



Fiji: Transport Infrastructure Investment Sector Project (formerly Bridge Replacement Project)

Project Name	Transport Infrastructure Investment Sector Project (formerly Bridge Replacement Project)												
Project Number	48141-001												
Country	Fiji												
Project Status	Active												
Project Type / Modality of Assistance	Loan Technical Assistance												
Source of Funding / Amount	<table border="1"><tr><td colspan="2">Loan 3210-FIJ: Transport Infrastructure Investment Sector Project</td></tr><tr><td>Ordinary capital resources</td><td>US\$ 100.00 million</td></tr><tr><td colspan="2">TA 8777-FIJ: Strengthening Transport Coordination Capacity</td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 700,000.00</td></tr><tr><td colspan="2">Loan 8307-FIJ: Transport Infrastructure Investment Sector Project (formerly Bridge Replacement Project)</td></tr><tr><td>World Bank</td><td>US\$ 50.00 million</td></tr></table>	Loan 3210-FIJ: Transport Infrastructure Investment Sector Project		Ordinary capital resources	US\$ 100.00 million	TA 8777-FIJ: Strengthening Transport Coordination Capacity		Technical Assistance Special Fund	US\$ 700,000.00	Loan 8307-FIJ: Transport Infrastructure Investment Sector Project (formerly Bridge Replacement Project)		World Bank	US\$ 50.00 million
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Loan 8307-FIJ: Transport Infrastructure Investment Sector Project (formerly Bridge Replacement Project)													
World Bank	US\$ 50.00 million												
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth												
Drivers of Change	Governance and capacity development Partnerships Private sector development												
Sector / Subsector	Transport - Road transport (non-urban) - Transport policies and institutional development - Water transport (non-urban)												
Gender Equity and Mainstreaming	Effective gender mainstreaming												
Description	The proposed project will improve access to socioeconomic opportunities by supporting the government in upgrading and rehabilitating land and maritime transport infrastructure.												

Project Rationale and Linkage to Country/Regional Strategy

Fiji is a South Pacific archipelagic nation of 110 inhabited islands with a land area of 18,300 square kilometers and a population of 860,000. Fiji is located 2,000_3,000 kilometers (km) from major metropolitan markets, and service delivery costs within the country are high because the population is dispersed. About 90% of the population lives on the three main islands of Viti Levu, Vanua Levu, and Taveuni.

Fiji requires adequate transport infrastructure to improve access to economic opportunities and services for rural populations, and to improve trade. Fiji is a middle-income country with a per capita income of \$4,618, and overall poverty in Fiji declined slightly between 2003 (39.8%) and 2009 (35.2%). However, a 2008 household income and expenditure survey estimated the poverty incidence to be 19% in urban areas and 43% in rural areas. More than half of Fiji's population live in rural communities, which are geographically isolated from provincial and national centers and served by rural transport infrastructure that is in poor condition. These factors limit rural economic opportunities and social services. The World Bank's 2014 Doing Business report ranked Fiji 111th out of 185 economies in the ease of trading across borders, which is a measure of the time and cost associated with the import or export of a standard shipment by sea transport. Local transportation and handling accounted for 30% of costs, and about 16% of time, associated with imports and exports. The road network is characterized by spine or circumferential main roads and feeder roads, with few alternative routes. It is prone to disruption by heavy rainfall and flooding, which is often exacerbated by tropical cyclones. Rural maritime infrastructure has been neglected and is in poor condition. Climate change predictions show increased frequency and intensity of heavy rainfall, and sea level rise. Roads, bridges, and rural jetties need to be rehabilitated, with better environmental protection and to higher construction standards, to be resilient against extreme weather events and natural disasters. Disruption in transport connectivity constrains movement of people and goods, depresses productive rural activity, and impedes tourism growth. Further investment in the transport sector, focusing on vulnerable groups including rural communities, women, elderly, and youth, and considering climate resilience, will provide a foundation for inclusive growth by improving access to markets and services in rural areas.

Intermodal links are vital to link Fiji's dispersed communities, and enable people and goods to connect through road links to the main ports of Suva (the capital) and Lautoka, and to the landing ports for interisland domestic shipping and ferry services between Viti Levu, Vanua Levu, Ovalau, and Taveuni. Freight is transported between northwest and southeast Viti Levu either via ship (between ports in Lautoka and Suva), or by land along Queens Road. The international airport in Nadi is connected to the capital by the Queens Road and by domestic flights to and from Nausori airport. Roads to these airports are essential intermodal links.

The government has estimated that about F\$1.3 billion (\$702 million equivalent) in capital expenditures and F\$450 million (\$243 million equivalent) in maintenance expenditures are required for road and rural maritime infrastructure over 2014_2018. This is more than double the annual average maintenance expenditures and triple the capital works expenditures over 2004_2013. These budget increases will require contributions from concessional financing dedicated to the sector, in addition to government support from general revenue sources.

The Asian Development Bank (ADB) has previously advocated for the establishment of a roads authority; this was realized through the establishment of the Fiji Roads Authority (FRA) by the Fiji Roads Authority Decree 2012, and has contributed to more efficient service delivery. The FRA is responsible for maintaining and upgrading assets that currently consist of about 11,115 km of roads (including 1,483 km of sealed and 9,632 km of unsealed roads), 868 bridges, and 47 jetties. While FRA currently operates under a costly institutional setup that relies on foreign expertise, it has developed a strategy to increase local capacity; the project will support these efforts by engaging local experts, guided and mentored by FRA's international experts, for day-to-day project supervision. It will also build the capacity of government staff to plan, select, and oversee implementation of transport infrastructure projects.

ADB has provided transport-related support to Fiji since 1980, and investments have generally achieved key objectives, despite some delays and cost overruns. ADB continued implementing transport projects during a period of limited engagement that began in 2006, including the Port Development Project, and the Third Road Upgrading Sector Project. In 2009, ADB also approved additional financing for the Third Road Upgrading Sector Project, and an emergency loan to assist Fiji in response to devastating floods. Lessons from previous engagements in the country relevant to the transport sector include the need for sustained support over the long term to foster private participation in infrastructure service delivery, and the importance of extensive preparation and implementation support to address capacity constraints.

The government's vision for Fiji is set out in the Roadmap for Democracy and Sustainable Socio-Economic Development, 2010_2014, and is reiterated through the Green Growth Framework (GGF). The GGF sets out policy direction for 10 thematic areas, which include resilience to climate change and disasters, sustainable transportation, and inclusive social development. ADB engagement will be guided by its country partnership strategy, 2014_2018, and country operations business plan, 2015_2017 for Fiji, both of which support the government's national strategies, and identify transport as a key sector for engagement. The project will support the country partnership strategy in swiftly increasing ADB support in the transport sector following Fiji's 2014 elections, and help the country overcome its key development challenges. The project will finance repair, rehabilitation, and upgrading of transport infrastructure prioritized by an updated 20-Year National Transport Infrastructure Plan, based on the GGF, the Roadmap for Democracy and Sustainable Socio-Economic Development, and Public Sector Investment Program.

The project will be implemented as a sector project, by financing a time slice of subprojects (comprising 30 km of roads, 30 bridges, and four jetties) prioritized by the updated 20-Year National Transport Infrastructure Plan, and selected in accordance with agreed subproject eligibility criteria and selection procedures. The project will support strengthening of the institutional capacity of central and line agencies in prioritizing transport infrastructure investment, and reducing the backlog of maintenance of transport infrastructure. The project supports existing policy for the transport sector articulated through the National Transport Sector Plan (1993), which is being updated through ADB-supported TA (footnote 2).

The World Bank has expressed strong interest in cofinancing the project, and is expected to approve its cofinancing in early 2015; following that approval, the project scope will be enlarged to cover additional subprojects. The World Bank cofinancing is envisaged to be on a joint basis, with partial administration by ADB of the cofinancing. Common implementation frameworks covering safeguards, procurement, and financial management have been agreed in principle between ADB and the World Bank.

Impact

Improved access to markets, employment opportunities, and social services

Project Outcome

Description of Outcome	Improved safety and resilience of land and maritime transport infrastructure
Progress Toward Outcome	<p>The loan was declared effective on 27 March 2015.</p> <p>The WB loan and project agreements were signed on 14 April 2016. Loan was declared effective on 27 March 2015.</p> <p>Project Supervision Team: While the four individual positions were initially filled in October 2015, only the social safeguards specialist remains. A permanent project manager/procurement specialist is yet to be recruited, although FRA has engaged an interim project manager/procurement specialist since October 2015. An environmental safeguards specialist was recruited in January 2016, although has taken a leave of absence since February 2016 and did not return. A financial management specialist was also appointed in January 2016, although resigned from his position within a few weeks. FRA has engaged a financial management specialist locally who is able to meet the requirements specified in the Project Administration Manual (PAM).</p> <p>Design and supervision consultants: An urgent task for FRA and the project is to commence recruiting professional engineering services contracts, to ensure continuity to the work program anticipated in 2017 and beyond.</p> <p>Two contract packages have been awarded, and another three packages are being bid, with contract award expected in Q3 2016.</p>

Implementation Progress

Description of Project Outputs	Rehabilitated and climate resilient land and maritime transport infrastructure Efficient project management support
Status of Implementation Progress (Outputs, Activities, and Issues)	In progress In progress
Geographical Location	

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	<p>ADB and WB have agreed on a common approach to safeguards based on Fiji's safeguards requirements, and strengthened by the ADB Safeguards Policy Statement 2009 (SPS) and WB Operational Policies (OP). For environment, the project is classified as category B. Category A subprojects will not be eligible for financing under the project. An environmental and social management framework (ESMF) has been prepared to ensure that the project complies with SPS, OP 4.01, and Fiji national laws. An environmental impact assessment as required by the procedure established by the Environmental Management Act 2005 administered by Fiji Department of Environment and equivalent to ADB's initial environmental examination was prepared for the sample subproject. The impacts of the subproject are largely confined to the construction stage, are site-specific, and can be mitigated readily. The project will be implemented by the project supervision team to be established in FRA, supported by design and supervision consultants. The project supervision team and design and supervision consultants will include safeguard specialists who will be responsible for implementing the ESMF and monitoring compliance with environmental safeguards.</p>
Involuntary Resettlement	<p>The project is classified as category B for involuntary resettlement. The project is not expected to involve any physical displacement. It will require acquisition of land for road widening or realignment, and temporary access during construction; the impacts are not expected to be significant. A land acquisition and resettlement framework and a land acquisition and resettlement plan have been prepared for the project. Consultations have been undertaken during project preparation, and further consultations will be undertaken during implementation. The land acquisition and resettlement plan will be updated or finalized during detailed design, and compensation will be provided to affected persons before the start of civil works at the respective subproject sites. The project will establish a grievance redress mechanism to resolve grievances of affected persons. FRA will (i) appoint a focal person for land issues; (ii) establish social safeguard capacity within the project supervision team, including social safeguard specialists; and (iii) coordinate with the iTaukei Land Trust Board and the Department of Lands to implement the project's land acquisition and resettlement activities.</p>
Indigenous Peoples	<p>The project has been classified category C for indigenous peoples in accordance with ADB's Safeguard Policy Statement. The project is not expected to impact vulnerable group of indigenous people. The iTaukei (Melanesians) comprise the majority of the country's population and are likely the majority population and project beneficiaries in the project areas. While a separate indigenous peoples plan is not required, the project will be implemented in a participatory manner. FRA, in coordination with relevant government agencies, will organize adequate consultations with the affected local communities and ensure that there is a broad local community support of the proposed subprojects. The project's stakeholder consultation strategy and participation plan will include detailed consultation measures. The detailed feasibility reports will include a summary of consultation activities and confirmation of the broad community support of the subproject.</p>

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation During the early implementation phase of the project, a communication strategy and communication plan will be prepared by project supervision team that will indicate the types of information, means of communication, who will provide and to whom including at what intervals to the stakeholders about the project as well as its implementation.

Responsible Staff

Responsible ADB Officer	Ling, David Tai-Wen
Responsible ADB Department	Pacific Department
Responsible ADB Division	Transport, Energy and Natural Resources Division, PARD
Executing Agencies	<i>Ministry of Economy Level 5x Ro Lalabalavu House 370 Victoria Parade Suva, Fiji</i>

Timetable

Concept Clearance	25 Aug 2014
Fact Finding	18 Aug 2014 to 29 Aug 2014
MRM	25 Sep 2014
Approval	05 Dec 2014
Last Review Mission	-
Last PDS Update	29 Mar 2017

Loan 3210-FIJ

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
05 Dec 2014	12 Dec 2014	27 Mar 2015	31 Dec 2020	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	111.11		Cumulative Contract Awards			
ADB	100.00		05 Dec 2014	8.89	0.00	9%
Counterpart	11.11		Cumulative Disbursements			
Cofinancing	0.00		05 Dec 2014	2.25	0.00	2%

Loan 8307-FIJ

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
11 Mar 2015	14 Apr 2016	10 Aug 2016	30 Jun 2020	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	50.00		Cumulative Contract Awards			
ADB	0.00		11 Mar 2015	0.00	0.00	0%
Counterpart	0.00		Cumulative Disbursements			

Cofinancing		50.00	11 Mar 2015	0.00	0.00	0%
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TA 8777-FIJ

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
05 Dec 2014	07 May 2015	07 May 2015	30 Jun 2018	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
700,000.00	0.00	0.00	0.00	0.00	0.00	700,000.00	05 Dec 2014	9,119.34

Project Page <https://www.adb.org/projects/48141-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=48141-001>

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