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R2015-0028/1

February 12, 2015

**For meeting of
Board: Thursday, March 5, 2015**

FROM: The Corporate Secretary

Fiji

Transport Infrastructure Investment Project

Project Appraisal Document

Attached is the Project Appraisal Document regarding a proposed loan to Fiji for the Transport Infrastructure Investment Project (R2015-0028), which will be discussed at a meeting of the Executive Directors.

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Report No: PAD1092

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF US\$50 MILLION

TO THE

REPUBLIC OF FIJI

FOR A

TRANSPORT INFRASTRUCTURE INVESTMENT PROJECT

February 5, 2015

Transport and ICT
EAST ASIA AND PACIFIC

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CURRENCY EQUIVALENTS
(Exchange Rate Effective February 2, 2015)

Currency Unit = Fijian Dollar
FJD 1 = US\$ 0.495
US\$ 1 = FJD 2.020

FISCAL YEAR
January 1 to December 31

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank	iRAP	International Road Assessment Program
AP	Affected Persons	IRR	Internal Rate of Return
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women	LARF	Land Acquisition and Resettlement Framework
CEN	Country Engagement Note	LARP	Land Acquisition and Resettlement Plan
CEO	Chief Executive Officer	M&E	Monitoring and Evaluation
CESMP	Contractors Environmental and Social Management Plan	MoF	Ministry of Finance
DA	Designated Account	MoIT	Ministry of Infrastructure and Transport
DP	Displaced Persons	MoU	Memorandum of Understanding
EA	Environmental Assessment	NCB	National Competitive Bidding
EIA	Environmental Impact Assessment	NTIP	National Transport Infrastructure Plan
EIRR	Economic Internal Rate of Return	PAM	Project Administration Manual
ESMF	Environmental and Social Management Framework	PDO	Project Development Objective
ESMP	Environmental and Social Management Plan	PICs	Pacific Island Countries
EU	European Union	PSA	Poverty and Social Assessment
EXIM	Export-Import	PSC	Project Steering Committee
FJD	Fijian Dollar	PST	Project Supervision Team
FM	Financial Management	RFP	Request for Proposal
FRA	Fiji Roads Authority	RoW	Rights of Way
GAP	Gender Action Plan		
GDP	Gross Domestic Product	TIIP	Transport Infrastructure Investment Project
GoF	Government of Fiji	TLTB	iTaukei Land Trust Board
GRM	Grievance Redress Mechanism	UN	United Nations
IBRD	International Bank for Reconstruction and Development	US\$	United States Dollars
IEE	Initial Environmental Examination	WA	Withdrawal Application
IFR	Interim Financial Report		

Regional Vice President:	Axel van Trotsenburg
Country Director:	Franz Drees-Gross
Senior Global Practice Director:	Pierre Guislain
Practice Manager:	Michel Kerf
Task Team Leader:	James A. Reichert

FIJI
TRANSPORT INFRASTRUCTURE INVESTMENT PROJECT
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PAD DATA SHEET*Fiji**Transport Infrastructure Investment Project (P150028)***PROJECT APPRAISAL DOCUMENT***EAST ASIA AND PACIFIC**0000009080*

Report No.: PAD1092

Basic Information			
Project ID P150028	EA Category B - Partial Assessment	Team Leader James A. Reichert	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 01-Jan-2016	Project Implementation End Date 30-Jun-2020		
Expected Effectiveness Date 01-Jan-2016	Expected Closing Date 30-Jun-2020		
Joint IFC No			
Practice Manager/Manager Michel Kerf	Senior Global Practice Director Pierre Guislain	Country Director Franz R. Drees-Gross	Regional Vice President Axel van Trotsenburg
Borrower: Republic of Fiji			
Responsible Agency: Fiji Roads Authority			
Contact: Neil Cook	Title: Chief Executive Officer		
Telephone No.: (679) 310-0114	Email: neil.cook@fijiroads.org		
Project Financing Data (in USD Million)			
[X] Loan	[] IDA Grant	[] Guarantee	
[] Credit	[] Grant	[] Other	
Total Project Cost:	167.50	Total Bank Financing:	50.00
Financing Gap:	0.00		

Financing Source		Amount				
Borrower		16.80				
International Bank for Reconstruction and Development		50.00				
Asian Development Bank		100.70				
Total		167.50				
Expected Disbursements (in USD Million)						
Fiscal Year	2016	2017	2018	2019	2020	2021
Annual	3.00	11.50	15.50	14.50	4.00	1.50
Cumulative	3.00	14.50	30.00	44.50	48.50	50.00
Institutional Data						
Practice Area / Cross Cutting Solution Area						
Transport & ICT						
Cross Cutting Areas						
[X]	Climate Change					
[]	Fragile, Conflict & Violence					
[X]	Gender					
[]	Jobs					
[]	Public Private Partnership					
Sectors / Climate Change						
Sector (Maximum 5 and total % must equal 100)						
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %		
Transportation	Rural and Inter-Urban Roads and Highways	100	20			
Total		100				
<input type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.						
Themes						
Theme (Maximum 5 and total % must equal 100)						
Major theme	Theme				%	
Financial and private sector development	Infrastructure services for private sector development				50	
Trade and integration	Trade facilitation and market access				50	
Total					100	

Proposed Development Objective(s)		
The development objective is to improve the resilience and safety of land and maritime transport infrastructure for users of project roads, bridges and rural jetties and wharves.		
Components		
Component Name	Cost (USD Millions)	
Improvement of Existing Road & Maritime Sector Assets	150.00	
Technical Assistance	16.70	
Capacity Building	0.80	
Compliance		
Policy		
Does the project depart from the CAS in content or in other significant respects?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
Does the project require any waivers of Bank policies?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]
Have these been approved by Bank management?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]
Is approval for any policy waiver sought from the Board?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]
<p>Explanation:</p> <p>The project will seek a waiver from the Board of Executive Directors of the application of the World Bank's Procurement Guidelines and Consultant Guidelines in order to apply the Asian Development Bank's (ADB) procurement policies during implementation. ADB's procurement policies would apply and ADB would provide procurement oversight and no objections to government procurement requests. ADB has agreed to this arrangement, which include: (i) the eligibility of firms and individuals from all countries to offer goods, works and services under the Project; (ii) the ineligibility of firms and individuals to offer goods, works and services under the Project if they have been declared ineligible by the World Bank in accordance with the prevailing World Bank sanctions procedures; (iii) application of the World Bank's sanctions policies and Anti-Corruption Guidelines; and (iv) the World Bank's right to declare misprocurement if the ADB declares misprocurement in accordance with the ADB's procurement policies.</p>		
Does the project meet the Regional criteria for readiness for implementation?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]
Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	X	
Natural Habitats OP/BP 4.04	X	
Forests OP/BP 4.36		X
Pest Management OP 4.09		X
Physical Cultural Resources OP/BP 4.11	X	
Indigenous Peoples OP/BP 4.10	X	
Involuntary Resettlement OP/BP 4.12	X	
Safety of Dams OP/BP 4.37		X

Projects on International Waterways OP/BP 7.50			X
Projects in Disputed Areas OP/BP 7.60			X
Legal Covenants			
Name	Recurrent	Due Date	Frequency
Project Supervision Team	X		Ongoing
Description of Covenant			
A Project Supervision Team (PST) consisting of a procurement/project management specialist, an accounting/financial management specialist, an environmental specialist, and a social safeguards specialist, will be established to support FRA and maintained throughout project implementation.			
Conditions			
Source Of Fund	Name		Type
Description of Condition			
Team Composition			
Bank Staff			
Name	Title	Specialization	Unit
Julie Babinard	Sr Transport. Spec.	Sr Transport. Spec.	GTIDR
Ross James Butler	E T Consultant	E T Consultant	GSURR
Marjorie Mpundu	Senior Counsel	Senior Counsel	LEGES
Manush Hristov	Senior Counsel	Senior Counsel	LEGES
Cristiano Costa e Silva Nunes	Senior Procurement Specialist	Senior Procurement Specialist	GGODR
Shruti Pandya	E T Temporary	E T Temporary	EACNF
Gerardo F. Parco	Senior Operations Officer	Senior Operations Officer	GENDR
James A. Reichert	Senior Infrastructure Specialist	Team Lead	GTIDR
Oliver George Whalley	E T Consultant	E T Consultant	GTIDR
David Bruce Whitehead	Financial Management Specialist	Financial Management Specialist	GGODR
Non-Bank Staff			
Name	Title	City	
John Lowsby	Consultant, Infrastructure Engineer	Mbabane	

I. STRATEGIC CONTEXT

A. Country Context

1. Fiji is an island country located in the South Pacific Ocean about two-thirds of the way from Hawaii to New Zealand. It has a territory of 47,329 square km spread over 332 islands, a third of which are inhabited. With a population of about 875,000, nearly 90 percent live on the three main islands of Viti Levu (10,429 sq. km), Vanua Levu (5,556 sq. km), and Taveuni (470 sq. km). Main urban centers on Viti Levu include Suva, the largest city and capital, Nadi, an important center of tourism and location of Fiji's principal international airport, and Lautoka, Fiji's second largest city. Labasa is the largest town on Vanua Levu and is the location of Fiji Sugar Corporation's only Vanua Levu sugar mill (Viti Levu has three mills).

2. Endowed with forest, mineral, and fish resources, Fiji is one of the most developed of the Pacific Island economies, although it still has a large subsistence sector. With an average gross national income of US\$4,110 per capita (2012), Fiji is also one of the wealthier countries in the South Pacific. Agriculture, sugar and tourism drive economic activity. Agricultural activities employ around 70 percent of the labor force, but account for just 10 percent of the gross domestic product (GDP). The sugar industry has traditionally occupied a dominant role in economic activity, but has declined significantly in recent years due, in large part, to the end of preferential tariffs. The country's economy is increasingly dependent on tourism, with about 650,000 visitors annually. Based on results released by the Fiji Bureau of Statistics in September 2014, the country expects to see a record number of tourists in 2014 and to surpass the peak of 675,000 in 2011.

3. Currently, about 50 percent of Fijians live in rural areas, but that figure is expected to drop to 40 percent by 2030, reflecting the on-going rural-urban migration. Poverty is higher in rural areas, at 44 percent, compared to 26 percent in urban areas, and larger households tend to have a higher incidence of poverty, particularly in rural locations. In 2009, just over one-third of the Fijian population lived in poverty. However, aggregate poverty levels disguise important differences in poverty incidence between urban and rural areas. Since 2003, national poverty has progressively dropped, but while urban poverty has declined significantly, rural poverty has remained virtually unchanged.

4. Transport infrastructure plays an important role for local economic development and in providing access. Improved road and maritime sector assets underpin inclusive economic growth and social development by providing communities in rural and island areas with reliable access to economic opportunities, information and services. While the road network is fairly well developed, low levels of investment have contributed to the poor condition of many rural roads, jetties and wharves. Rural populations lack access to reliable roads and must contend with unsafe jetties and wharves, which results in higher transportation costs for many farmers and can negatively impact island economies. It can also have detrimental effects on visits to health care facilities and school attendance. To help alleviate the burden of fees and transportation costs for children from pre-primary up to grade 12, a new school grant of Fijian Dollar (FJD) 250 per child per school year was recently introduced. In 2014, The World Bank's *Logistics Performance Index* ranked Fiji 111 (out of 160 countries), underlining the

country's high cost of logistics and transportation, and the importance of continued investment to improve infrastructure.

5. Since the early-1980s, tourism has expanded and is now one of Fiji's primary economic activities. In 2013, it accounted for FJD 1.3 billion in gross earnings, or around 40 percent of total goods and non-factor service exports. Tourism relies on efficient internal freight distribution systems and access to island destinations. Passengers, including an increasing number of tourists, and inter-island freight rely on coastal and island jetties and wharves, many of which have been neglected for years and are in need of rehabilitation and/or upgrade.

6. Like most Pacific Islands Countries, Fiji is vulnerable to extreme weather events, including tropical cyclones, flooding, earthquakes, and tsunamis, and infrastructure throughout the country is at high risk of climate and disaster-related events. Fiji is one of twenty countries worldwide that have the highest average annual disaster losses in proportion to their GDP as a result of extreme climatic events. The total value of infrastructure, buildings and cash crops considered at some level of risk in Fiji is high and estimates for asset replacement costs and economic losses due to extreme events in Fiji are as much as five to ten times annual GDP.¹

7. Gender differences are strongly embedded in Fijian culture and tradition. The roles of women are impacted by ethnicity and vary in degree at the household level, but male-dominated hierarchies tend to be common regardless of ethnicity. Women's involvement in political, social and economic activities is promoted through many international and regional gender equality commitments by the government. Women's civil society organizations have been instrumental in getting policies and laws in place for women's rights and gender justice in Fiji. In February 2014, the Government approved the National Gender Policy, which seeks to promote gender equity and equality by removing all forms of gender discrimination and inequalities to attain sustainable development.

B. Sectoral and Institutional Context

8. *Sectoral Context.* Fiji's road network consists of approximately 11,115 km of roads, including 4,250 km of main/national roads, 675 km of rural roads, 340 km of municipal roads, and 5,850 km of cane roads. An estimated 1,480 km, or around 13 percent of the network, is sealed. For several years prior to 2012, maintenance and resealing work had been deferred and the majority of roads are now in fair or poor condition, which contributes to higher vehicle operating costs and longer travel times. Since the Fiji Roads Authority (FRA) was established in 2012 and made responsible for maintaining and constructing roads, bridges, jetties and wharves throughout the country, the government has implemented a program to reduce the backlog of road maintenance. Most of the secondary and rural roads are graveled and constructed to lower standards, which makes them particularly vulnerable during the wet season. Many cane roads are little more than dirt tracks without proper formation or drainage systems.

9. Many of the country's estimated 950 bridges and 45 rural jetties and wharves are in a serious state of disrepair with an estimated backlog of FJD 900 million in bridge and jetty/wharf renewals. In an effort to reduce the risk of failure, while staying within available budgets, many

¹ Based on a GDP of US\$4 billion in 2013.

bridges and rural jetties and wharves only received temporary repairs that were meant to last a year or two. However, this is beginning to backfire, and since the start of 2014, on average one bridge or jetty has failed each month, resulting in significant local hardship. FRA has stated that it can no longer guarantee the safety of these assets. In an effort to prioritize improvements, FRA has developed a risk-based approach to assess those bridges, including many with weight restrictions, requiring urgent attention. In some cases, bridges have been closed until they can be repaired to a safe condition. Several rural jetties and wharves are in equally poor condition with some failing. The ability of FRA to assess and maintain these structures is made more difficult because many are in remote locations. A further FRA objective is to ensure that, prior to rehabilitation, bridges, jetties and wharves are designed to be more resilient to climate change impacts and for improved safety.

10. In terms of road safety, Fiji's annual casualty rate of 7 per 100,000 people (2009) ranks as one of the lowest of the Pacific Islands, and is also low with respect to other developing countries. However, given the growing rate of motorization in the country and the increased travel speeds that are expected as a result of improved road conditions, the Government of Fiji (GoF) has stated that road safety will remain a key priority. Fiji maintains systems for data collection and black spot identification, and has been a regional leader in road safety through its adoption of a framework and vision outlined in the *Fiji Decade of Action on Road Safety National Action Plan*. As part of this initiative, 600 km of the country's main road network have been assessed and rated for safety according to International Road Assessment Programme (iRAP) methodology. Preliminary results have revealed that some 95 percent of roads surveyed have a dangerous 1-Star and 2-Star rating.

11. *Institutional Context.* Following the September 2014 elections, the Ministry of Works, Transport and Public Utilities was restructured to become the Ministry of Infrastructure and Transport (MoIT) and assumed responsibility for managing policy, administration and regulatory activities for all modes of transport. The principal goal of MoIT is to provide an integrated transport system that is safe, efficient, affordable, accessible, and environmentally sustainable. MoIT has several units overseeing key activities in the land and maritime subsectors, including roads, road safety, transport planning, and shipping services:

- The Transport Planning Unit coordinates policy associated with transport planning, monitoring, and investment programming.
- The FRA, which had been under the Prime Minister's Office prior to the elections, became part of MoIT on September 25, 2014 (as per Legal Notice 46 published in the Government of Fiji Gazette Supplement). It is responsible for maintaining and constructing roads, bridges, jetties and wharves throughout the country.
- The Land Transport Authority (LTA) is responsible for enforcing road transport regulations and addresses road user issues.
- The Land Transport Division is primarily responsible for formulating regulations to enable the efficient performance of LTA and the National Road Safety Council. The Unit also plays an advisory role to the Minister on policy matters related to land transport.

- The Fiji Ports Corporation Limited oversees activities at the country's international ports.
- Fiji Islands Maritime Safety Administration monitors international shipping and regulates inter-island shipping services in accordance with the requirements of the Marine Act 1986 and subsidiary Regulations. The Marine Act is based on International Maritime Organization Conventions, and encompasses technical legislation(s).
- Government Shipping Services promotes and facilitates national sea transportation through the provision of shipping and marine navigational aids services, and meets Fiji's obligation to international maritime conventions and the maritime community.
- The Department of Meteorological Services provides weather forecasting services for Fiji and other Pacific Island Countries (PICs), including marine and cyclone warning services on a wider regional scale, and aviation forecasting for the Nadi Flight Information Region.

12. Until 2011, the Department of National Roads within the former Ministry of Works, Transport and Public Utilities had been responsible for managing the country's network of roads and bridges. However, in an effort to strengthen performance, a 2012 Decree transferred responsibility for maintaining road sector assets to FRA.

13. FRA manages its assets by outsourcing works and services to the private sector.² In 2013, FRA issued three, five-year road maintenance contracts with private contractors from New Zealand to rehabilitate and maintain roads within certain districts. To help manage the three contracts and to build its capacity to manage its activities with private contractors, FRA enlisted the support of a private consulting firm with extensive experience in the roads sector.

14. Over the past several years, the transport sector has accounted for about 12 percent of GDP and around 8.3 percent of Fiji's total employment in both the formal and informal sectors.³ Improving the country's land and maritime transport infrastructure has been identified as a priority for GoF, but one of the sector's biggest challenges is the large backlog in road and bridge maintenance, which has been neglected for several years. Although average annual expenditures on road, bridge and jetty maintenance between 2001 and 2011 averaged about two percent of the annual budget, it was not sufficient and unrepared road sector assets deteriorated faster than expected. In addition, almost half of the nearly 1,500 km of sealed network is in need of reseal or rehabilitation, which has been estimated at a cost of FJD 300 million.

15. Since 2012, GoF has increased funding for the sector to approximately five percent of GDP.⁴ The objective is to restore Fiji's road network to a steady state of repair by 2018, and to adequately maintain it thereafter. A key FRA goal is to ensure that improvements lead to more resilient and safer roads, bridges and rural jetties and wharves. Table 1 summarizes FRA expenditures from 2007 through 2014 (estimated).

² Some maintenance activities on Outer Islands are carried out by the Ministry of Rural and Maritime Development under a Memorandum of Understanding with FRA.

³ *Green Growth Framework for Fiji*, April 4, 2014.

⁴ Based on a GDP of US\$4 billion in 2013.

**Table 1: FRA Expenditures
(FJD million)⁵**

	2007	2008	2009	2010	2011	2012	2013	2014 ⁶
Capital Works	31.0	58.3	63.7	73.3	133.4	124.8	348.7	387.8
Maintenance	31.3	29.1	37.5	29.2	30.8	87.3	95.9	97.2
Administration	2.7	3.6	3.1	3.4	3.4	13.8	4.5	11.5
Totals:	65.0	91.0	104.3	105.9	167.6	225.9	449.1	496.5

16. Spending on maintenance was relatively flat through 2011. However, with the establishment of FRA in 2012, the maintenance budget nearly tripled and has remained at that level since. Spending on capital works increased substantially in 2011 and again in 2013, due to several large road improvement projects, including rural road upgrades financed through the Export-Import (EXIM) Banks of China and Malaysia. FRA's overall spending in 2013 was FJD 449 million, and the estimated budget of FJD 496 million for 2014 is well above the proposed funding envelope provided by the project. Administration costs rose significantly in 2012 with the establishment of FRA.

17. As an indication of the impact of extreme climatic events on the transport sector, FRA's 2014 budget for emergency repairs was FJD 24 million, which was principally required to carry out emergency repairs of roads, bridges and jetties that were damaged by weather events.

18. *Donor Activity.* In the wake of the 2014 elections, several development partners are preparing to increase their assistance to GoF. In the past, Australia, New Zealand, the European Union (EU) and United Nations (UN) agencies have extended support for health and education services, and small- and medium-sized enterprise development, and these donors are expected to continue assistance in these sectors. The EU also plans to support the sugar sector and to support alternative livelihoods through agriculture. UN agencies have provided support for environmental, gender, governance, human rights, and capacity building activities in several sectors. The Government of Japan has funded water supply, agriculture, rural transport, and education projects, as well as disaster relief. In addition to implementing the transport sector project which this project will jointly co-finance, the Asian Development (ADB) is helping Fiji update its land and maritime transport strategies, and supporting an urban development master plan for the greater Suva area. The Governments of the People's Republic of China and Malaysia have emerged as major new sources of finance for roads, hydropower development, social housing, and hospitals. Table 2 provides a snapshot of recent and planned donor-funded investments in the transport sector.

⁵ Expenditures from 2007 through 2011 occurred under the Department of National Roads, while expenditures from 2012 to 2014 were under FRA. Source: Ministry of Finance Annual Reports.

⁶ Figures for 2014 are estimates.

**Table 2: Donor-Funded Investments in Transport
(US\$ million)**

Donor	Project	Amount	Timeframe
ADB	Third Upgrading Road Project	76.10	1997-2012
	Emergency Flood Recovery Project	17.60	2009-2014
	Transport Infrastructure Investment Sector	100.00	2015-2020
	Project (joint with World Bank (WB))		
China EXIM	Sigatoka-Sera Road Improvement Project	48.20	2010-2013
	Buca Bay-Moto Road Improvement Project	53.80	2010-2013
	Nabouwalu-Dreketi Road Upgrading Project	123.90	2012-2015
Malaysia EXIM	Queens Highway Upgrade Project	26.80	2010-2014
World Bank	Transport Infrastructure Investment Project (joint with ADB)	50.00	2015-2020

19. *Rationale.* The World Bank has supported comparable road projects in the Pacific and globally for many years. In particular, the World Bank brings significant experience in improving standards for building road sector assets. Through on-going IDA-financed projects in Samoa and Papua New Guinea, similar work is being undertaken to update design standards and construction specifications for roads and bridges to ensure uniformity and incorporate climate change adaptation considerations for more climate resilient road sector assets. Through its Global Road Safety Facility, the World Bank is a global leader in road safety and actively supports initiatives to improve safety for all road users. Currently under consideration is a Pacific Islands regional road safety project that is proposed to be based in Fiji and modeled on recent work in Argentina. It is anticipated that there would be synergies between this regional initiative and activities planned under the Transport Infrastructure Investment Project (TIIP).

20. Supporting more transparent public contracting systems is an area in which the World Bank has considerable knowledge. Through the Rural Development Project in the Philippines, which makes extensive use of geotagging,⁷ the World Bank assisted in the development of a publicly accessible website showing the various stages of the procurement process from pre-contract award to contract award and implementation. This system has enhanced how public contracts are monitored, and has received international awards and citations as an effective tool to increasing transparency in project implementation. FRA has expressed interest in piloting open contracting and the use of geotagging under TIIP.

21. Through a combination of implementing projects worldwide and having sector specialists participate in project preparation and semi-annual implementation support missions, the World Bank can both gather and apply lessons learned and best practice. This regular participation generates ample opportunities to provide guidance and strengthen the performance and

⁷ Geotagging makes use of photos to virtually monitor and evaluate physical progress on works.

management of road sector entities, including addressing environmental and social issues, and increases the chances of higher quality results during construction.

C. Higher Level Objectives to which the Project Contributes

22. TIIP will be the first major Bank project in Fiji since 1992 and was developed concurrently with the Country Engagement Note (CEN). The CEN and TIIP are expected to be presented to the Board together in March 2015.

23. The CEN's engagement is structured around the themes of: (i) deepening the World Bank Group's relationship with, and knowledge of, Fiji; (ii) promoting macro-economic stability and inclusive private-sector led growth; and (iii) protecting vulnerable populations. The project would contribute to all three priorities, but particularly the second and third themes. By upgrading and/or rehabilitating main, municipal, and rural roads, bridges, jetties and wharves, access to economic opportunities, information and services will be improved. By incorporating recommendations for more climate and disaster resilience in the designs for roads and bridges to be rehabilitated, the reliability and safety of assets would be strengthened. The project would support the Government's broader measures to develop safer road systems by ensuring that designs for assets to be rehabilitated include elements of road safety. Improved access will reduce temporary and/or longer-term breaks in the road network, which in turn would encourage private sector led growth. Improvements in rural locations, where the majority of poor people live, would help to reduce inequality by targeting Fiji's most vulnerable areas and communities. For the same reasons, TIIP would also contribute directly to the World Bank Group's strategic goals of reducing poverty and increasing shared prosperity.

24. By updating standards and incorporating safety recommendations in designs, the project would also further Government objectives identified in its *Roadmap to Democracy and Sustainable Socio-Economic Development 2010-2014* and *Green Growth Framework for Fiji* to provide safe, efficient, affordable and accessible transport systems to all users, and advance key actions outlined in the *Fiji Decade of Action on Road Safety National Action Plan*.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

25. The project's development objective (PDO) is to improve the resilience and safety of land and maritime transport infrastructure for users of project roads, bridges and rural jetties and wharves.

Project Beneficiaries

26. The key beneficiaries of this project are the users of Fiji's transport infrastructure, which comprise a majority of the population of 875,000 (including 433,000 women) who all make regular use of the roads, bridges and rural jetties and wharves which form the country's transportation network. Rural and village communities in hinterland areas located near roads and bridges, as well as commercial industries involved with tourism, agriculture, forestry and sugar

sectors, are also expected to benefit. Given the dearth of information regarding transport infrastructure use rates, the exact quantity and nature of beneficiaries cannot be quantified.

27. The project would seek to prioritize investments in high poverty areas, including the poorer northern islands of Vanua Levu and Taveuni. This prioritization would be realized by including poverty factors in the multi-criteria analysis used for the selection of sub-projects.

28. According to the World Bank's regional hardship and vulnerability study for PICs in 2014, which assessed extreme poverty for 11 PICs, the location of the proposed Year 1 sub-projects in the upper Sigatoka Valley on Viti Levu has a hardship headcount ratio in excess of 60 percent, which is almost double the national rate of 35 percent.

29. A Gender Action Plan (GAP) has been developed to ensure that engineering designs consider women's needs for safe travel. Road and bridge designs will include safe pedestrian access, such as walkways, guardrails and street lights. For some bridges where it is appropriate, stairways will be constructed to provide safe access from the road level to the waterway below to enable washing of clothes, further benefiting female pedestrians. Construction of certain types of community assets, such as concrete wash tubs including soak pits, will also be considered and monitored under TIIP.

PDO Level Results Indicators

30. The PDO has the following indicators:

- Length of roads rehabilitated to revised standards for resilience and safety (km).
- Length of roads with a minimum 3-Star rating for vehicle occupants based on iRAP assessments (km).⁸
- Population at a reduced risk of bridge failure (number)⁹
- Number of rural jetties/wharves requiring high priority attention (number).¹⁰

31. Annex 1, Results Matrix and Monitoring Framework, includes additional information on project indicators.

⁸ Star ratings for vehicle occupants are based on an assessment of various road attributes that are known to affect the incidence and severity of crashes (e.g., width of lanes, rumble strips, pavement condition, traffic speed, curvature of the road, etc.). Unsafe roads are categorized as 1-Star and the safest roads are categorized as 5-Star. A 3-Star road is expected to substantially reduce the overall fatal and serious injury crash costs, in comparison to 1-Star or 2-Star roads.

⁹ Relates to FRA's list of 85 bridges with high priority for rehabilitation. It measures the population in the catchment areas served by these bridges that are at risk of losing access in the event of bridge failure, as measures to improve bridges will increase the population who are at a reduced risk of bridge failure.

¹⁰ High priority refers to FRA's prioritization rating for the condition of a rural jetty or wharf that may include deficiencies in its serviceability, including, but not limited to, structural integrity, vulnerability to adverse weather events, and/or user safety issues.

III. PROJECT DESCRIPTION

A. Project Components

32. TIIP will be jointly co-financed with ADB and consists of three components, which are briefly described below. Annex 2 provides a more detailed description of project components.

33. **Component 1: Improvement of Existing Road and Maritime Sector Assets (est. US\$150.00 million).** This component would fund works to repair, rehabilitate, reconstruct or upgrade selected existing roads, bridges and rural jetties and wharves. Safety improvements on selected roads, bridges, rural jetties and wharves including road safety furniture and replacement of existing and/or installation of new streetlights would also be carried out. Where possible and appropriate, road, bridge and/or jetty sub-projects would be geographically packaged to reduce costs, attract competent contractors and maximize local impact.

34. Sections of existing main, municipal and rural roads, including those accessing maritime assets, would be rehabilitated through repairs and resealing of sealed roads, and regravelling or upgrading of existing gravel roads to sealed standards.

35. Bridges and large culverts/crossings on selected roads would also be improved. It is possible that for some structures, interventions might involve widening of some single-lane bridges to accommodate two-lane traffic and sidewalks, or increasing hydraulic capacity by, for example, raising deck heights to better accommodate water levels and flows during flood events.

36. Existing rural jetties and wharves at strategic locations would also be repaired, rehabilitated or reconstructed and it is assumed that some jetty reconstruction would involve upgrading of the existing facility to provide improved land and marine access.

37. **Component 2: Technical Assistance (est. US\$16.70 million).** Technical assistance would consist of support establishing and maintaining a project supervision team at FRA to oversee project implementation, financing design and supervision consultants, updating design and construction standards for roads and bridges, undertaking iRAP surveys and road safety audits, and piloting the use of *open contracting*, including geotagging.

38. Using counterpart funds, FRA would appoint four staff to the Project Supervision Team (PST), including a Project Management/Procurement Specialist, Accountant, Environmental Specialist and Social Development Specialist. The PST would support overall project implementation, including carrying out all activities associated with the procurement of services, works and goods, financial management, safeguards, and project monitoring and reporting.

39. Design and supervision consultants would be engaged to carry out feasibility studies for proposed sub-projects, prepare preliminary and detailed designs and bid documentation, and to provide support throughout the tender process. Sub-project designs will consider safety and access to transport infrastructure for women and vulnerable groups, including the elderly and disabled. Supervision during construction would also be financed through this component.

40. The project would provide technical assistance to update design standards and construction specifications for road sector assets, continue support for iRAP activities and to

carry out independent road safety audits, and implement the use of open contracting, which will involve regularly updating information and progress on FRA road contracts (including geotagged photos) on a publicly accessible website to enhance transparency of procurement.

41. **Component 3: Capacity Building (est. US\$0.80 million).** As a parallel activity, ADB will provide a grant for initiatives to build government capacity across the transport sector. Areas of focus are expected to include planning, assessing and managing infrastructure projects for staff from various ministries and agencies, including FRA.

42. Annex 2 provides a more detailed description of project components.

B. Project Financing

43. The World Bank would provide US\$50.00 million to the project, which will be jointly co-financed with ADB. ADB will extend US\$100.70 million towards the project with GoF providing ten percent in counterpart funding, or about US\$16.80 million. Table 3 provides the financing plan with contributions of the various stakeholders. Table 4 estimates project costs by component. Retroactive financing of up to US\$10.00 million will be available for eligible expenses paid after the Board Date and before signing of the Legal Agreements.

Table 3: Project Financing Plan

Source	Original	
	Amount (US\$ mil.)	Total Share (%)
World Bank	50.00	30
Asian Development Bank	100.70	60
Government of Fiji	16.80	10
Totals:	167.50	100

Table 4: Project Costs by Component

Component	Cost (US\$ mil.)	Share of total (%)
1. Infrastructure Improvements	150.00	90
2. Technical Assistance	16.70	10
3. Capacity Building	0.80	
Totals:	167.50	100

44. GoF's counterpart funding, which will be made through annual financial contributions to FRA, will be used to pay for civil works, consulting services, taxes and duties, salaries of PST staff, and contingencies. GoF will provide in-kind contribution for any land acquisition needed and annual project financial audits.

45. ADB's project was approved by its Board of Directors on December 5, 2014 as a stand-alone operation, which ADB Management intends to restructure in accordance with ADB

policies following approval by the IBRD Board of this project. The ADB restructuring will involve a waiver of some provisions of ADB's procurement and consultant policies that limit eligibility to offer goods, works and services to firms and individuals from its member countries, while also recognizing the ineligibility of those firms and individuals declared ineligible by the World Bank.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

46. Since the first joint Bank-ADB re-engagement mission to Fiji in June 2013, GoF officials have indicated their strong preference for the World Bank and ADB to prepare a joint operation, rather than separate projects. There is concern that after such a long time without having worked closely with either donor (except for legacy ADB projects), it would be challenging and unnecessarily difficult to follow separate processes. In subsequent discussions with officials, they expressed interest in borrowing from the World Bank and ADB, but were consistent in their message that the two agencies must minimize duplication, transaction costs and complexity by developing a unified approach, both during preparation and throughout implementation.

47. The World Bank and ADB teams subsequently devised a common approach and framework to address each donor's respective environmental and social requirements, as well as financial management and disbursement arrangements (Annex 4 contains a matrix that details how ADB and the World Bank will carry out these key activities during implementation). There is also agreement that given the large number of tenders expected under the joint operation, only one donor's procurement procedures should be utilized during implementation. For several reasons, including the advanced stage of ADB's project preparation,¹¹ the larger size of the ADB loan, and because ADB has a full-time presence in Suva with an office and staff, it was agreed that ADB would be the lead cofinancier and that the World Bank team would seek a waiver from its Board of Executive Directors to use ADB's procurement policies and procedures during implementation. Using one of the organizations' procedures to procure works, goods and services would eliminate the need to carry out separate tenders according to different procedures. It would also open the door for joint co-financing, whereby funding from each agency would finance a portion of each project activity. As such, World Bank management has requested Board approval of a waiver of the World Bank's Procurement Guidelines and the of ADB's procurement policies and procedures during implementation. If the waiver is not approved, procurement under TIIP would be implemented under parallel financing arrangements.

48. The executing agency will be the Ministry of Finance (MoF), and the implementing agency will be FRA.¹² This would be the first time FRA has worked with the World Bank, although it does have some limited experience in implementing projects financed by ADB. Since 2013, a consulting firm with expertise in transport asset management has supported FRA with its program of transport sector capital works and maintenance. The firm is familiar with internationally accepted tendering practices and requirements for environmental impact assessments/environmental and social management plans and land acquisition and resettlement plans (LARPs). The 2005 Environmental Management Act requires that any proposal to be

¹¹ ADB's project was negotiated on October 22, 2014 and approved by its Board on December 5, 2014.

¹² Since the 2014 elections, the Ministry of Strategic Planning was merged with MoF.

financed by any international or local development finance institution be supplemented by an environmental impact assessment (EIA) as a condition of finance.

49. A Project Steering Committee (PSC) will be established to provide guidance to FRA during implementation. The PSC will provide general oversight and policy direction and review progress and the results of periodic monitoring and evaluation activities. The PSC will have representatives from MoF and FRA. However, membership in the PSC may be expanded to include representation from other stakeholders, if needed, to strengthen coordination and implementation. The PSC will meet on a semi-annual basis, or more frequently, as needed.

50. A PST would be established to support FRA in implementing TIIP. The PST would appoint four individuals with specialist expertise in procurement/project management, accounting and financial management, and environmental and social safeguards. The PST, under the guidance of FRA, would have responsibility for overseeing and managing project execution and compliance with project requirements, including those associated with procurement, financial management and auditing, safeguards, monitoring and evaluation, and project reporting. The PST would also conduct fieldwork, and research and analysis, including basic comparative socio-economic cost/benefit and cost effectiveness assessments required to prepare annual short lists of possible sub-projects. The design and supervision consultants would support the PST to carry out detailed feasibility studies and assessments to verify the acceptability of proposed sub-projects.

51. A project administration manual (PAM)¹³ has been jointly developed with ADB that defines procedures for implementing TIIP. This will complement FRA's existing operations manual. TIIP will be carried out in accordance with the arrangements and procedures set out in the PAM, which can be amended from time-to-time, provided all modifications are agreed with the World Bank and ADB in writing prior to any changes.

52. The World Bank and ADB signed a Memorandum of Understanding (MoU) defining how both agencies would respond to issues during implementation, including technical, procurement, financial management and safeguards aspects of TIIP. Both agencies agree to ensure the prompt delivery and exchange of information regarding the Project and, when practical, will field joint missions during implementation to supervise progress. The MoU would take effect after approval by the Boards of Directors of both organizations.

53. The project will be implemented over a four and a half year period, from about January 1, 2016 to June 30, 2020.

B. Results Monitoring and Evaluation

54. To ensure effective monitoring and evaluation, several measures will be taken. Members of the PST will be required to have demonstrated skills in data collection, collation and reporting, preferably on Bank projects. Secondly, this expertise will be bolstered with support from the project team through the provision of reporting templates and feedback on reports. In addition, some of the results indicators have been aligned with those currently used by FRA,

¹³ The PAM is ADB's equivalent to a project operations manual, or POM, for a Bank project.

which has well established data collection methods. Those TIIP indicators that FRA does not routinely gather will not impose additional costs as data and information needed to calculate them are readily available.

55. Social impacts of sub-projects will be measured through household income and expenditure surveys at inception, mid-term and project close. These will be included as activities to be carried out by the design and supervision consultants.

56. FRA will issue quarterly progress reports that will be due the last day of March, June, September and December. These will be forwarded to the World Bank within 30 days of the end of each calendar quarter. A mid-term review will be prepared in mid-2017 (expected), and an Implementation Completion Report completed within six months of the end of project implementation. FRA will also monitor progress against agreed performance indicators, as defined in Annex 1. The design and supervision consultants will work closely with and provide regular updates to the PST Manager about project progress.

C. Sustainability

57. The establishment of FRA, combined with GoF's substantial increases in funding for road maintenance in 2012, 2013 and 2014, as well as its pledge to increase funding for the sector to as much as five percent of GDP, demonstrates political commitment and provides a good basis for implementing TIIP. On the back of this increased investment, local contractor capacity for road construction is growing, although it remains limited for large structural projects. International contractors will need to be attracted to undertake these works. It is expected that this will be addressed through appropriate procurement approaches, including bundling works into sufficiently large packages to offset the mobilization costs of international contractors.

58. Rehabilitating and/or replacing roads, bridges and rural jetties/wharves to higher, more climate resilient standards is key to more sustainable infrastructure. TIIP will support this by updating design standards and construction specifications for roads and bridges, and by constructing sub-projects to the revised standards.

V. KEY RISKS AND MITIGATION MEASURES

A. Risk Ratings Summary Table

Risk Category	Rating
Stakeholder Risk	Moderate
Implementing Agency Risk	
- Capacity	Substantial
- Governance	Substantial
Project Risk	
- Design	Moderate
- Social and Environmental	Substantial

- Program and Donor	Substantial
- Delivery Monitoring and Sustainability	Moderate
Overall Implementation Risk	Substantial

B. Overall Risk Rating Explanation

59. The overall implementation risk rating is Substantial. Principal risks include: (i) under-performance of FRA in implementing TIIP according to Bank requirements as a result of its lack of previous experience working with the World Bank; (ii) lack of FRA's experience in carrying out requisite safeguards consultations or developing safeguards instruments in accordance with the World Bank and ADB requirements; and (iii) disagreement between the World Bank and ADB about the performance of consultants and contractors, or the quality of outputs.

60. Risks associated with FRA's capacity to implement TIIP according to Bank requirements, which are rated as substantial, will be addressed by funding a PST and design and supervision consultants to provide technical, fiduciary and safeguard support to FRA during implementation. Social and environmental risks are rated as substantial, given that FRA lacks experience in carrying out safeguards consultations and developing safeguards instruments in accordance with the World Bank and ADB requirements. In addition to the PST and support from the design and supervision consultants to address environmental and social requirements, upfront agreement on a unified safeguards approach with ADB and use of a common framework will further mitigate safeguards risk. The risk of disagreement on the quality of outputs will be mitigated by continued close coordination and consultation between the World Bank and ADB during implementation. Both organizations have pledged to field joint missions and signed a MoU defining steps to resolve any differences that might arise during implementation.

61. There is concern that FRA may not have the capacity to utilize all of the funds within the project's five-year implementation period. Based on past FRA expenditures between 2011 and 2014,¹⁴ the combined average annual amount of capital improvements and maintenance activities carried out by FRA was FJD 326 million, or about US\$169 million. Given the anticipated pace of improvements under TIIP, disbursements are expected to be greatest in Years 2, 3 and 4, when more than 85 percent, or around US\$147.0 million, of project funds would disburse. Table 5 shows that even at their peak in Year 3, disbursements would still be about one-third of FRA's average annual spending over the previous four years.

¹⁴ Figures for 2014 are estimates.

**Table 5: Comparison of FRA Disbursement with Expected TIIP Disbursements
(in US\$ million)**

	Year 1 ¹⁵	Year 2	Year 3	Year 4	Year 5
Expected Disbursements under TIIP	\$5.0 mil.	\$39.5 mil.	\$57.8 mil.	\$49.7 mil.	\$15.5 mil.
Average Annual FRA Expenditures (2011-2014)	\$169.3 million				

62. Although numerous, small value contracts are expected under TIIP, FRA will have the support of the PST and the design and supervision consultants during implementation to help process tenders and supervise works. As such, FRA is well positioned to disburse project funds within TIIP's four and a half year implementation period.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

63. A key GoF objective is to develop infrastructure to support economic development, create jobs, and improve access, particularly in areas of high poverty, and a substantial part of the project is expected to rehabilitate and improve FRA assets in rural areas. Doing so supports inclusive growth and is an effective means of increasing access to markets, economic opportunities, and vital social services, such as health facilities and schools.

64. FRA will utilize a systematic approach involving economic and social criteria to select road and maritime assets for improvement. This approach will make use of cost-benefit assessments based on vehicle operating costs and travel times, but will also consider the cost effectiveness of sub-projects that have high social value, but might yield marginal economic returns. Factors to be considered will include poverty levels, numbers of beneficiaries, locations of essential services (clinics, hospitals, schools, etc.), and economic activities served by a road, bridge, jetty or wharf (see Annex 3 for a description of sub-project selection). A methodology for selecting FRA assets to be rehabilitated has been developed and includes a number of criteria, such as:

- support for national level priorities;
- improved access to economic opportunities, markets and social services;
- cost and economic impact;
- range of beneficiaries, including populations served, and economic activities and public facilities in vicinity;
- levels of poverty in areas served by sub-projects; and
- environmental impacts and land acquisition, if any.

65. Principal project costs include construction and the support of engineering consultants to design and supervise the work of contractors. By improving the condition of key assets, costs

¹⁵ In Year 1, disbursements will only be made from ADB's loan. The WB loan will be utilized from Years 2 to 5.

relating to disruption from premature failure and increases in user costs from imposed speed limits and/or weight limits as a result of weakened structures would be avoided.

66. Given the nature of the anticipated investments, few, if any, are expected to be favorable to private sector financing. In addition, many of the improvements on GoF's long list of possible sub-projects for funding under TIIP are located in rural areas or along low volume roads.

67. Economic Justification for Year 1 Sub-Projects. FRA has identified a long list of roads, bridges and rural jetties and wharves for possible rehabilitation under TIIP. An analysis focusing on vehicle operating costs, user time savings from avoiding lengthy diversions when crossings are closed, and savings from reduced risk of accident and injury and avoided maintenance costs was utilized to estimate the economic impact of Year 1 sub-projects in the upper Sigatoka Valley. The assessment was conducted using updated inputs, including traffic counts. The results, including sensitivity analysis on traffic volumes and capital costs, are provided in Table 6. The assessments use a discount rate of 12 percent over a 30-year period.

**Table 6: Results of Economic Analysis for Year 1 Sub-Projects
(in FJD million)**

Asset	Estimated Capital Cost (FJD mil.)	Base Case		Traffic Volume -25%		Capital Costs +25%	
		EIRR	NPV (FJD mil.)	EIRR	NPV (FJD mil.)	EIRR	NPV (FJD mil.)
Narata Bridge	5.287	10.3%	(0.284)	8.5%	(0.581)	8.7%	(0.674)
Matawale Crossing	1.923	13.8%	0.113	9.7%	(0.148)	8.6%	(0.316)

68. The economic analyses of the Year 1 sub-projects in the upper Sigatoka Valley yielded positive economic internal rates of return (EIRR). The preferred option of replacing Narata Bridge with a two-lane structure yielded an EIRR of 10.3 percent, while replacement of the deteriorated Matawale Crossing with a new Irish Crossing had an EIRR of 13.8 percent. Insufficient returns ruled out bridge and realignment options at Matawale. Sensitivity checks of these returns under adverse scenarios showed they remained robust.

69. While the Matawale Crossing base case produced the only positive net present value, other social values were considered in the selection of these sub-projects for improvement. The Sigatoka Valley is the most intensively farmed area of Fiji and is notable for the extent of smallholder and larger-scale commercial market gardening activities. The area is a major supplier of produce for much of Viti Levu, including nearby tourist resorts along the Coral Coast, and there are several farmer associations that export vegetables to Australia and New Zealand.

70. In addition, numerous villages in the area of the sub-projects are dependent on the Sigatoka Valley Road for vehicular access. The Narata Bridge provides the sole vehicular access to the entire west bank of the Sigatoka River valley above this point, and has a population catchment of around 9,800 people. About 7,500 people rely on the Matawale Crossing, and local

residents at Narata Bridge and Matawale Crossing are reliant on the crossings for access to schools, medical facilities, and other community facilities, as well as for rural bus services to the upper Sigatoka valley. The main hospital for the area is located at Sigatoka, a distance of approximately fifty km.

B. Technical

71. Although it has only been in existence for three years, FRA is the sole agency responsible for the country's roads, bridges and rural jetties and wharves. It has developed a structure to efficiently manage multiple contracts with the full-time support of a qualified consulting firm. As such, FRA is the right agency to implement TIIP and well positioned to do so effectively.

72. A methodology and criteria for evaluating and prioritizing sub-projects for rehabilitation has been developed. The methodology combines cost-benefit analyses based on common variables, including vehicle operating costs, travel times and traffic counts, when reliable data is available, as well as other factors, such as levels of poverty, number of beneficiaries, locations of essential services (clinics, hospitals, schools, etc.), and economic activities that would be served by an improved asset.

73. Works supported under TIIP will conform to international standards. Existing design standards and construction specifications for roads and bridges will be updated to strengthen resilience to climate change and extreme weather events. However, the updated standards are not expected until mid-way through implementation, but some of the assets, particularly bridges, are in need of urgent repair/replacement and works cannot be put off until the revised standards are available. In such cases, specialists would be engaged through the project to provide immediate input to designs.

74. As part of the project, iRAP surveys and road safety audits will be carried out for sub-projects involving roads. The surveys will assess various road attributes that are known to affect the incidence and severity of crashes, including lane widths, rumbles strips, pavement conditions, road curvatures, etc., which subsequently inform a prioritized list of recommendations to improve the safety of road infrastructure. Several measures might be recommended, including reducing speeds, constructing road side barriers or improving delineation. The road safety audits will then examine specific sub-projects to determine which of the iRAP recommendations should be incorporated into the designs of assets to be improved under TIIP, or to identify other measures to improve safety of specific sections of road. Combined with other GoF safe system actions to create appropriate institutional mechanisms, data collection and information management processes, modify driver behavior, and improve the safety of vehicles and post-crash care, these activities will serve to improve road safety in Fiji.

75. Works for roads, bridges and rural jetties and wharves are expected to be based on conventional technologies and construction methods.

C. Financial Management

76. A financial management (FM) assessment was carried out in accordance with OP/BP 10.00 and the "Principles Based Financial Management Practice Manual," issued by the Board

on March 1, 2010. The main FM risks relate to the FRA's (the implementing entity) lack of experience with Bank projects, and the added complexity of dealing with two agencies and multiple contracts, which may result in weak controls and errors, leading both to delays and the use of project funds not for their intended purpose. FRA will dedicate an FM officer within the PST, and common project procedures will be adopted with the World Bank and ADB processes integrated, as much as possible. These joint FM procedures will be detailed in a clear set of FM instructions as part of the PAM. Ongoing training will be provided as part of the World Bank's regular FM implementation support. The proposed financial management arrangements satisfy the financial management requirements stipulated in OP/BP 10.00.

D. Procurement

77. Because of the large number of tenders expected under the joint Project, it was agreed that only one donor's procedures to procure works, goods and services should be utilized during implementation. Doing so eliminates the need to carry out separate tenders according to two procedures, and opens the door to co-financing, whereby funding from each donor would finance a portion of all project activities. Because ADB will be the lead cofinancier, the World Bank and ADB Project Teams agreed that it made sense to use ADB's procurement policies and procedures during implementation (refer to Annex 4 for details). As such, the World Bank intends to submit a policy waiver request concurrently with the TIIP to its Board of Executive Directors to allow use of ADB's procurements policies and procedures during implementation. If the waiver is not approved, procurement under TIIP would be implemented under parallel financing arrangements.

78. Annex 3 provides an assessment of FRA's abilities to carry out procurement activities under the Project, as well as an initial summary procurement plan.

E. Social

79. It is anticipated that TIIP will provide several positive benefits to the rural communities in the vicinity of sub-project areas. Improving infrastructure has been identified by GoF as crucial to poverty alleviation and for access to basic public services, and this was verified by the Poverty and Social Assessment (PSA) that was developed during project preparation. The PSA identified a number of important actions for poverty alleviation, particularly for vulnerable households. These actions, which were considered during preparation and incorporated into project safeguard documentation, are summarized in Annex 6. In addition, while Fiji's road network is fairly well developed, many farmers still do not have access to markets – in particular, in the *iTaukei* villages up the valleys.¹⁶ As a result, transporting goods to markets can result in high transportation costs and product damage resulting in lower prices. The project will be designed to minimize social risks by rehabilitating existing roads, bridges and rural jetties and wharves within existing rights-of-way (RoW) and within formation widths.

¹⁶ At its meeting on June 30, 2010, the Cabinet approved the Fijian Affairs [Amendment] Decree 2010, which went into effect forthwith. The new law effectively replaced the word "*Fijian*" or "*indigenous*" or "*indigenous Fijian*" with the word "*iTaukei*" in all written laws, and all official documentation when referring to the original and native settlers of Fiji.

80. The project triggers OP 4.12 on Involuntary Resettlement, due to the potential for small amounts of land acquisition or minor land impacts during implementation. FRA, ADB and the World Bank developed and agreed on a harmonized approach to managing environmental and social safeguards requirements to ensure compliance with ADB's Safeguard Policy Statement 2009 (SPS) and the World Bank's Safeguard Policies. In addition to compliance with ADB and World Bank requirements, social and environmental assessments and clearances of sub-projects under TIIP will comply with Fijian laws (*The Land Sales Act 1974, The State Acquisition of Land Act 1998, the Land Use Decree 2010, The Environment Act 2005* and other relevant national legislation). ADB and the World Bank will jointly clear all safeguard documents at appropriate milestones (contract award, commencement of works, etc.), as detailed in Annex 4.

81. A Land Acquisition and Resettlement Framework (LARF) was prepared to address any land changes or impacts to livelihoods that might occur as a result of involuntary acquisition of assets and/or change in land use, including provision for compensation and rehabilitation assistance, which may occur throughout the life of the project. A LARP was prepared for the two Year 1 sub-projects. For subsequent sub-project preparation involving land acquisition or resettlement, GoF will be responsible for preparing LARPs to help guide the implementation process and serve as documentation for compensation.

82. Beneficiary communities and local stakeholders were provided with relevant information about TIIP, its possible land acquisition requirements, and policies on compensation and entitlements during preparation of the LARF and LARP. The LARF and LARP were disclosed at the World Bank's InfoShop on January 12, 2015 and on FRA's website on January 13, 2015. For each Year 1 sub-project, the LARP and an information booklet was provided to stakeholders in English and Fijian, summarizing entitlements and other relevant information.

83. The LARF requires a similar process be followed for future sub-projects. The FRA, the Provincial Council and the *iTaukei* Land Trust Board (TLTB) will continue to consult and engage with landowners and tenants during sub-project preparation and throughout implementation. Additional consultation with beneficiaries will take place after detailed designs are completed and prior to the commencement of any works to enable compilation of a full census and inventory of losses. The cut-off date for entitlement eligibility will be the date a census is completed, after which the entitlement matrix will be updated and included in final LARPs. FRA, in coordination with community leaders and representatives from the Department of Lands and TLTB, will inform affected parties in advance of Government intent to acquire land, and will respond to all compensation related inquiries. All consultations with affected communities will be documented and follow the requirements established in the project LARF.

84. FRA will be responsible for carrying out any necessary land acquisition and for monitoring any required payments.

85. The project triggers OP4.10 on Indigenous Peoples, as the majority of the beneficiaries in the sub-project areas are expected to be *iTaukei*, or indigenous Fijians. The social assessment completed during preparation reported that the *iTaukei* will constitute the overwhelming majority of project beneficiaries living on native *iTaukei* land that is administered by mataqalis (clans).

This land cannot be sold and remains forever as property of the landowning unit, unless sold to the State and used solely for public purposes.

86. In accordance with OP 4.10, because the overwhelming majority of beneficiaries are expected to be indigenous people, project implementation will not require a separate Indigenous Peoples Plan or an Indigenous Peoples Planning Framework. Instead, the elements of an indigenous peoples plan will be integrated into the design of sub-projects in accordance with the guidelines included in the Environmental and Social Instruments for the Pacific. A well-defined consultation process has been identified and agreed involving free, prior and informed consultations. Such a process took place for the Year 1 sub-projects.

87. All sub-projects will be designed to be culturally appropriate with community benefits. Also, communities from areas impacted by sub-projects will be consulted to ensure broad community support so that there are no pending issues, such as disputes or affected families within the current alignment and RoW.

88. In order to receive and facilitate the resolution of community concerns, complaints, or grievances in sub-project areas or about the project's overall safeguards performance, a Grievance Redress Mechanism (GRM) was developed and will be utilized for each sub-project. The GRM is gender responsive and readily accessible to all community members at no cost. The GRM uses traditional systems for conflict and dispute resolution and, as far as possible, problems, concerns and grievances will be resolved at the sub-project level. The GRM will not, however, impede access to Fiji's judicial or administrative remedies. In coordination with relevant agencies, FRA will inform beneficiary communities about the GRM.

89. Gender Issues. While Fiji is a signatory to the *Convention on the Elimination of All Forms of Discrimination Against Women* (CEDAW), gender inequality is still pronounced, particularly in employment, public decision-making and access to assets and resources. Women are also subject to high levels of gender-based violence. The Millennium Development Goals report shows that the third goal of promoting gender equality and empowering women is unlikely to be achieved by 2015, despite progress in reducing maternal mortality, and being on track to achieve universal primary education.

90. To provide better transport infrastructure, women's needs as they pertain to safety, accessibility and affordability, must be taken into consideration when policies and designs are formulated. Women, through care giving and reproductive roles, are likely to be more disadvantaged by poor access to healthcare centers. Safety and security risks faced by girls, or a long walk to school on an unsafe road, may be the impetus for parents to withdraw girls from school. Without adequate roads and other forms of transport, women and men may be excluded from participating in political and community life, as well as being economically disadvantaged.

91. Under TIIP, road, bridge and jetty/wharf infrastructure will be designed to accommodate issues that are important to all, but particularly to women, and will consider street lighting for safety at night, bus shelters, footpaths on bridges with protective railings, steps near bridges to allow access to rivers for bathing, washing and fishing, and water and sanitation facilities at rural jetties and wharves for those waiting for ships. To measure impact on gender, an intermediate

output indicator will be regularly monitored to assess the number of community ancillary assets improved under the project that benefit women.

92. A Gender Action Plan (GAP) was developed for TIIP to help ensure that women's travel needs are considered during sub-project preparation. Through the GAP and public consultations with affected communities that will occur as part of sub-project preparation, the views of women will be considered during the design phase, which will help to ensure that the safety and access to transport infrastructure for women and vulnerable groups, including the elderly and disabled are fully considered and incorporated.

F. Environment

93. The main environmental issues are expected to be impacts on physical and biological resources close to road, bridge, and rural jetty infrastructure, which will be rehabilitated under TIIP. Repairs and rehabilitation works are expected to be carried out within existing alignments and RoWs. As such, the potential impacts of sub-projects are expected to be manageable, site-specific and reversible. The largest likely impacts come from the operation of material quarries and borrow pits. Nonetheless, TIIP is not expected to have significant environmental impacts, including on natural habitats or forests. Typical construction related impacts are expected to include small amounts of vegetation/habitat removal, dust, noise, and impacts from temporary camps. Impacts on physical cultural resources (PCR) are possible, in which case the impacts would be addressed by chance-find provisions detailed in the Environmental and Social Management Framework (ESMF). There is also the possibility for unintended impacts, such as improper disposal of excess material or siltation of streams and rivers along alignments or within sub-project areas.

94. Due to the environmental issues detailed above, including to PCR and natural habitats, TIIP triggers OP 4.01: Environmental Assessment, OP 4.04: Natural Habitats (OP 4.04), and OP4.11: Physical Cultural Resources. The ESMF screens all sub-projects for safeguards impacts. By project design, any candidate sub-project that would be designated as a Category A will not be financed. Category A projects will not be financed because GoF has not worked with the World Bank or ADB for an extended period of time, and accordingly, the Department of Environment (DoE) and FRA have limited safeguard experience and capacity to work with development partner funded projects, including undertaking necessary consultations and preparation of safeguard instruments. As such, it is considered prudent that sub-projects with potentially significant environmental and social impacts be excluded from funding under TIIP and only Category B and C sub-projects will be funded. The ESMF will guide the FRA in determining the proper safeguards instruments needed to prepare subsequent sub-projects based on the results of the screening. To address issues related to potential impacts on Natural Habitats, the ESMF will screen and assess possible impacts through environmental and social management plans/environmental impact assessments. Impacts to Physical Cultural Resources will also be addressed through the ESMF and EIA/ environmental and social management plan ESMP. Since roads will be rehabilitated under TIIP, chance finds are possible. Accordingly, chance-find procedures have been included in the ESMF and will be incorporated into works contracts.

95. Public consultations on the project's safeguards instruments were held from July 23 to 25, 2014 at Narata, Rararua, Vatubalevu and Wema Villages. The ESMF, LARF, ESMP and LARP

were subsequently disclosed at the World Bank's InfoShop on January 12, 2015 and on FRA's website on January 13, 2015. As described above, an appropriate GRM forms part of the ESMF and will be included in all sub-projects. The GRM was disclosed to the communities for Year 1 sub-projects and will be publicized in local communities adjacent to future construction activities associated with TIIP, as subsequent sub-projects are identified. FRA has instituted safeguards monitoring procedures and will assign a Safeguards Specialist as part of the PST. In addition, ADB has an office in Suva with a safeguard specialist who will assist in the implementation of safeguards arrangements.

96. For the Year 1 sub-projects (Narata Bridge and Matewale Crossing in the upper Sigatoka Valley), an environmental impact assessment in the form of an *Initial Environmental Examination*, or IEE, was prepared and disclosed. The Environmental and Social Management Plan from this IEE will be included as part of the contractual obligations of the winning contractor.

97. FRA's environment manager will be responsible for implementing environmental and social safeguards at the sub-project level. Environmental and social safeguards specialists both at an international and national level will be part of the Design and Supervision Consultant (DSC). These specialists will provide capacity building to screen, implement and monitor ESMF requirements of each sub-project.

ANNEX 1: RESULTS FRAMEWORK AND MONITORING

Country: Fiji

Project Name: Transport Infrastructure Investment Project (P150028)

Results Framework

Project Development Objectives

PDO Statement: The development objective is to improve the resilience and safety of land and maritime transport infrastructure for users of project roads, bridges and rural jetties and wharves.

These results are at: Project Level

Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values (FY)					
		YR1	YR2	YR3	YR4	YR5	End Target
Length of FRA roads rehabilitated to revised standards for resilience and safety (km).	Standards not revised.	Design standards revised.	25	50	75	100	100
Length of roads with minimum 3-Star rating for vehicle occupants based on iRAP assessments (km).	25	25	35	45	55	65	65
Population at a reduced risk of bridge failure (number).	0	0	55,000	110,000	165,000	250,000	250,000
Number of rural jetties/wharves requiring high priority attention (number).	35	35	33	32	30	29	29

Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values					
		YR1	YR2	YR3	YR4	YR5	End Target
Rural roads rehabilitated (km, core indicator).	0	0	25	55	80	90	90
Bridges tendered (number).	0	10	20	30	45	45	45
Jetties/wharves tendered (number).	0	2	3	5	6	6	6
Street lights reinstated and/or installed new (number).	0	1,500	2,000	2,500	4,000	5,000	5,000
Community assets constructed that benefit women (number).	0	5	15	30	45	55	55
Project designs consider gender issues (%).	0	100	100	100	100	100	100

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Length of roads rehabilitated to revised standards for resilience and safety (km).	Relates to project roads and is cumulative over time.	Quarterly	PST & consultant reports	FRA
Length of roads with minimum 3-Star rating for vehicle occupants based on iRAP assessments (km).	Relates to project roads and is cumulative over time.	Quarterly	PST & consultant reports	FRA
Population at a reduced risk of bridge failure (number).	Relates to FRA's list of 85 bridges with high priority for rehabilitation and is cumulative over time. It measures the population in the catchment areas served by these bridges that are at risk of losing access in the event of bridge failure. Measures to improve bridges will increase the population who are at a reduced risk of bridge failure. Estimates are based on the mode of at risk populations across all high priority bridges multiplied by the 45 bridges that are expected to be improved under TIIP.	Quarterly	PST & consultant reports. Outputs from FRA GIS system.	FRA
Number of jetties/wharves requiring high priority attention (number).	Relates to project jetties/wharves and is cumulative over time. High priority refers to FRA's prioritization rating for the condition of a jetty or wharf that may include deficiencies in its serviceability, including, but not limited to, structural integrity, vulnerability to adverse weather events, and/or user safety issues.	Quarterly	PST & consultant reports	FRA

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Rural roads rehabilitated.	Relates to project rural roads and is cumulative over time.	Quarterly	PST & consultant reports	FRA
Bridges tendered (number).	Relates to project bridges and is cumulative over time.	Quarterly	PST & consultant reports	FRA
Jetties/wharves tendered (number).	Relates to project jetties/wharves and is cumulative over time.	Quarterly	PST & consultant reports	FRA

Street lights reinstated and/or installed new (number).	Relates to project street lights and is cumulative over time.	Quarterly	PST & consultant reports	FRA
Community assets constructed that benefit women (number).	Community assets that benefit women include pedestrian infrastructure and facilities, such as footpaths on bridges, protective railings on bridges, steps near bridges to allow access to rivers for bathing, washing and fishing, concrete wash tubs, soak pits, or water and sanitation facilities at rural jetties and wharves for those waiting for ships.	Quarterly	PST & consultant reports	FRA
Project designs consider gender issues (% , core indicator).	The percentage of designs for project roads, bridges and rural jetties/wharves that take into account issues that benefit women.	Quarterly	PST & consultant reports	FRA

ANNEX 2: DETAILED PROJECT DESCRIPTION

FIJI: Transport Infrastructure Investment Project (TIIP)

1. The Transport Infrastructure Investment Project's (TIIP) project development objective (PDO) is to improve the resilience and safety of land and maritime transport infrastructure for users of project roads, bridges and rural jetties and wharves. To achieve this objective, the project will consist of two components. Component 1 is civil works to improve existing land and maritime transport sector assets (roads, bridges and rural jetties and wharves), while Component 2 is technical assistance to fund the design and supervision of civil works, update of design and construction standards, carry out road safety initiatives, and support open contracting.

Component	Project Cost	World Bank	ADB	GoF
1. Improvement of Existing Road & Maritime Sector Assets	150.00 ¹⁷	46.00	88.30	15.70
2. Technical Assistance	16.70	4.00	11.70	1.00
2.1 Project Supervision Team	1.00		0	1.00
2.2 Design and Supervision of Civil Works	14.00	3.50		
2.3 Update of Design and Construction Standards	0.80	0.24	10.5	
2.4 Road Safety	0.50	0.15	0	
2.5 Open Contracting and Geotagging	0.40	0.11	0.56	
			0.35	
			0.29	
3. Capacity Building	0.80		0.70	0.10
Totals:	167.50	50.00	100.70	16.80

Component 1: Improvement of Existing Road and Maritime Sector Assets (estimated US\$150.00 million)

2. Improvements would consist of works to repair, rehabilitate, reconstruct or upgrade road and maritime sector assets that are in poor condition. These assets fall into three distinct groups, roads, bridges and rural jetties and wharves. Sub-projects would be selected in accordance with the sub-project prioritization and selection framework, which would be guided by the Government of Fiji's (GoF) updated 20-year National Transport Infrastructure Plan (NTIP).¹⁸ Where possible and appropriate, road, bridge and/or jetty/wharf sub-projects would be geographically packaged to reduce costs, attract competent contractors and maximize local impact.

3. Roads. This component would fund routine or periodic maintenance, and works to repair, rehabilitate, reconstruct (including possible minor realignment) or upgrade, as appropriate, existing roads, bridges and rural jetties and wharves. It is also expected to include safety

¹⁷ Including physical and price contingencies.

¹⁸ The updated NTIP is expected to be finalized in early-2015.

improvements on selected roads, bridges and rural jetties and wharves, such as safety furniture and signage, and repairing or replacing existing and/or installing new streetlights.

4. Sections of existing main, municipal, and rural roads, including those accessing maritime assets, would be rehabilitated through repairs and resealing of sealed roads, and regravelling or upgrading of existing gravel roads to sealed standards.

5. Bridges. The project will help address the backlog of maintenance by reducing the number of bridges and jetties/wharves rated as “high priority”¹⁹ through appropriate repair, rehabilitation, or replacement measures. With more than 900 bridges and large culverts/crossings identified as in need of repair, the project will improve the condition of structures on selected roads. For some single-lane bridges, it is possible that their decks could be widened to accommodate two-lane traffic and sidewalks. Also, the hydraulic capacity could be increased by, for example, raising deck heights to better accommodate water levels and flows during flood events. Where necessary and possible, structural elements involving steel, reinforced concrete or timber, may be replaced or repaired. Scour protection and soil reinforcement may also be installed around piers and abutments to ensure resilience of underlying structures to flood events. Where existing structures cannot be economically repaired, a number of replacement options will be considered and the most appropriate option adopted. The installation of safety improvements, including bridge safety furniture, signage and street lighting, is also expected.

6. It is anticipated that some bridges in need of urgent repair will be rehabilitated by FRA before construction standards are formally revised as part of Component 2. However, FRA is supported by a full-time qualified international consulting firm, which will help design and supervise works, and any early repairs to bridges should be designed to international standards.

7. Rural Jetties/Wharves. Activities may consist of repairing or replacing platforms, pilings, and structural elements, including reinforced concrete, steel or timber sections. Repairs of storm damage and reconfiguration to better suit current and/or planned operations to improve land and marine access, and to provide more resilient and safe use of maritime transportation, are also expected. Depending on conditions, some jetties and wharves may be replaced with new structures.

8. Year 1 Sub-Projects. The rehabilitation and replacement of high priority bridges is deemed to have the greatest immediate impact on safety and reliability, and two bridge crossings are proposed for the first year of the project. The Narata Bridge and the Matawale Crossing, located in the Sigatoka Valley, provide an important transportation link between the upper Sigatoka Valley and Sigatoka Town, which is one of Fiji’s poorest areas. According to the World Bank’s regional hardship and vulnerability study for Fiji, the upper Sigatoka Valley has a hardship headcount ratio in excess of 60 percent. The Year 1 sub-projects would provide more reliable and safer all-weather access to the highlands, markets, employment opportunities and social facilities, while also contributing to economic growth and poverty reduction.

¹⁹ High priority refers to FRA’s prioritization rating for a bridge or jetty’s condition which includes deficiencies in its serviceability which may include but are not limited to its structural integrity, vulnerability to adverse weather events, and/or user safety issues.

9. *Narata Bridge* is a three span, 26.3 meter long, 3.4 meter wide structure with a concrete deck on steel girders resting on concrete pile caps and abutments and concrete pile foundations. The bridge provides the sole vehicular access to the entire west bank of the Sigatoka River Valley upstream of this point, which has a population catchment of around 9,800 people. It also provides access to several schools and community facilities in the area. The bridge carries about 440 vehicles per day, including rural bus services to the upper Sigatoka Valley, and heavy trucks carrying produce and logs to market. The bridge also provides access for farm stock and agricultural tractors, pedestrians and horses, which are common forms of local transport in the valley.

10. The deck, pile caps, piles and abutments of the bridge have suffered damage from past flood debris impacts, in particular logs. The existing bridge poses a road safety risk due to its narrow width, and the lack of guard railings, footpaths, end markers and other protections. There is a risk that further damage or deterioration could cause the bridge to be load-limited, or possibly closed to traffic.

11. A decision on whether to repair or replace the bridge is pending. No land acquisition, vegetation removal, or river bed disturbance (such as pile driving) would be required as part of repairs to the existing bridge. Repair works are estimated as taking only three to four months in total to complete.

12. Replacing the bridge would involve either the construction of a new 31 meter long, two-lane bridge on the upstream side of the existing bridge (the existing bridge would be demolished), or the construction of a new two-lane bridge in the existing location.

13. *Matewale Crossing* is a single-lane concrete causeway on a gravel road. It is 22.8 meters long, 4.3 meters wide and approximately 2.0 meters above the bed level. The original crossing has suffered serious damage from flood scouring beneath it and has settled significantly, with a rotation of the whole crossing of about 200 mm upstream evident. Six meters on one side has collapsed completely and an embankment has been constructed to maintain access. It is likely that in a significant flood the crossing would become impassable, thus cutting off all traffic to the upper Sigatoka Valley above this point. Several villages upstream of this location, including villages on the eastern bank of the Sigatoka via the Draubuta Crossing, rely on the Matewale Crossing for access.

14. The existing causeway is not economically repairable, so would be either replaced with a new structure consisting of either: (i) another low level structure of improved design; (ii) a higher level bridge at the same location; or (iii) a bridge about 130 meters upstream of the present location with modified road approaches. The construction of a new 44 meter long single-lane bridge on the downstream side of the existing crossing would require the acquisition of some additional land.

15. The preferred option of a replacement causeway could be constructed adjacent to the existing crossing on the downstream side, and then the existing crossing demolished. This might require the acquisition of a very small area of additional land, depending on the locations of the

road reserve boundaries. The existing crossing would be used as the temporary crossing during construction works. A replacement structure would be expected to take around six months to construct, and work would need to be carried out in the drier months of the year.

Component 2: Technical Assistance (estimated US\$16.70 million)

16. Technical assistance would consist of support to establish and maintain a project supervision team at FRA to oversee project implementation, finance design and supervision consultants, update design and construction standards for roads and bridges, undertake iRAP surveys and road safety audits, and pilot the use of *open contracting*, including geotagging.

17. Using counterpart funds, FRA would appoint four staff to the PST, including a Project Manager/Procurement Specialist, Accountant, Environmental Specialist and Social Development Specialist. The PST would support overall project implementation, including carrying out all activities associated with the procurement of services, works and goods, financial management, safeguards, and project monitoring and reporting.

18. Design and supervision consultants would be engaged to support PST to carry out detailed feasibility studies and assessments of proposed sub-projects, to prepare preliminary and detailed designs and bid documentation, and to provide support throughout the tender process. Designs would be in accordance with national and international standards using conventional designs and appropriate materials. Sub-project designs will consider access to transport infrastructure for women and vulnerable groups, including the elderly and disabled. Supervision during construction would also be financed through this component. As part of these contracts, up to two vehicles per contract (total of four), as well as associated operating expenses, including fuel, maintenance, and insurance, would be financed. All other operating costs, including rent, furniture and office equipment, would be covered by the consultants.

19. TIIP would support the updating of design standards and construction specifications for roads and bridges to: (i) bring consistency to constructed road assets in Fiji; (ii) reflect current international standards for road geometry, pavements, drainage, and associated structures; and (iii) incorporate climate change adaptation considerations for more climate resilient road sector assets in line with GoF's *Green Growth Framework for Fiji*. The updated design standards will contain recommendations for more resilient infrastructure. Some of these recommendations would be included in the designs to rehabilitate works, which will support the PDO.

20. Funds would be provided to improve road safety by supporting Fiji's established institutional framework and the vision outlined in the *Fiji Decade of Action on Road Safety National Action Plan*. As part of this initiative, 600 km of the country's main road network have been assessed for safety according to iRAP ratings. iRAP rates the condition and safety of roads based on a system of star ratings from one to five, with a 1-star rating signifying roads that are least safe and a 5-star rating signifying the safest roads. Ratings are based on engineering features of a road and the degree to which they impact the likelihood of crashes for various road users. Under TIIP, assistance would include continued support for iRAP activities to deepen surveys already completed or extend surveys to new road corridors, and to prepare associated

investment plans and proposed interventions to improve road safety.²⁰ An option that is under consideration is to analyze and identify interventions to elevate the star ratings of critical corridors, such as from Nadi to Lautoka, Nadi to Sigatoka, or Suva to Pacific Harbor. FRA may outsource iRAP activities, or develop its own capabilities by acquiring a low-cost “iRAP inspection device” with GPS camera and attendant training. In addition, TIIP would finance independent road safety audits at feasibility and design stages to validate proposed iRAP interventions, or to identify other measures to improve safety for specific sections of road. Recommendations would be included in the designs for assets to be rehabilitated.

21. Support would also be extended to implement open contracting, including geotagging, to virtually monitor and evaluate progress on FRA projects. Open contracting seeks to enhance transparency and monitoring of public contracts by disclosing relevant public procurement information from pre-contract award activities through to contract award and implementation. This allows for better accountability. The approach will follow that used in the Philippines under the Rural Development Project (P084967), which involves a publicly accessible website displaying project progress reports, including geotagged photos of physical works. While FRA already publishes pre-award information on its website, via FRA’s eProcurement Portal with Tenderlink, there is an opportunity to amplify FRA’s dedication to transparency by providing information on contract awards and implementation.

Component 3: Capacity Building (estimated US\$0.80 million)

22. As a parallel activity, ADB has extended US\$700,000 in grant funding (with an additional US\$100,000 from GoF in counterpart funding) to support initiatives to build government capacity across several sectors. Areas of focus are expected to include planning, assessing and managing infrastructure projects for staff from various ministries and agencies, including FRA. The costs of training programs and workshops, including cost of travel and per diems, registration fees, renting of venues, interpretation and translation services, both domestically and internationally, as well as to bring outside short-term specialists to Fiji, could be financed under this component.

²⁰ There are several measures, which might include lane widening, resurfacing, shoulder sealing, installing roadside barriers, improving delineations or providing street lighting and footpaths. More information on iRAP is available at www.irap.org.

ANNEX 3: IMPLEMENTATION ARRANGEMENTS

FIJI: Transport Infrastructure Investment Project (TIIP)

Project Institutional and Implementation Arrangements

1. The executing agency will be the Ministry of Finance (MoF), and the implementing agency will be FRA. This would be the first time FRA has worked with the World Bank, although it does have limited experience in implementing projects financed by ADB. Since 2013, a consulting firm with expertise in road asset management has supported FRA with its program of road sector capital works and maintenance. The firm is familiar with internationally accepted tendering practices and requirements for environmental impact assessments/environmental and social management plans, and land acquisition and resettlement plans (LARPs). The 2005 Environmental Management Act requires that any proposal to be financed by any international or local development finance institution be supplemented by an EIA as a condition of finance.
2. A Project Steering Committee (PSC) will be established to provide guidance to FRA during implementation. The PSC will provide general oversight and policy direction and review progress and the results of periodic monitoring and evaluation activities. The PSC will have representatives from MoF and FRA. However, membership in the PSC may be expanded to include representation from other stakeholders, if needed, to strengthen coordination and implementation. The PSC will meet on a semi-annual basis, or more frequently, as needed.
3. A Project Supervision Team (PST) would be established to support FRA in implementing TIIP. The PST would consist of four individual advisors with specialist expertise in procurement/project management, accounting and financial management, and social and environmental safeguards. These four positions would be funded by FRA through counterpart funds. The PST, under the guidance of FRA, would have responsibility for overseeing and managing project execution and compliance with project requirements, including those associated with procurement, financial management and auditing, safeguards, monitoring and evaluation, and project reporting.
4. The PST would conduct fieldwork, research and analysis, including basic comparative socio-economic cost/benefit and cost effectiveness assessments required to prepare annual short lists of possible sub-projects for improvement under the TIIP.
5. A project administration manual (PAM)²¹ has been jointly developed with ADB that defines procedures for implementing TIIP. This will complement FRA's existing operations manual. TIIP will be carried out in accordance with the arrangements and procedures set out in the PAM, which can be amended from time-to-time, provided all modifications are agreed with the World Bank in writing prior to any changes.
6. The World Bank and ADB signed a Memorandum of Understanding (MoU) defining how both organizations would respond to issues during implementation, including technical,

²¹ The PAM is ADB's equivalent to the World Bank's project operations manual.

procurement, financial management and safeguards aspects of TIIP. Both organizations agree to ensure the prompt delivery and exchange of information regarding the Project and when practical, will field joint missions during implementation to supervise progress. The MoU would take effect after the Boards of Directors of both organizations approve the project. The matrix from the MoU showing how ADB and the World Bank will respond to issues during implementation is available in Annex 4.

7. The project would be implemented over a four and a half year period, from about January 1, 2016 to June 30, 2020.

Methodology for Selecting Sub-Projects

8. FRA will utilize a systematic approach involving economic and social criteria to select road and maritime assets for improvement. This approach will make use of cost-benefit assessments based on vehicle operating costs and travel times, but will also consider the cost effectiveness of sub-projects that have high social value, but might yield marginal economic returns. Factors to be considered will include poverty levels, numbers of beneficiaries, locations of essential services (clinics, hospitals, schools, etc.), and economic activities served by a road, bridge, jetty or wharf.

9. Sub-project selection will be undertaken considering national level priorities and project level assessments and should support national level planning documents endorsed by government, including the National Transport Infrastructure Plan, Fiji's Green Growth Framework, Roadmap to Democracy and Sustainable Socio-Economic Development 2010-2014, and Public Sector Investment Program. Sub-projects would also be assessed for equitable distribution among divisions and provinces, as well as for urgency and project readiness.

10. The PAM identifies a methodology for selecting FRA assets to be rehabilitated and includes a number of criteria, such as:

- support for national level priorities;
- improved access to economic opportunities, markets and social services;
- cost and economic impact;
- range of beneficiaries, including populations served, and economic activities and public facilities in vicinity;
- levels of poverty in areas served by sub-projects; and
- environmental impacts and land acquisition, if any.

11. Selection Procedure. Each year, FRA will prepare a short list of possible sub-projects and submit it to the PSC for approval. Following PSC's approval of candidate sub-projects, the design and supervision consultants will carry out the required feasibility studies and verify sub-project eligibility. The studies will involve collecting and analyzing baseline data to assess expected impacts, using methods and tools established for the sample sub-projects. Each sub-project will be subject to: (i) a technical feasibility study; (ii) an economic analysis; (iii) a social and poverty analysis; (iv) an environmental assessment and environmental management plan in accordance with the agreed environmental and social management framework; and (v) a land

acquisition and resettlement plan in accordance with the agreed land acquisition and resettlement framework. Each assessment will confirm acceptable ratings against the criteria, or recommend further works to complete the assessment.

12. Once completed, FRA will review the sub-project feasibility studies and endorse the sub-project, subject to their assessment that it meets all eligibility criteria. Formal approval from ADB and the World Bank must be obtained before the detailed design of any sub-project can proceed. FRA will be responsible for obtaining MoF approval to include the sub-projects in the national budget, and for ensuring that counterpart funds are available. Once approved, detailed designs will commence.

Financial Management, Disbursements and Procurement

Financial Management

13. Risks and Mitigating Strategies. The project will be conducted under a joint co-financing arrangement with ADB. The financial management (FM) risk associated with the loan is assessed as substantial, due primarily to the limited capacity of FRA and the inherent complexity of a joint operation with multiple works contracts. FRA will appoint a dedicated FM officer within the PST to oversee TIIP expenditures, and a common set of procedures integrating the World Bank and ADB processes has been agreed. These joint FM procedures will be detailed in a clear set of FM instructions that will form part of the PAM. Ongoing training will also be provided as part of the World Bank's regular FM implementation support.

14. Budgeting Arrangements. FRA will develop annual budgets for the project. The budgets will be reviewed by FRA at least bi-annually, with analysis of budget against expenditures.

15. Flow of Funds. MoF will make loan proceeds available to FRA on a grant basis. Loan proceeds will flow from the World Bank into a Designated Account (DA). FRA will be directly responsible for the management, maintenance and reconciliation of DA activities for project components, including preparation of withdrawal applications (WAs) and supporting documents for Bank disbursements. Authorized signatories on WAs will be senior staff from MoF.

16. Accounting and Internal Controls. FRA will be responsible for managing, monitoring and maintaining project accounting records. The project will be integrated, as much as possible, with FRA's existing accounting systems, including its internal controls and accounting procedures. Where necessary, spreadsheet-based systems will be maintained in order to meet reporting requirements and for the preparation of WAs. The project will observe applicable government regulations. Original supporting documents will be retained by FRA in accordance with the legal agreements. FRA does not have an internal audit unit and will outsource these activities.

17. Financial Reporting. FRA will prepare unaudited interim financial reports (IFRs) for the project on a semester basis. The IFRs will include analyses of expenditures for the period, year to date, and project to date, and compared with total project budget, and commitments. The IFR design format will be developed in consultation with FRA, and included in the PAM. IFRs will be forwarded to the World Bank within 45 days of the end of each calendar semester as part of

project reporting. The World Bank and ADB will also agree on the format for the annual financial statements, which will be prepared in accordance with the cash basis International Public Sector Accounting Standard.

18. Audits. Annual audits of the Project's financial statements, together with an associated management letter, will be required by an auditor acceptable to the World Bank. Annual audits will be submitted to the World Bank within six months of the end of each year. It is envisaged that audits will be the responsibility of the Office of the Auditor General.

19. Supervision. The project's FM arrangements will be reviewed by the World Bank's financial management staff based on the assessed risk rating and at least once per annum. The World Bank and ADB have agreed to field joint missions to supervise implementation, and FM staff will do their best to join. The MoU that was signed between the World Bank and ADB defines how both organizations would respond to issues associated with financial management during implementation.

Disbursements

20. Disbursement Methods. Three disbursement methods will be available for the project, including advance payments, reimbursements, and direct payments. The supporting documents required for Bank disbursement under the various disbursement methods will be documented in the Disbursement Letter issued by the World Bank.

21. Designated Account (DA). A DA for the implementing agency will be established in Fijian Dollars and reconciled on a monthly basis. The DA will be held at a bank acceptable to the World Bank. The ceiling of the DA will be determined and documented in the Disbursement Letter. Project funds will be disbursed against eligible expenditures, as set out in the legal agreement.

22. Disbursement Categories. To be defined in the legal agreement, but will include works, goods, services, and training, and are inclusive of taxes and duties.

Procurement

23. Capacity Assessment. An assessment of FRA's capacity to implement procurement actions for TIIP was carried out as part of project preparation. The results of the assessment are available in the World Bank's project portal website and identify risks, risk ratings and mitigation measures. Overall, the assessment indicates a limited level of human resources (including procurement) within FRA to manage projects in accordance with Bank processes, constraints related to the capacity of the contracting industry to respond to FRA's needs, and lack of vigorous public oversight. The overall procurement-related risk is rated "substantial." A risk mitigation action plan has been recommended to FRA.

24. While the local contracting industry is growing on the back of increased investment, and competition for past tenders has been good, the capacity of the local contracting industry remains a risk, particularly for the structural works required for bridges and rural jetties and wharves.

Local contractors lack the equipment and expertise for large structural projects, and international contractors will need to be attracted to undertake these works. While an increasing number of international contractors have participated in recent FRA tenders, works will need to be bundled into sufficiently large packages to offset mobilization costs of an international contractor. Discussions with industry will need to be ongoing to ensure needs are addressed and to encourage healthy competition for large structural works packages.

25. Key Risks and Mitigation Measures. The following table summarizes key procurement risks and proposed mitigation measures.

Key Risks	Mitigation Measures	By Whom	Date Due
Incomplete implementation of procurement under the project (in terms of efficiency, competition, transparency).	i. FRA to augment its capacity by appointing a procurement specialist as part of the PST.	FRA	Effectiveness
Delay in project processing or implementation due to lack of proper planning.	i. Careful planning of FRA's annual work programs. Evidence suggests a program of FJD600 million per year is feasible. ii. Procurement planning to take into account contractors' capacity so that attractive packaging is prepared (particularly bridge-related works). iii. FRA to prepare procurement plans that takes into account supply chain constraints (e.g., availability of aggregate). iv. FRA to consider adopting PROASYS (procurement management database) and develop KPIs to monitor procurement activities.	FRA	During implementation
Reduced competition, incomplete or defective bids.	i. FRA to consider undertaking annual Business Opportunities Seminars.	FRA	During implementation
Delays in project or increase in claims due to slow contract implementation.	i. FRA to employ design and supervision consultants.	FRA	During implementation
Lack of public oversight may lead to abuse or corruption.	i. FRA to disclose procurement and contract information on its website (open contracting and geotagging).	FRA	During implementation

26. Applicable Procurement Policies and Procedures. Procurement would follow ADB's procurement and consultants guidelines (see Annex 4), which are well harmonized with the World Bank's. However, ADB and the World Bank will provide input and jointly clear all terms of reference and key components of bid documents, specifically relating to design reports, bill of quantities and engineer's estimates, specifications, drawings, and delivery and completion schedules. Once jointly cleared, these inputs will form part of requests for proposals (RFPs) and bid packages that FRA will procure according to ADB's policies and procedures. After a tender is completed, the World Bank will be informed of such and provided a copy of the signed contract. During implementation, the World Bank and ADB would supervise the work of consultants and contractors fully and equally.

27. Implementation Support for Procurement. The World Bank's task team, in cooperation with ADB, will provide inputs to the technical aspects of the procurement documentation and guidance during implementation support missions. The World Bank's procurement specialist would visit FRA annually.

28. Exceptions to National Competitive Bidding (NCB) Procedures. ADB's procurement risk assessment identified adjustments necessary for NCB, which would include an increase in advertisement time to a minimum of 28 days, and guidance on pass-fail criteria for evaluation of bids for goods and works.

29. Procurement of Works. Procurement of works will include roads, bridges and jetties/wharves. International Competitive Bidding and NCB procedures are expected to be followed for procurement of works.

30. Procurement of Goods. Goods to be procured might include ICT equipment, hardware and software, and possibly office equipment and facilities. Goods would be carried out under shopping procedures.

31. Selection of Consultants. Consultants would be hired for specialized technical services, project management, fiduciary, safeguards, and monitoring and evaluation services. FRA would be responsible for processing the selection of consultants to be hired internationally.

32. Prior-Review Thresholds. The procurement methods and prior review thresholds for different types of procurement, as agreed with ADB, are provided in the PAM.

33. Procurement Plans. An initial procurement plan was prepared by FRA in relation to likely investments to take place during the first 18 months of project implementation.

Procurement Arrangements and Schedule for Works

#	Description of Works	Procurement Method	Domestic Preference (Yes/No)	Review (Prior/Post)	Bid Opening (Expected)
1.1	Narata Bridge and Matawale Crossing	NCB	No	Prior	October 2015

Procurement Arrangements and Schedule for Consultancy Services

#	Description of Services	Selection Method	Review (Prior/Post)	Proposal Submission Date (Expected)
2.1	Procurement/Project Manager	Individual	Prior	April 2015
2.2	Accountant/FM Advisor	Individual	Post	May 2015
2.3	Social Advisor	Individual	Post	May 2016
2.4	Environmental Advisor	Individual	Post	May 2016
2.5	Design/Supervision (Phase 1)	QCBS	Prior	April 2015

34. Retroactive financing of up to US\$10.00 million will be available for eligible expenses paid after the Board Date and before signing of the Legal Agreements, but not more than twelve months prior to the date of the countersigning of the Legal Agreements. Eligible expenditures will include works, goods and consultant services.

Environmental and Social (including safeguards)

35. Ensuring safety and accessibility through comprehensive and well maintained networks of roads, bridges, and rural jetties and wharves will facilitate rural people to remain on their lands and have access to markets and key social services, such as health and education. Rural poverty in Fiji is pronounced in isolated areas and must be addressed through development of better infrastructure and services. TIIP should encourage the use of non-polluting forms of transportation, including bicycles and horses, through the provision of adequate footpaths and safety measures. The Constitution of the Republic of Fiji (2013), and the Roadmap for Democracy and Sustainable Socio-Economic Development 2010-2014 identifies the transport sector as a national priority. The development policy objectives set out in the Government's National Strategic Development Plan 2007–2011 center on the development of efficient and cost-effective infrastructure for economic and social development and private sector investment, accompanied by institutional strengthening for more capable and better-quality facilities and services.

36. Potential Impacts: TIIP will finance civil works to repair, rehabilitate, reconstruct, or upgrade existing roads, bridges, and rural jetties and wharves. It is expected that many of the sub-projects will be selected from the 20 Year Fiji Transport Infrastructure Investment Plan, which will take into account FRA draft 10 Year Asset Management Plan. By design, any candidate sub-project that would be designated as a Category A will not be financed, the rationale being that neither the World Bank nor ADB have worked with GoF for several years, and accordingly, the Department of Environment (DoE) and FRA have limited safeguard experience and capacity to work with development partner funded projects, including undertaking necessary consultations and preparation of safeguard instruments. As such, it is

considered prudent that sub-projects with potentially significant environmental and social impacts be excluded from funding under TIIP and only Category B and C sub-projects will be funded. A comprehensive ESMF has been prepared which, among other things, will assist in screening project categorization and to guide the FRA in determining the proper safeguards instruments needed to prepare subsequent sub-projects.

37. Most impacts are expected to be site-specific and can be readily mitigated, as the roads, bridges and rural jetties/wharves already exist and most works will involve repairs and/or reconstruction within existing structural footprints and transport corridors. Where replacement will provide a better outcome, or is the only feasible option, the new infrastructure may be sited alongside or at a nearby location better suited to its design and function and would be screened and assessed using the processes set out in the project ESMF. The largest likely impacts come from the operation of material quarries and borrow pits. Nonetheless, sub-projects are not expected to have significant environmental impacts, including on natural habitats or forests. Typical construction related impacts are expected to include, small amounts of vegetation/habitat removal, dust, noise, and impacts and impacts from temporary camps. There is the possibility for unintended impacts, such as improper disposal of excess material or siltation of streams and rivers along alignments or within sub-project areas. Impacts on PCR are also possible, in which case the impacts would be addressed by chance-find provisions in the ESMF. To screen for and address issues related to potential impacts on Natural Habitats, the project will use the ESMF. All potential impacts for sub-projects will be assessed through Environmental Impact Assessments and Environmental and Social Management Plans (ESMP), which will be prepared and implemented to mitigate identified impacts.

38. Due to the environmental issues detailed above, including PCR and natural habitats, TIIP triggers OP4.01: Environmental Assessment, OP4.04: Natural Habitats, and OP4.11: Physical Cultural Resources.

39. The project also triggers OP4.12 on Involuntary Resettlement, due to the potential for small amounts of land acquisition or minor land impacts during implementation. Land acquisition and/or resettlement, if any, are expected to be minor as the sub-projects are expected to be carried out within existing corridors and structural footprints. However, there is a possibility of minor land requirements should small realignments be found necessary. A LARP was prepared to address any land changes or impacts to livelihoods that might occur as a result of involuntary acquisition of assets and/or change in land use, including provision for compensation and rehabilitation assistance which may occur throughout the life of the project. A LARP was prepared for the two Year 1 sub-projects. Consultations with community members and representatives of the villages and provincial councils took place at four sites along the Sigatoka Valley Road to ensure that people were informed about the sub-projects and had an opportunity to raise concerns. These communities, which were provided with copies of the LARP and an information booklet summarizing entitlements and other relevant information, strongly supported the sub-projects as the improved bridge and crossing will increase the safety of road users and pedestrians, while ensuring access and better quality crossings. For subsequent sub-project preparation involving land acquisition or resettlement, GoF will be responsible for preparing LARPs to help guide the implementation process and serve as documentation for compensation.

40. The project also triggers OP4.10 on Indigenous People (IP), as the majority of the beneficiaries in the project areas are *iTaukei*, or indigenous Fijians. The social assessment that was completed during preparation reported that the *iTaukei* constitute the overwhelming majority of project beneficiaries and live on native *iTaukei* land that is administered by mataqalis (clans). This land cannot be sold and remains forever as property of the landowning unit, unless sold to the State and used solely for public purposes. Because the overwhelming majority of beneficiaries are expected to be indigenous people, project implementation will not require a separate Indigenous Plan or an Indigenous Peoples Planning Framework. Instead, the elements of an IP plan will be integrated into the design of sub-projects in accordance with the guidelines included in the Environmental and Social Instruments for the Pacific. A well-defined consultation process has been identified and agreed involving free, prior and informed consultations.

41. FRA's environment manager will be responsible for implementing environmental and social safeguards at a sub-project level. Environmental and social safeguards specialists both at an international and national level will be part of the Design and Supervision Consultant (DSC). These specialists will provide capacity building for screening, implementation and monitoring of ESMF requirements of each sub-project. Additional support will be provided under a grant from ADB to build government capacity across the transport sector, which is likely to include support for safeguards training. Areas of focus are expected to include planning, assessing and managing infrastructure projects for staff from various ministries and agencies, including FRA. FRA will establish a Project Supervision Team (PST) and has instituted safeguards monitoring procedures and will assign an environmental specialist and a social safeguards specialist as part of the PST.

42. During sub-project identification and project implementation, the World Bank and ADB will work jointly to ensure safeguards requirements are carried out in accordance with the approved LARP and construction ESMPs. Joint missions with ADB will be conducted about every six months, or more frequently, if needed. At least once per year the missions will include safeguard specialists. Safeguards specialists will also work with counterparts to help ensure that the project complies with all relevant safeguard frameworks and plans. The World Bank and ADB will be jointly involved in key safeguard activities, including screening of sub-projects, categorization and identification of appropriate instruments, clearing of EIAs ESMPs and LARPs, and issuing no-objection to start construction.

43. The safeguards documents, including the ESMF, LARF, ESMP and LARP, were disclosed at the World Bank's InfoShop on January 12, 2015 and on FRA's website on January 13, 2015.

Monitoring & Evaluation

44. To ensure effective monitoring and evaluation, several measures will be taken. Members of the PST will be required to have demonstrated skills in data collection, collation and reporting on Bank projects. This expertise will be bolstered with support from the project team through the provision of reporting templates and feedback on reports. TIIP will also be monitored and

evaluated through quarterly reports and measuring outcomes achieved against baseline indicators (as defined in Annex 1).

45. FRA will issue quarterly progress reports on the last day of March, June, September and December. These will be forwarded to the World Bank within 30 days of the end of each calendar quarter. The quarterly reports will cover the entire project, both cumulatively and for the period covered by each report, and summarize progress several ways, including in terms of overall progress by component and any technical challenges encountered, procurement under the project, including updated procurement plans, expenditures under contracts financed from all sources, estimated cost of the project versus available funding, and estimates of project financing needs by quarter for the subsequent six months.

46. FRA will be responsible for the overall management and implementation of the monitoring framework, and for reporting on progress in meeting performance targets (as outlined in the Results Framework in Annex 1). Through its ongoing experience in managing private contractors, FRA has demonstrated capacity to meet the M&E requirements of this project. The design and supervision consultants will work closely with and provide regular updates to the PST Manager about project progress

47. Social impacts of sub-projects will be measured through household income and expenditure surveys at inception, mid-term and project close. These will be included as activities to be carried out by the design and supervision consultants.

48. A mid-term review will be carried out in mid-2017, and an Implementation Completion Report will be prepared within six months of project closing.

Role of Partners

49. The World Bank is re-engaging with Fiji after a long absence. Although this will be the first major project in several years, effective lines of communication have been established with FRA, which was a valuable partner during preparation of TIIP. FRA reviewed and provided input to project documents and worked in an efficient manner with the World Bank throughout preparation.

50. The ADB and Bank teams have devised a common approach and framework to jointly implement the Project, and to address technical matters and each donor's respective environmental, social, financial management and disbursement requirements. During implementation, procurement will be carried out using ADB's procurement policies and procedures. As part of this approach, ADB and the World Bank will jointly carry out bi-annual missions to supervise project progress and implementation. At least one representative designated to speak on behalf of each partner will participate. ADB and the World Bank will jointly prepare and issue reports, such as MoUs/Aide Memoires, at the end of each supervision mission. If a joint mission is not possible, the partners can fielded teams independently, but will share all project documentation.

ANNEX 4: JOINT ADB-WB MATRIX OF AGREED ACTIONS DURING IMPLEMENTATION

FIJI: Transport Infrastructure Investment Project (TIIP)

Key: ADB - Asian Development Bank; WB - World Bank; GoF - Government of Fiji.

Notes:

- (1) It is assumed that the joint project will be implemented under cofinancing arrangements. If parallel financing is used, agreed actions and processes could change.
- (2) “Input” designates contribution to preparatory activities. “Joint” designates clearance activities.
- (3) It is assumed that the implementing agency (IA) will be the Fiji Roads Authority (FRA).
- (4) In the event of disagreement between ADB and WB, the process defined in the Cofinanciers Coordinating Committee for resolving disputes will be followed.

Technical Issues	ADB	WB	GoF	Notes
Sharing of information	Joint	Joint		Both donors agree to ensure the prompt delivery and exchange of information regarding the Project and its progress.
Selection of sub-projects/activities	Joint	Joint	Responsible	<ul style="list-style-type: none"> • FRA/IA to apply a systematic approach for selecting sub-projects that is based on pre-agreed economic and social criteria. • If ADB and WB can’t agree on a sub-project, the dispute resolution process involving the Cofinanciers’ Coordination Committee (CCC) will be followed.
Progress monitoring	Joint	Joint	Responsible	<ul style="list-style-type: none"> • ADB and WB to share copies of all consultants’ progress reports for information, review and comment. • ADB and WB to jointly review, comment and agree on quality of progress reports.
Consultant outputs	Joint	Joint	Responsible	<ul style="list-style-type: none"> • ADB and WB to jointly review, comment and agree on consultants’ outputs and deliverables, specifically for design and supervision assignments, reports/studies associated with technical assistance and capacity building initiatives, preliminary and detailed designs, design drawings, specifications, and cost estimates. • ADB and WB to agree position in the event of unsatisfactory consultant performance. • If ADB and WB have differences of opinion on quality of outputs, dispute resolution process involving the CCC will be followed.
Contractor outputs	Joint	Joint	Responsible	<ul style="list-style-type: none"> • ADB and WB to jointly review, comment and agree on contractors’ outputs. • ADB and WB to agree position in the event of unsatisfactory contractor work.

				<ul style="list-style-type: none"> • If ADB and WB have differences of opinion on quality of outputs, dispute resolution process involving the CCC will be followed.
Provision of technical comments	Joint	Joint	Responsible	<ul style="list-style-type: none"> • GoF to review and provide technical comments on project outputs and forward to the ADB and WB. • ADB and WB Task Teams will undertake separate reviews and agree on sets of joint comments to be compiled by ADB, which will then be jointly provided to GoF. • Each Cofinancier to provide comments in timely manner.
Contract variations	Joint	Joint	Responsible	ADB and WB to jointly review, comment and agree on any revised scope of work that has a material variation to the original contract. ADB will issue the no objection.
Supervision missions	Joint	Joint		<ul style="list-style-type: none"> • Joint ADB/WB supervision missions will be carried out at least two times per year with participation from at least one representative designated to speak on behalf of each Cofinancier. • Both ADB and WB Task Teams and specialists to accompany missions, visit construction sites, meet government officials and project manager's/consultants' representatives, as appropriate. • If joint missions are not possible, the Task Teams can be fielded independently and will share MOUs and/or Aide Memoires concluded with GoF. • For joint missions, letters announcing the missions will be drafted jointly, but sent under ADB's signature ahead of planned missions. • In the case of separate missions, each Cofinancier will prepare its own letters, but will copy the other Cofinancier.
Task team reporting	Joint	Joint		<ul style="list-style-type: none"> • ADB and WB to jointly prepare and issue joint reports (MOUs/Aide Memoires) at the end of each joint supervision mission. • If required by ADB, WB or GoF guidelines, project documents to be countersigned by government.
Project ratings	Joint	Joint		<ul style="list-style-type: none"> • ADB and WB to rate project progress separately and indicate findings in MOUs/Aide Memoires. • To the extent possible, ratings on project progress that are common to ADB and WB (technical, procurement, disbursements, financial management and safeguards) will be unified. • In the event that there are large differences in ratings, both Cofinanciers shall seek to narrow the gap in the ratings.
Project savings/new activities	Joint	Joint	Responsible	New project activities resulting from savings will be jointly agreed by ADB and WB.
Resolution of differences	Joint	Joint		<ul style="list-style-type: none"> • WB and ADB will seek to resolve any differences in implementing the

				project. • If needed, WB and ADB will follow dispute resolution process involving the CCC.
Safeguards	ADB	WB	GoF	Notes
<i>Environmental</i>				
Screening of subprojects	Joint	Joint	Responsible	The Environmental and Social Management Framework (ESMF) will guide GoF in categorizing subprojects and identifying required safeguards instruments to be carried out. Sub-project selection criteria will exclude sub-projects with significant environmental impact (Category A projects) as per the definition in the ADB Safeguard Policy Statement (SPS) 2009 and rationale presented in the ESMF for such exclusion in accordance with the World Bank Operation Policy 4.01 (OP 4.01).
Disclose ESMF	Input	Input	Responsible	On FRA website, ADB website and WB's InfoShop prior to Staff Review Meeting and Appraisal Mission.
Submit and review EIA application for subprojects	Input	Input	Responsible	EIA ²² Screening Application form (EMA/EIAP1) to be jointly reviewed by ADB/WB
Prepare ToRs for EIA Consultant	Input	Input	Responsible	Preparer of assessments must be accredited and registered with Department of Environment (DoE). An environmental and social management Plan (ESMP) is included as part of the mitigation process for specific sub-projects.
Prepare EIAs for subprojects	Input	Input	Responsible	Carry out public consultations on results of EIAs and proposed ESMPs based on process and content set out in ESMF.
Clear EIAs	Joint	Joint	Responsible	ADB and WB jointly review and clear EIAs. Preparation and clearance of EIAs must be completed and DoE permit issued before works can commence.
Ensure ESMPs included as part of bidding documents and in final contracts of winning bidders	Input	Input	Responsible	ESMP included in bid documents for each sub-project. Costs for specific items integrated with Bill of Quantities (BoQs) for civil works. ADB to confirm ESMPs included when reviewing bidding documents.
Clear CESMPs	Joint	Joint	Responsible	CESMPs jointly cleared by ADB/WB and government before works commence.
Monitor implementation and compliance of approved CESMPs and review monitoring reports	Joint	Joint	Responsible	Two supervision missions to be carried out annually. GoF to prepare and disclose compliance monitoring reports prior to arrival of missions. ADB and WB to disclose monitoring reports.

²² Environmental impact assessment (EIA) is the terminology used in Fiji's Environmental Management Act 2005. It is not equivalent to EIA in ADB's SPS or WB's OP 4.01. Within the parameters of SPS it is equivalent to an initial environmental examination as appropriate for a Category B project. All subprojects under the Project will be Category B or C projects, and will follow the process for screening, assessment, review and implementation as set out in the ESMF prepared for the project. Category A projects are not eligible for financing under the project.

submitted.				
Management of complaints	Input	Input	Responsible	In the event of a complaint received by either ADB or WB, each Cofinancier will inform the other through official communication. A common register of complaints will be established.
<i>Social</i>				
<i>Involuntary Resettlement</i>				
Disclose Land Acquisition and Resettlement Framework (LARF).	Input	Input	Responsible	A LARF was prepared following ADB and WB requirements as well as Fiji laws. An acceptable version is to be disclosed on FRA website, ADB website and WB's InfoShop prior to ADB's Staff Review Meeting and WB's Appraisal Mission.
Prepare a Land Acquisition and Resettlement Plan (LARP) for all sub-projects	Input	Input	Responsible	<ul style="list-style-type: none"> • In addition to WB Year 1 project/ADB sample project for which a LARP was prepared, LARPs will be prepared for subsequent subprojects where the acquisition of land or property, or where resettlement impacts are identified. FRA/IA will be responsible for preparing LARPs following the LARF. Details of LARPs will consider magnitude of impact. • During preparation of LARPs, (i) a complete and accurate count of the population and asset inventory to be affected by land acquisition and related impacts will be completed to determine eligibility and cutoff date for compensation, and (ii) valuation of lost assets for compensation or asset replacement will be undertaken following methods as per the LARF, iTaukei Lands Trust Board (TLTB) and Department of Land (DoL) can assist with negotiation between landowners and Government, as well as land valuation process. • If land owners want independent valuation of property, FRA/IA to prepare ToRs to select external/independent evaluator, as per LARF.
Clear LARPs	Joint	Joint	Responsible	ADB and WB will jointly review and clear LARPs.
Disclose and consult on LARP	Input	Input	Responsible	Government consults on LARP and publicly discloses in sub-project areas in both Fijian and English. Findings from consultations to be incorporated in, and clearances obtained of, LARP from ADB and WB prior to commencement of civil works. WB discloses LARP on InfoShop following internal clearance. ADB discloses LARP on its website.
Implement LARPs	Input	Input	Responsible	<ul style="list-style-type: none"> • Implementation will be carried out by FRA with support from TTLB and DoL. If there is potential for disputes, advice from ADB/ WB regional safeguard advisor to be obtained. • Payments for any form of compensation must be made prior to the commencement of works and in accordance with cut-off date for determining eligibility (i.e., prior to impacts being experienced).

No objection to start construction	Joint	Joint		ADB and WB provide no objection to start civil works after resettlement measures set out in LARF and LARP have been implemented. Payments for any form of compensation must be made prior to the commencement of works (i.e. prior to impacts being experienced).
Monitor resettlement process	Input	Input	Responsible	FRA to monitor implementation of land acquisition/resettlement activities following the internal monitoring procedures (including formats) and responsibilities described in LARF and LARP.
Review monitoring reports	Joint	Joint		ADB and WB teams ensure that monitoring reports are prepared and submitted according to the schedule in the LARP. Monitoring reports reviewed by resettlement specialist and comments conveyed to FRA.
Management of complaints	Input	Input	Responsible	In the event of a complaint received by either ADB or WB, each Cofinancier will inform the other through official communication. A common register of complaints will be established.
<i>Indigenous Peoples (IPs)</i>				
Consultations with IPs	Input	Input	Responsible	FRA organizes free, prior and informed consultations with the affected local communities including IPs about proposed subproject(s) and ensures that there is broad community support for the proposed subproject. Consultations are carried out in manner that is consistent with social and cultural values of community.
Documentation on consultations	Input	Input	Responsible	A summary document on local consultations including confirmation of broad local community support of proposed subproject. The document will be included in the feasibility study report to be submitted to ADB and WB.
Inform local communities	Input	Input	Responsible	Updated information to be provided to affected local communities including IPs at each stage of project implementation, including any modifications to design and to address any adverse effects or concerns.
Procurement	ADB	WB	GoF	Notes
<i>Consultancy Services for Firms or Individuals</i>				
Develop Terms of Reference (ToRs)	Input	Input	Responsible	Consultancy packages to consist of design and supervision consultants (three separate phases). FRA/ IA to draft ToRs.
Review and clear ToRs	Joint	Joint		ADB and WB to jointly review, comment and clear ToRs, scopes of services, required expertise, qualifications, experience of key personnel, levels of effort, and budget.
Develop Requests for Proposal (RFP)	Input		Responsible	FRA/IA to draft RFPs.
Clear RFP	Input		Responsible	ADB to clear RFP.
Carry out tender	Input		Responsible	FRA/IA to carry out tender.

Clear evaluation	Input		Responsible	ADB and possibly MoF (tbd) to clear evaluations.
Sign and award contract	Input		Responsible	ADB clears and FRA signs contracts.
Works and Goods				
Develop bid documents, including Employer's Requirements	Input	Input	Responsible	FRA to draft using ADB's standard bidding documents (most likely covering Procurement of Works (Large and Small Contracts) and Design and Build).
Review and clear Employer's Requirements	Joint	Joint		ADB and WB to jointly review, comment and agree on key components of bid documents, specifically relating to design reports, bill of quantities and engineer's estimates, specifications, drawings, and delivery and completion schedules.
Carry out tender	Input		Responsible	FRA/IA to carry out tender.
Clear evaluation	Input		Responsible	ADB and possibly MoF (tbd) to clear evaluations.
Sign and award contract	Input		Responsible	ADB clears and FRA signs contracts.
Eligible expenditures	Joint	Joint	Responsible	To be defined in respective Cofinancier Agreement(s) with the Borrower.
Financial Management	ADB	WB	GoF	Notes
Client's Financial Management Resources	Joint	Joint	Responsible	<ul style="list-style-type: none"> • Project Supervision Team to include financial management (FM) resources to manage joint project. • ADB and WB to jointly review and clear ToRs, scopes of services, required expertise, qualifications, experience and budget.
Interim Financial Reports (IFRs)	Joint	Joint	Responsible	<ul style="list-style-type: none"> • Unaudited interim six-monthly financial reports to be submitted to ADB and WB for clearance. • Design format to be jointly developed by ADB/WB and included in the Project Administration Manual (PAM).
Audited Project Financial Statements/Financial Reports	Joint	Joint	Responsible	<ul style="list-style-type: none"> • Office of the Auditor General (OAG) is FRA's auditor and ADB and WB accept OAG. • ADB and WB to agree on the format for a combined APFS/financial reports (FRs), which will be prepared in accordance with the cash basis International Public Sector Accounting Standard. • Upon receipt of the APFS/FRs and the associated audit management letter, ADB and WB will review and send joint comments to GoF.
Disbursements	ADB	WB	GoF	Notes
Disbursement Categories	Joint	Joint	Responsible	To be defined in respective Cofinancier Agreement(s) with the Borrower.
Withdrawal Applications	Joint	Joint	Responsible	<ul style="list-style-type: none"> • Authorized signatories on withdrawal applications (WAs) for current ADB/WB projects are senior MoF staff. GoF requires two signatures on each WA.

				<ul style="list-style-type: none"> • Both manual and electronic submissions of WAs will be permitted under the joint project. • ADB User Unit prescreens WAs (within 2 working days) before sending them to ADB's Financial Controllers for processing (Direct Payments within 5 working days).
Designated Accounts (DAs)	Input	Input	Responsible	<ul style="list-style-type: none"> • Currently, ADB prefers using Direct Payment procedures as all ADB projects in Fiji use direct payments. ADB allows Imprest Accounts (equivalent to DAs), where maximum transaction value is \$100,000. WB has no maximum value. • WB prefers using Designated Accounts (DAs), or Imprest Funds, but can accommodate direct payments. • Under the joint project, all methods of disbursement will be permitted by WB (advances, reimbursements, direct payments, and special commitments²³). ADB will use direct payment and reimbursement procedures. • GoF may make partial payments to consultants/contractors using more than one method. If so, FRA/IA will need to inform consultants/contractors accordingly.
Technical Issues	ADB	WB	GoF	Notes
Sharing of information	Joint	Joint		Both donors agree to ensure the prompt delivery and exchange of information regarding the Project and its progress.
Selection of sub-projects/activities	Joint	Joint	Responsible	<ul style="list-style-type: none"> • FRA/IA to apply a systematic approach for selecting sub-projects that is based on pre-agreed economic and social criteria. • If ADB and WB can't agree on a sub-project, the dispute resolution process involving the Cofinanciers' Coordination Committee (CCC) will be followed.
Progress monitoring	Joint	Joint	Responsible	<ul style="list-style-type: none"> • ADB and WB to share copies of all consultants' progress reports for information, review and comment. • ADB and WB to jointly review, comment and agree on quality of progress reports.
Consultant outputs	Joint	Joint	Responsible	<ul style="list-style-type: none"> • ADB and WB to jointly review, comment and agree on consultants' outputs and deliverables, specifically for design and supervision assignments, reports/studies associated with technical assistance and capacity building initiatives, preliminary and detailed designs, design drawings, specifications, and cost estimates. • ADB and WB to agree position in the event of unsatisfactory

²³ If cofinancing arrangements are agreed, the use of special commitments would not apply.

				<p>consultant performance.</p> <ul style="list-style-type: none"> • If ADB and WB have differences of opinion on quality of outputs, dispute resolution process involving the CCC will be followed.
Contractor outputs	Joint	Joint	Responsible	<ul style="list-style-type: none"> • ADB and WB to jointly review, comment and agree on contractor's outputs. • ADB and WB to agree position in the event of unsatisfactory contractor work. • If ADB and WB have differences of opinion on quality of outputs, dispute resolution process involving the CCC will be followed.
Provision of technical comments	Joint	Joint	Responsible	<ul style="list-style-type: none"> • GoF to review and provide technical comments on project outputs and forward to the ADB and WB. • ADB and WB Teams will undertake separate reviews and agree on sets of joint comments to be compiled by ADB, which will then be jointly provided to GoF. • Each partner to provide comments in timely manner.
Contract variations	Joint	Joint	Responsible	<p>ADB and WB to jointly review, comment and agree on any revised scope of work that has a material variation to the original contract. ADB will issue the no objection.</p>
Supervision missions	Joint	Joint		<ul style="list-style-type: none"> • Joint ADB/WB supervision missions will be carried out at least two times per year with participation from at least one representative designated to speak on behalf of each partner. • Both ADB and WB Task Teams and specialists to accompany missions, visit construction sites, meet government officials and project manager's/consultants' representatives, as appropriate. • If joint missions are not possible, the Task Teams can be fielded independently and will share MOUs and/or Aide Memoires concluded with GoF. • For joint missions, letters announcing the missions will be drafted jointly, but sent under ADB's signature ahead of planned missions. • In the case of separate missions, each Cofinancier will prepare its own letters, but will copy the other Cofinancier.
Task team reporting	Joint	Joint		<ul style="list-style-type: none"> • ADB and WB to jointly prepare and issue joint reports (MOUs/Aide Memoires) at the end of each supervision mission. • If required by ADB, WB or GoF guidelines, project documents to be countersigned by government.
Project ratings	Joint	Joint		<ul style="list-style-type: none"> • ADB and WB to rate project progress separately and indicate findings in MOUs/Aide Memoires. • To the extent possible, ratings on project progress that are common to

				<p>ADB and WB (technical, procurement, disbursements, financial management and safeguards) will be unified.</p> <ul style="list-style-type: none"> • In the event that there are large differences in ratings, both Cofinanciers shall seek to narrow the gap in the ratings.
Project savings/new activities	Joint	Joint	Responsible	New project activities resulting from savings will be jointly agreed by ADB and WB.
Resolution of differences	Joint	Joint		<ul style="list-style-type: none"> • Partners will seek to resolve any differences in implementing the project. • If needed, partners will follow dispute resolution process involving the CCC.
Safeguards	ADB	WB	GoF	Notes
<i>Environmental</i>				
Screening of subprojects	Joint	Joint	Responsible	The Environmental and Social Management Framework (ESMF) will guide GoF in categorizing subprojects and identifying required safeguards instruments to be carried out. Sub-project selection criteria will exclude sub-project with significant environmental impact (Category A projects) as per the definition in the ADB Safeguard Policy Statement (SPS) 2009 and the World Bank Operation Policy 4.01 (OP 4.01).
Disclose ESMF	Input	Input	Responsible	On FRA website, ADB website and WB's InfoShop prior to Staff Review Meeting and Appraisal Mission.
Submit and review EIA application for subprojects	Input	Input	Responsible	EIA ²⁴ Screening Application form (EMA/EIAP1) to be jointly reviewed by ADB/WB
Prepare ToRs for EIA Consultant	Input	Input	Responsible	Preparer of assessments must be accredited and registered with Department of Environment (DoE). An environmental and social management Plan (ESMP) is included as part of the mitigation process for specific sub-projects.
Prepare EIAs for subprojects	Input	Input	Responsible	Carry out public consultations on results of EIAs and proposed ESMPs based on process and content set out in ESMF.
Clear EIAs	Joint	Joint	Responsible	ADB and WB jointly review and clear EIAs. Preparation and clearance of EIAs must be completed and DoE issues permit before works can commence.
Ensure ESMPs included as part of bidding documents and in final	Input	Input	Responsible	ESMP included in bid documents for each sub-project. Costs for specific items integrated with Bill of Quantities (BoQs) for civil works. ADB to

²⁴ Environmental impact assessment (EIA) is the terminology used in Fiji's Environmental Management Act 2005. It is not equivalent to EIA in ADB's SPS or WB's OP 4.01. Within the parameters of SPS it is equivalent to an initial environmental examination as appropriate for a Category B project. All subprojects under the Project will be Category B or C projects, and will follow the process for screening, assessment, review and implementation as set out in the ESMF prepared for the project. Category A projects are not eligible for financing under the project.

contracts of winning bidders				confirm ESMPs included when reviewing bidding documents.
Clear Contractors Environmental and Social Management Plans (CESMPs)	Joint	Joint	Responsible	CESMPs jointly cleared by ADB/WB and government before works commence.
Monitor implementation and compliance of approved CESMPs and review monitoring reports submitted.	Joint	Joint	Responsible	Two supervision missions to be carried out annually. GoF to prepare and disclose compliance monitoring reports prior to arrival of missions. ADB and WB to disclose monitoring reports.
Management of complaints	Input	Input	Responsible	In the event of a complaint received by either ADB or WB, each partner will inform the other through official communication. A common register of complaints will be established.
<i>Social</i>				
<i>Involuntary Resettlement</i>				
Disclose Land Acquisition and Resettlement Framework (LARF).	Input	Input	Responsible	A LARF was prepared following ADB and WB requirements as well as Fiji laws. An acceptable version is to be disclosed on FRA website, ADB website and WB's InfoShop prior to ADB's Staff Review Meeting and WB's Appraisal Mission.
Prepare a Land Acquisition and Resettlement Plan (LARP) for all sub-projects	Input	Input	Responsible	<ul style="list-style-type: none"> • In addition to WB Year 1 project/ADB sample project for which a LARP was prepared, LARPs will be prepared for subsequent subprojects where the acquisition of land or property, or where resettlement impacts are identified. FRA/IA will be responsible for preparing LARPs following the LARF. Details of LARPs will consider magnitude of impact. • During preparation of LARPs, (i) a complete and accurate count of the population and asset inventory to be affected by land acquisition and related impacts will be completed to determine eligibility and cutoff date for compensation, and (ii) valuation of lost assets for compensation or asset replacement Will be undertaken following methods as per the LARF, TLTB and Department of Land (DoL) can assist with negotiation between landowners and Government, as well as land valuation process. • If land owners want independent valuation of property, FRA/IA to prepare ToRs to select external/independent evaluator, as per LARF.
Clear LARPs	Joint	Joint	Responsible	ADB and WB jointly review and clear LARPs.
Disclose and consult on LARP	Input	Input	Responsible	Government consults on LARP and publicly discloses in sub-project areas in both Fijian and English. Findings from consultations to be incorporated in, and clearances obtained of LARP from ADB and WB prior to commencement of civil works. WB discloses LARP on InfoShop following internal clearance. ADB discloses LARP on its

				website.
Implement LARPs	Input	Input	Responsible	<ul style="list-style-type: none"> • Implementation will be carried out by FRA with support from TTLB and DoL. If there is potential for disputes, advice from ADB/ WB regional safeguard advisor to be obtained. • Payments for any form of compensation must be made prior to the commencement of works and in accordance with cut-off date for determining eligibility (i.e., prior to impacts being experienced).
No objection to start construction	Joint	Joint		ADB and WB provide no objection to start civil works after resettlement measures set out in LARF and LARP have been implemented. Payments for any form of compensation must be made prior to the commencement of works (i.e. prior to impacts being experienced).
Monitor resettlement process	Input	Input	Responsible	FRA to monitor implementation of land acquisition/resettlement activities following the internal monitoring procedures (including formats) and responsibilities described in LARF and LARP.
Review monitoring reports	Joint	Joint		ADB and WB teams ensure that monitoring reports are prepared and submitted according to schedule provided in the LARP. Monitoring reports reviewed by resettlement specialist and comments conveyed to FRA.
Management of complaints	Input	Input	Responsible	In the event of a complaint received by either ADB or WB, each partner will inform the other through official communication. A common register of complaints will be established.
<i>Indigenous Peoples (IPs)</i>				
Consultations with IPs	Input	Input	Responsible	FRA organizes free, prior and informed consultations with the affected local communities including IPs about proposed subproject(s) and ensures that there is broad community support for the proposed subproject. Consultations are carried out in manner that is consistent with social and cultural values of community.
Documentation on consultations	Input	Input	Responsible	A summary document on local consultations including confirmation of broad local community support of proposed subproject. The document will be included in the feasibility study report to be submitted to ADB and WB.
Inform local communities	Input	Input	Responsible	Updated information to be provided to affected local communities including IPs at each stage of project implementation, including any modifications to design and to address any adverse effects or concerns.
Procurement	ADB	WB	GoF	Notes
<i>Consultancy Services for Firms or Individuals</i>				
Develop ToRs	Input	Input	Responsible	Consultancy packages to consist of design and supervision consultants

				(three separate phases). FRA/ IA to draft ToRs.
Review and clear ToRs	Joint	Joint		ADB and WB to jointly review, comment and clear ToRs, scopes of services, required expertise, qualifications, experience of key personnel, levels of effort, and budget.
Develop RFP	Input		Responsible	FRA/IA to draft RFPs.
Clear RFP	Input		Responsible	ADB to clear RFP.
Carry out tender	Input		Responsible	FRA/IA to carry out tender.
Clear evaluation	Input		Responsible	ADB and possibly MoF (tbd) to clear evaluations.
Sign and award contract	Input		Responsible	ADB clears and FRA signs contracts.
Works and Goods				
Develop bid documents, including Employer's Requirements	Input	Input	Responsible	FRA to draft using ADB's standard bidding documents (most likely covering Procurement of Works (Large and Small Contracts) and Design and Build).
Review and clear Employer's Requirements	Joint	Joint		ADB and WB to jointly review, comment and agree on key components of bid documents, specifically relating to design reports, bill of quantities and engineer's estimates, specifications, drawings, and delivery and completion schedules.
Carry out tender	Input		Responsible	FRA/IA to carry out tender.
Clear evaluation	Input		Responsible	ADB and possibly MoF (tbd) to clear evaluations.
Sign and award contract	Input		Responsible	ADB clears and FRA signs contracts.
Eligible expenditures	Joint	Joint	Responsible	To be defined in legal agreements and includes works, goods, services, and training (inclusive of taxes and duties).
Financial Management	ADB	WB	GoF	Notes
Client's Financial Management Resources	Joint	Joint	Responsible	<ul style="list-style-type: none"> • Project Supervision Team to include financial management (FM) resources to manage joint project. • ADB and WB to jointly review and clear ToRs, scopes of services, required expertise, qualifications, experience and budget.
Interim Financial Reports (IFRs)	Joint	Joint	Responsible	<ul style="list-style-type: none"> • Unaudited interim six-monthly financial reports to be submitted to ADB and WB for clearance. • Design format to be jointly developed by ADB/WB and included in the Project Administration Manual (PAM).
Audited Project Financial Statements/Financial Reports	Joint	Joint	Responsible	<ul style="list-style-type: none"> • Office of the Auditor General (OAG) is FRA's auditor and ADB and WB accept OAG. • ADB and WB to agree on the format for a combined APFS/financial reports (FRs), which will be prepared in accordance with the cash basis International Public Sector Accounting Standard. • Upon receipt of the APFS/FRs and the associated audit management letter, ADB and WB will review and send joint comments to GoF.

Disbursements	ADB	WB	GoF	Notes
Disbursement Categories	Joint	Joint	Responsible	To be defined in legal agreements and includes works, goods, services, and training (inclusive of taxes and duties).
Withdrawal Applications	Joint	Joint	Responsible	<ul style="list-style-type: none"> • Authorized signatories on withdrawal applications (WAs) for current ADB/WB projects are senior MoF staff. GoF requires two signatures on each WA. • Both manual and electronic submissions of WAs will be permitted under the joint project. • ADB User Unit prescreens WAs (within 2 working days) before sending them to ADB's Financial Controllers for processing (Direct Payments within 5 working days).
Designated Accounts (DAs)	Input	Input	Responsible	<ul style="list-style-type: none"> • Currently, ADB prefers using Direct Payment procedures as all ADB projects in Fiji use direct payments. ADB allows Imprest Accounts (equivalent to DAs), where maximum transaction value is \$100,000. WB has no maximum value. • WB prefers using Designated Accounts (DAs), or Imprest Funds, but can accommodate direct payments. • Under the joint project, all methods of disbursement will be permitted by WB (advances, reimbursements, direct payments, and special commitments²⁵). ADB will use direct payment and reimbursement procedures. • GoF may make partial payments to consultants/contractors using more than one method. If so, FRA/IA will need to inform consultants/contractors accordingly.

²⁵ If cofinancing arrangements are agreed, the use of special commitments would not apply.

ANNEX 5: OPERATIONAL RISK ASSESSMENT FRAMEWORK (ORAF)

FLJI: Transport Infrastructure Investment Project (TIIP)

Stage: Appraisal

1. Project Stakeholder Risks						
1.1. Stakeholder Risk	Rating	Moderate				
<p>Description:</p> <p>The central government and/or local communities do not support the project.</p> <p>Project is not consistent with GoF priorities.</p>	Risk Management:					
	Continue discussions with key ministries involved in the project and ensure effective community consultations during preparation and implementation. Joint ADB-Bank missions will encourage participation among key ministries and agencies during implementation. Given the poor condition of road sector assets generally, improvements to roads and bridges unlikely to be opposed.					
	Resp:	Stage:	Recurrent:	Due Date:	Frequency:	Status:
	Both	All	<input checked="" type="checkbox"/>	n/a	Continuous	In Progress
	Risk Management:					
	TIIP has been designed to support key tenets of Fiji's Roadmap for Democracy and Sustainable Socio-Economic Development and Green Growth Framework. It has also been vetted with the relevant agencies and the consultants currently updating the land and maritime transport strategies (2015 to 2025).					
	Resp:	Stage:	Recurrent:	Due Date:	Frequency:	Status:
	Both	Both	<input checked="" type="checkbox"/>	n/a	Continuous	In Progress
Resp:	Stage:	Recurrent:	Due Date:	Frequency:	Status:	
Both	Both	<input checked="" type="checkbox"/>		Continuous	In Progress	
Risk Management:						
FRA to continue to be responsible for the sector. ADB and Bank have involved the former MWTPU in all phases of project development and will nurture a relationship with MoIT.						
Resp:	Stage:	Recurrent:	Due Date:	Frequency:	Status:	
Bank	Both	<input checked="" type="checkbox"/>		Continuous	In Progress	
Risk Management:						
Agreement on methodology and criteria to identify and agree assets to be improved. Also, sub-project selection to						

	consider GoF's NTIP.					
	Resp: Both	Stage: PREP	Recurrent: <input type="checkbox"/>	Due Date: 30-Nov-2014	Frequency:	Status: Completed
2. Implementing Agency Risks (including fiduciary)						
2.1. Capacity	Rating	Substantial				
<p>Description:</p> <p>Although FRA has strong technical capacity and support of a qualified consulting firm, there is a risk that they do not perform as expected, since FRA has not worked with the World Bank previously.</p> <p>Lack of project ownership.</p>	Risk Management:					
	The project will fund a PST and design consultants to provide technical, fiduciary and safeguard support to FRA.					
	Resp: Client	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous	Status: Not Yet Due
	Risk Management:					
	TIIP designed with FRA, but close collaboration to be maintained throughout implementation.					
	Resp: Bank	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous	Status: In Progress
2.2. Governance	Rating	Substantial				
<p>Description:</p> <p>Lack of project ownership, commitment, accountability and oversight during implementation.</p> <p>Unclear system of accountability and oversight of FRA with well-defined roles and responsibilities.</p> <p>TIIP not aligned with FRA</p>	Risk Management:					
	Bank missions will monitor the effectiveness of the governance structure, particularly the fiduciary and safeguards aspects, on an on-going basis.					
	Resp: Both	Stage: IMPL	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous	Status: Not Yet Due
	Risk Management:					
	FRA is mandated to oversee all roads, bridges and jetties and wharves in the country. Financial system to manage project funds to be established and accountant to be financed under project.					
	Resp: Client	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous	Status: Not Yet Due
	Risk Management:					
	FRA to remain involved in identifying and selecting sub-projects for improvement.					

priorities or priorities change.	Resp: Client	Stage: PREP	Recurrent: <input type="checkbox"/>	Due Date: 31-Dec-2014	Frequency:	Status: In Progress
3. Project Risks						
3.1. Design	Rating	Moderate				
<p>Description:</p> <p>Project uses untested technologies or complex approaches.</p> <p>Inability to adjust project design in response to changes in policy or operating environment.</p> <p>Experience shows that topography and climate in the South Pacific can compromise road and maritime sector assets, if not properly constructed and maintained.</p>	Risk Management: Works under the project will involve rehabilitating existing roads, bridges and rural jetties and wharves, albeit to more climate resilient design standards. FRA has implemented similar projects. If needed, FRA can call on its in-house consultants or hire consultants through the project for additional support.					
	Resp: Client	Stage: IMPL	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous	Status: Not Yet Due
	Risk Management: TIIP has been flexibly designed to allow most roads, bridges and rural jetties and wharves to be rehabilitated or upgraded.					
	Resp: Both	Stage: PREP	Recurrent: <input type="checkbox"/>	Due Date: 30-Nov-2014	Frequency:	Status: Completed
	Risk Management: Ensure support is available from qualified firms with experience in design and supervision of road and maritime sector assets in similar topography and geography. Update design standards to strengthen climate resilience, and FRA to ensure recommendations are incorporated in designs and constructed using international practices.					
	Resp: Client	Stage: IMPL	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous	Status: Not Yet Due
3.2. Social and Environmental	Rating	Substantial				
<p>Description:</p> <p>Potential opposition to road and maritime improvements under TIIP.</p>	Risk Management: Consultations for sub-projects to be designed in a way that is culturally appropriate and based on public consultations with communities from the area(s) where improvements will occur. Access to properties for construction and/or acquisition of small parcels of land may be required, but major land take or resettlement is not anticipated. Viable alternative designs will be explored in an effort to minimize land take and potential for physical displacement of people.					
	Resp:	Stage:	Recurrent:	Due Date:	Frequency:	Status:

Social impacts, such as the transmission of HIV/AIDS, could adversely impact the beneficiary communities.	Client	Both	<input checked="" type="checkbox"/>		Continuous	In Progress
	Risk Management: Road contractors obligated to carry out consultations and training of beneficiary communities. Specific HIV/AIDS clauses will be included in major works contracts.					
	Resp: Client	Stage: IMPL	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous	Status: Not Yet Due
Project design may negatively affect customary land traditions and social norms.	Risk Management: Sub-projects would be designed in a way that is culturally appropriate and based on public consultations with communities from the area(s) where improvements will occur, and to ensure broad community support and that there are no issues or disputes with individuals or communities affected by current alignments or rights-of-way.					
	Resp: Client	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous	Status: In Progress
	Risk Management: Consider recommendations from iRAP surveys and feasibility and detailed design stage road safety audits in designs for road and bridge sub-projects.					
Improved roads may increase vehicle speeds, reducing road safety.	Resp: Client	Stage: IMPL	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous	Status: Not Yet Due
	Risk Management: TIIP to fund safeguards specialists to ensure compliance with requirements and support preparation of requisite instruments.					
	Resp: Client	Stage: IMPL	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous	Status: Not Yet Due
Inability of FRA to carry out requisite safeguards consultations or develop safeguards instruments in accordance with Bank and ADB requirements.	Risk Management: If agreement not possible, the project will revert to parallel financing. Parallel financing would extend preparation of a Bank project by as much as one year.					
	Resp: Client	Stage: IMPL	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous	Status: Not Yet Due
3.3. Program and Donor	Rating	Substantial				
Description: The World Bank and ADB unable to reach agreement on issues associated with using	Risk Management:					
	Resp:	Stage:	Recurrent:	Due Date:	Frequency:	Status:

ADB’s procurement procedures during implementation, which would prevent use of co-financing.	Bank	PREP	<input type="checkbox"/>	21 Jan-2015		In Progress
	Risk Management:					
	The World Bank Team to identify Board members that might oppose the waiver and discuss benefits of using ADB’s procurement procedures prior to Board date.					
	Resp:	Stage:	Recurrent:	Due Date:	Frequency:	Status:
The World Bank’s Board rejects waiver to use ADB’s procurement procedures during implementation.	Bank	PREP	<input type="checkbox"/>	5-Mar-2015		In Progress
	Risk Management:					
	The World Bank and ADB to continue close coordination and consultation and detailed discussions about expectations during implementation. Also, roles, responsibilities and steps to resolve any differences are documented in the joint MoU with ADB, which was signed on December 12, 2014.					
	Resp:	Stage:	Recurrent:	Due Date:	Frequency:	Status:
Disagreement between the World Bank and ADB about the performance of consultants and contractors, or the quality of outputs during implementation.	Bank	IMPL	<input checked="" type="checkbox"/>			In Progress
	Risk Management:					
	Under the MoU, both institutions commit to coordinate, cooperate and exchange information in relation to allegations and investigations of fraud and corruption in relation to the Project, and will establish a Cofinanciers’ Coordination Committee to facilitate this relationship and work through differences in good faith.					
	Resp:	Stage:	Recurrent:	Due Date:	Frequency:	Status:
The World Bank and ADB disagree on the handling of fraud or corruption cases.	Bank	IMPL	<input checked="" type="checkbox"/>			In Progress
	Risk Management:					
3.4. Delivery Monitoring and Sustainability	Rating	Moderate				
Description: Construction standards, contract management, or monitoring and evaluation are inadequate.	Risk Management:					
	Technical assistance under the project to update design standards and construction specifications, supervise construction of works, and bring in implementation support to ensure quality monitoring or delivery of reporting requirements.					
	Resp:	Stage:	Recurrent:	Due Date:	Frequency:	Status:
	Client	IMPL	<input checked="" type="checkbox"/>		Continuous	Not Yet Due
Implementing agency will be	Risk Management:					
	FRA is mandated to maintain Fiii’s roads. bridges and ietties and wharves. and their program seeks to					

unable to sustain improvements beyond project completion.	significantly reduce the backlog of maintenance by project completion. Doing so would maximize funding available for sustainable maintenance.					
	Resp: Client	Stage: IMPL	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous	Status: In Progress
4. Overall Risk						
Implementation Risk Rating: Substantial						
Comments: The principal risks during implementation involve capacity of the implementing agency, which has not previously worked with the World Bank and is unfamiliar with World Bank processes and requirements.						

ANNEX 6: SUMMARY OF SOCIAL ASSESSMENT AND SOCIAL SAFEGUARDS

FIJI: Transport Infrastructure Investment Project (TIIP)

Poverty and Vulnerable Groups

1. Fiji has fairly high human development indicators, with life expectancy at birth of 71.3 years (68.7 for males and 74.0 years for females), literacy rates of 93.7 percent, and 13 years of schooling as an average. While poverty in Fiji has declined over time, poverty incidence is still more than double Fiji's Millennium Development Goal target of 14.7 percent poverty incidence by 2015. Rural poverty is the deepest, with the 2008 Household Income and Expenditure Survey estimating poverty incidence of 19 percent in urban areas, and 43 percent in rural areas, living below the Basic Needs Poverty Line.²⁶ The incidence of food poverty is low at fewer than 5 percent. This means that more than a third of the population is unable to meet their basic non-food needs. And while basic needs for sustenance are largely met, Fijians suffer from a lack of affordability for other vital needs, such as housing and paying for school fees, which account for the significant poverty observed.

2. Inequality is a significant issue within Fiji, with the top 20 percent of the population consuming seven times as much as the bottom 20 percent. Low consumption shares of the poorer segments of society suggest a very vulnerable population, with negative shocks more likely to push them into hardship in the future. Current aggregate poverty levels disguise important differences in poverty incidence between urban and rural areas. In 2009, just over one-third of the Fijian population lived in poverty, and since 2003, national poverty dropped by 4.6 percentage points from 39.8 percent in 2002/2003 to 35.2 percent in 2008/2009. This, however, masks very different underlying trends in rural and urban areas, with urban poverty declining significantly while, rural poverty remained virtually unchanged at around 44 percent.

3. The aggregate national poverty level also disguises a large sub-national regional variation in poverty. There is significant disparity in poverty levels across the four regional divisions, where 54 percent of the population was estimated to be living in poverty below the basic needs poverty line in the Northern Division, followed by Western Division (40 percent), Eastern Division (32 percent) and Central Division (23 percent). Western Division is the most densely populated and, therefore, makes the greatest contribution to the poverty headcount.

4. Poverty dynamics in Fiji are also closely linked to the diverse histories and socio-cultural realities of the two main ethnic groups: *iTaukei* and Indo-Fijian. Austronesian peoples are believed to have settled in the Fijian islands some 3,500 years ago, with Melanesians following around a thousand years later. The descendants of these early settlers are known as *iTaukei* and are the "native" people of Fiji. Today, *iTaukei* make up over half of the overall population, of which 55 percent live in rural areas and currently hold most positions in politics and government agencies.

²⁶ Fiji Islands Bureau of Statistics. (2011). *Report on the 2008–2009 Household Income and expenditure Survey for Fiji*. Suva: Fiji Islands Bureau of Statistics

5. Indo-Fijians whose ancestors migrated to the Fiji Islands in the late 19th and early 20th centuries, make up about 38 percent of the population. The remaining 5 percent consist of other minority communities, including people from various Pacific Island countries, Australia, New Zealand, the People's Republic of China, and Europe. Indo-Fijians first arrived in Fiji as indentured labor, brought by the British colonizers to work on sugarcane plantations. Between 1879 and 1916, nearly 60,000 Indian laborers arrived in Fiji, and the majority of these migrants chose to remain in the country after the expiration of their five-year contracts. Their descendants constitute the bulk of the present Indo-Fijian population, the rest being mainly descendants of Gujarati traders and Punjabi agriculturalists who arrived in the 1920s.

6. By the end of World War II, Indo-Fijians outnumbered *iTaukei* in the total population. However, since the end of land leases and political changes, emigration from Fiji has rapidly increased. Between 1997 and 2000 alone, 16,825 people migrated. The bulk of the emigrants, about 90 percent, have been Indo-Fijians. In more recent years, educated and skilled *iTaukei* and other ethnic minority members of the middle class have begun leaving Fiji, but their numbers, while growing, are still small.

7. The Poverty and Social Assessment that was carried out as part of preparation identified a number of important actions for poverty alleviation, particularly for vulnerable households. These actions, which were considered during preparation and incorporated into project safeguard documentation, are summarized below:

- Access to land and economic opportunities. Compensation at replacement value for all economic displacement and asset losses will be paid, and together with livelihoods restoration, implemented according to the Land Acquisition and Resettlement Framework (LARF). FRA safeguards staff will monitor to ensure that women of the mataqali are included in payments and are eligible for training and employment opportunities.
- Infrastructure. Improving infrastructure was identified as crucial to poverty alleviation and for access to basic public services. Ensuring safety and accessibility through comprehensive and well maintained networks of roads, bridges and rural jetties and wharves will facilitate rural people to remain on their lands and have access to markets and key social services, such as health and education.
- Work Opportunities. There is a division of labor by gender in Fiji, and high unemployment, especially in rural areas. Paid employment has been identified as one of the key pathways out of poverty. Where possible, contractors will be encouraged to hire local labor for construction, and employed under required core labor standards. Even temporary employment may be valuable in increasing incomes.
- Service Delivery. Linkages between transport sector agencies and central agencies such as agriculture, education and health should be encouraged where possible, so that service delivery and reform programs are actively supported.
- Gender Equality. To provide better transport infrastructure women's needs, particularly safety, accessibility and affordability, must be taken into consideration when policies and designs are formulated. Road, bridge and jetty infrastructure needs

to be designed to accommodate issues that are important to all, but particularly to women, including footpaths on bridges with protective railings, street lighting for safety at night, steps near bridges to allow access to rivers for bathing, washing and fishing, concrete wash tubs, soak pits, bus shelters (especially for women and children), and water and sanitation facilities at rural jetties and wharves for those waiting for ships. Women, through care giving and reproductive roles, are likely to be more disadvantaged by poor access to healthcare centers. Safety and security risks faced by girls, or a long walk to school on an unsafe road, may be the impetus for parents to withdraw girls from school. Without adequate roads and other forms of transport, women and men may be excluded from participating in political and community life, as well as being economically disadvantaged.

- Training. Isolation, or contact with outside construction crews and mobile populations, may increase the risk of HIV infection. The project will provide awareness and education on sexual and reproductive health issues, including prevention of violence against women and STIs, to contractors, staff, and communities themselves.

8. *Gender differences are strongly embedded in Fijian culture and tradition.* The roles and controls of women are impacted by ethnicity and are varying in degree at the household level, but male-dominated hierarchies tend to be common regardless of ethnicity, which has compromised women's roles in society in general, while increasing education and changing norms are reflected in both groups.

9. *iTaukei* culture places considerable emphasis on communal values, respect for the authority of chiefs, who are predominantly male, and the precedence of men before women. Gender dynamics are influenced by these traditional values that allow women few, if any, rights to inherit land or formally own property, or to take part in public decision-making. However, *iTaukei* cultural norms do not place restrictions on women's mobility or on most types of economic participation. As greater numbers of *iTaukei* move into the urban middle class, gender values are becoming more liberal, while differences remain more pronounced in rural areas.

10. There has been significant progress for improving women's rights, with better outcomes in a few domains, both in absolute terms and relative to men. The Gender-Related Development Index of Fiji is 0.757, with a ranking of 82nd in the world. With the efforts of the national machinery for gender in Fiji, gender mainstreaming and women's involvement in political, social and economic activities has been promoted. This has been made possible through many international and regional gender equality commitments by GoF. For instance, GoF ratified the *Convention on the Elimination of All Forms of Discrimination Against Women* (CEDAW) in 1995. Other than CEDAW, the regional gender-specific dialogues were committed, such as *Convention on the Rights of the Child* (1993), *Pacific Platform for Action* (1994), the *Jakarta Declaration for the Advancement of Women in Asia and the Pacific* (1994) and the *Platform for Action and Beijing Declaration* (1995), *Millennium Development Goals* (2000). Finally, the 1998 Constitution includes the statement that all people in Fiji have equal right and status.

11. Increasingly, *iTaukei* value secondary and higher education, for both girls and boys, as a means of social and economic mobility. *iTaukei* women tend to be active in informal small-scale

fisheries, food production, and produce marketing, and also in formal commercial agriculture and agricultural processing, the hospitality and tourism sector, and other occupations in the paid labor force. Further, *iTaukei* women can be responsible for managing household finances and in some cases *iTaukei* men are comfortable in accepting woman's authority which is not always the case amongst Indo-Fijians.

12. Indo-Fijian society is more culturally diverse than *iTaukei* society, as Indo-Fijians originate from many different parts of the Indian subcontinent and gender relations are influenced by various traditional cultural values. Most belong to various Hindu denominations, but there is also a minority of Muslims and Christians of various denominations. Patriarchal ideology emphasizes formal male authority in decision-making and over property ownership. Most Indo-Fijians with land practice father-to-son inheritance. The predominance of men on smallholdings as titleholders to land leases and cane contracts and the lack of women in this role reflects gendered notions of ownership, the control of land and the commercial production of cane. A woman not having her name on the lease title legally means she has no right of ownership and effectively control and use of the land has to be negotiated within the farming family. As is the case with the *iTaukei* ethnicity, education and employment for women have become increasingly valued, especially in socially acceptable occupations, such as professional and clerical work. For example, in the tourism sector Indo-Fijian women work more in administration and technical fields rather than as housekeepers.

Land Tenure

13. Land ownership is a critical factor affecting the economic dynamics of Fijian households and communities. Land in Fiji is managed through three systems: (i) native land (ii) freehold land; and (iii) crown, or state, land. Native or *iTaukei* land makes up 84 percent of all land, freehold 8 percent, and crown land 8 percent.²⁷ *iTaukei* and state land cannot be bought or sold, but is available on a leasehold basis for up to 99 years. It is divided into "reserve" (for housing and agricultural use by mataqali),²⁸ or "non-reserve," which can be leased. Virtually all *iTaukei* belong to a village and have a right to share in the customary lands belonging to their mataqali (clan), even when they have moved away from the village.

14. Many *iTaukei* continue to have plots of land that they farm for own consumption when they are wage earners either nearby or elsewhere, or that they plan to return to when they retire. Indo-Fijian farmers either own freehold land or more often lease or rent land when they live in rural areas, and usually do not have access to land when they move to urban areas.

15. In the case of Fiji, financial obligations to one's community and church can be high and family commitments are also very strong. This demand on a household's limited surplus income can impact the household's ability to save and develop (for example, reducing the capacity to save for children's tertiary education or the purchase of land).

²⁷ Market Development Facility and Australia Aid, 2013, *Study on Poverty, Gender and Ethnicity in Key Sectors of the Fijian Economy*, written by Linda Jones and CARDNO team to assess potential of horticulture and tourism industries.

²⁸ *Mataqali* is the clan which is the main land-owning unit.

ANNEX 7: COMPLIANCE WITH WORLD BANK OPERATIONAL POLICY 4.10 ON INDIGENOUS PEOPLES

FIJI: Transport Infrastructure Investment Project (TIIP)

1. The proposed project will trigger the World Bank's Operational Policy (OP) 4.10 on Indigenous Peoples (IP). Except for Year 1 sub-projects, where activities will take place in the upper Sigatoka Valley, the location of other sub-project areas is unknown. However, the social assessment carried out during project preparation identified that project beneficiaries are expected to be indigenous *iTaukei*, who own nearly 90 percent of all the land in Fiji.
2. A stand-alone Indigenous Peoples Plan will not be prepared for the project as the majority of communities that will benefit from the sub-projects are expected to be communities of *iTaukei* living on traditionally tenured land. Instead, issues relevant for preserving the interests and livelihoods of the indigenous population, as well as for maintaining its cultural and socioeconomic traditions, will be integrated within the project design and implementation phases. Specifically, the project provides the opportunity to protect and enhance the interests of IPs through the following measures:
3. Screening of Projects and Disclosure. The integration of concerns and practices of indigenous peoples recognizes the need for *free, prior, and informed consultations* to ensure meaningful participation by indigenous peoples during the preparation of each sub-project. The consultation process seeks to identify concerns by the community in relation to each sub-project and to identify appropriate mitigation measures. It also seeks to present activities related to each sub-project and the economic opportunities that may be derived as a result of the implementation or outcome of each sub-project. IPs will be provided with relevant project information and documents in language(s) and manner suitable to them, primarily English and Fijian language.
4. Social Assessment. Relevant information on demographic characteristics of affected IP communities, such as social, cultural and economic will be gathered during sub-project preparation. Information about the land and territories that they have traditionally owned or customarily used or occupied and the natural resources on which they depend has been recorded under the project's LARF. Further information on land and asset issues will be gathered through community groups meetings in the provinces targeted by each sub-project in the context of the preparation of LARPs to help guide the implementation process.
5. For the Year 1 sub-projects, consultations took place in four sites along the Sigatoka Valley Road with community members and representatives of the villages and provincial councils to ensure that people were informed about the project and had ample opportunity to raise concerns. These communities strongly supported the sub-projects as the improved bridge and crossing will increase the safety of road users and pedestrians, while ensuring access and better quality crossings.
6. Institutional Arrangements. Staff within FRA and among contractors will receive training, where necessary, to screen sub-project activities, evaluate their effects on IPs, and address any grievances. Under FRA's leadership, and with support from the World Bank Team,

contractors will take on increasing responsibility for ensuring that mitigation measures are implemented.

7. Monitoring and Grievance Redress Mechanisms. FRA's Provincial Offices and the PST will regularly supervise and monitor the implementation of sub-project activities and possible related impacts on IPs. The grievance procedures, which have been evaluated as culturally appropriate, will record any impacts and concerns caused by the sub-projects. In addition, when sub-project implementation begins, signs will be erected at all sites to provide the public with updated project information and to summarize the redress grievance mechanism process, including contact details for FRA's social impact manager.

8. Customary Land Tradition. Customary land in Fiji is a form of collective and inalienable title that adapts and sustains common benefits for life. Under customary *iTaukei* law, customary land cannot be sold, is owned by families and administered by clan leaders. The project's ESMF and LARF will help to address any adverse social impacts that may result due to involuntary acquisition of assets and/or changes in land use, and includes provisions for compensation and rehabilitation assistance. The ESMF and LARF recognize *iTaukei* law and *iTaukei* land ownership traditions as the main mechanism for ensuring the maintenance of relationships with ancestral land.

9. The main framework for resolving any land issues will rest on the following stages for the attempted settlement of disputes over customary land:

- When sub-project implementation begins, a sign will be erected at all sites providing the public with updated project information and summarizing the grievance redress mechanism process including contact details of relevant person at FRA. All corrective actions and complaints responses carried out on site will be reported back to FRA. FRA will include information from the complaints register and corrective actions/responses in its progress reports to the ADB and the World Bank.
- The project manager or engineer supported by FRA safeguard staff and consultants will be the grievance focal point to receive, review and address project related concerns and to resolve land related disputes in coordination with the government authorities. Community beneficiaries will be notified of the grievance redress mechanism and will be exempt from any fees associated with resolving the grievance pursuant to the project's grievance redress procedure.
- Complaints will be recorded and investigated by the FRA safeguard team working with relevant staff of the individual sub-project. A complaints register will be maintained which will show the details and nature of the complaint, the complainant, the date and actions taken as a result of the investigation. It will also cross-reference any non-compliance report and/or corrective action report or other relevant documentation.
- FRA will review and find solutions to problems within two weeks in consultation with village head (Turaga-ni-Koro), or traditional chief and relevant local agencies. FRA safeguards staff will report the outcome of the review to the village head or traditional chief and affected persons (APs) within a week's time. If the complainant

is dissatisfied with the outcome, or have received no advice in the allotted time period, he or she can take grievance to the Chief Executive Officer (CEO) of FRA. FRA's CEO, in coordination with the relevant national agency, will review and report back to the APs, Turaga-ni-Koro or traditional chief about the outcome. If unresolved, or at any time the complainant is not satisfied, he or she can take the matter to an appropriate court. Both successfully addressed complaints and non-responsive issues will be reported to the ADB and the World Bank by FRA.

- During the entire process, relevant Fiji agencies (Department of Lands, iTaukei Land Trust Board, etc.) will remain available to review public complaints and advice on FRA's performance for grievance redress.

10. The following table sets out the process to address project related grievances.

Grievance Redress Process

Stage	Action	Duration
1	Displaced persons (DPs)/village head or traditional chief takes grievance to FRA	Anytime
2	FRA reviews and identifies solution to problem in consultation with village head or traditional chief and relevant agencies	2 weeks
3	PST reports back an outcome to village/traditional chief/DP	1 week
If unresolved or not satisfied with the outcome at FRA level		
4	DP/village head or traditional chief take grievance FRA CEO.	Within 2 weeks of receipt of Step 3 decision
5	FRA CEO reviews and identifies solution in coordination with relevant agencies	4 weeks
6	FRA CEO reports the solution/decision to DP/village head or traditional chief	1 week
If unresolved or at any stage if DP is not satisfied		
DP/village head or traditional chief can take the matter to appropriate court		As per judicial system

ANNEX 8: IMPLEMENTATION SUPPORT PLAN

FIJI: Transport Infrastructure Investment Project (TIIP)

Strategy and Approach for Implementation Support

1. The overall implementation risk for the project is substantial, with capacity rated as substantial, and design, and social & environmental risks rated moderate. Project design already includes technical assistance through consulting firms for design and supervision, as well as project management (including fiduciary aspects). The strategy and approach for Bank implementation support will be on successful implementation of these risk management measures, as well as measures already in place in respect of fiduciary aspects and safeguards (e.g., procurement plan, ESMF).
2. During the design phase, a decision will be taken as to the number and size of works packages to be tendered. The sizes of the respective packages will need to be balanced, with some large packages to attract international contractors, and other smaller ones to foster development of the local contracting industry. To ensure quality and accountability for design, the same firm will be responsible for the design and supervision of works packages. In addition, the World Bank will provide its views on the preliminary designs (especially as they relate to climate resilience) that are submitted to the Client for consideration.

Implementation Support Plan

3. During implementation, joint missions with ADB will be conducted about every six months, or more frequently, if needed. At least once per year the missions will include technical, fiduciary and safeguard specialists, who will provide input on road and bridge design and construction, carry out post-reviews on contract management, conduct random audits of expenditures, check on filing of documents, and provide on-the-job and formal training on fiduciary aspects. Safeguards specialists will also work with counterparts to help ensure that the project complies with all relevant safeguard frameworks and plans.
4. The estimated level of annual support needed during implementation and required skills mix are identified in the following tables.

Main Focus of Implementation Support

Time	Focus	Skills Needed	Resource Estimate	Partner Role
First 12 months	Project launch and start-up	Task Team Leader Road/Bridge Engineers Financial Management Environment Social Administrative Support	US\$90,000	ADB to participate in joint missions and provide technical support.

Following 12 to 60 months	Project implementation	Task Team Leader Road/Bridge Engineers Financial Management Environment Social Administrative Support	US\$380,000	ADB to participate in joint missions and provide technical support.
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Skills Mix Required

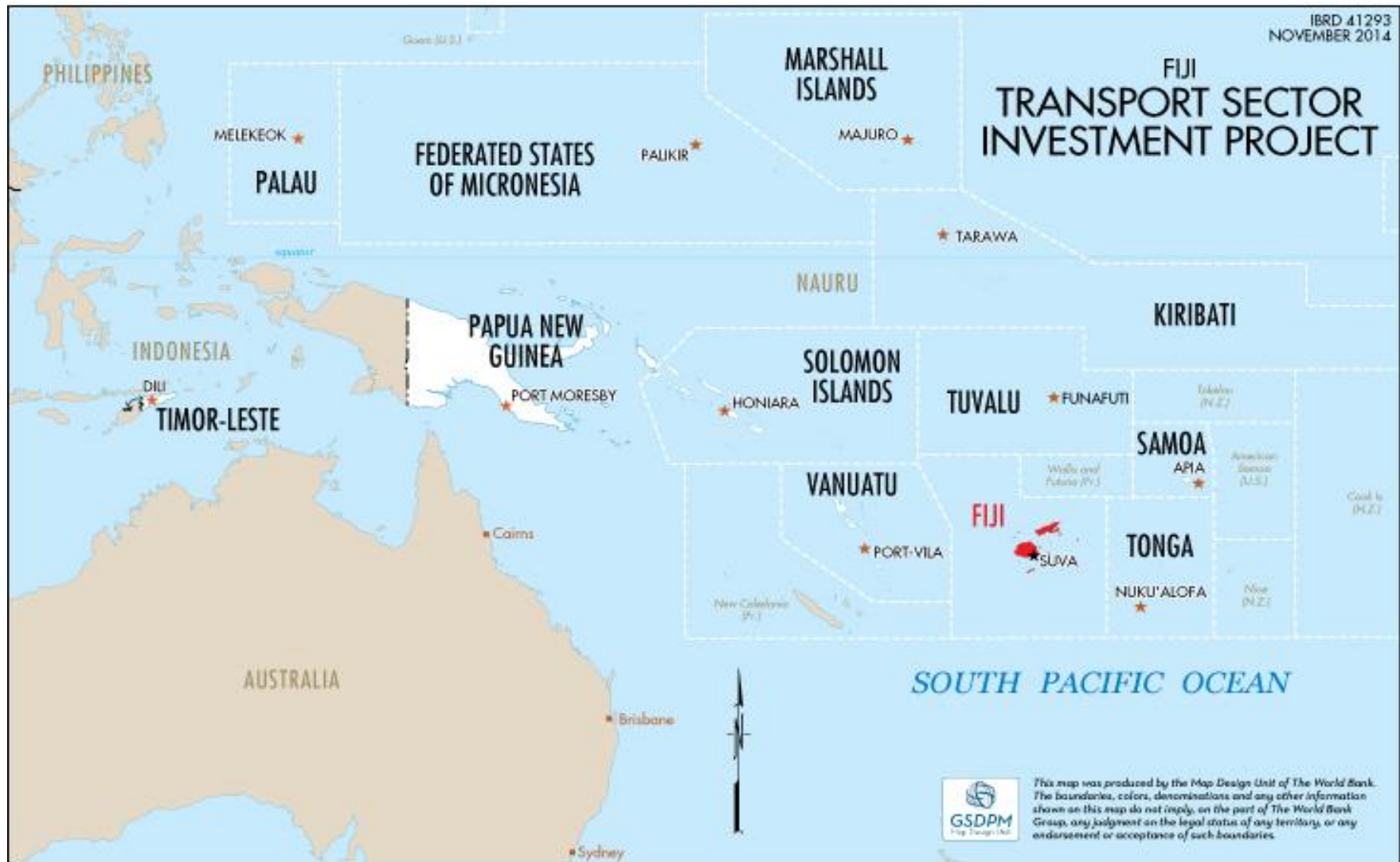
Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Task Team Leader	8	3	The estimates for number of staff weeks and number of trips are based on anticipated annual needs.
Road/Bridge Engineers	5	2	
Financial Management	2	2	
Environment	2	2	
Social	2	2	
Administrative Support	4	1	

Partners

Name	Institution/Country	Role
Asian Development Bank	ADB / Manila, Philippines ADB / Suva, Fiji	Ongoing support during implementation.

ANNEX 9: MAPS

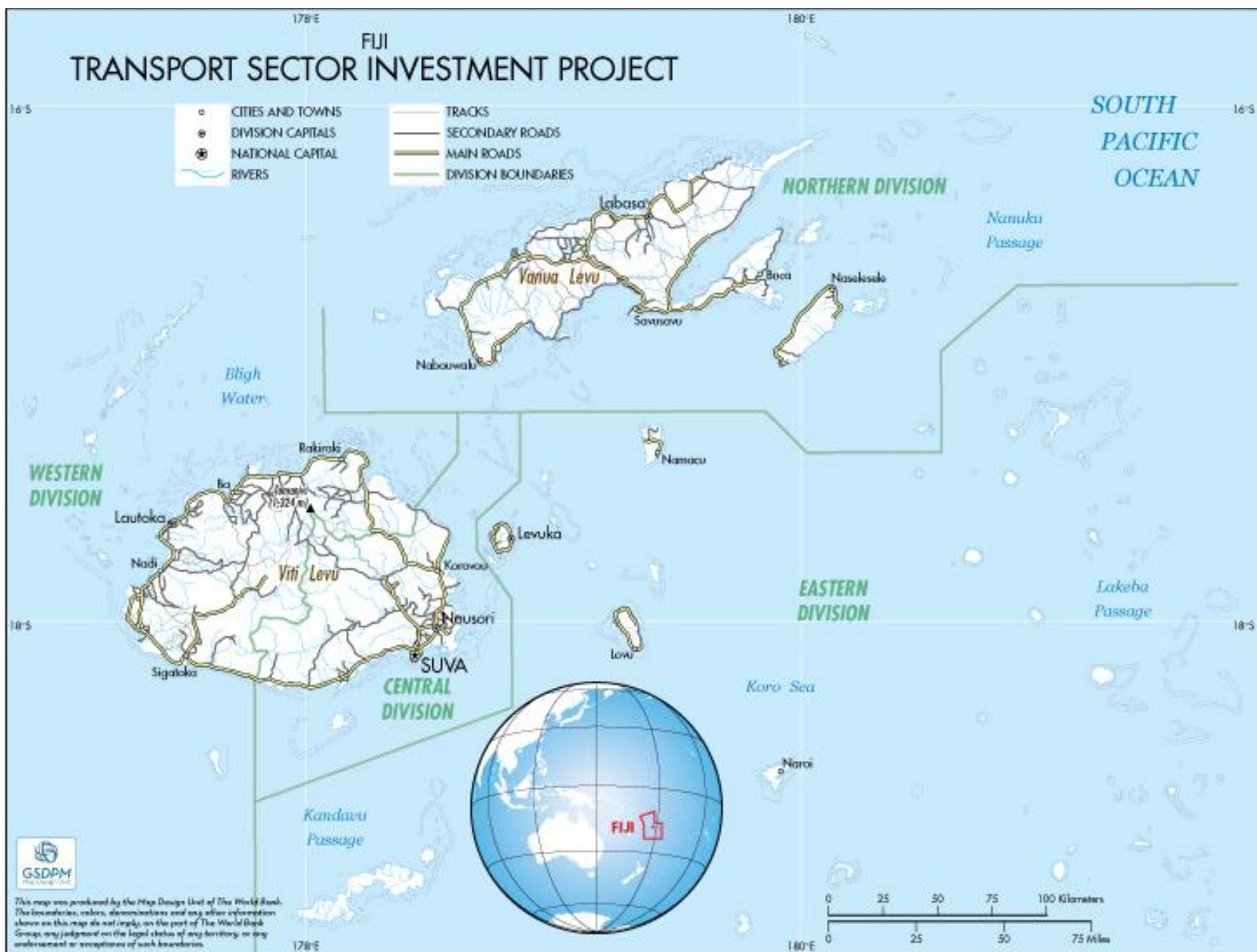
FIJI: Transport Infrastructure Investment Project (TIIP)



FIJI TRANSPORT SECTOR INVESTMENT PROJECT

SOUTH
PACIFIC
OCEAN

- | | |
|---------------------|-----------------------|
| ○ CITIES AND TOWNS | — TRACKS |
| ● DIVISION CAPITALS | — SECONDARY ROADS |
| ⊕ NATIONAL CAPITAL | — MAIN ROADS |
| — RIVERS | — DIVISION BOUNDARIES |



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