



Waiver

Project Number: 48141-001
May 2015

Fiji: Transport Infrastructure Investment Sector
Project—Waiver of Procurement Country Eligibility
Restrictions and Application of the World Bank’s
Debarment List

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 10 April 2015)

Currency unit	–	Fiji dollar/s (F\$)
F\$1.00	=	\$0.49
\$1.00	=	F\$2.05

ABBREVIATIONS

ADB – Asian Development Bank

NOTE

In this report, "\$" refers to US dollars, unless otherwise stated.

Vice-President	S. Groff, Operations 2
Director General	X. Yao, Pacific Department (PARD)
Director	R. Guild, Transport, Energy and Natural Resources Division, PARD
Team leader	D. Ling, Transport Specialist, PARD
Team members	I. Caetani, Senior Financing Partnerships Specialist, Office of Cofinancing Operations K. Guy, Transport Specialist, East Asia Department G. Ismakova, Principal Procurement Specialist, Operations Services and Financial Management Department G. King, Senior Project Officer (Financial Management), PARD D. Perez, Integrity Officer, Office of Anticorruption and Integrity R. Phelps, Principal Infrastructure Specialist, PARD Y. Seo, Counsel, Office of the General Counsel

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CONTENTS

	Page
PROJECT AT A GLANCE	
I. THE ONGOING PROJECT	1
II. PROPOSED PROCUREMENT ARRANGEMENTS	1
III. RECOMMENDATION	2

PROJECT AT A GLANCE

1. Basic Data		Project Number: 48141-001	
Project Name	Transport Infrastructure Investment Sector Project (formerly Bridge Replacement Project)	Department /Division	PAR/PATE
Country Borrower	Fiji, Republic of Fiji, Republic of	Executing Agency	Ministry of Finance
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Transport	Road transport (non-urban)		70.00
	Transport policies and institutional development		0.70
	Water transport (non-urban)		30.00
	Total		100.70
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Adaptation (\$ million)	10.00
Environmentally sustainable growth (ESG)	Global and regional transboundary environmental concerns	Climate Change impact on the Project	High
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Institutional development	Effective gender mainstreaming (EGM)	✓
Partnerships (PAR)	Implementation		
	Official cofinancing		
	Regional organizations		
Private sector development (PSD)	Public sector goods and services essential for private sector development		
5. Poverty Targeting		Location Impact	
Project directly targets poverty	Yes	Rural	High
Geographic targeting (TI-G)	Yes	Urban	Low
6. Risk Categorization:	Low		
7. Safeguard Categorization	Environment: B Involuntary Resettlement: B Indigenous Peoples: C		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		100.70	
Sovereign Capacity development technical assistance: Technical Assistance Special Fund		0.70	
Sovereign Project loan: Ordinary capital resources		100.00	
Cofinancing		0.00	
None		0.00	
Counterpart		11.11	
Government		11.11	
Total		111.81	
9. Effective Development Cooperation			
Use of country procurement systems		No	
Use of country public financial management systems		Yes	

I. THE ONGOING PROJECT

1. On 5 December 2014, the Asian Development Bank (ADB) Board of Directors approved a loan of \$100.0 million from ADB's ordinary capital resources to the Republic of Fiji for the Transport Infrastructure Investment Sector Project.¹ The Government of Fiji financed \$11.1 million equivalent to bring the total project cost to \$111.1 million. The loan and project agreements were signed on 12 December 2014, and the loan was declared effective on 27 March 2015. The project is scheduled to close on 30 June 2020. The Ministry of Finance is the executing agency and the Fiji Roads Authority is the implementing agency.

2. The project impact will be improved access to markets, employment opportunities, and social services. The outcome will be improved safety and resilience of land and maritime transport infrastructure. The project has two outputs: (i) rehabilitated and climate-resilient land and maritime transport infrastructure, and (ii) efficient project management support and institutional strengthening.

3. The project is in its initial implementation stage. Subprojects are being selected from the draft updated 20-Year National Transport Infrastructure Plan² in agreement with the government, and in accordance with the approved subproject eligibility and selection procedures. The project's first contract award is expected by the third quarter of 2015, with disbursements to follow shortly thereafter. There are no major issues with respect to development objectives or implementation arrangements.

II. PROPOSED PROCUREMENT ARRANGEMENTS

4. On 11 March 2015, the World Bank's Board of Executive Directors approved a loan of \$50 million for the Transport Infrastructure Investment Project.³ The approved World Bank loan will jointly finance the project together with ADB. ADB and the World Bank agreed on a common implementation framework, articulated in a memorandum of understanding signed between the two organizations on 12 December 2014.⁴ The framework covers agreed actions on matters related to technical, procurement, financial management, environmental safeguards, and resettlement safeguards. The framework will support the government by minimizing duplication of effort, transaction costs, and complexity in project implementation.

5. In addition, the World Bank concurrently approved a waiver where ADB's Procurement Guidelines (2013, as amended from time to time) and Guidelines on the Use of Consultants by ADB and its Borrowers (2013, as amended from time to time) to govern consultant selection and procurement of goods and works during project implementation. This allows all project components to be financed jointly, eliminating the need for the government to carry out separate bids according to different procedures, thereby supporting efficiency during project implementation.

¹ ADB. 2014. *Report and Recommendation of the President to the Board of Directors for the Proposed Loan and Technical Assistance Grant to the Republic of Fiji for the Transport Infrastructure Investment Sector Project*. Manila.

² The 20-Year National Transport Infrastructure Plan is being updated through an ongoing policy and advisory technical assistance: ADB. 2013. *Technical Assistance Grant to the Republic of Fiji for Transport Sector Planning and Management*. Manila. The technical assistance completion is scheduled for August 2015.

³ World Bank. 2015. *Fiji – Transport Infrastructure Investment Project*. Washington, DC: World Bank Group.

⁴ ADB. 2014. *Memorandum of Understanding for Cooperation, Coordination and Exchange of Information for the Fiji Transport Infrastructure Investment Sector Project between Asian Development Bank and International Bank for Reconstruction and Development*. Manila.

6. The World Bank's waiver of its procurement policies was approved, however, on the condition that the World Bank cannot (i) exclude entities from its 188 member countries for contracts that it finances,⁵ and (ii) include entities declared ineligible, in accordance with its prevailing sanction policies and procedures, to offer goods, works, and services under the project. To allow joint financing under the project, an exception pursuant to Article 14 (ix) of the Agreement Establishing the Asian Development Bank (the Charter) is required to allow entities from non-member countries of ADB to be financed by ADB loan proceeds.⁶ Also, the ineligibility of those entities debarred by the World Bank as a result of the application of its prevailing sanctions policies and procedures, in addition to the entities ineligible under ADB's debarment list, will need to be recognized. The current cross debarment arrangement with the World Bank is insufficient, as the arrangement only provides for cross debarment of entities sanctioned from 2010 onwards that meet certain conditions, including a sanction period of more than one year. Currently, there are entities sanctioned by the World Bank that are not cross debarred by ADB. While ADB will supervise all procurement activities for the jointly financed components, ADB will not administer disbursement of the World Bank loan. Under the proposed terms of the loan agreement to be signed between the World Bank and the government, the World Bank will transfer its loan proceeds directly to the government, who will be responsible for disbursement.

III. RECOMMENDATION

7. The President recommends that the Board approve the proposal as described in para. 6 to permit the selection of consultants and the procurement of goods and works from non-member countries of ADB, and to apply the World Bank's debarment list in addition to ADB's debarment list, under the Transport Infrastructure Investment Sector Project.

⁵ 125 non-member countries of ADB are eligible for World Bank-financed contracts: Albania, Algeria, Angola, Antigua and Barbuda, Argentina, the Bahamas, Bahrain, Barbados, Belarus, Belize, Benin, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Chile, Colombia, Comoros, Democratic Republic of Congo, Republic of the Congo, Costa Rica, Cote d'Ivoire, Croatia, Cyprus, Czech Republic, Djibouti, Dominica, Dominican Republic, Ecuador, Arab Republic of Egypt, El Salvador, Equatorial Guinea, Eritrea, Estonia, Ethiopia, Gabon, the Gambia, Ghana, Greece, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hungary, Iceland, Islamic Republic of Iran, Iraq, Israel, Jamaica, Jordan, Kenya, Kosovo, Kuwait, Latvia, Lebanon, Lesotho, Liberia, Libya, Lithuania, former Yugoslav Republic of Macedonia, Madagascar, Malawi, Mali, Malta, Mauritania, Mauritius, Mexico, Moldova, Montenegro, Morocco, Mozambique, Namibia, Nicaragua, Niger, Nigeria, Oman, Panama, Paraguay, Peru, Poland, Qatar, Romania, Russian Federation, Rwanda, San Marino, Sao Tome and Principe, Saudi Arabia, Senegal, Serbia, Seychelles, Sierra Leone, Slovak Republic, Slovenia, Somalia, South Africa, South Sudan, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sudan, Suriname, Swaziland, Syrian Arab Republic, Tanzania, Togo, Trinidad and Tobago, Tunisia, Uganda, Ukraine, United Arab Emirates, Uruguay, República Bolivariana de Venezuela, Republic of Yemen, Zambia, and Zimbabwe.

⁶ ADB. 1966. *Agreement Establishing the Asian Development Bank*. Manila.