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AMENDED STANDARD JOINT PROGRAMME DOCUMENT

Project Title: Leaving no one behind in the digital era - Pacific Digital Economy Programme
Project Number: UNCDF Project Number: 00127034 | UNDP 00118975
Implementing Partner: UNCDF and UNDP
Start Date: 01 March 2021 End Date: 31 December 2026
PAC Meeting date: 8 February 2021
Inception phase March 2021 – December 2022 (completed)
Expansion phase Jan 2023 – December 2025
No cost extension January 2026 - December 2026

Brief Description

Briefly describe the overall development challenge and the expected results of the project.

Despite global advances in financial inclusion, Pacific Island Countries (PICs) remain among the most underserved regions, with financial service coverage ranging from just 20% to 60%, far below the global average. Vulnerable groups—including women, rural communities, youth, persons with disabilities, and labor mobility workers—face significant barriers to accessing and using digital and financial services. These challenges are further compounded by low digital literacy, limited digital infrastructure, socio-cultural norms, weak policy frameworks, and geographic isolation.

The digital divide in the Pacific continues to widen as the global economy becomes increasingly digitized. While digital financial services (DFS) and mobile technologies present enormous opportunities for inclusive growth, many Pacific communities are unable to fully participate due to lack of access, skills, and enabling systems. The COVID-19 pandemic has intensified these inequalities, making it urgent to address digital and financial exclusion.

The United Nations Capital Development Fund (UNCDF), in partnership with the United Nations Development Programme (UNDP) and the United Nations Conference on Trade and Development (UNCTAD)[1], and in close collaboration with Pacific Island governments, the private sector, and other development partners, is addressing this challenge through the Pacific Digital Economy Programme (PDEP).

PDEP aims to build inclusive digital economies across the Pacific by strengthening policy and regulatory frameworks, expanding digital financial infrastructure, fostering inclusive innovation, and enhancing the digital and financial capabilities of underserved populations. The Programme focuses on improving access to, usage of, and trust in digital solutions that support livelihoods—particularly for marginalized groups such as women, rural communities, MSMEs, and labor mobility workers.sBy 2026, the Programme expects to increase financial and digital inclusion across 11 Pacific countries, support the development of national digital economy strategies, expand access to inclusive financial services, and improve digital literacy among thousands of individuals. These outcomes align with regional development priorities, national strategies, and global goals—including the SDGs and the UN Sustainable Development Cooperation Framework—by promoting equitable economic participation, resilience, and shared prosperity across the Pacific region. The Programme encountered several challenges between 2023 and early 2024—a pivotal period for scaling the programme. Although significant progress has been made toward achieving key performance indicators, high staff turnover at both regional and country levels, coupled with internal organizational restructuring, resulted in delays—particularly in onboarding new countries, some of which only began implementation activities in late 2024.

[1] It is to be noted that the partnership with UNCTAD ends in December 2025 and hence they are not included in the 2026 extension.

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By 2026, the Programme expects to increase financial and digital inclusion across 11 Pacific countries, support the development of national digital economy strategies, expand access to inclusive financial services, and improve digital literacy among thousands of individuals. These outcomes align with regional development priorities, national strategies, and global goals—including the SDGs and the UN Sustainable Development Cooperation Framework—by promoting equitable economic participation, resilience, and To address these challenges and ensure alignment with the programme's extended timeline through 2026, updates have been made to the following:

1. governance structure
2. results measurement framework
3. multi-year workplan and budget,
4. risk register
5. social and environmental screening[2].
6. quality assurance report[3].

These revisions reflect both the progress to date and the current state of implementation. Additionally, several activities have been redesigned to build a pipeline for UNCDF 2.0 initiatives in the Pacific and to formally integrate UNDP as an active implementing partner, moving beyond its previous administrative role.

Contributing Outcome (UNDAF/CPD, RPD or GPD):
United Nations Pacific Strategy (UNPS) 2018-2022 Outcome 3: Sustainable and Inclusive Economic Empowerment (UN Pacific Strategy)

United Nations Sustainable Development Cooperation Framework (UNSDCF) 2023-2027
Prosperity Pillar Outcome 3: 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.

UNCDF Strategic Framework 2022-2025
Outcome 2: Increase flows of public and private finance
Outcome 3: Strengthened market-systems and enhanced public and private financing mechanisms

Indicative Output(s) with gender marker[2]: G2

Total resources required:[4] USD	$24,451,126	
	DFAT	USD 9,998,172 (AUD 13,700,000)[5]
	EU	USD 8,810,572 (EU 8,000,000)[6]
	MFAT	USD 3,684,402 (NZD 6,000,000)[7]
	Unfunded	USD $1,957,980

Contributing Outcome :

UNDP Multi-Country Program Document 2023- 2027

Outcome 2: By 2027, more people, especially those at risk of being left behind, contribute to and benefit from sustainable, resilient, diversified, inclusive and human-centred socio-economic systems with decent work and equal livelihoods opportunities, reducing inequalities and ensuring shared prosperity.

Output 2.1: Policies and programmes in place to support the complimentary strategies of improving livelihoods opportunities and social protection for those at risk of being left behind.

[2] See Annex 11.2 PDEP Social and Environmental Screening for additional information.
[3] See Annex 11.1 PDEP Quality Assurance Report for additional information.
[4] Total estimated budget includes both programme costs and indirect support costs
[5] Since 2021 to 2023 we received AUD 10,200,000 @0.74 USD 7,959,141 & in 2024 we received AUD 2,500,000 @0.66 USD 1,659,761 and AUD 1,000,000 is expected to be received in 2025 @0.74 USD 743,270, totaling to AUD 13,700,000 to USD 9,998,172
[6] On 20th June 2023 we received 3,276,842 EURO @ 0.939 USD 3,489,714.60 and on 2nd October 2024 we received 3,458,695 EURO @0.925 USD 3,739,129.73 and 1,264,463 EURO is expected to be received in 2025 @0.877, totaling to USD 1,441,805
[7] In 2021 we received 2,000,000 NZD@0.614 USD 1,227,400 and 2024 we received 2,000,000 NZD @0.613 USD 1,226,800 and NZD 2,000,000 is expected to be received in 2025 @0.593 totaling to USD 1,186,944

[redacted]

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Agreed by (signatures):

UNCDF	UNDP
Signed by: [redacted] B32BDC7FF27445B...	[redacted]
Print Name: Srilata Kammila Chief Investment Officer UNCDF	Print Name: Munkhtuya (Tuya) Altangerel Resident Representative UNDP Pacific Office
Date: 22-Jul-2025	Date: 22.07.25

[redacted]

TABLE OF CONTENTS

1 DEVELOPMENT CHALLENGE 5
2 STRATEGY 6
3 RESULTS AND PARTNERSHIPS 13
4 PROJECT MANAGEMENT 19
5 RESULTS FRAMEWORK 20
6 MONITORING, EVALUATION AND REPORTING 23
7 MULTI-YEAR WORK PLAN 26
8 GOVERNANCE AND MANAGEMENT ARRANGEMENTS 28
9 LEGAL CONTEXT 33
10 RISK MANAGEMENT 34
11 ANNEXES 35

1 DEVELOPMENT CHALLENGE

From Financial Inclusion to Inclusive Digital Economies in the Pacific

While the world has witnessed significant strides in financial inclusion—with over 1.2 billion adults gaining access to a financial institution or mobile money account in the past decade[8]—Pacific Island Countries (PICs) remain among the least financially included regions globally. Financial service coverage in the Pacific varies widely, from as low as 20% to around 60%[9], in stark contrast to the global average of 69%. [10]

Though some countries have demonstrated progress, access remains highly uneven across and within countries. The most affected groups include women, rural communities, persons with disabilities, youth, and labor mobility workers, many of whom continue to be excluded from the formal financial system.

This exclusion is further reinforced by disparities in access to digital tools. Women in the Pacific are 20–30% less likely than men to own a smartphone or access the internet. They also often face barriers in financial decision-making and control over resources. In rural and remote areas, communities face limited infrastructure, weak connectivity, and minimal presence of financial service providers. Informal workers and youth struggle to access capital or tailored financial products, while persons with disabilities face additional physical and digital accessibility challenges. These constraints prevent large segments of the population from saving, investing, or accessing essential services such as social protection, thereby perpetuating poverty and economic vulnerability. The problem is driven by multiple interconnected causes. At the **immediate level**, access to affordable, reliable digital financial services is limited, and digital and financial literacy remains low. Most PICs also lack foundational digital public infrastructure, such as interoperable payment systems or digital identification platforms. Moreover, inclusive financial products that cater to the specific needs of excluded groups remain scarce. Beneath these surface issues lie deeper **underlying challenges**. Socio-cultural norms continue to limit women's agency and control over financial resources. Market gaps and limited incentives discourage financial service providers from investing in remote or low-income markets. Regulatory and policy frameworks are often fragmented and insufficiently responsive to innovation or inclusive design. Many governments and regulators lack the institutional capacity and technical know-how to drive inclusive digital transformation at scale. At the root, PICs contend with structural constraints such as geographic isolation, small and scattered populations, and long-standing underinvestment in digital infrastructure. There is also limited regional coordination around key enablers like data governance, digital literacy, and innovation-friendly policy development. These barriers collectively contribute to a widening digital divide, which not only reflects but amplifies existing socio-economic inequalities. The COVID-19 pandemic has further intensified these disparities. While accelerating the adoption of digital services, it has also left behind those without the tools, skills, or infrastructure to participate in the digital economy. As a result, exclusion is no longer just financial—it extends to healthcare, education, social protection, and employment. Without targeted interventions, the digital economy risks reinforcing the very inequalities it has the potential to resolve. Addressing these challenges is critical to breaking cycles of poverty and exclusion in the Pacific. Financial and digital inclusion are key enablers of resilience, opportunity, and sustainable development. For individuals, access to digital financial services can support better financial management, facilitate investments, increase access to social services, and provide critical tools for weathering economic shocks. For small businesses—particularly women-led enterprises—access to capital and digital tools can foster innovation, business growth, and job creation. It is against this background that the UN system, through a joint programme between UNCDF, UNDP and UNCTAD, and in close collaboration with key stakeholders from public and private sector aims to support the development of inclusive digital economies in the Pacific addressing the impact of COVID-19 and at the same time leveraging its catalytic capacity. By fostering inclusive digital economies, the Pacific Digital Economy Programme (PDEP) aims to empower underserved communities, promote equitable development, and support inclusive economic participation throughout the region. PDEP is firmly aligned with the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2023–2027, particularly under the Prosperity Pillar, Outcome 3, which envisions that by 2027, more people—especially those at risk of being left behind—contribute to and benefit from sustainable, resilient, diversified, and inclusive socio-economic systems that ensure decent work, reduced inequalities, and shared prosperity. The

[8] Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess. 2018. The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. Overview booklet. Washington, DC: World Bank

[9] Pacific Financial Inclusion Programme. "National Demand-Side Surveys", http://www.pfip.org/our-work/work-streams/market-information/national-demand-side-surveys/

[10] World Bank (2017). Global Findex Database, https://globalfindex.worldbank.org/

COVID-19 pandemic has further intensified these disparities. Similarly, the programme supports the UNDP Multi-Country Programme Document (MCPD) 2023–2027, which guides UNDP's development engagement across 14 Pacific countries and territories. Specifically, PDEP contributes to Outcome 2, which promotes inclusive and human-centred economic development, and Output 2.1, which supports policies and programmes that expand livelihoods and social protection for marginalized populations.

PDEP also aligns with key regional priorities, particularly the shared goal of sustainable development that integrates economic, social, and cultural progress to improve well-being while protecting the environment. These objectives are in direct support of Sustainable Development Goals (SDGs) 1 (No Poverty), 5 (Gender Equality), 8 (Decent Work and Economic Growth), and 10 (Reduced Inequalities), by advancing digital inclusion and empowering marginalized communities.

At the global level, PDEP supports UNCDF's Strategic Framework 2022–2025, contributing specifically to Outcome 2: "Increased flows of public and private finance" and Outcome 3: "Strengthened market systems and enhanced public and private financing mechanisms." It is also a practical expression of UNCDF's global commitment to "Leaving No One Behind in the Digital Era," by leveraging digital channels to improve access to services and promote inclusive growth in alignment with the SDGs.

More details on the context can be found in Annex 11.5 to this document.

2 STRATEGY

In preparation for this programme, during the months of September and October in 2019 various stakeholder consultations and workshops were held across the region (Fiji, PNG, SOI, Vanuatu, Samoa and Tonga) with representatives from government, the private sector, financial service providers, mobile network operators, donors as well as other development partners to assess which activities would result in the desired outcomes, across the region. These consultations consisted of a half day workshop, followed by one-on-one meetings over the course of two days with key stakeholders, such as the governor of the central bank, ministry of ICT (or equivalent), representatives from the Australian and New Zealand High Commissions as well as the EU delegations.

The proposed Theory of Change is further backed by research conducted by the Pacific Financial Inclusion Programme on the impact of access to (digital) financial services and how to best increase access and usage of financial products by women (PoWER studies) as well as the PFIP end of programme evaluation.

The Programme aims to achieve the creation of inclusive digital economies by addressing specific market constraints, narrowing the digital divide and eventually impacting Pacific Islanders' lives, especially rural communities, women, MSME's and labour mobility workers. As such it will apply a market development approach through which it will continuously seek to understand and intervene in select market systems to address underlying market dysfunctions that lead to improved efficiencies, effectiveness and sustainability. The approach will seek to:

- Leverage the roles and behaviours of current players in the marketplace, support them to continue doing what they do better or to change their behaviour,
- Strengthen the systems and relationships among the various market and sector actors, and
- Work with current players to de-risk new business models to make digital solutions more inclusive for the focus segments and reduce the digital divide.

For this approach we draw on the lessons learned from other UNCDF programmes that achieve change through applying some form of a market development approach, as well as the knowledge gained by implementing over a decade of activities in the Pacific through PFIP. Furthermore, it borrows from CGAP's handbook on measuring market development initiatives, for which in turn CGAP has consulted extensively with UNCDF for feedback during the development of the handbook.[11]

To measure the impact of specific programme interventions and use these lessons to inform design of future interventions and course corrections of existing interventions, the Programme intends to do a continuous impact assessment to measure and track the level of inclusiveness of digital economies at country level through

[11] Spaven, Patrick and Karina Broens Nielsen (2017), *Measuring Market Development, A Handbook for Funders and Implementers of Financial Inclusion Programs*, Washington, DC: CGAP.

the use of UNCDF's Inclusive Digital Economy Scorecard (IDES), which will create the necessary indicators for inclusiveness to be embedded into the National Digital Economy Strategies.

The IDES is a central tool taken from the UNCDF strategy 'Leaving no One behind in the Digital Era.' The scorecard is built to support stakeholders to identify and address the key priorities for the further development of their country's digital economy. Updated on a yearly basis, the scorecard is a strategic tool for UNCDF to measure development of the market and to set priorities based on the dynamic context of market development in a digital era.

In anticipation of the start of the programme, the Government of Solomon Islands has already committed itself to be part of a group of four pilot countries together with Uganda, Burkina Faso and Nepal to use the IDES as a tool to measure the development of an inclusive digital economy. To that extent multiple technical workshops have been held with various government departments during the months of June, July and August 2020 to ensure the correct statistical data is being used for the IDES for it to be used as a policy instrument to support the government in their digital transformation. More information on UNCDF's IDES can be found in Annex 11.7.

By working with private sector partners and de-risking their investments to venture into new markets and new customer segments, the programme aims to influence the market to develop towards a more inclusive one. In the application of such a market development approach the Programme will benefit from the collaboration with UNCTAD as one of the implementing agencies as it has extensive experience through its E-Commerce and Digital Economy (ECDE) Programme. UNCTAD's ECDE Programme covers several research and technical assistance activities relevant to the Pacific Digital Economy Programme, including the global Digital Economy Report, technical cooperation on measuring of the digital economy (including the use of IDES), national e-commerce strategies, the eTrade for Women initiative and last, but not least the eTrade Readiness Assessments. Especially the latter have been an important source of information for the design of this programme as quite a number of Pacific countries have already done these assessments, such as Samoa, Solomon Islands and Vanuatu. UNCTAD's experience will be particularly relevant for the activities under Workstream 1 "Enabling Policy and Regulation" (More details on the following pages).

Theory of Change

The Programme's Theory of Change (see Figure 1 below) follows a set of activities that are grouped into four separate workstreams, which will result in outputs and outcomes at different levels of the market, impacting and influencing stakeholders and ultimately leading to the programme goal: Inclusive digital economies in the Pacific.

The programme approach seeks to leverage the roles and behaviours of current players in the market, many of which PFIP already has a strong relationship with, such as mobile network operators, University of South Pacific, APTC, banks, insurance providers, provident funds and various FinTech firms, and will support them to continue doing what they do well, or if needed, to change their approach and strengthen the systems and relationships among the various market and sector actors. Moreover, it will seek to ensure that policies and regulatory frameworks are in place to allow for these market developments and guarantee that customers have the know-how and confidence to use these new digital products and services.

Phased approach

Although the activities in the Theory of Change cover a timeline of five years, the Programme will be implemented in a phased manner, which takes into account the early stage of market development of a digital economy in the Pacific. The first two years are the inception phase, allowing the Programme to ensure that a solid foundation is laid for more complex programming activities that requires that all relevant public and private sector stakeholders as well as various development partners are sufficiently familiarized with new concepts, and are aligned on the strategies as well as that proper governance frameworks to implement these are in place.

Furthermore, during the inception phase the Results Measurement Framework will be reviewed and updated using new data sources that will be derived from activities 1.1 and 4.1 allowing for proper baselining for impact measurement. The update of the RM Framework will be included into the scope of the evaluation of the initiation phase as well as further potential amendments to the design of the program.

This approach is also reflected in the distribution of the programme budget across the four outputs during the five-year timeline, whereby during the inception phase significant investments will be made in workstream 1 and 2 to ensure this solid foundation is laid.

The subsequent three years constitute the expansion phase, during which the Programme focuses on scaling interventions across all 11 Pacific countries, deepening multi-stakeholder engagement, and building on tested models to accelerate inclusive digital transformation. During this period, activities under all four workstreams are intensified, with particular emphasis on results delivery, institutional capacity strengthening, private sector engagement, and digital and financial literacy. This phase also operationalizes key policy and regulatory frameworks developed during inception and supports replication of successful pilots in new country contexts.

In line with this phased implementation, the additional one-year no-cost extension will allow the Programme to consolidate and strengthen the foundations laid, particularly by building the institutional capacity of key Pacific stakeholders, to engage with UNCDF's evolving 2.0 blended finance mandate and associated instruments[12]. The extension will also enable the Programme to deliver on donor commitments with measurable and sustainable outcomes, ensure full delivery across all countries, further scale successful models, and facilitate the strategic realignment required for UNDP to assume an active implementation role, shaping the design of PDEP Phase 2.

12 See Annex 11.6 for additional information on UNCDF Blended Finance Tools.

Figure 1: Revised Theory of Change for the Pacific Digital Economy Programme



Workstreams

In order to best support the market and steer towards inclusive changes, the programme's activities are categorized into four workstreams as described below. Further details on the activities under each workstream have been moved to the annex.

Workstream 1: Enabling Policy and Regulatory Environment

This workstream aims to address regulatory and policy gaps by applying local presence, convening power, technical expertise and building partnerships with local and global partners to drive policy and regulatory change.

PFIP has for the last five years provided reports for the annual regional Pacific Islands Forum Economics Ministers Meeting (FEMM) assessing the status of various countries' National Financial Inclusion Strategy implementation. As such, it is seen as a key stakeholder in advancing and implementing these strategies. Under this workstream the Programme will continue to apply the approach, for which PFIP has been recognized as very successful by the recent end of programme evaluation and which has been adopted by other UNCDF programmes in Asia and Africa, such as the Mobile Money for the Poor programme.

The Programme envisions to further harness these relationships and extend these to other relevant government stakeholders and continue to build capacity and provide technical assistance to create the basis for informed policy making, backed legal certainty and incentives for innovations that help advance the digital economy and positively address the impact of COVID-19 and contribute to the SDGs in the Pacific.

Specifically, the programme will seek to help Pacific government entities achieve the following:

- An increased government commitment to digital solutions as an economic development enabler
- The establishment of regional and national coordination mechanisms that lead the design of harmonized policy and regulation on digital financial services and other digital services
- The development of inclusive regional and national policies and regulations enabling access and usage of digital financial services are responsibly adopted and implemented.

This workstream will be jointly implemented with UNCTAD and the PIFS, which will contribute to the objectives with its extensive experience in the area of research of the digital economy, technical assistance on measuring e-commerce and the digital economy and work on national assessments and strategies in this area, including in the Pacific region, such as through the eTrade Readiness Assessments.

The activities planned under this workstream are:

1.1 Support assessment and data collection to inform the National Digital Economy Strategy and publish bi-annual Pacific edition of Digital Economy Report

1.2 Support creation of National Digital Economy Taskforce that includes private sector, development partners and other stakeholders to implement a National Digital Economy Strategy

1.3 Support development of National Digital Economy Strategy

1.4 Support capacity building of policy makers and regulators and assist in review, amendments and implementation of policies and regulations affecting the Digital Economy

1.5 Support PIFS' Pacific E-commerce Initiative, including establishment a regional e-commerce strategy and associated implementation framework

Workstream 2: Open Digital Finance Ecosystem

Inclusive innovation can be accelerated and will deliver the right services to impact the Pacific economies and the lives of Pacific Islanders if an open digital payments ecosystem is in place.

The objective of this workstream is to build an optimal ecosystem that enables digital financial services to reach the 'last mile' and deliver valuable and relevant services. And this is even more important as we have seen during the COVID-19 pandemic whereby deployment of fiscal and other financial policy stimulus has

very often been hampered by slow and inefficient systems and procedures.[13] The Programme will seek to help government entities, private sector and other stakeholders to:

- Strengthen the last-mile digital infrastructure
- Make digital payment services available, accessible, affordable, reliable and appropriate for customer needs.

The programme will invest in financial and technical support to drive equal access to the digital and financial infrastructure and deploy innovative blended finance instruments, to develop inclusive digital economies in the Pacific.

The activities planned under this workstream are:

2.1 Support pilots and scaling of existing eGovernment initiatives that support the digital economy

2.2 Support development and scaling of new and/or existing 'open banking' solutions, shared digital payment networks and e-commerce platforms

2.3 Support development and scaling of market-led initiatives for last mile digital 'meso' infrastructure and 'micro' infrastructure

2.4 Leverage existing funding mechanisms to de-risk investments in last mile digital 'meso' and 'micro' infrastructure with blended-finance tools.

Workstream 3: Inclusive Innovation

Inclusive innovation is a key driver of the Programme's theory of change. While access to financial services in the Pacific has grown significantly during the last ten years, usage remains low. A key lesson learned from PFIP's work in the Pacific and UNCDF's other work in regions, such as East-Africa and Asia has been that the lack of relevant 'use cases' can cripple adoption and usage of digital financial services, especially among customer segments that rely on last-mile delivery. Moreover, as was also emphasized in the recommendations of PFIP's end of programme evaluation, many accounts remain dormant, and most transactions are limited to basic person-to-person transfers or cash-outs. It is therefore key to design and pilot products and services for people who already see the added value of digital services and digital financial services. Usage by people who value these use cases, will spur adoption and usage by others.

Also, core to UNCDF's approach, is the recognition that on the digital transformation journey, the technical solution is not the challenge, but rather the change management required to integrate digital innovation into the operating and business models of the target institutions or customers' segments. This recognition explains our interventions with partners on their digitization journey and with the customers on literacy and skills. The latter is outlined in workstream 4.

The objective of this workstream is to accelerate innovation in digital financial services with new or improved solutions that have a clear impact on the daily lives of low and moderate-income people in the Pacific and especially those impacted the most by the COVID-19 pandemic. Therefore, the Programme will focus on digital financial solutions that impact rural communities, women, MSMEs and labour mobility workers.

The aim is to bring together various elements and stakeholders needed to develop and or refine solutions geared towards achieving that inclusive innovative business models and services are tested and deployed at scaled in various sectors of the digital economy.

The activities planned under this workstream are:

3.1 Develop ecosystem enabling activities (events, exchanges etc.) to facilitate matchmaking, new opportunities and partnerships between various stakeholders of the digital economy

3.2 Partner with existing co-working spaces / innovation hubs and enable development of new, or collaborate with existing incubation/acceleration programmes to support business community with mentoring and skill development for the digital economy

3.3 Leverage existing funding mechanisms to support Pacific digital economy businesses with blended-finance tools.

Workstream 4: Empowered Customers

13 https://dailypost.vu/news/chief-says-vnpf-applications-too-slow/article_1795eb52-752c-11ea-9bdc-47c33330e3d2.html

The digital economy requires a digitally enabled workforce and digitally literate end users. Digital skills underpin nearly every aspect of work and life. New technologies continue to emerge therefore continuous learning will be a necessity. Countries that implement strategies for comprehensive digital skills development can help ensure their populations have the skills needed to be more employable, productive, creative, and successful, while ensuring they remain safe online. Digital skills are one of the core foundations of the digital economy.

Many people in the Pacific however face difficulties in accessing and using digital innovations ensuing from their lack of familiarity with these new tools and their low digital literacy. And though COVID-19 has accelerated the uptake of digital solutions, at the same time anecdotal evidence shows that it has also exacerbated the digital divide in the Pacific region. Limited digital capability can result in a range of negative outcomes including, but not limited to a lack of trust in digital innovations, increased self-exclusion of certain groups, and increased vulnerability to fraud, personal-data misuse, digital profiling, phishing schemes, etc.

Therefore, addressing digital literacy as a means to improve well-being is critical in the Pacific region. Improved digital capability is thus a prerequisite to fully integrate women, youth, MSME's and others who are usually left behind in a rapidly evolving digital and knowledge-based economy so that they can be fully empowered and truly improve their well-being.

Rural communities, women, MSMEs and labour mobility workers are already disproportionately represented amongst the most excluded from the formal economy for various reasons. In a fast-moving digital economy, they are the ones most at risk to be left behind.

The expected outcome of this workstream is therefore to:

- Understand the current levels of capacity in financial literacy, digital financial services and digital economy.
- New models and delivery channels for building digital and financial capabilities are deployed at scale

The target segments (rural communities, women, MSMEs and labour mobility workers) will need more tailored information, advice and knowledge to help them navigate digital financial products and services. Customer pain points will be identified, key messages for financial education and training will be created, the right digital channels for conveying these messages will be identified and business models for delivery of skills training via digital tools will be developed and scaled up.

Annex 11.5 provides more background information on women, MSMEs and labour mobility workers.

The activities planned under this workstream are:

4.1 Survey on digital and financial management skills of Pacific Islanders

4.2 Support Ministry of Education to develop and integrate ICT / STEM education and financial literacy skills into national curricula

4.3 Support development and integration of digital economy and financial literacy related subjects into programmes and courses from tertiary educational institutions (e.g. TVET and university)

4.4 Support rural communities, women, MSME and labour mobility workers acquiring the skills and knowledge to access and use digital and financial services

3 RESULTS AND PARTNERSHIPS

Expected Results

Interventions under this programme will be structured as activities under the workstreams described in the section above. Activities designed under each workstream are integrated in the Theory of Change, ensuring that these interventions will lead to intended outputs and outcomes.

Linked to the programme activities are key performance indicators that will be tracked throughout the programme. More detailed information can be found in the section on Monitoring and Evaluation.

Outcomes of the programme correlate to indicators in the United Nations Pacific Strategy and as such are aligned with the various national development plans (NDPs) in the region. More on how activities complement NDPs can be found in Annex 11.8. The programme strategy Is also aligned to the new United Nations Sustainable Development Cooperation Framework 2023-2027.

Resources Required to Achieve Expected Results

To achieve the expected results outlined in the Theory of Change, a combination of human, financial, technical, and institutional resources will be required across all four workstreams. Key inputs include:

1. Human Resources: Dedicated UNCDF staff at the country, regional, and HQ levels will be critical. This includes Programme Specialist, Regional Technical Specialist – DFS Policy and Regulation, Country Technical Specialist (Solomon Islands), and Programme Delivery Specialists, See annex 11.10 for further details on Key Management Positions.

2. Technical Expertise and Consultants: The programme will require short- and medium-term technical consultants in regulatory reform, digital literacy, infrastructure development, and inclusive innovation. These experts will support the design and rollout of key activities, such as policy reform processes, public services digitization, startups and MSMEs incubation and acceleration and digital and financial skills training.

3. Operational Support: Administrative and logistical support including travel, event organization, communication materials, and monitoring systems will be budgeted to facilitate stakeholder engagement, capacity building workshops, and knowledge dissemination.

All required inputs are fully costed and reflected in the programme budget to ensure the timely and effective delivery of outputs and outcomes across the Pacific. The following table outlines the allocation of resources across the key workstream areas for 2025 and 2026, aligned with the Results and Resources Framework (RRF) to ensure consistency between planned interventions and expected outcomes.

Workstream	2025 Budget	2026 Budget
1. Enabling Policy & Regulation	**1,281,149**	**353,274**
2. Open Digital Finance Ecosystem	**2,097,044**	**1,940,801**
3. Inclusive Innovation	**486,855**	**1,143,424**
4. Empowered customers	**1,026,060**	**1,302,511**
5. Monitoring, Evaluation, Accountability & Learning	**207,189**	**150,564**
6. Team Management	**755,309**	**678,482**
Programme Total	**5,853,607**	**5,569,055**
Total GMS + MPTF (7%+1%)	**437,280**	**425,366**
Total Expenditure	**6,290,886**	**5,994,421**

Partnerships

UNCDF

UNCDF, through PFIP, has been at the forefront of increasing access to and usage of appropriate and affordable mass market financial products and services in the Pacific for over a decade, engaging with financial services providers in developing, piloting, and scaling innovative products and services like mobile and

branchless banking, remittances, microinsurance, micro pensions, savings and credit. Use of digital technologies has facilitated overcoming the region's geographical and operational challenges and has resulted in over two million Pacific Islanders gaining access to formal financial services. Through its work with the regional Central Banks, UNCDF has also placed financial inclusion at the forefront of policy making. These strong relationships with the regulators and private sector actors have and will continue to be leveraged during implementation.

UNCDF occupies a distinct position within the UN system as the only entity with a mandate to deploy concessional finance through grants, loans and guarantees in Least Developed Countries (LDCs) and frontier markets. Its approach enables the organization to go beyond traditional technical assistance and play a catalytic role in underdeveloped capital markets by blending development finance with market responsiveness. UNCDF will focus on the deployment of financial instruments including grants, loans, guarantees and will adhere to the UNCDF supplementary guidelines (Annex 11.11) to the UNDP Programme and Operations Policies and Procedures (POPP).

UNCDF acts as the convening agency for the Joint Programme.

UNDP

UNDP brings critical development expertise that underpins the enabling environment necessary for inclusive digital economies. Its role is systemic and policy-oriented, ensuring that digital transformation efforts across Pacific Island Countries (PICs) are inclusive, rights-based, and aligned with broader sustainable development priorities.

While UNCDF focuses on deploying innovative financing instruments and piloting digital finance solutions, UNDP complements this by strengthening national policy and governance frameworks. It supports countries in building the institutional and regulatory foundations needed to ensure digitalization drives equitable, long-term development outcomes. UNDP also plays a central role in capacity development and policy advisory services, supporting governments in designing and implementing digital economy strategies that promote inclusion, resilience, and sustainability.

Beyond its technical and strategic contributions, UNDP serves as the administrative agency for the Joint Programme. This includes providing operational, procurement, and HR support through the UNDP Multi-Country Office in Fiji, as well as leading on strategic coordination and monitoring and evaluation (M&E). UNDP also supports capacity building and policy advisory work, ensuring the digital transformation agenda remains country-led and development-driven.

Through these roles, UNDP helps ensure that digital transformation in the Pacific is not only technologically innovative but also grounded in principles of equity, sustainability, and good governance.

Other Partnerships

Collaboration with national governments, such as relevant ministries and the private sector is at the core of the four workstreams mapped in the programme's Theory of Change. Only through these partnerships can market constraints be addressed in a sustainable matter.

Thanks to the establishment of a regional governance mechanism for the implementation of the Pacific E-commerce Strategy, structured collaboration with be expanded at regional level, to not only cover relevant ministries but also the other key stakeholders of the digital architecture, including donor partners, regional and international technical agencies, and non-state-actors.

The donor coordination group for Pacific private sector development and financial inclusion previously convened six-monthly to jointly discuss market development issues and align on interventions at various levels, ranging from regulation, policy, market to product and customer level. This group consisted of DFAT, MFAT, EU, ADB, World Bank, IFC, European Investment Bank and PFIP. Although it was widely seen as an effective coordination mechanism the group has basically been inactive since 2017 due to staff turnover at the various development partners as well as a lack of secretariat support. This Programme will revive and structure regional coordination through the proposed regional governance mechanism, which will be facilitated by DFAT secretariat support.

This programme also acknowledges that it will play a complimentary role in the development of an inclusive digital economy. Other agencies, such as the Asian Development Bank (ADB), the International Monetary Fund (IMF), World Bank and International Finance Corporation (IFC) typically work on larger, more infrastructural related projects. The Programme will proactively engage with these development partners to unlock funds to de-risk investments in last mile digital meso infrastructure (e.g. Telco BTS) as well as to support Pacific digital economy related businesses with blended-finance tools. This taps into one of the strengths of PFIP; its expert knowledge and capacity on the ground have been identified as a true value addition, resulting in impactful projects, for which it was accredited in its end of programme evaluation.

To compliment this expertise in the financial and digital inclusion space, collaboration will also be sought with other UN agencies and development partners, the private sector and government counterparts. For financial and administrative management, the programme will, as it has done under PFIP, collaborate with the UNDP Pacific Office in Fiji. Moreover, the Programme will proactively seek to leverage UNDP's ongoing work on innovation and entrepreneurship such as through their innovation hubs and co-working spaces that have been established in Fiji, Vanuatu, Solomon Islands and Samoa. Additionally, it will look for opportunities to collaborate and leverage existing initiatives from other development agencies, such as the Fiji's Enterprise Engine, which was launched end of 2019 by the Market Development Facility (MDF) together with the Fiji Commerce and Employers Federation (FCEF), in a similar way as PFIP has done with more recent examples of collaboration, such as with:

- IFC, to support Tonga Development Bank to develop and improve the marketing of their Ave Pa'anga Pau remittances product,
- Catalpa, to convert PFIP's financial education curriculum for TVETs in Solomon Islands into a digital application and scale to other TVETs,
- APTC, to develop a financial literacy curriculum for Australia's Labour Mobility Scheme workers,
- ADB, to develop a financial education curriculum for Nauru,
- GSMA, to organize a Seedstars bootcamp event for start-up entrepreneurs in Suva, Fiji.

In collaboration with UNCTAD the programme will provide technical assistance to strengthen the capacity of national statistical systems to produce better, more reliable and internationally comparable data on the digital economy. Furthermore, it will publish a report on the digital economy and development in the Pacific. The report will be linked to the theme of UNCTAD's global Digital Economy Report but focusing the data and analysis on the Pacific region and making use of the eTrade Readiness Assessments already conducted in the region (Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuatu) and the E-commerce Assessments conducted by the PIFS for Fiji, Federated States of Micronesia, Niue, Nauru, Papua New Guinea, and Tonga. The collaboration will also benefit from the tools and network provided through the eTrade for all initiative.

The PIFS will be the main regional partner organization of the Program, which will leverage the expertise, network, and convening power of the Pacific E-commerce Initiative, and be conducted under its 'umbrella'.

Risks and Assumptions

The Programme has adopted a proactive and adaptive risk management approach, with regular updates to the risk log to reflect evolving operational, geopolitical, financial, and environmental risks across the Pacific region. Key risks identified include institutional capacity constraints in partner agencies, delays due to evolving procurement and regulatory processes, limited financial liquidity among implementing partners, and climate-induced disruptions to infrastructure and service delivery. Mitigation measures include strengthened partner onboarding procedures, use of digital tools to streamline workflows, adaptive implementation modalities, and ongoing engagement with national stakeholders to ensure alignment and ownership. Risks are reviewed quarterly and monitored closely by the Programme Board to ensure timely mitigation and to safeguard delivery across all countries.

See Annex 11.3 for a detailed Risk Management Framework.

Stakeholder Engagement

The Programme will work with public and private sector stakeholders to encourage and support digital activities across the four workstreams. A strong country presence is crucial to provide the kind of continued support needed to build trust and create sustainable programme outcomes.

Stakeholder engagement is conducted through three main stages:

- Buy-in, i.e. engaging stakeholders through market research, workshops, face-to-face and online meetings to build strong relationships within the sector
- Improve, i.e. working with service providers to expand and improve their current business and build credibility; and
- Innovate, i.e. by working with service providers to develop and launch innovative digital products and services and build partnership models to better reach rural areas and vulnerable segments.

Specifically, under Workstream 1 and Workstream 3 the Programme has foreseen various activities that enable stakeholder engagement at various levels and with different types of stakeholders, both from private as well as public sector, and at both national and regional level. Examples are the creation of the National Digital Economy Taskforces, the governance mechanism to coordinate implementation of the Regional E-commerce Strategy, as well as various ecosystem enabling activities (events, exchanges etc.) to facilitate matchmaking, new opportunities and partnerships between various stakeholders of the digital economy. Due to the impact of the travel restrictions as a result of the COVID-19 pandemic the Programme foresees that many of the activities associated with this will be organized online.

Digital Solutions

The programme will leverage digital technologies and solutions as key enablers to improve the experiences of target beneficiaries, rural communities, women, MSMEs, and labour mobility workers, and address the development challenges of financial exclusion, low digital literacy, and weak digital infrastructure in the Pacific.

1. Digital Financial Services (DFS): Through Workstreams 2 and 3, the programme will promote the development and expansion of inclusive DFS, such as mobile wallets, digital savings and credit products, and digital insurance. These services will be tailored to meet the specific needs of underserved populations, making financial tools more accessible, affordable, and relevant to daily life.

2. Inclusive Innovation Platforms: The programme will support fintech startups and financial institutions in developing user-centric digital products that offer practical use cases (e.g., remittances, bill payments, e-commerce transactions). This will help increase adoption and active usage of digital financial tools among low-income and remote populations.

3. Digital Literacy and Capability Building: Under Workstream 4, the programme will use mobile platforms, interactive apps, and social media to deliver targeted digital and financial literacy content. By providing training through digital channels, the programme ensures greater reach and sustainability of capacity-building efforts, especially in geographically dispersed island communities.

4. Data and Decision Support Tools: The use of IDES allows governments and stakeholders to use data to identify gaps, monitor progress, and make informed policy decisions. IDES supports evidence-based planning and ensure that digital economy strategies are inclusive and responsive to the needs of vulnerable groups.

By embedding these digital approaches, the programme not only enhances the efficiency and reach of interventions but also contributes to narrowing the digital divide, enabling more equitable participation in the digital economy and laying the groundwork for long-term inclusive development in the Pacific.

South-South and Triangular Cooperation

South-South and Triangular Cooperation (SSC/TrC) has been actively leveraged through the implementation of the Inclusive Digital Economy Scorecard (IDES), which has been adopted by countries such as Solomon Islands and Tonga to inform national financial inclusion and digital economy strategies. By participating in a global network of 31 countries—including Zambia, Sierra Leone, and Madagascar—the Pacific Island Countries benefit from shared knowledge, peer learning, and joint capacity-building initiatives tailored to small island contexts. The IDES Community of Practice, for example, enables Pacific policymakers to exchange experiences with peers from countries like Uganda and Malawi, learning how to align national budgets or create digital policy frameworks based on IDES data. Through this South-South exchange, the Pacific region accesses proven approaches to inclusive digital transformation, while triangular partnerships—such as those with UNCTAD and ADB through initiatives like the Fintech Innovation Challenge, brought in technical support and funding to localize digital solutions. These collaborative efforts have helped countries

like Fiji, Samoa, and Vanuatu build resilient digital economies that address local challenges while aligning with global best practices.

Knowledge

Across all workstreams the programme will create and share knowledge so that stakeholders from the private sector, government counterparts as well as development institutions have access to local market intelligence and insights from projects, as well as information on the best global practices.

Lessons learned in this programme will be documented in line with a separately developed knowledge management strategy as part of the programme and shared externally according to a communications strategy, both of which will be developed in parallel in the first year of the programme. That way, insights collected on the ground and through the results measurement framework, will be shared with relevant internal and external audiences.

Experiences and lessons learned through the Programme will also be shared in global and regional events and expert meetings, such as UNCTAD's eCommerce Weeks, regional eTrade for Women Masterclasses, Intergovernmental Expert Group (IGE) on E-commerce and the Digital Economy as well as the Working Group on Measuring E-commerce and the Digital Economy.

Key Information and Knowledge Sharing Products

Social Media	Publications and Distribution Pieces
1. LinkedIn	1. Blogs/Explainers
2. Twitter (X)	2. Press Releases
3. Facebook	3. Impact/human interest Stories
4. Instagram	4. Videos
5. YouTube	5. Reports (Semi-Annual and Annual Progress Reports (Includes Content on Programme Learnings) | Research Reports | Survey Reports | Mid Term Reviews | End Term Evaluations)
	6. Infographics and Results Briefs

Other informal learning and information sharing mechanisms will be captured through:

- **Peer Learning (staff meetings and their outcomes).** Learnings will be captured through meeting minutes.
- **Field missions and staff field observations.** Learnings will be captured through Back-to-office reports (BTORs)
- **Event Outcomes (Workshop / Trainings / Meetings).** Learnings will be captured through PDEPs Activity Reports
- **Partner Reports.** Learnings will be consolidated and aggregated into a programme learning document.
- **Staff Retreats.** Learnings to be captured through PDEPs BTOR / Activity Reports

Sustainability and Scaling Up

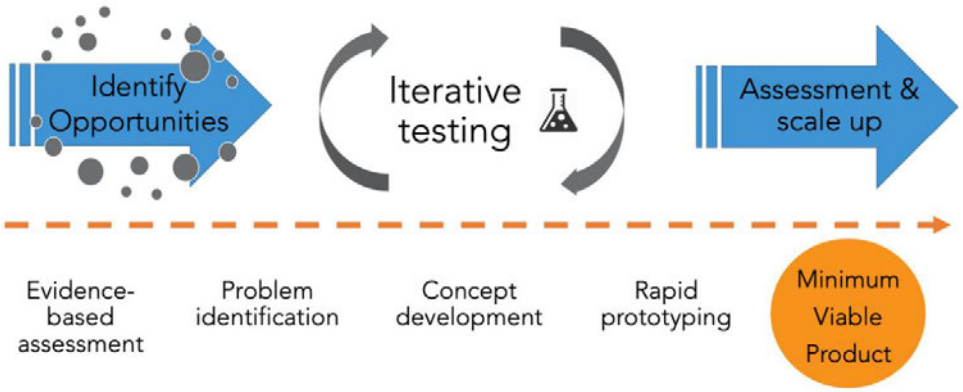
Through the activities under workstream 1, the Programme aims to emulate the successful approach from PFIP through the development of national strategies and implementation through national taskforces, similar to the various National Financial Inclusion Strategies (NFIS) and Taskforces (NFIT) that have been implemented throughout the Pacific. The Inclusion of a regional dimension under workstream 1 is expected to further improve the Program's effectiveness by widening the spectrum of policy options for digital development, aligning the Program with the regional architecture, and thus improving sustainability and facilitating scalability.

Many countries in the Pacific region have just established or are in the process of establishing teams, departments or taskforces within the government to develop and implement national digitization plans. Some focused on eGovernment initiatives, but others have a wider scope and mandate that seek to spur the development of a digital economy. The Programme aims to collaborate with these government entities to

support with data collection to inform the development of National Digital Economy Strategies or the National E-Commerce Strategies as well as to support them with the creation of National Digital Economy / National E-Commerce Taskforces or leverage existing mechanisms in place for public private collaboration to implement a National Digital Economy Strategies/ National E-Commerce Strategies.

Through collaboration with these government entities, the programme will enhance local capacity and ensure sustainability of impact with the various project partners.

In collaboration with government and private sector stakeholders the programme designs activities in such a way that successful pilots are scaled. Using the experience of PFIP, each of the programme work streams will be implemented through specific activities with the clear intention to scale uptake and usage of relevant digital innovations to bring about the intended outcome.



For each of the initiatives, the Programme has followed a standard, but flexible implementation approach from ideation to scaling as depicted above. A pilot means the test of products and services within certain conditions (geography, and market segment) on a smaller scale to determine the success factors for a larger scale roll-out. Once pilot milestones are met, scaling follows.

Reference is made to the specific observations and recommendations from the PFIP end of programme evaluation regarding the lack of initiatives that have seen subsequent scaling after a pilot (see Annex 11.4). Though the Programme has continued its flexibility with regards to its approach to innovation, by applying the above-described method with incumbent partners, scaling has been achieved successfully with Vodafone, SINPF and FijiCare.

Additionally, the Programme is developing a dedicated innovation hub to support digital economy entrepreneurs from the Pacific, as well as entrepreneurs from other countries looking to enter the Pacific markets. The Programme will leverage the experience from PFIP's Pacific-ASEAN Financial Innovation Challenge as well as the wide experience from UNCDF and UNDP in this regard.

4 PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

The Theory of Change aims at addressing market constraints by targeting various stakeholders within the ecosystem at the same time. By stacking interventions that are interlinked, the Programme expects to deliver the maximum results with the available resources. This approach builds on lessons learned from the Pacific Financial Inclusion Programme.

Furthermore, in order to ensure cost efficiency, pilot projects are always set up with a cost sharing modality with the implementing partner, typically at 50/50 cost sharing arrangement. This also increases the ownership of the project, which is crucial for the success of the pilot and further safeguards the efficient and effective roll-out of projects. The establishment of a project steering committee allows all partners to continuously monitor the project performance, guaranteeing that the project stays on course.

The Programme will also aim to deploy UNCDF's newly launched portfolio of blended finance instruments to de-risk investments and attract additional capital toward inclusive market development. Under the Supplementary Guidelines, UNCDF can now deploy a diverse mix of instruments—including seed capital grants to support early-stage innovation, working capital grants to strengthen operational resilience, and investment feasibility grants to prepare investable pipelines. In addition, UNCDF can offer concessional loans such as pari-passu, subordinated, and mezzanine loans, alongside tailored guarantees covering portfolios, individual MSME loans, or specific projects.

These fit-for-purpose and flexible instruments not only help fill financing gaps in high-risk markets but also ensure greater cost efficiency by leveraging partner resources and enabling the recycling of capital through reflows—amplifying impact across multiple interventions with the same funding.

Programme Management

The geographical scope of PFIP was mainly characterised by a critical government anchor partner for financial inclusion; the presence of a national bank in-country. Since the Programme considers the work from PFIP on financial inclusion as a springboard to expand the scope, the geographical coverage can in principle be broadened to include more countries than were previously covered under PFIP. However, at the start it will establish country presence in five countries where PFIP already has projects and partnerships with public and private sector: Fiji, Samoa, Vanuatu, Solomon Islands and Tonga. In the 2023-2025 expansion phase, five additional countries will be added including Federated States of Micronesia, Kiribati, PNG, Timor Leste, and the Republic of the Marshall Islands. Based on the experience under PFIP, Papua New Guinea and Timor-Leste will continue to operate under the same management of the regional programme as a portfolio project under this programme.

More information on arrangements for shared operations and management support with other programmes is detailed in Annex 11.11 on Portfolio Management Approach for Pacific Programmes.

5 RESULTS FRAMEWORK[14]

Intended Outcome as stated in the United Nations Pacific Strategy: **UNPS 2018-2022** *Outcome 3: Sustainable and Inclusive Economic Empowerment By 2022, people in the Pacific, in particular youth, women, and vulnerable groups, benefit from inclusive and sustainable economic development that creates decent jobs, reduces multi–dimensional poverty and inequalities, and promotes economic empowerment.* **UNSDCF 2023-2027 Outcome 3: Prosperity** *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*
Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets: *Indicator 3.6: Number of countries in which the percentage of the population with access to formal financial services has increased based on the latest available data. Baseline: 0, Target: 5* *Regional Indicator: No. of countries with adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider* *Baseline 5 Target: 10* *SDG 8.10.2 Indicator: Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider*
Project title and Quantum Project Number: 00127034 - *Leaving no one behind in the digital era - Pacific Digital Economy Programme*

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		Cumulative Results	TARGETS			Cumulative	DATA COLLECTION METHODS & RISKS
			Value	Year	(2023 - 2024)	2025	2026	End of Project Targets (Cumulative 2026)	Non-Cumulative	
Output 1: Policy makers and regulators have improved capacity and stakeholder relationships to develop, monitor and regulate services for an inclusive digital economy **(GEN 2)**	1.1 Number of countries that measure the development of their digital economy	Global and national data sources and program data	4	2022	7	5	0	7	Non-Cumulative Annually	**Data Collection:** Research **Risk:** Data gaps at national level
	1.2 Number of countries with an established forum for regular public-private dialogue on the Digital Economy	Announcement of establishments/launch, ToR's and meeting minutes of forums (e.g. taskforce, working groups etc).	1	2021	10	1	0	12	Non-Cumulative Annually	**Data Collection:** Document /webpage review **Risk:** ToRs not established
	1.3 Number of countries with a strategy on the Digital Economy or on E-Commerce **Linked to OP 3.1 and OC 3.3**	Publications: National e-commerce strategies or IDES reports	0	2022	6	2	0	8	Non-Cumulative Annually	**Data Collection:** Documents / webpage review **Risk:** Non-publication or non-launch of strategies
	1.4 Number of PICs whose policy makers and regulators received support to review, amend and implement policies, regulations and strategies affecting the digital economy	Communication from national governments | agreements	2	2022	8	6	0	8	Non-Cumulative Annually	**Data Collection:** Documents review including review of communication materials **Risks:** Support subject to country priorities and needs and this can change

[14] During the inception phase the Results Measurement Framework will be reviewed and updated using new data sources that will be derived from activities 1.1 and 4.1, which will allow for baselining for improved impact measurement. The update of the RM Framework will be included into the scope of the evaluation of the initiation phase.

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		Cumulative Results	TARGETS			Cumulative	DATA COLLECTION METHODS & RISKS
			Value	Year	(2023 - 2024)	2025	2026	End of Project Targets (Cumulative 2026)	Non-Cumulative	
Output 2: Digital finance providers, mobile network operators, government and other actors are capable and committed to develop and expand infrastructure and payment offerings for an inclusive digital economy **(GEN 3)**	2.1 Number of eGovernment service piloted and/or scaled (incl G2P/P2G) (IRRM OP 4.1). **Disaggregation: OP 4.1 a.1, OP 4.1 a.2, OP 4.1 a.3. Disaggregation: Only total targets available. Targets at granular level not available**	Project reports and supporting documents	1	2022	3	2	0	5	Non-Cumulative Annually	**Data Collection:** Documents review including review of knowledge and Information materials **Risks:** Lack of evidence on product / service launch
	2.2 Number of services piloted and/or scaled that focus on open banking, shared digital payment networks and/or e-commerce platforms	Project reports and supporting documents	5	2022	8	1	0	14	Non-Cumulative Annually	**Data Collection:** Documents review including review of knowledge and Information materials **Risks:** Lack of evidence on product / service scale
	2.3 Number of registered users for services supported by the Programme that focus on open banking, shared digital payment networks and/or e-commerce platforms **(IRRM OC 1.4). Disaggregation: Contribution to OC 1.4 a.1 and OC 1.4 c.1. Disaggregation: Only total targets available. Targets at granular level not available**	Project reports and supporting documents	2,570	2022	428,584	150,000 30% women	250,000 30% women	831,154 30% women	Non-Cumulative Annually	**Data Collection:** Document review **Risks:** Partner may not be tracking newly registered customers
	2.4 Number of active users for services supported by the Programme that focus on open banking, shared digital payment networks and/or e-commerce platforms **(IRRM OC 1.4). Disaggregation: Contribution to OC 1.4 a.1 and OC 1.4 c.1. Disaggregation: Only total targets available. Targets at granular level not available**	Project reports and supporting documents	1,498	2022	97,749	45,000 30% women	50,000 30% women	194,247 30% women	Non-Cumulative Annually	**Data Collection:** Document review **Risks:** Lack of granular reporting
	2.5 Number of last mile digital micro and/or meso infrastructure services piloted and/or scaled **(Contribution to IRRM OC 4.1 a.3)**	Project reports and supporting documents	1	2022	6	0	0	7	Non-Cumulative Annually	**Data Collection:** Document review
	2.6 Number of partnerships established with Digital finance providers, mobile network operators, government and other actors to develop an inclusive digital economy	Signed agreements	15	2022	31	33	0	33	Cumulative Annually	**Data Collection:** Documents review **Risks:** Slow partner onboarding
Output 3: Start-ups, corporates and other actors have increased capacity and network to build new businesses and develop innovative digital	3.1 Number of partnerships established with co-working spaces, innovation hubs and acceleration programs to develop the digital economy	Signed agreements programme	1	2022	4	1	1	7	Non-Cumulative Annually	**Data Collection:** Documents review **Risks:** Slow partner onboarding
	3.2 Number of new and improved innovative products and services piloted disaggregated by digital and non-digital and project focus **(IRRM OP 4.1). Disaggregation: Contribution to OP 4.1 a.1, OP 4.1 a.2, OP 4.1 a.3**	Partner reporting and KM Products	16	2022	16	3	2	21	Non-Cumulative Annually	**Data Collection:** Documents review including review of Comms and KM materials

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		Cumulative Results	TARGETS			Cumulative	DATA COLLECTION METHODS & RISKS
			Value	Year	(2023 - 2024)	2025	2026	End of Project Targets (Cumulative 2026)	Non-Cumulative	
services for an inclusive digital economy **(GEN 2)**										
Output 4: Partners have the capacity, tools, and delivery channels to efficiently build digital and financial skills and capabilities **(GEN 2)**	4.1 Countries where a survey is conducted on digital and financial literacy skills of Pacific Islanders	DFL survey reports and/or Needs Assessment reports	7	2022	7	2	0	9	Non-Cumulative Annually	**Data Collection:** Survey **Risks:** Survey not implemented
	4.2 Number of targeted financial and digital literacy campaigns/initiatives for rural communities, women, MSMEs and seasonal workers	Project reports and supporting documents	0	2022	123	37	0	160	Non-Cumulative Annually	**Data Collection:** Documents review **Risks:** Lack of granular data in data collection and reporting
	4.3 Number of educational institutions supported to design/integrate digital and financial literacy related courses and training programs into their curriculum	Revised tertiary course and/or curriculum	0	2022	0	1	1	2	Non-Cumulative Annually	**Data Collection:** Documents review including review of communication materials **Risks:** Support subject to country priorities and needs and this can change
	4.4 The number of people who have received capacity development support to improve their DFL knowledge and skills **(IRRM OP 4.2). Disaggregation: Contribution to OP 4.2 a.1, OP 4.2 b.1**	Activity reports and attendance sheets	0	2022	189,444	8,000 30% women	0	197,444 30% women	Non-Cumulative Annually	**Data Collection:** Documents review **Risks:** Lack of granular data in data collection and reporting

6 MONITORING, EVALUATION AND REPORTING

As indicated in the UN guidance note on joint programmes (pass through modality), UNCDF, as the convening agency will be responsible for monitoring and consolidating narrative reports on the programme's progress. Monitoring will be ensured through a combination of UNCDF's, UNDP's and UNCTAD's programming policies and procedures. The Programme will implement a structured monitoring and evaluation framework to track progress and outcomes.
PDEP adopts a market systems development lens for its M&E approach, guided by the following principles:

- The programme will monitor changes at multiple levels, including among stakeholders, within sectors, and at the individual level. This involves capturing transformations in institutional capacity, operational processes, systemic structures, and relationships between key actors. These dimensions are reflected in the Results Management Framework (RMF), which incorporates both qualitative and quantitative indicators to ensure comprehensive data collection and reporting.
- M&E will include both programme-led and independent assessments to identify not only intended outcomes but also unintended consequences—both positive and negative. An outcome harvesting methodology will be used to help uncover all actors and interventions that may have contributed to observed results, providing a holistic view of programme impact.
- Continuous learning and adaptation will be embedded into the programme cycle. Internal and external review sessions will be conducted regularly to assess progress, identify implementation challenges, and surface areas for strategic adjustments. Building on successful practices, PDEP will engage donors and independent third parties in selected monitoring missions to ensure transparency, shared learning, and accountability in its MEAL (Monitoring, Evaluation, Accountability, and Learning) processes.

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Responsible parties	Cost (if any)
Track Results Progress	Progress data against the results indicators in the RRF will be collected and analyzed to assess the progress of the project in achieving the agreed outputs.	Quarterly, from data collected by implementing partners.	Slower than expected progress will be addressed by the project steering committee and the project management.	Implementing partners and UNCDF | UNDP	Refer Section 9: Multi-Year Workplan: Programme Management and staff cost
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	The programme management, with support from UNCDF's Strategic Support Unit will upskill the team of country technical specialists regarding project management skills, following Prince 2 methodology. Associated tools will be used to monitor and manage risks. The risk log will be actively maintained to keep track of identified risks and actions taken.	Implementing partners and UNCDF | UNDP	Refer Section 9: Multi-Year Workplan: Programme Management and staff cost
Learn	Knowledge, good practices and lessons will be captured	Continuously	Relevant lessons, including from project failures, are	UNCDF | UNDP	Refer Section 9: Multi-Year Workplan

Monitoring Activity	Purpose	Frequency	Expected Action	Responsible parties	Cost (if any)
	regularly, as well as actively sourced from other projects and partners and integrated back into the programme.		captured by the programme team and used to inform management decisions.		
Impact Assessment	Identify to what extent the programme has changed the lives of the intended beneficiaries	Continuously	Measuring the impact of specific programme interventions and use the lessons to inform design of future interventions.	UNCDF | UNDP	Refer Section 9: Multi-Year Workplan: Impact Assessment
Annual Project Quality Assurance	The quality of the programme will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve programme performance.	UNCDF | UNDP	Refer Section 9: Multi-Year Workplan: Programme Management and staff cost
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	Quarterly, led by Project Board meetings	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	UNCDF | UNDP	Refer Section 8: Multi-Year Workplan: Programme Management and staff cost
Progress Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined programme targets at the output level, the annual programme quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Semi-annual, and at the end of the programme (final report)		U UNCDF | UNDP	Refer Section 9: Multi-Year Workplan: Programme Management and staff cost

Monitoring Activity	Purpose	Frequency	Expected Action	Responsible parties	Cost (if any)
Programme Review	The programme's governance mechanism (i.e., Project Board) will hold regular project reviews to assess the performance of the programme and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the programme's final year, the Programme Management shall hold an end-of-project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Annual	Any quality concerns or slower than expected progress should be discussed by the Project Board and management actions agreed to address the issues identified.	UNCDF | UNDP	Refer Section 9: Multi-Year Workplan: Programme Management and staff cost

Evaluation Plan

Joint evaluation frameworks will be developed to suit the needs of all the programme donors. The programme completed a mid-term review in the last quarter of 2022. During the project implementation, impact assessments targeting the beneficiaries will be carried out periodically. The end term evaluation (budgeted at USD 80,000) will happen in 2025 and will be managed by UNCDF Evaluation Unit.

The evaluations of the programme will be conducted in accordance with UNCDF's Evaluation Plan, and in line with UNDP's Evaluation Policy (to which UNCDF is party), which sets out a number of guiding principles and key norms for evaluation in the organization following the standards of the United Nations Evaluation Group.[15]

Amongst the norms that the Policy seeks to uphold, the most important are that the evaluation exercise be independent, and that it provides technically and methodologically credible findings that are useful and relevant to support evidence-based programme management and broader strategic decision making.

The evaluations will be transparent, inclusive, participatory and utilization focused. The overall methodology to be followed will be organized following a theory-based approach, framed by the UN/OECD DAC evaluation criteria, and drawing upon the most appropriate evaluative methods (quantitative and qualitative) to capture evidence of direct and indirect programme results, as well as broader contributions to market development and policy and institutional change to date in the various countries in which it will intervene.

[15] For more information, please see: http://web.undp.org/evaluation/policy.shtml

7 MULTI-YEAR WORK PLAN

Countries of implementation: Fiji, Samoa, Solomon Islands, Tonga, Vanuatu, PNG, Timor-Leste, Kiribati, Cook Islands, FSM, RMI

LEAVING NO ONE BEHIND IN THE DIGITAL ERA **- Pacific Digital Economy Programme**

Fiji, Solomon Islands, Vanuatu, Tonga, Samoa, Papua New Guinea, Timor-Leste, Federated States of Micronesia, Marshall Islands, Kiribati & Cook Islands

Multi Year Workplan- 2021-2026

		TA, grant, loan, guarantee, etc.	Funder	Total ProDoc Budget	Year 2021-2024	2025 Budget	2026 Budget	Implementors
1. Enabling Policy & Regulation								
1.1	Support development and implementation of National e-Commerce Strategies in PICs	TA/ Grant/ Procurement	, DFAT	**1,847,153**	*0*	*400,000*	*0*	UNCTAD
1.2	Review of the Pacific Digital Economy landscape and publication of the Pacific Digital Economy Report (PDER)	TA/ Grant/ Procurement		**453,401**	*0*	*0*	*0*	UNCTAD
1.3	Support capacity building of policy makers and regulators. Implementation of policies and regulations to address emerging trends in the Digital Economy	TA/ Grant/ Procurement	EU, DFAT, MFAT	**1,395,963**	*113,352*	*292,352*	*113,352*	UNCDF/ UNDP
1.4	Supporting development of policies/ strategies and landscape assessment on inclusive remittances	TA/ Grant/ Procurement	EU, DFAT, MFAT	**629,241**	*119,923*	*178,798*	*119,923*	UNCDF/ UNDP
1.5	Supporting development and implementation of National Financial Inclusion Strategy (NFIS) for Pacific Island Countries	TA/ Grant/ Procurement	EU, DFAT, MFAT	**314,620**	*70,000*	*260,000*	*120,000*	UNCDF/ UNDP/ CBS/ MTCSME / FSA
1.6	Support implementation of Regional E-commerce initiative of PIFS	TA/ Grant/ Procurement	, DFAT	**0**	*0*	*150,000*	*0*	PIFS
Sub-Total Workstream 1:				**4,640,378**	***303,274***	***1,281,149***	***353,274***	
2. Open Digital Finance Ecosystem								
2.1	Piloting and scaling digitization of public services including payments services G2P and P2G), innovative e-government initiatives	TA/ Grant/ Procurement	EU, DFAT, MFAT	**1,602,965**	*552,035*	*833,897*	*602,035*	UNCDF/ UNDP/ MYWSA / MTCSME / SINPF
2.2	Supporting Fintech and payment innovation to promote digitization of merchant payments	TA/ Grant/ Procurement	EU, DFAT, MFAT	**2,635,313**	*700,587*	*440,126*	*700,587*	UNCDF/ UNDP/ SINPF
2.3	Supporting innovation of products and service offerings for the seasonal workers, to promote inclusive and affordable remittances	TA/ Grant/ Procurement	EU, DFAT, MFAT	**2,158,887**	*58,024*	*74,612*	*58,024*	UNCDF/ UNDP
2.4	Promoting digital innovation for agriculture value chains, Agri-MSMEs and cooperatives; supporting digitization of agriculture value chain payments	TA/ Grant/ Procurement	EU, DFAT, MFAT	**1,715,790**	*302,564*	*382,564*	*352,564*	UNCDF/ UNDP/ SCGF / WARA
2.5	Promoting innovation in E-commerce and digital business models to support inclusion of MSMEs in the digital economy	TA/ Grant/ Procurement	EU, DFAT, MFAT	**0**	*227,591*	*365,845*	*227,591*	UNCDF/ UNDP / MTCSME / NRBT
Sub-Total Workstream 2				***8,112,955***	***1,840,801***	***2,097,044***	***1,940,801***	
3. Inclusive Innovation								
3.1	Regional/country level capacity building initiatives for start-up incubators, innovation accelerators for the digital economy	TA/ Grant/ Procurement	EU, DFAT, MFAT	**1,475,810**	*189,963*	*189,963*	*189,963*	UNCDF/ UNDP
3.2	Supporting establishment of Pacific Digital Innovation hub, partnering with university and business associations in the region	TA/ Grant/ Procurement	EU, DFAT, MFAT	**1,707,953**	*333,461*	*231,892*	*333,461*	UNCDF/ UNDP/ RBF / Bank of PNG
3.3	Blended finance projects (Credit Guarntees/ Reimbursible grants/ Loans) for de-risking last-mile digital infrastructure & promotion of financial services	TA/ Grant/ Procurement	EU, DFAT, MFAT	**937,026**	*620,000*	*65,000*	*620,000*	UNCDF/ DBS / MOFT / SINPF / DBSI / MFET
Sub-Total Workstream 3				**4,120,789**	***1,143,424***	***486,855***	***1,143,424***	
4. Empowered customers								
4.1	Conduct Digital and Financial Literacy Survey in the Pacific to track progress in the region on strengthening financial and digital literacy	TA/ Grant/ Procurement	EU, DFAT, MFAT	**800,258**	*157,166*	*171,166*	*157,166*	UNCDF/ UNDP
4.2	Implement DFL campaigns/initiatives based on findings of DFL Survey, targeting rural communities, women, MSMEs & seasonal workers	TA/ Grant/ Procurement	EU, DFAT, MFAT	**1,347,706**	*349,923*	*591,825*	*449,923*	UNCDF/ UNDP/ CEFI/ BCI/MFEM
4.3	Support tertiary educational institutions (TVET providers, universities etc) design/integrate capacity building courses on DFL & emerging digital technologies	TA/ Grant/ Procurement	EU, DFAT, MFAT	**703,356**	*318,017*	*166,448*	*598,017*	UNCDF/ UNDP / KIT/MEHR / MOE
4.4	Design/pilot customer protection initiatives for financial sector and e-commerce customers partnering with regulators and service providers	TA/ Grant/ Procurement	EU, DFAT, MFAT	**996,033**	*97,405*	*96,621*	*97,405*	UNCDF/ UNDP
Sub-Total Workstream 4				**3,847,353**	***922,511***	***1,026,060***	***1,302,511***	
5. Monitoring, Evaluation, Accountability & Learning								
5.1	PDEP Programme Evaluation	TA/ Grant/ Procurement	EU, DFAT, MFAT	**250,175**	*50,000*	*50,000*	*50,000*	UNCDF/ UNDP
5.2	All MEAL Activities, including impact assessments, case studies and knowledge sharing with public and private sector stakeholders	TA/ Grant/ Procurement	EU, DFAT, MFAT	**820,145**	*44,015*	*157,189*	*100,564*	UNCDF/ UNDP
Sub-Total MEAL				**1,070,320**	***94,015***	***207,189***	***150,564***	
6. Team Management								
6.1	Program Implementation and Support		, DFAT, MFAT	**848,136**	*0*	*543,559*	*546,693*	
6.2	Operational Expenses and Office Running Costs		EU, DFAT, MFAT	**0**	*85,500*	*207,000*	*128,289*	
6.3	Laptops, printers and IT equipments		EU, DFAT, MFAT	**0**	*3,250*	*4,750*	*3,500*	
Sub-Total Team Management				**848,136**	***88,750***	***755,309***	***678,482***	
Programmable Total				**22,639,931**	***4,392,774***	***5,853,607***	***5,569,055***	
	GMS (7%) & Multi Party Trust Fund (MPTF) - Fund Administration Cost (1%)			***1,811,195***	*860,137*	*437,280*	*425,366*	
Grand Total				**24,451,126**	**5,252,911**	**6,290,886**	**5,994,421**	

Activities		UNCDF	UNDP	UNCTAD	2025 TOTAL	UNCDF	UNDP	UNCTAD	2026 TOTAL
1. Enabling Policy & Regulation		**731,150**	**150,000**	**400,000**	**1,281,150**	**303,274**	**50,000**	**0**	**353,274**
2.1.1	Support development and implementation of National e-Commerce Strategies in PICs	0	0	400,000	**400,000**	0	0	0	**0**
2.1.2	Review of the Pacific Digital Economy landscape and publication of the Pacific Digital Economy Report (PDER)	0	0	0	**0**	0	0	0	**0**
2.1.3	Support capacity building of policy makers and regulators. Implementation of policies and regulations to address emerging trends in the Digital Economy	292,352	0	0	**292,352**	113,352	0	0	**113,352**
2.1.4	Supporting development of policies/ strategies and landscape assessment on inclusive remittances	178,798	0	0	**178,798**	119,923	0	0	**119,923**
2.1.5	Supporting development and implementation of National Financial Inclusion Strategy (NFIS) for Pacific Island Countries	260,000	0	0	**260,000**	70,000	50,000	0	**120,000**
2.1.6	Support implementation of Regional E-commerce initiative of PIFS	0	150,000	0	**150,000**	0	0	0	**0**
2. Open Digital Finance Ecosystem		**1,737,045**	**360,000**	**0**	**2,097,045**	**1,840,801**	**100,000**	**0**	**1,940,801**
2.2.1	Piloting and scaling digitization of public services including payments services G2P and P2G), innovative e-government initiatives	783,897	50,000	0	**0**	552,035	50,000	0	**602,035**
2.2.2	Supporting Fintech and payment innovation to promote digitization of merchant payments	440,127	0	0	**0**	700,587	0	0	**700,587**
2.2.3	Supporting innovation of products and service offerings for the seasonal workers, to promote inclusive and affordable remittances	74,612	0	0	**0**	58,024	0	0	**58,024**
2.2.4	Promoting digital innovation for agriculture value chains, Agri-MSMEs and cooperatives; supporting digitization of agriculture value chain payments	132,564	250,000	0	**0**	302,564	50,000	0	**352,564**
2.2.5	Promoting innovation in E-commerce and digital business models to support inclusion of MSMEs in the digital economy	305,845	60,000	0	**0**	227,591	0	0	**227,591**
3. Inclusive Innovation		**486,855**	**0**	**0**	**486,855**	**1,143,424**	**0**	**0**	**1,143,424**
2.2.6	Regional/country level capacity building initiatives for start-up incubators, innovation accelerators for the digital economy	189,963	0	0	**189,963**	189,963	0	0	**189,963**
2.2.7	Supporting establishment of Pacific Digital Innovation hub, partnering with university and business associations in the region	231,892	0	0	**231,892**	333,461	0	0	**333,461**
2.2.7b	Blended finance projects (Credit Guarntees/ Reimbursible grants/ Loans) for de-risking last-mile digital infrastructure & promotion of financial services	65,000	0	0	**65,000**	620,000	0	0	**620,000**
4. Empowered customers		**956,060**	**70,000**	**0**	**1,026,060**	**922,511**	**380,000**	**0**	**1,302,511**
2.2.8	Conduct Digital and Financial Literacy Survey in the Pacific to track progress in the region on strengthening financial and digital literacy	171,166	0	0	**171,166**	157,166	0	0	**157,166**
2.2.9	Implement DFL campaigns/initiatives based on findings of DFL Survey, targeting rural communities, women, MSMEs & seasonal workers	521,825	70,000	0	**591,825**	349,923	100,000	0	**449,923**
2.2.10	Support tertiary educational institutions (TVET providers, universities etc) design/integrate capacity building courses on DFL & emerging digital technologies	166,448	0	0	**166,448**	318,017	280,000	0	**598,017**
2.2.11	Design/pilot customer protection initiatives for financial sector and e-commerce customers partnering with regulators and service providers	96,621	0	0	**96,621**	97,405	0	0	**97,405**
5. Monitoring, Evaluation, Accountability & Learning		**138,140**	**69,049**	**0**	**207,189**	**94,015**	**56,549**	**0**	**150,564**
3.1	PDEP Programme Evaluation	50,000	0	0	**50,000**	50,000	0	0	**50,000**
3.2	All MEAL Activities, including impact assessments, case studies and knowledge sharing with public and private sector stakeholders	88,140	69,049	0	**157,189**	44,015	56,549	0	**100,564**
6. Team Management		**658,192**	**97,118**	**0**	**755,310**	**607,791**	**70,690**	**0**	**678,482**
1.1.1	PDEP Programme Manager	244,795	3,133	0	**247,928**	244,795	6,267	0	**251,062**
1.1.2	Operations & Finance Manager	136,102	0	0	**136,102**	136,102	0	0	**136,102**
1.1.3	Operations & Finance Support Officer	88,356	21,385	0	**109,741**	88,356	21,385	0	**109,741**
1.1.4	MEAL Analyst	20,890	0	0	**20,890**	20,890	0	0	**20,890**
1.1.5	MEAL Associate	8,009	0	0	**8,009**	8,009	0	0	**8,009**
1.1.6	Knowledge Management and Advocacy Officer	20,890	0	0	**20,890**	20,890	0	0	**20,890**
1.2	Operational Expenses and Office Running Costs	134,900	72,100	0	**207,000**	85,500	42,789	0	**128,289**
1.3	Laptops, printers and IT equipments	4,250	500	0	**4,750**	3,250	250	0	**3,500**
Programme Total		**4,707,442**	**746,167**	**400,000**	**5,853,609**	**4,911,816**	**657,240**	**0**	**5,569,055**
	GMS 7%	329,521	52,228	28,000	**409,749**	*343,827*	*46,007*	*0*	**389,834**
	MPTF 1%	16,066	7,462	4,000	**27,528**	*28,959*	*6,572*	*0*	**35,532**
Total GMS + MPTF (7%+1%)		**345,587**	**59,690**	*32,000*	**437,277**	**372,786**	**52,579**	*0*	**425,366**
Total Expenditure		**5,053,029**	**805,857**	**432,000**	**6,290,886**	**5,284,602**	**709,819**	**0**	**5,994,421**

8 GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Governance

The programme will be a joint programme, designed around the guidelines provided in the UN guidance note on joint programmes.[16] In accordance with these guidelines, UNCDF will be the convening agency, responsible for the coordination of the implementation of the programme. UNDP will act as both the administrative agency and a participating UN organization (PUNO) for the implementation. Since all the activities assigned to UNCTAD were implemented prior to this amendment, they are not part of this no-cost extension. Programme funds will be managed by a combination of pass-through and parallel modalities, similar to the approach used in the PFIP programme. However, for final decision making on all proposals, investment decisions, workplans, etc. the Programme will have a dedicated Project Board.

The programme will be governed by a Project Board, comprised of representatives of contributing donor partners, UNCDF and UNDP, as well as a representative of the Pacific Islands Forum Secretariat (PIFS) and potentially other stakeholders.

The three primary roles of the Project Board members are reflected below:

- UNDP: to take on an executive role to ensure implementation and accountability for the project.
- The Pacific Islands Forum Secretariat (PIFS): to take on the beneficiary representatives role to ensure that the output produced meets the needs of the end-user, in this case the Pacific Island Countries (PICs).
- Donor partners: to commit resources to ensure that the outputs produced will achieve the intended objectives within design, cost and time parameters.

The Project Board is responsible for providing guidance and strategic direction to the Programme, and for approving the annual work plan (including budgets). It is also tasked with ensuring the efficient use of resources and alignment with Programme objectives. While the Project Board may recommend projects and interventions for further consideration, all proposed projects and investments involving financial instruments—such as grants, loans, and guarantees—must be submitted to the UNCDF Investment and Disbursement Impact Committee (IDIC) for appraisal and recommendation. Final approval is granted by the UNCDF Executive Secretary based on IDIC's recommendations, ensuring quality assurance, financial sustainability, and adherence to internal policies and risk frameworks. The Project Board will also make allocation decisions while UNCDF as the convening agency will sign Fund Transfer Requests on behalf of it.

In terms of approval process, all initiatives and investments are generated at regional or country level. Projects and other proposals are reviewed by the regional team in Suva, Fiji, which then shares these for endorsement to the Project Board. The Project Board shall meet no less than twice per calendar year and shall meet more frequently if necessary. Once endorsed, the associated agreements with the partners are signed by UNCDF's Executive Secretary and the partner. The latter may also include the procurement of expertise (e.g. consultants) for the implementation of projects and other initiatives. More detailed information on the Project Board's Terms of Reference can be found in Annex 11.9.

At the level of project activities, there will be a project management team that is responsible for the day-to-day management of the project implementation and to drive the overall performance of the project. This is typically made up of a team of resources from all project implementing partners.

[16] https://unsdg.un.org/resources/guidance-note-new-generation-joint-programmes

Management arrangements

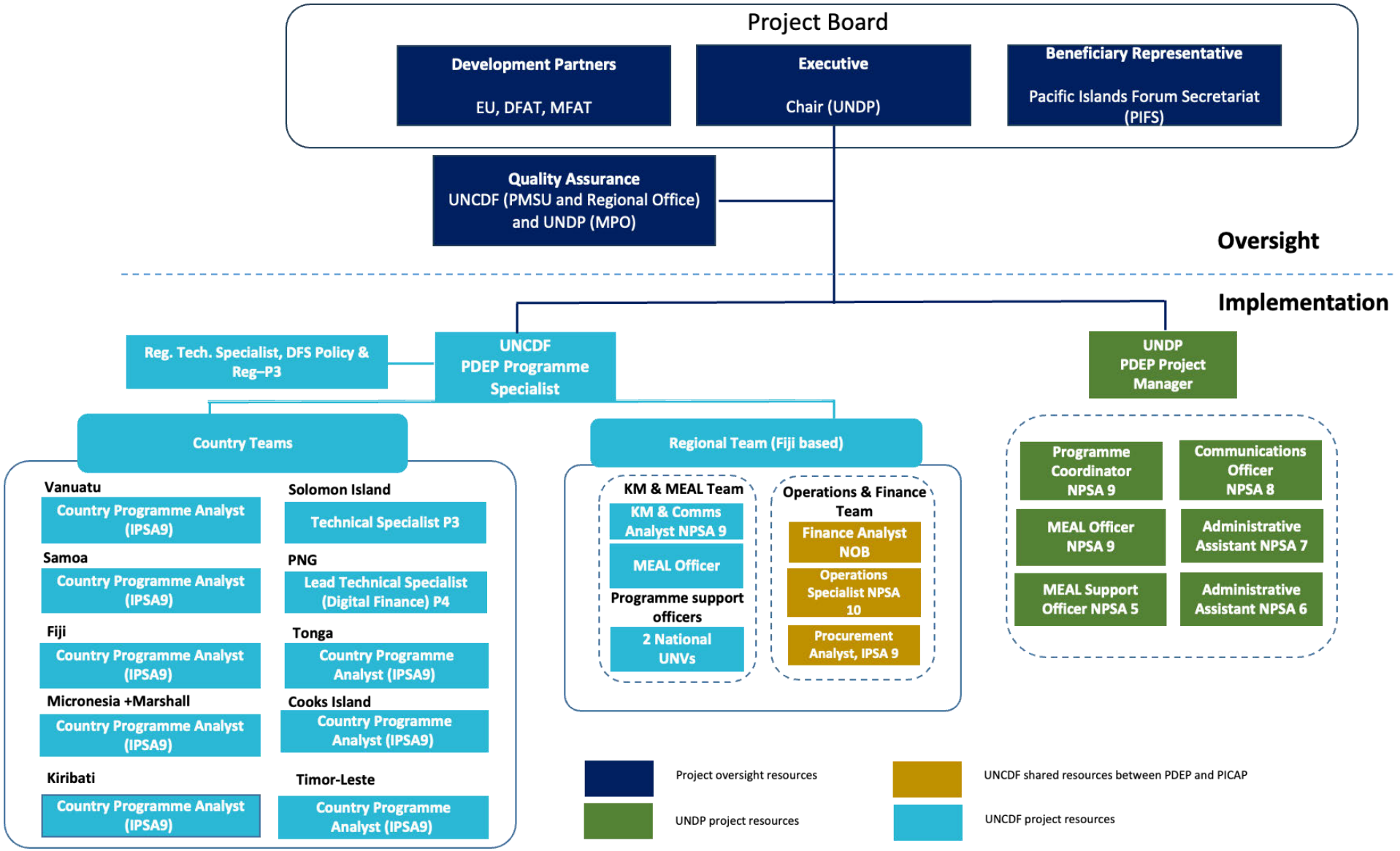
The programme extension will be implemented by a team of experts from UNCDF and UNDP managed by from the regional UN Multi-Country Office in Suva, Fiji with financial and administrative management support provided by UNDP. This approach signifies a continuation from past experience under UNCDF-UNDP's jointly administered PFIP programme.

The Programme will share staff resources as practical, with other UNCDF programmes In the Pacific.

The Programme will be managed by a UNCDF Programme Specialist (P4) based In Suva, with support from a team of technical staff and shared resources for Operations and Finance, Monitoring, Evaluation & Learning (MEAL), and Communications. In addition, UNDP will each have their own Programme Managers and dedicated teams with expertise in programme implementation.

The organizational chart below consists of staff from UNCDF and UNDP with expertise in programme implementation, supported by a management team and various specialists based at the regional office in Suva. Together, they bring a diverse mix of expertise and experience from both the public and private sectors.

Figure 4 Organizational chart (2025 – 2026)



To ensure relationships with key stakeholders in each of the Pacific markets in scope of the programme are maintained and where needed, are (re)developed, the recruitment process will prioritise filling field-based positions.

On a case-by-case basis, the programme will be supported by and collaborate with the UNCDF experts from other regions (e.g. Africa and Asia) and UNCDF headquarters on key topics such as policy, digital innovation, knowledge management, skills development, investment and fund management.

The Programme Specialist, based in Suva, Fiji will manage the overall implementation of the programme across the various Pacific countries. Support and oversight will be provided by UNCDF's Investment Officer based in Fiji-Suva. The scope of the role and responsibilities include, but is not limited to:

- Overall programme management
- Programme strategy and governance
- Stakeholder management, (e.g. government, donors, private sector, other UN and development agencies)
- Programme planning, budgeting, reporting
- Knowledge, learning and communications
- Results measurement and monitoring & evaluation
- Administration and operations.

For the in-country implementations, the Programme Specialist is supported by the various country leads and their role is primarily to oversee and support the programme implementation in the various countries and where needed deploy additional technical expertise from the regional team.

At country level, the programme will recruit a number of expert level resources[17], capable of providing the required guidance and technical assistance to implementing partners in terms of project design and implementation. These Country Leads work closely with the project partners and their designated project manager / team to ensure business alignment and project performance. In cases where the project partner does not have a dedicated staff for the project, UNCDF may require the partner to dedicate some of the project funding to recruit such a resource.

Experience from a similar staffing arrangement during the inception phase and under PFIP Phase II has proven effective in ensuring the right level and mix of on-ground local presence, complemented by technical, functional, and administrative support from the regional office.

Fund Management

The programme will use a combination of parallel and pass-through fund management modality. For the pass-through modality, the UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA), through which programme funds will be channeled. Each participating UN organization receiving funds through the pass-through modality will be required to sign a standardized Memorandum of Understanding with the AA.

The Administrative Agent will:

- Establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received from the donor(s) pursuant to the Administrative Arrangement. This Joint Programme Account will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest.
- Make disbursements to Participating UN Organizations from the Joint Programme Account based on instructions from the Project Board, in line with the budget set forth in the Joint Programme Document.

The Participating UN Organizations will:

- Assume full programmatic and financial responsibility and accountability for the funds disbursed by the AA.

[17] Depending on the size and complexity of the country portfolio and the availability of expertise in the country, these resources may be international staff, local staff or international UNVs.

- Establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.
- Each UN organization is entitled to deduct their indirect costs on contributions received according to their own regulation and rules, taking into account the size and complexity of the programme. Each UN organization will deduct 7% as overhead costs of the total allocation received for the agency.

The MPTF Office will charge administrative agent fee of one per cent (1%) of the total contributions made to the Joint Programme.

The Convening Agency will consolidate narrative reports provided by the Participating United Nations Organizations. As per the MoU:

- Annual narrative progress report and the final narrative report, to be provided no later than three months (31 March) after the end of the calendar year.

The MPTF Office will:

- Prepare consolidated narrative and financial progress reports, based on the narrative consolidated report prepared by the Convening Agency and the financial statements/ reports submitted by each of the Participating UN Organizations in accordance with the timetable established in the MoU.
- Provide those consolidated reports to each donor that has contributed to the Joint Programme Account, as well as the Steering Committee, in accordance with the timetable established in the Administrative Arrangement.
- Provide the donors, Project Board and Participating Organizations with:
  - Certified annual financial statement ("Source and Use of Funds" as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year.
  - Certified final financial statement ("Source and Use of Funds") to be provided no later than seven months (31 July) of the year following the financial closing of the Joint Programme.

Budget Preparation - The Convening Agency will prepare an aggregated/consolidated budget, showing the budget components of each participating UN organization.

Accounting - Each UN organization will account for the income received to fund its programme components in accordance with its financial regulations and rules.

Admin Fees and Indirect Costs

- Administrative Agent: The AA (UNDP) shall be entitled to allocate one percent (1%) of the amount contributed by the donor, for its costs of performing the AA's functions.
- Participating UN Organizations: Each UN organization participating in the joint programme will recover indirect costs in accordance with its financial regulations and rules and as documented in the Memorandum of Understanding signed with the AA.

Interest on funds - Interest will be administered in accordance with the financial regulations and rules of each UN organization as documented in the Standard Administrative Arrangement signed with donors.

Based on the requirements of donors, UNCDF, UNCTAD and UNDP can also utilize other contract and funding modalities in compliance with the UN policy.

9 LEGAL CONTEXT

This regional project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this project to the associated country level activities, this document shall be the "Project Document" instrument referred to in: (i) the respective signed SBAAs for the specific countries; or (ii) in the Supplemental Provisions to the Project Document attached to the Project Document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by UNCDF ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of UNDCF does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

10 RISK MANAGEMENT

UN Agency other than UNDP, and IGO with signed SBEAA with UNDP

1. UNCDF as the Implementing Partner will comply with the policies, procedures, and practices of the United Nations Security Management System (UNSMS.)

2. In the implementation of the activities under this Project Document, UNCDF, as the Implementing Partner will handle any sexual exploitation and abuse ("SEA") and sexual harassment ("SH") allegations in accordance with its regulations, rules, policies, and procedures. Notwithstanding the foregoing, the UNCDF, as the Implementing Partner, will notify UNDP of any such allegations and investigations it may conduct further to such allegations.

3. UNCDF as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient that is not an UN entity:
   a. Consistent with the Article III of the SBAA [or the Supplemental Provisions to the Project Document], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNCDF's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:

      i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
      ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

   b. UNCDF reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.

   c. In the performance of the activities under this Project, UNCDF as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or handle SEA and SH.

4. UNCDF agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via

   http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.

5. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

6. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

7. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

8. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

9. The Implementing Partner and UNDP will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

   Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

10. The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

    Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

11. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

12. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

13. The Implementing Partner shall ensure that all its obligations set forth under this section entitled "Risk Management Standard Clauses" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management" are included, mutatis mutandis, in all sub-contracts or sub-agreements entered into further to this Project Document.

11 ANNEXES

11.1 PDEP Quality Assurance Report
11.2 PDEP Social and Environmental Screening
11.3 PDEP Risk Management Framework
11.4 Recommendations from PFIP End of Programme Evaluation
11.5 Information on PDEP focus segments
11.6 UNCDF Blended Finance Tools
11.7 UNCDF's Inclusive Digital Economy Scorecard
11.8 PICs National Development Priorities
11.9 TORs for the Project Board
11.10 TORs for Key Management Positions
11.11 UNCDF Supplementary Guidelines 2025