsible for the coordination and implementation of the Project, and the Ministry of Environment and Climate Change (MoECC) will be the IA for parts of Subcomponent 3.1. The Project will be implemented with support from a Project Management Unit (PMU) based at MRMDDM but with positions distributed across relevant ministries and geographical areas. Project implementation arrangements and processes will be further defined in a Project Operations Manual (POM), which will describe the institutional arrangements for day-to-day project execution including procurement, Environmental and Social (E&S) compliance, financial management and Monitoring and Evaluation (M&E) requirements. The POM will also detail inter-agency coordination, deliverables and timelines for project management and authorizing signatories. A Matching Grants Manual will be developed and implemented prior to commencement of Subcomponent 1.2(iii) activities. A CERC Manual has been prepared for Component 6.

Project governance, oversight and interagency coordination will be led by the MRMDDM with accountability oversight from the Ministry of Finance (MoF) and a Project Steering Committee (PSC) for advisory and coordination support. The PSC will be chaired by the Ministry of Strategic Planning, National Development and Statistics (MoSPNDS) and will be composed of representatives from the IAs and technical partners (TPs) including: the Ministry of Fisheries and Forestry (MoFF), the MoAWSI, the Ministry of iTaukei Affairs (MTA), the Ministry of Commerce and Business Development (MCBD), Fiji Meteorological Services, the Department of Water and Sewerage (DWS), and Water Authority of Fiji (WAF). It will be advised by a Technical Working Group (TWG) composed of focal points from the line Ministries and meet at least quarterly each year to ensure close coordination and policy guidance, including for the long-term vision for transformation of the agribusiness sector and planning.

Component 5 will be implemented through an institutional structure consisting of an IPLCs-led National Steering Committee (DGM NSC) and PIFON as the NEA. The DGM NSC will provide strategic oversight and approve grant priorities and subprojects, while PIFON will be responsible for day-to-day implementation, including grant administration, fiduciary and environmental and social management, monitoring and reporting, knowledge management, and coordination with the implementing agencies. Regular coordination between the DGM NSC, PIFON, government agencies, and the PMU will ensure alignment, complementarity, and integration of lessons from community-led investments into broader Project activities.

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