



Board of Directors

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Country Operations Business Plan: Fiji, 2020–2022

Attached for information is a paper on the above subject.

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Country Operations Business Plan

November 2019

Fiji
2020–2022

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 15 October 2019)

Currency unit	–	Fiji dollar/s (F\$)
F\$1.00	=	\$0.455
\$1.00	=	F\$2.199

ABBREVIATIONS

ADB	–	Asian Development Bank
CPS	–	country partnership strategy

NOTE

In this report, “\$” refers to United States dollars, unless otherwise stated.

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I. CONSISTENCY OF BUSINESS PLAN WITH COUNTRY PARTNERSHIP STRATEGY

1. The country operations business plan, 2020–2022 is consistent with the Asian Development Bank (ADB) country partnership strategy (CPS), 2019–2023 for Fiji.¹ The country operations business plan is the first to be prepared following the approval of ADB's CPS. ADB will support Fiji to achieve sustained, inclusive, private sector-led growth by focusing on three strategic objectives: (i) promoting private sector investment and growth, (ii) broadening access to quality services and economic opportunities, and (iii) building resilience and reducing economic volatility. Accelerating progress in gender equality, fostering regional cooperation and integration, and leveraging private sector investment and public–private partnerships are priorities that are mainstreamed in all strategic objectives. ADB's operations in Fiji are aligned with the National Development Plan 2017–2036, which sets out a vision for inclusive socioeconomic development.² The country assistance results areas are in Appendix 1.

2. ADB's proposed operations in Fiji reflect a differentiated approach to small island developing states and alignment with Strategy 2030's operational priorities,³ as described in the CPS. ADB will seek opportunities to introduce innovation and high-level technology through its operations, such as digital technology for communally owned land records.⁴ In its operations in Fiji, ADB will reinforce a One ADB approach that will bring together expertise and knowledge from across the institution to provide integrated solutions. This includes collaboration between ADB's Pacific Department and Private Sector Operations Department on nonsovereign investment opportunities in Fiji, and with ADB's Treasury Department on a proposal to issue Fiji dollar-linked bonds to international investors in the offshore debt capital markets, which will enable ADB to offer Fiji dollar financing operations in Fiji.

II. INDICATIVE RESOURCE PARAMETERS

3. Fiji, a group C developing member country, is eligible for regular ordinary capital resources lending. The indicative resources available for commitment during 2020–2022 for sovereign operations total \$214 million. Cofinancing and funding from other sources will be explored.

4. The indicative lending program for 2020–2022 amounts to \$401.1 million in ordinary capital resources financing and at least \$69.2 million in cofinancing, while the indicative nonlending program amounts to \$2.5 million (Appendix 3).⁵ The final amounts of the lending and nonlending programs are subject to resource availability and project readiness. The lending and nonlending programs for the current year are in Appendix 4.

5. Fiji will continue to benefit from regional technical assistance in line with ADB's regional operations business plan, 2019–2021, which includes strengthening the capacity for public sector management and fostering private sector development.⁶

6. Appendix 5 provides the lists of indicative knowledge publications and events for 2019 and 2020, which seek to respond to the country's priority knowledge needs.

¹ ADB. 2019. [Country Partnership Strategy: Fiji, 2019–2023—Achieving Sustained, Inclusive, Private Sector-Led Growth](#). Manila.

² Government of Fiji, Ministry of Economy. 2017. [5-Year and 20-Year National Development Plan](#). Suva.

³ ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

⁴ ADB. Regional: [Promoting Smart Systems in ADB's Future Cities Program](#).

⁵ Excludes potential financing for the Suva Port Project in 2022.

⁶ ADB. 2018. [Pacific: Regional Operations Business Plan, 2019–2021](#). Manila.

7. ADB will continue to pursue nonsovereign investment opportunities in Fiji and regional opportunities with Fijian companies. Target sectors include renewable energy, financial institutions, transport infrastructure, agribusiness, and health. ADB will seek to crowd in private sector finance, including from regional commercial banks and pension and provident funds.

COUNTRY ASSISTANCE RESULTS AREAS

Key Country Development Outcomes that ADB Contributes to	ADB		
	Key Areas of Assistance	Indicative Resources Available for Commitment in 2020–2022	Changes from Last COBP
1. Public Sector Management (CPS priority areas: policy and regulatory reforms, and building fiscal resilience)			
Investment climate and business environment enhanced	Reforms that remove key constraints to doing business and private investment	Amount: \$100 million (regular OCR) and cofinancing to be determined	
Public financial management strengthened	Reforms to public financial management	Share of COBP envelope: 24.9%	
	Reforms of state-owned enterprises		
	More enabling support for public–private partnerships		
2. Transport (CPS priority areas: livable cities, and infrastructure development)			
Priority urban infrastructure developed	Urban public transport	Amount: \$40 million (regular OCR)	
Transport connectivity improved	Water transport (nonurban)	Share of COBP envelope: 10.0%	
3. Water and Other Urban Infrastructure and Services (CPS priority areas: livable cities, and resilient infrastructure)			
Priority urban infrastructure developed	Urban sewerage	Amount: \$261 million (regular OCR) and \$69 million (cofinancing)	
Risk of flooding in areas with key economic infrastructure is reduced	Urban policy, institutional, and capacity development	Share of COBP envelope: 65.1%	
	Urban flood protection		

ADB = Asian Development Bank, COBP = country operations business plan, CPS = country partnership strategy, OCR = ordinary capital resources.
Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/COBP/?id=FIJ-2020>

1. Portfolio at a Glance: Fiji

INDICATIVE ASSISTANCE PIPELINE

Table A3.1: Lending Products, 2020–2022

Project/Program Name ^a	Sector	Poverty Targeting	Operational Priority	Division	Year of TRTA/ PRF	Cost (\$ million)						
						Total	ADB		Gov't	Co-finance		
							Regular OCR	COL			ADF Grants	Total
2020 Firm												
Sustained Private Sector-Led Growth Reform Program, Subprogram 3 (PBL)	PSM	GI	OP1, OP2, OP6	PASP/ SPSO		100.0	100.0	0.0	0.0	100.0	0.0	0.0 ^b
Urban Water Supply and Wastewater Management Project (MFF, tranche 2)	WUS	GI	OP1, OP2, OP3, OP4, OP6	PAUW/ SPSO		229.7	111.1	0.0	0.0	111.1	69.4	49.2 ^c
Total						329.7	211.1	0.0	0.0	211.1	69.4	49.2
2020 Standby/ 2021 Firm												
Nadi Flood Alleviation Project	WUS	GI	OP1, OP3, OP4, OP6	PAUW/ SPSO	2019	190.0	150.0	0.0	0.0	150.0	20.0	20.0 ^d
Transport Sector Projects (PRF) ^e	TRA	GI	OP3, OP4, OP6, OP7	PATC/ SPSO		10.0	10.0	0.0	0.0	10.0	0.0	0.0
Total						200.0	160.0	0.0	0.0	160.0	20.0	20.0
2021 Standby/ 2022 Firm												
Sustainable Mobility Project	TRA	GI	OP2, OP3, OP4, OP6	PATC/ SPSO	2020	30.0	30.0	0.0	0.0	30.0	0.0	0.0
Total						30.0	30.0	0.0	0.0	30.0	0.0	0.0
2022 Standby												
Suva Port Project	TRA	GI	OP3, OP4, OP6, OP7	PATC/ SPSO	2020	TBD	TBD	0.0	0.0	TBD	TBD	TBD
Total						559.7	401.1	0.0	0.0	401.1	89.4	69.2

ADB = Asian Development Bank; ADF = Asian Development Fund; COL = concessional OCR lending; GI = general intervention; Gov't = government; OCR = ordinary capital resources; OP1 = addressing remaining poverty and reducing inequalities; OP2 = accelerating progress in gender equality; OP3 = tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; OP4 = making cities more livable; OP6 = strengthening governance and institutional capacity; OP7 = fostering regional cooperation and integration; PBL = policy-based lending; PRF = project readiness financing; PSM = public sector management; PASP = Social Sector and Public Sector Management Division, Pacific Department; PATC = Transport and Communications Division, Pacific

Department; PAUW = Urban Development Water Supply and Sanitation Division, Pacific Department; SPSO = Pacific Subregional Office, Pacific Department; TBD = to be determined; TRA = transport; TRTA = transaction technical assistance; WUS = water supply and other urban infrastructure and services.

- ^a Given the provisional nature of the indicative lending program, the composition of lending instruments in the actual loan delivery may change.
- ^b The Government of Australia and the Government of New Zealand are considering cofinancing with amount to be determined.
- ^c The European Investment Bank is expected to cofinance with a \$49.2 million loan.
- ^d The Japan International Cooperation Agency is expected to provide a \$20.0 million grant as non-ADB-administered cofinancing. Discussions with other potential cofinancing partners are ongoing.
- ^e PRF for proposed transport sector projects, including the Sustainable Mobility Project and the Suva Port Project.

Source: Asian Development Bank estimates.

Table A3.2: Nonlending Products and Services, 2020–2022

Assistance Name	Sector	Division	Assistance Type	Sources of Funding				
				ADB		Others		Total (\$'000)
				Source	Amount (\$'000)	Source	Amount (\$'000)	
2020^a								
Preparing the Sustainable Mobility Project	TRA	PATC/SPSO	TRTA	TASF	1,500.0		0.0	1,500.0
Preparing the Suva Port Project	TRA	PATC/SPSO	TRTA	TASF	1,000.0		0.0	1,000.0
Total					2,500.0		0.0	2,500.0
2021								
None					0.0		0.0	0.0
Total					0.0		0.0	0.0
2022								
None					0.0		0.0	0.0
Total					0.0		0.0	0.0

ADB = Asian Development Bank; PATC = Transport and Communications Division, Pacific Department; SPSO = Pacific Subregional Office, Pacific Department; TASF = Technical Assistance Special Fund; TRA = transport; TRTA = transaction technical assistance.

^a Subject to the availability of TASF resources. Other sources of financing may be considered.

Source: Asian Development Bank estimates.

ASSISTANCE PROGRAM FOR CURRENT YEAR

Table A4.1: Lending Products, 2019

Project/Program Name ^a	Sector	Poverty Targeting	Priority Area	Division	Year of TRTA/ PRF	Cost (\$ million)						
						Total	ADB			Gov't	Co-finance	
							Regular OCR	COL	ADF Grants			Total
Firm												
Sustained Private Sector-Led Growth Reform Program, subprogram 2 (PBL)	PSM	GI	OP1, OP2, OP6	PASP/ SPSO		130.7	65.0	0.0	0.0	65.0	0.0	65.7 ^b
Total						130.7	65.0	0.0	0.0	65.0	0.0	65.7

ADB = Asian Development Bank; ADF = Asian Development Fund; COL = concessional OCR lending; GI = general intervention; Gov't = government; OCR = ordinary capital resources; OP1 = addressing remaining poverty and reducing inequalities; OP2 = accelerating progress in gender equality; OP6 = strengthening governance and institutional capacity; PASP = Social Sector and Public Sector Management Division, Pacific Department; PBL = policy-based lending; PRF = project readiness financing; PSM = public sector management; SPSO = Pacific Subregional Office, Pacific Department; TRTA = transaction technical assistance.

^a Given the provisional nature of the indicative lending program, the composition of lending instruments in the actual loan delivery may change. Investment lending accounted for 86.3% of sovereign lending commitments in 2016–2018, while conventional PBL was 13.7%.

^b World Bank (International Bank for Reconstruction and Development loan of \$35.0 million; International Development Association credit of up to SDR21.0 million, equivalent to \$29.0 million) and the Government of New Zealand (grant of NZ\$2.5 million, equivalent to \$1.7 million) are expected to cofinance subprogram 2.

Source: Asian Development Bank estimates.

Table A4.2: Nonlending Products and Services, 2019

Assistance Name	Sector	Division	Assistance Type	Sources of Funding				
				ADB		Others		Total (\$'000)
				Source	Amount (\$'000)	Source	Amount (\$'000)	
Preparing the Nadi Flood Alleviation Project	WUS	PAUW/SPSO	TRTA	0.0	0.0	JFPR	2,000.0	2,000.0
Supporting Competition Policy and Law Reform	PSM	SPSO	KSTA	0.0	0.0	Government of New Zealand	225.0	225.0
Supporting Public Financial Management Reform (additional financing)	PSM	SPSO	KSTA	0.0	0.0	Government of Australia	175.0 ^a	175.0
Total					0.0		2,400.0	2,400.0

ADB = Asian Development Bank; JFPR = Japan Fund for Poverty Reduction; KSTA = knowledge and support technical assistance; PAUW = Urban Development Water Supply and Sanitation Division, Pacific Department; PSM = public sector management; SPSO = Pacific Subregional Office, Pacific Department; TRTA = transaction technical assistance; WUS = water and other urban infrastructure and services.

^a Additional financing of A\$250,000 by Government of Australia. Amount in United States dollars to be determined upon approval.

Source: Asian Development Bank estimates.

INDICATIVE KNOWLEDGE PRODUCTS AND EVENTS

Table A5.1: Knowledge Products and Events for 2020

Title of Publication or Event	Subject	Type	Department or Sector Group or Thematic Group	Funding Source
Asian Development Bank and Fiji: Fact Sheet 2020	ADB administration and governance	Publication and documentation	DOC, PARD	
Asian Development Outlook 2020 – Fiji	Economics	Publication and documentation	PARD	
Asian Development Outlook Update 2020 – Fiji	Economics	Publication and documentation	PARD	
Pacific Economic Monitor (July 2020)	Economics	Publication and documentation	PARD	
Pacific Economic Monitor (December 2020)	Economics	Publication and documentation	PARD	
Pacific Energy Update 2020	Energy	Publication and documentation	PARD	
Pacific Transport Update 2020	Transport	Publication and documentation	PARD	
Total number of publications = 7				
Total number of events = 0				

DOC = Department of Communications, PARD = Pacific Department.

Source: Asian Development Bank.

Table A5.2: Additional Knowledge Products and Events Delivered in 2019

Title of Publication or Event	Subject	Type	Department or Sector Group or Thematic Group	Funding Source
Publications				
Finding Balance 2019	Private sector	Publication and documentation	PARD	RETA 8378
The Enabling Environment for Disaster Risk Financing in Fiji: Country Diagnostic Assessment	Finance	Publication and documentation	SDCC	RETA 9007
ADB and Partners Boost Sustainable Fishing in Fiji	Agriculture and natural resources	Multimedia	DOC	
Better Roads Help Revive Fiji's Rural Economy	Transport	Multimedia	DOC	
Bringing Piped Water to Fiji's Homes	Water	Multimedia	DOC	
Fiji's Ports Are Upgraded to Become Safe Havens of Trade	Transport	Multimedia	DOC	
Making Fiji's Schools Safe from Natural Disasters	Environment	Multimedia	DOC	
Events				
Asian Development Bank Annual Meeting 2019	ADB administration and governance	Event organization	SEC	
Asia-Pacific Judicial Conference on Climate Change Adjudication	Climate change	Training or capacity development	OGC	RETA 9279
Total number of publications = 7				
Total number of events = 2				

DOC = Department of Communications, OGC = Office of the General Counsel, PARD = Pacific Department, RETA = regional technical assistance, SDCC = Sustainable Development and Climate Change Department, SEC = Office of The Secretary.
Source: Asian Development Bank.

Table A5.3: Innovation, Advanced Technology, and Pilot Initiatives to be Implemented in 2020

Item	Nature	Project Number	Sector or Theme	Division
Digitization of Communally Owned Land Records	TCH	49049-001	PSM	SDSC-URB
Revitalization of Informal Settlements and Their Environments Using a Water-Sensitive Approach	PLT	51290-001	WUS	SDSC-URB
Use of Interactive e-Learning Resources in Schools	TCH	52183-001	EDU	PASP
Use of Project Readiness Financing: Transport Sector Projects	PLT		TRA	PATC/ SPSO

Total number of innovation, advanced technology, and pilot initiatives = 3

EDU = education; PASP = Social Sector and Public Sector Management Division, Pacific Department; PATC = Transport and Communications Division, Pacific Department; PLT = pilot initiative; PSM = public sector management; SDSC-URB = Sector Advisory Service Cluster – Urban, Sustainable Development and Climate Change Department; SPSO = Pacific Subregional Office, Pacific Department; TCH = advanced technology; TRA = transport; WUS = water and other urban infrastructure and services.

Source: Asian Development Bank.