

Project Administration Manual

Project Number: 48141-001

Loan Number: {LXXXX}

November 2014

Republic of Fiji: Transport Infrastructure Investment
Sector Project

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The executing and implementing agencies are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by executing and implementing agencies of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Loan Negotiations the borrower and ADB shall agree to the PAM and ensure consistency with the Loan agreement. Such agreement shall be reflected in the minutes of the Loan Negotiations. In the event of any discrepancy or contradiction between the PAM and the Loan Agreement, the provisions of the Loan Agreement shall prevail.

After ADB Board approval of the project's report and recommendation of the President (RRP) changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the PAM.

Abbreviations

| | | |
|-------|---|---|
| ADB | = | Asian Development Bank |
| ADF | = | Asian Development Fund |
| AFS | = | audited financial statements |
| CQS | = | consultant qualification selection |
| DMF | = | design and monitoring framework |
| EARF | = | environmental assessment and review framework |
| EIA | = | environmental impact assessment |
| EMP | = | environmental management plan |
| ESMS | = | environmental and social management system |
| GACAP | = | governance and anticorruption action plan |
| GDP | = | gross domestic product |
| ICB | = | international competitive bidding |
| IEE | = | initial environmental examination |
| IPP | = | indigenous people plan |
| IPPF | = | indigenous people planning framework |
| LAR | = | land acquisition and resettlement |
| LIBOR | = | London interbank offered rate |
| NCB | = | national competitive bidding |
| NGOs | = | nongovernment organizations |
| PAI | = | project administration instructions |
| PAM | = | project administration manual |
| QBS | = | quality based selection |
| QCBS | = | quality-and cost based selection |
| RRP | = | report and recommendation of the President to the Board |
| SBD | = | standard bidding documents |
| SGIA | = | second generation imprest accounts |
| SOE | = | statement of expenditure |
| SPS | = | Safeguard Policy Statement |
| SPRSS | = | summary poverty reduction and social strategy |
| TOR | = | terms of reference |

I. PROJECT DESCRIPTION

1. The proposed Fiji Transport Infrastructure Investment Sector Project (the project) will improve access to socioeconomic opportunities by supporting the government to upgrade and rehabilitate land and maritime transport infrastructure.

2. The impact of the project 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 will deliver the following outputs:

3. **Output 1: Rehabilitated land and maritime transport infrastructure.** The project will finance civil works to repair, rehabilitate, reconstruct, or upgrade existing roads, bridges, and rural jetties. It will also finance safety improvements on selected roads and bridges, which may include road safety furniture and streetlights. Subprojects will be selected in accordance with the approved subproject selection criteria framework. Where possible, subprojects will be grouped geographically into suitably sized and cost-effective contract packages that maximize local impact.

4. **Output 2: Efficient project management and institutional strengthening.** A project supervision team will be established consisting of four Fiji Roads Authority (FRA) staff to oversee the overall project implementation, selection of consulting services, procurement of civil works, accounting and financial management activities, safeguards monitoring and evaluation, and project reporting. Design and supervision consultants will be engaged to carry out subproject screening, feasibility studies, detailed design, procurement of civil works packages, construction supervision, and safeguards monitoring. The project will also support FRA update design and construction standards for roads and bridges to bring uniformity to road assets in Fiji, incorporate climate change adaptation considerations for more climate resilient road and maritime transport infrastructure, and reflect current international standards for road geometry, pavements, drainage, and associated structures.

5. The project will use a sector lending approach. The approach allows the government, through FRA as the implementing agency to lead identifying, prioritizing, appraising, designing, and implementing subprojects. FRA will propose the rehabilitation or replacement of high priority bridges, roads, and jetties as subprojects for review by Ministry of Finance (MOF); and approval by Asian Development Bank (ADB). Approval of subprojects will be based on compliance with eligibility criteria based on satisfactory technical, economic, social, and environmental assessments, as agreed between the government, and ADB.

A. Subproject Eligibility Criteria

6. The selection of subprojects will be guided by the updated 20 year National Transport Infrastructure Plan, which is based on the government's Green Growth Framework, Roadmap to Democracy and Sustainable Socio-Economic Development 2010-2014, Public Sector Investment Program, and FRA draft Asset Management Plan. Subprojects will be selected with regard to (i) their multi-criteria analysis ranking and sequencing in the 20 year National Transport Infrastructure Plan, (ii) project urgency and readiness, (iii) equitable distribution of investment expenditure among divisions and provinces, and (iv) national level priorities endorsed by the government.

7. Subprojects must meet the following eligibility criteria for ADB-financing of civil works under the project:

- (i) **Improved Access:** Subprojects should be selected from the updated 20 year National Transport Infrastructure Plan, and be in line with government priorities articulated through Green Growth Framework, Roadmap to Democracy and Sustainable Socio-Economic Development 2010-2014, Public Sector Investment Plan, and FRA Asset Management Plan. Subprojects should demonstrate improved access to employment opportunities, markets, and social services by quantifying the population served, and the number of schools, police stations, markets, health centers, and cultural and recreational facilities in the subproject catchment area;
- (ii) **Economic Efficiency:** All subprojects should achieve a minimum economic internal rate of return (EIRR) of 12%. Lower rates of return in accordance with ADB's requirements will be considered on a case by case basis, where significant unquantifiable social benefits can be demonstrated;
- (iii) **Environmental Impact:** Subprojects likely to cause significant negative environmental impacts (classified as category A under ADB's Safeguard Policy Statement (SPS) (2009)) shall be excluded from the project. The preparation of environmental assessments will follow the requirements of the approved environment and social management framework;
- (iv) **Land Acquisition and Resettlement Impact:** Subprojects likely to cause significant negative land acquisition and/or resettlement impacts (classified as category A under ADB's SPS) shall be excluded. The preparation of environmental assessments will follow the requirements of the approved land acquisition and resettlement framework;
- (v) **Community Support:** The implementing agency, 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 subproject. Detailed feasibility reports will include a summary of consultation activities and confirmation of the broad community support of the subproject; and
- (vi) **Counterpart Financing:** MOF will confirm that all counterpart funds and resources necessary for the construction and maintenance of the subproject are provided on time.

B. Subproject Selection Procedure

8. A proposed list of subprojects from the National Transport Infrastructure Plan will be selected each year by FRA, and submitted the Project Steering Committee. The PSC will agree on subprojects to be financed by the project.

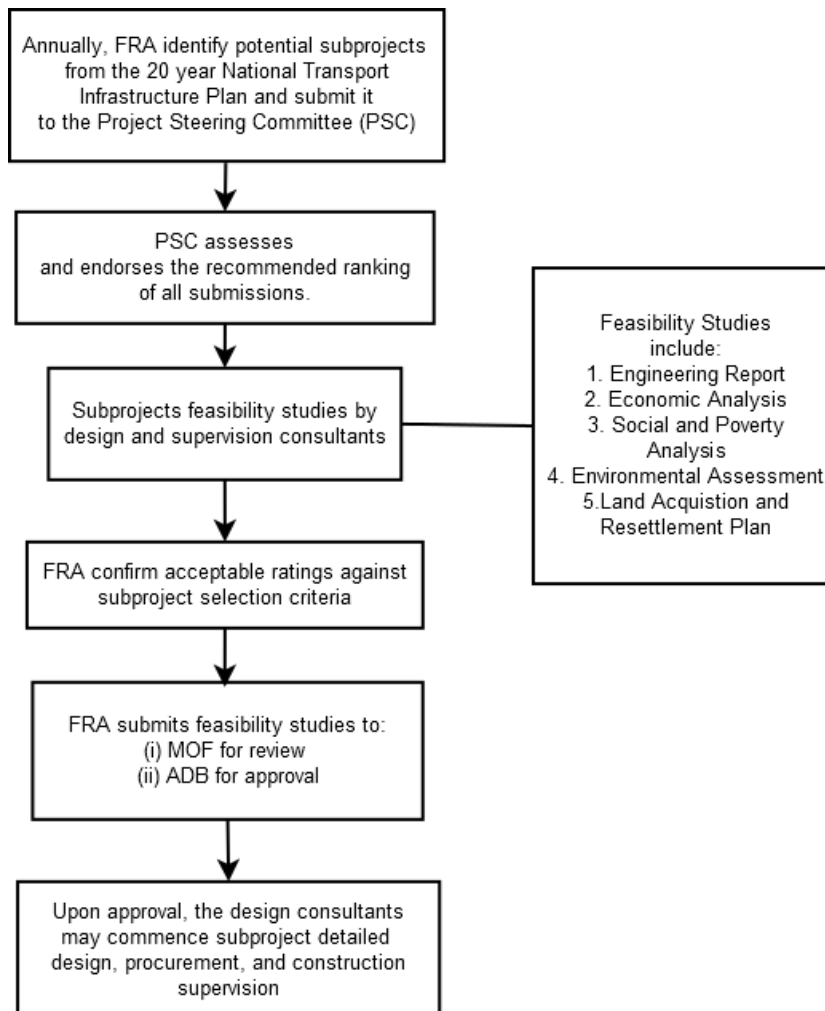
9. With the PSC's approval of candidate subprojects, the design and supervision consultants will undertake the required feasibility studies and verify subproject eligibility. The studies will involve collecting and analyzing baseline data to assess feasibility and expected impact, using methods and tools established for the sample subprojects. Each subproject appraisal will include (i) a technical feasibility study, (ii) an economic analysis in accordance with ADB's Guidelines for the Economic Analysis for Projects, (iii) a social and poverty analysis consistent with the method and procedure used in the sample subproject feasibility study, (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

component of the assessment will confirm acceptable ratings against the criteria, or recommend further works to complete the assessment.

10. FRA will review the subproject feasibility studies and endorse the subproject, subject to their assessment that it meets all the eligibility criteria. Formal approval from ADB must be obtained before the detailed design of any subproject, and its inclusion for financing under the project. Upon approval, the selected design and supervision consultants will commence subproject detailed design and implementation.

11. FRA will also be responsible for obtaining approval from MOF for inclusion of any subproject in the national budget and ensuring that counterpart funds are available. A flowchart summarizing the subproject selection procedure is in Figure 1.

Figure 1: Subproject Selection Procedure



II. IMPLEMENTATION PLANS

12. The project is expected to be approved in December 2014, and the loans are expected to be declared effective in April 2015. The project implementation period will be 60 months, and the project is expected to be completed by March 2020. The financial loan closing date will be in September 2020. The project's milestones of readiness activities and overall project implementation schedule are as follows:

A. Project Readiness Activities

| Indicative Activities | 2014 | | | | | 2015 | | | | | | | Who is responsible | |
|--|------|---|----|----|----|------|---|---|---|---|---|---|--------------------|---------------|
| | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| Establish project implementation arrangements | | | | | | | | | | | | | | MOF, FRA |
| MOF, FRA confirm subprojects to be financed in 2015 by ADB LOAN | | | | | | | | | | | | | | MOF, FRA |
| FRA commence feasibility studies and detailed design on bridge replacement subproject | | | | | | | | | | | | | | FRA |
| Advance contracting actions | | | | | | | | | | | | | | FRA |
| Loan negotiations | | | | | | | | | | | | | | ADB, MOF, FRA |
| ADB Board consideration for ADB Loan | | | | | | | | | | | | | | ADB |
| ADB Loan signing | | | | | | | | | | | | | | ADB, MOF |
| Government endorsement of updated land and maritime transport policies, 20 year National Transport Infrastructure Plan, and provision of legal opinions. | | | | | | | | | | | | | | MIT, MOF, FRA |
| ADB loan effectiveness | | | | | | | | | | | | | | ADB, MOF |

ADB = Asian Development Bank, FRA = Fiji Roads Authority, MIT = Ministry of Infrastructure and Transport, MOF = Ministry of Finance.

III. PROJECT MANAGEMENT ARRANGEMENTS

13. The key organizations involved in the project include (i) MOF who will represent Fiji as the Borrower and is the executing agency; (ii) MOF, FRA, and ADB who will form the Project Steering Committee; and (iii) FRA who as the implementing agency, will be responsible for the day-to-day implementation of the project. The project supervision team will be established within FRA. ADB will monitor project implementation activities. Details of the implementation organizations' key roles and responsibilities are indicated in the table below:

A. Project Implementation Organizations–Roles and Responsibilities

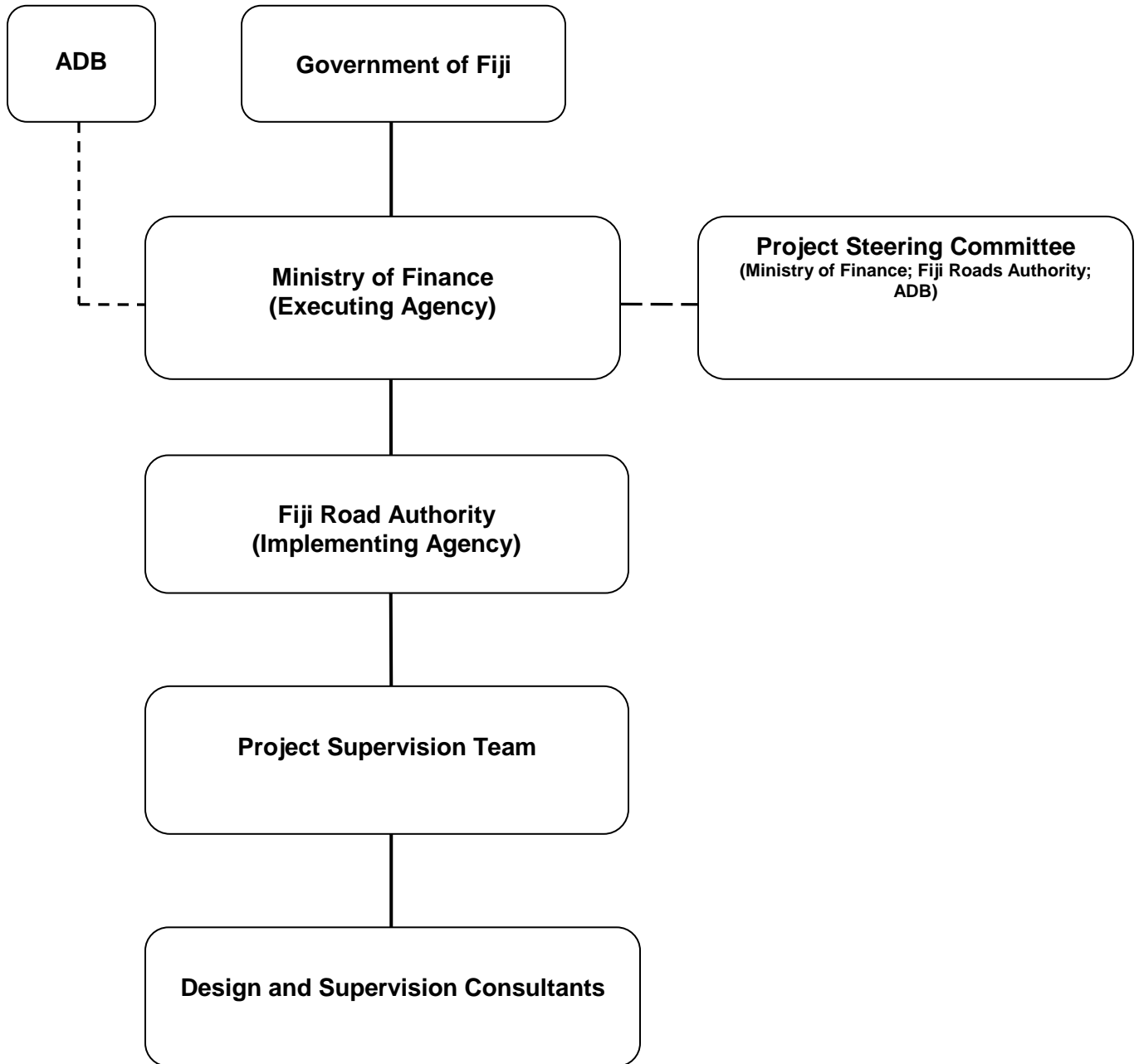
| Project implementation organizations | Management Roles and Responsibilities |
|--|---|
| <ul style="list-style-type: none"> • MOF | <ul style="list-style-type: none"> ➤ Borrower and Executing Agency ➤ Cause FRA to implement the project ➤ Submit withdrawal application to ADB ➤ Submit required annual audit reports and financial statements of project account to ADB ➤ Coordinate appropriate government representation for loan negotiations, loan signing, and loan effectiveness |
| <ul style="list-style-type: none"> • Project steering committee (PSC) | <ul style="list-style-type: none"> ➤ The PSC will include representatives from MOF (chair); FRA; ADB. ➤ Oversee implementation of the project and its consistency with national government policies (Green Growth Framework, Roadmap to Democracy and Sustainable Socioeconomic Development, Public Sector Investment Program, Updated National Infrastructure Policies and Plan) ➤ Monitor project progress and cooperatively resolve issues hindering progress ➤ Guide the executing and implementing agencies |
| <ul style="list-style-type: none"> • FRA | <ul style="list-style-type: none"> ➤ Implementing agency ➤ Assist MOF in recruitment of project management and design and supervision consultants in accordance with Guidelines on Use of Consultants by ADB and its Borrowers ➤ Establish a project supervision team which will be responsible for day to day implementation of the projects ➤ Prepare overall implementation plan and annual budgets ➤ Supervise project management and design and supervision consultants ➤ Review and monitor timely preparation of subproject feasibility reports covering technical and economic feasibility, and environment and social safeguards ➤ Submit subproject feasibility reports for MOF review and ADB approval ➤ Oversee detailed design of approved subprojects ➤ Ensure timely bidding and award of civil works contracts in accordance with ADB Procurement Guidelines ➤ Safeguards implementation and monitoring ➤ Monitoring and evaluation of project performance in accordance with project design and monitoring framework ➤ Review of withdrawal applications before submission to executing agency |
| <ul style="list-style-type: none"> • ADB | <ul style="list-style-type: none"> ➤ Project financier for concessional loan, and overall project administration |

| Project implementation organizations | Management Roles and Responsibilities |
|--------------------------------------|--|
| | <ul style="list-style-type: none"> ➤ Conduct regular joint project reviews ➤ Monitor and support project implementation and compliance with ADB's policies and procedures in relation to technical, economic, financial, procurement, safeguards, governance, and anticorruption policies and procedures ➤ Review and approve subproject screening and feasibility study reports ➤ Overall coordination and advisory support |

B. Key Persons Involved in Implementation

| | |
|---|--|
| Executing Agency | |
| Ministry of Finance | Mr. Isikeli Voceduadua Deputy Secretary, Finance and Asset Management Unit, Ministry of Finance Level 10, Ro Lalabalavu House PO Box 2212 Government Buildings Suva, Fiji Phone: (679) 322 2165 Email: ivoceduadua@finance.gov.fj |
| Implementing Agency | |
| Fiji Roads Authority | Mr. Neil Cook Chief Executive Officer Fiji Roads Authority Level 1 Building 3 Revenue & Customs Complex, Nasese PO Box 16550, Suva Phone: (679) 3100114 Email: neil.cook@fijiroads.org |
| ADB | |
| Transport, Energy and Natural Resources Division Pacific Department | Mr. Robert Guild Director Phone: +63 2 632 6109 Fax: +63 2 636 2446 E-mail: rguild@adb.org |
| Mission Leader | Mr. David Ling Transport Specialist Phone: +63 2 683 1423 Fax: +63 2 636 4444 E-mail: dling@adb.org |

C. Project Organization Structure



IV. COSTS AND FINANCING

14. The project is estimated to cost \$111.11 million (Table 1).

Table 1: Project Investment Plan
(\$ million)

| Item | Amount ^a |
|---|---------------------|
| A. Base Cost^b | |
| 1. Rehabilitated and climate resilient land and maritime transport infrastructure | 78.28 |
| 2. Efficient project management support and institutional strengthening | 13.20 |
| Subtotal (A) | 91.48 |
| B. Contingencies^c | 14.93 |
| C. Financing Charge During Implementation^d | 4.70 |
| Total (A+B+C) | 111.11 |

^a Includes taxes and duties of \$16.67 million equivalent to be financed from government resources through its counterpart contribution and ADB loan resources. The government will provide in-kind contribution for land acquisition and annual audits.

^b In mid-2014 prices. The amounts are indicative since subprojects will be appraised during implementation.

^c Physical contingencies estimated at 10% of base cost. Price contingencies computed at 1.6% on foreign exchange costs and 3.0% on local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Includes interest and commitment charges. Interest during construction for the ADB loan has been computed at the 5-year forward London interbank offered rate plus a spread of 0.5%. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank estimates.

15. The government has requested a loan of \$100 million from ADB's ordinary capital resources to help finance the project. The loan will have a 20-year term, including a grace period of 5 years, an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility, and a commitment charge of 0.15% per year (the interest and other charges during construction to be capitalized in the loan), and such other terms and conditions set forth in the draft loan and project agreements. The loan¹ will finance civil works, consulting services, taxes and duties,² and financing charges during construction.

16. The government will finance the remaining project costs of \$11.11 million, including civil works, consulting services, taxes and duties, salaries, and contingencies. The financing plan is in Table 2.

Table 2: Financing Plan

| Source | Amount (\$ million) | Share of Total (%) |
|-----------------------------------|------------------------|--------------------|
| Asian Development Bank | | |
| Ordinary capital resources (loan) | 100.00 | 90.0 |
| Government of Fiji ^a | 11.11 | 10.0 |
| Total | 111.11 | 100.0 |

^a Government's counterpart contribution includes civil works, consulting services, taxes and duties, salaries, and contingencies. The government will provide in-kind contribution for land acquisition and annual audits.

Source: Asian Development Bank estimates.

¹ The ADB loan may finance transportation and insurance costs.

² The amount of taxes and duties does not represent an excessive share of the project investment plan, and will only be financed for ADB-financed expenditures. Financing of taxes and duties is material and relevant to the success of the project. The amount will be within the reasonable threshold identified during the CPS preparation process.

A. Detailed Cost Estimates by Expenditure Category

(\$ million)

| Item | | Foreign Exchange | Local Currency | Total Cost ^a | % of Total Base Cost |
|-------------------------------------|--|------------------|----------------|-------------------------|----------------------|
| A. | Investment Costs^b | | | | |
| 1 | Civil Works | 21.76 | 51.52 | 73.28 | 80.10% |
| 2 | Consultants | 6.16 | 5.61 | 11.77 | 12.87% |
| 3 | Land Acquisition | 0.00 | 5.00 | 5.00 | 5.47% |
| | Subtotal (A) | 29.42 | 60.63 | 90.05 | 98.44% |
| B. | Recurrent Costs | | | | |
| 1 | Salaries | 0.00 | 1.37 | 1.37 | 1.50% |
| 2 | Project Audits | 0.00 | 0.06 | 0.06 | 0.06% |
| | Subtotal (B) | 0.00 | 1.43 | 1.43 | 1.56% |
| | Total Base Cost | 29.42 | 62.06 | 91.48 | 100.00% |
| C. | Contingencies^c | | | | |
| 1 | Physical | 2.94 | 6.21 | 9.15 | 10.00% |
| 2 | Price | 1.82 | 3.96 | 5.78 | 6.32% |
| | Subtotal (C) | 4.76 | 10.17 | 14.93 | 16.32% |
| D. | Financing Charges During Implementation^d | | | | |
| 1 | Interest During Implementation | 4.23 | 0.00 | 4.23 | 4.62% |
| 2 | Commitment Charges | 0.47 | 0.00 | 0.47 | 0.51% |
| | Subtotal (D) | 4.70 | 0.00 | 4.70 | 5.14% |
| Total Project Cost (A+B+C+D) | | 38.88 | 72.23 | 111.11 | 121.46% |

^a Includes taxes and duties of \$16.67 million equivalent to be financed from government resources through its counterpart contribution and ADB loan resources. The government will provide in-kind contribution for land acquisition and annual audits.

^b In June 2014 prices. The amounts are indicative since subprojects will be confirmed during implementation.

^c Physical contingencies estimated at 10% of base cost. Price contingencies computed at 1.6% on foreign exchange costs and 3.0% on local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Includes interest and commitment charges. Interest during construction for the ADB loan has been computed at the 5-year forward London interbank offered rate plus a spread of 0.5%. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank estimates.

B. Allocation and Withdrawal of Loan Proceeds

| ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Fiji Transport Infrastructure Investment Sector Project) | | | |
|---|--|--------------------------------|--|
| CATEGORY | | | ADB FINANCING OCR Loan |
| Number | Item | Amount Allocated \$ | Percentage and Basis for Withdrawal from the Loan Account |
| 1 | Civil Works | 70,450,000 | 96.14% of total expenditure claimed |
| 2 | Consultants | 10,590,000 | 90.00% of total expenditure claimed |
| 3 | Financing Charges During Implementation | 4,700,000 | 100.00% of total amount due |
| 4 | Unallocated | 14,260,000 | |
| | Total | 100,000,000 | |

C. Detailed Cost Estimates by Financier

(\$ million)

| Item | ADB | | Government | | Total Cost ^a |
|---|---------------|--------------------|--------------|--------------------|-------------------------|
| | Amount | % of Cost Category | Amount | % of Cost Category | |
| A. Investment Costs^b | | | | | |
| 1 Civil Works | 70.45 | 96.14% | 2.83 | 3.86% | 73.28 |
| 2 Consultants | 10.59 | 90.00% | 1.18 | 10.00% | 11.77 |
| 3 Land Acquisition | 0.00 | 0.00% | 5.00 | 100.0% | 5.00 |
| Subtotal (A) | 81.05 | 90.00% | 9.01 | 10.00% | 90.05 |
| B. Recurrent Costs | | | | | |
| 1 Salaries | 0.00 | 0.00% | 1.37 | 100.00% | 1.43 |
| 2 Project Audits | 0.00 | 0.00% | 0.06 | 100.00% | 0.06 |
| Subtotal (B) | 0.00 | 0.00% | 1.43 | 100.00% | 1.43 |
| Total Base Cost | 81.05 | 88.59% | 10.44 | 11.41% | 91.48 |
| C. Contingencies^c | 14.26 | 95.45% | 0.67 | 4.55% | 14.93 |
| D. Financing Charges During Implementation^d | 4.70 | 100.00% | 0.00 | 0.00% | 4.7 |
| Total Project Cost (A+B+C+D) | 100.00 | 90.00% | 11.11 | 10.00% | 111.11 |
| % Total Project Cost | | 90% | | 10% | 100% |

^a Includes taxes and duties of \$16.67 million equivalent to be financed from government resources through its counterpart contribution and ADB loan resources. The government will provide in-kind contribution for land acquisition and annual audits.

^b In June 2014 prices. The amounts are indicative since subprojects will be confirmed during implementation.

^c Physical contingencies estimated at 10% of base cost. Price contingencies computed at 1.6% on foreign exchange costs and 3.0% on local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Includes interest and commitment charges. Interest during construction for the ADB loan has been computed at the 5-year forward London interbank offered rate plus a spread of 0.5%. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank estimates.

D. Detailed Cost Estimates by Outputs/Components

| Item | Total Cost ^a | Output 1: Rehabilitated land and maritime transport infrastructure | | Output 2: Efficient project management and institutional strengthening | |
|---|-------------------------|--|--------------------|--|--------------------|
| | | Amount | % of Cost Category | Amount | % of Cost Category |
| A. Investment Costs^b | | | | | |
| 1 Civil Works | 73.28 | 73.28 | 100.0% | 0.00 | 0.0% |
| 2 Consultants | 11.77 | 0.00 | 0.0% | 11.77 | 100.0% |
| 3 Land Acquisition | 5.00 | 5.00 | 100.0% | 0.00 | 0.0% |
| Subtotal (A) | 90.05 | 78.28 | 86.9% | 11.77 | 13.1% |
| B. Recurrent Costs | | | | | |
| 1 Salaries | 1.37 | 0.00 | 0.0% | 1.37 | 100.0% |
| 2 Project Audits | 0.06 | 0.00 | 0.00% | 0.06 | 100.0% |
| Subtotal (B) | 1.43 | 0.00 | 0.0% | 1.43 | 100.0% |
| Total Base Cost | 91.48 | 78.28 | 85.6% | 13.20 | 14.4% |
| C. Contingencies^c | | | | | |
| 1 Physical | 9.15 | 7.83 | 85.6% | 1.32 | 14.4% |
| 2 Price | 5.78 | 4.95 | 85.6% | 0.83 | 14.4% |
| Subtotal (C) | 14.93 | 12.78 | 85.6% | 2.15 | 14.4% |
| D. Financing Charges During Implementation^d | | | | | |
| 1 Interest During Implementation | 4.23 | 3.62 | 85.6% | 0.61 | 14.4% |
| 2 Commitment Charges | 0.47 | 0.40 | 85.6% | 0.07 | 14.4% |
| Subtotal (D) | 4.70 | 4.02 | 85.6% | 0.68 | 14.4% |
| Total Project Cost (A+B+C+D) | 111.11 | 95.08 | 85.6% | 16.03 | 14.4% |

^a Includes taxes and duties of \$16.67 million equivalent to be financed from government resources through its counterpart contribution and ADB loan resources.

The government will provide in-kind contribution for land acquisition and annual audits.

^b In June 2014 prices. The amounts are indicative since subprojects will be confirmed during implementation.

^c Physical contingencies estimated at 10% of base cost. Price contingencies computed at 1.6% on foreign exchange costs and 3.0% on local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Includes interest and commitment charges. Interest during construction for the ADB loan has been computed at the 5-year forward London interbank offered rate plus a spread of 0.5%. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank estimates.

E. Detailed Cost Estimates by Year

(\$ million)

| Item | | Total Cost ^a | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------|--|-------------------------|-------------|-------------|--------------|--------------|--------------|--------------|
| A. | Investment Costs^b | | | | | | | |
| 1 | Civil Works | 70.45 | 0.00 | 2.00 | 13.04 | 25.11 | 19.20 | 8.67 |
| 2 | Consultants | 10.59 | 0.40 | 2.36 | 3.32 | 3.74 | 2.08 | 1.14 |
| | Subtotal (A) | 81.05 | 0.40 | 4.36 | 16.36 | 28.85 | 21.28 | 9.81 |
| | Subtotal (B) | 1.29 | 0.14 | 0.27 | 0.27 | 0.27 | 0.27 | 0.07 |
| | Total Base Cost | 82.33 | 0.54 | 4.63 | 16.63 | 29.12 | 21.55 | 9.88 |
| C. | Contingencies^c | 12.97 | 0.29 | 1.95 | 3.63 | 4.12 | 1.73 | 1.25 |
| D. | Financing Charges During Implementation^d | 4.70 | 0.10 | 0.30 | 0.70 | 1.40 | 1.70 | 0.50 |
| | Total Project Cost (A+B+C+D) | 100.00 | 0.93 | 6.88 | 20.96 | 34.64 | 24.98 | 11.63 |
| | % Total Project Loan | 100.0% | 0.9% | 6.9% | 21.0% | 34.6% | 25.0% | 11.6% |

^a Includes taxes and duties of \$16.67 million equivalent to be financed from government resources through its counterpart contribution and ADB loan resources. The government will provide in-kind contribution for land acquisition and annual audits.

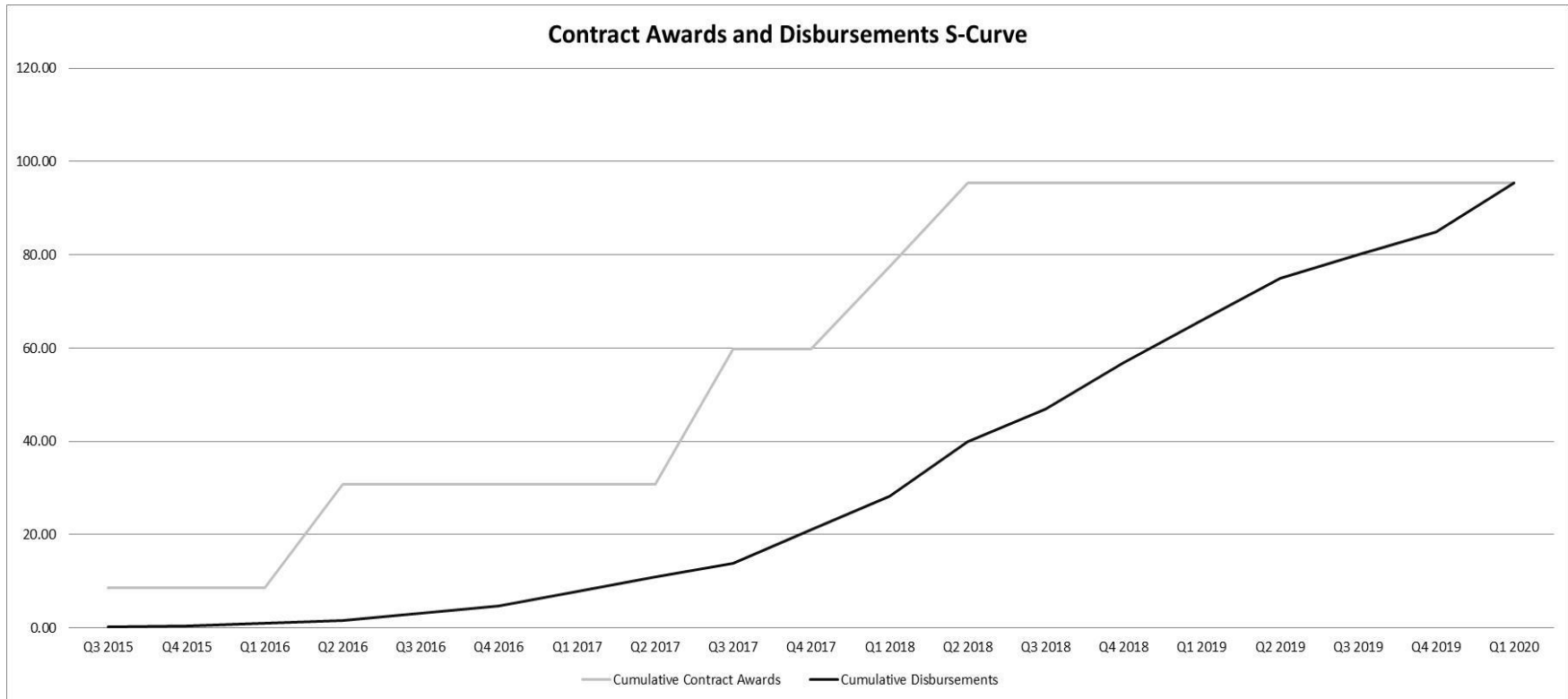
^b In June 2014 prices. The amounts are indicative since subprojects will be confirmed during implementation.

^c Physical contingencies estimated at 10% of base cost. Price contingencies computed at 1.6% on foreign exchange costs and 3.0% on local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Includes interest and commitment charges. Interest during construction for the ADB loan has been computed at the 5-year forward London interbank offered rate plus a spread of 0.5%. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

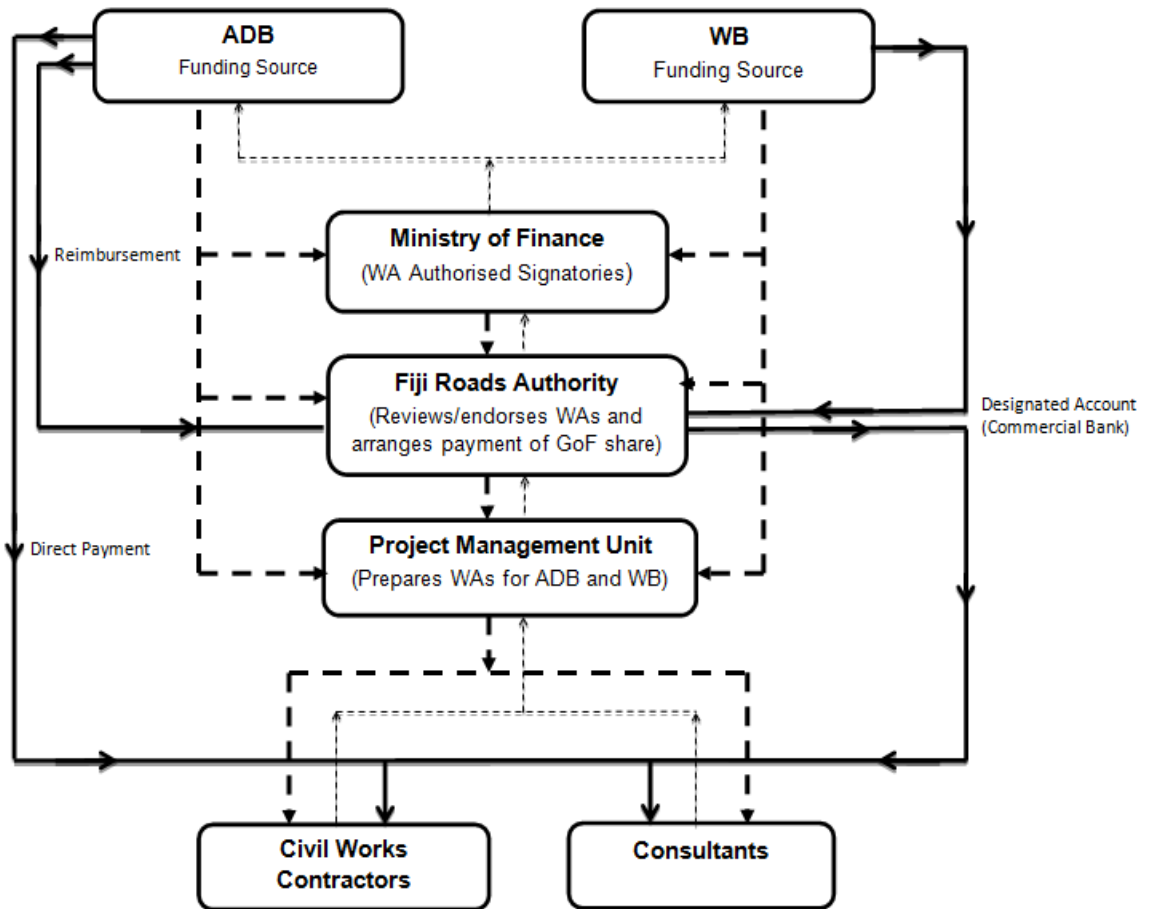
Source: Asian Development Bank estimates.

F. Contract and Disbursement S-curve



| (\$ million) | Q3 2015 | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | |
|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| Contract Awards | 6.00 | 6.00 | 6.00 | 30.69 | 30.69 | 30.69 | 30.69 | 30.69 | 59.80 | 59.80 | 77.55 | 95.30 | 95.30 | 95.30 | 95.30 | 95.30 | 95.30 | 95.30 | 95.30 | 95.30 |
| Disbursements | 0.20 | 0.40 | 0.70 | 1.48 | 3.12 | 4.76 | 7.81 | 10.86 | 13.91 | 21.12 | 28.32 | 39.97 | 46.96 | 56.81 | 65.93 | 75.03 | 79.98 | 84.94 | 95.30 | |

G. Fund Flow Diagram



Fund Flow
 Document Flow
 Oversight

ADB = Asian Development Bank; GoF = Government of Fiji; WB = World Bank.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

17. A financial management assessment (FMA) was carried out in accordance with ADB's Financial Management Guidelines³ and Financial Due Diligence Methodology Note, under a policy and advisory technical assistance.⁴ The FMA considered FRA in its role as the proposed project implementing agency (IA) and also MOF in its role as the proposed project executing agency (EA).

18. The FMA conducted interviews with FRA's accounting department and senior management, officers from MOF's Debt and Cashflow Management Unit, and the Office of the Auditor General. The FMA reviewed documents, accounts, auditor statements, and discussed issues concerning disbursements and financial management with stakeholders. The instrument used for the assessment was ADB's financial management assessment questionnaire (FMAQ). Under ADB's current and recently closed projects where FRA was the IA, the withdrawal applications and annual financial statements are prepared by an engineer. There have been cases of minor errors with the supporting documents of withdrawal applications and the project financial statements have been submitted to the external auditor late, resulting in the late submission of the Audited Project Financial Statements to ADB. With regards to FRA's annual financial statements, the external auditor, the Office of the Auditor General (OAG) issued qualified opinions in the accounts for years ended 31 December 2012 and 2013; due to insufficient accounting records, VAT records, malfeasance by former employees, and insufficient documents to appropriately account and substantiate the value of property, plant and equipment.⁵ The internal audit report for 2013 highlighted 20 key findings and recommendations (1 critical, 10 high, 5 moderate and 4 low), that were discussed with FRA management and action plans agreed to address the findings, which will be included in the tracking of internal audit recommendations maintained by the Internal Audit.⁶ FRA has actioned remedial measures for all the findings. The internal auditor has proposed an internal audit plan for 2014/2015 based on a risk based approach with flexibility to adapt to changed business circumstances and the need for improved internal controls.

19. Country public financial management (PFM) arrangements in Fiji are in the process of being assessed using the Public Expenditure Financial Accountability (PEFA) PFM Performance Measurement Framework. The results of the PEFA are not expected to be

³ ADB. 2005, 2010. *Guidelines for the Financial Management and Analysis of Projects*. Manila

⁴ ADB provided project preparatory technical assistance (TA) ADB. 2013. *Technical Assistance Grant to Fiji for Transport Sector Planning and Management*. Manila. (TA 8514-FIJ, \$800,000, approved on 25 December).

⁵ This relates to the situation at the formation of FRA in January 2012 when it was noted that there were insufficient accounting records and related documents to appropriately account and substantiate the value of property, plant and equipment as of 12 January 2012. FRA is in the process of reevaluating and substantiating the value of the roads and bridges infrastructure. Two former employees were prosecuted in 2013 for corruption while in office in 2012 resulting in alleged losses to FRA and the Government of over F\$3 million. This issue was not noted as an issue in the qualified opinion to the 2013 accounts.

⁶ The one "critical" finding relates to FRA policy that a Board resolution is required whenever the estimated total additional cost of a contract variation exceeds \$200,000. A contract variation amounting to more than \$18 million had not had Board approval. The 10 "high" findings related incorrect payroll, employee files, payments made to non-contracted parties, fixed asset register, accrual of liabilities and expenses, purchase orders, record keeping and risk analysis, the five "moderate" findings related to selection and appointment of evaluators, payments cycle, supplier reconciliations, fixed assets tagged, and termination checklist, while the two "low" findings related to annual leave and sick leave policy.

available until the end of 2014.⁷ The last ADB County Program Strategy (CPS) was prepared in 2006 but was not approved because of the coup. A new CPS is currently under preparation and is scheduled to be presented to the ADB Board for approval on 25 November 2014. The last IMF ROSC report prepared for Fiji in 2004 highlighted various weaknesses in PFM; including fiscal reporting, budget preparation, internal controls, accounting systems and the preparation of audited financial statements.⁸ However this report was prepared at time when financial accountability and fiscal transparency in Fiji were at a low ebb following the suspension of the Public Finance Management Act 1999 (PFMA), and the 2000 coup. The PFM situation is generally recognised has having improved since that time. Currently no major county level issues are documented, or apparent, apart from the political risk associated with the outcome of the national elections in September 2014 and the anticipated successful restoration of democracy.

20. FRA was established based on an out-sourced model with only a small number of core management and administration staff, (the current staff complement is 28 including five expatriates), whose responsibilities primarily cover forward work planning, programming and prioritization, asset management, financial management and overseeing and managing capital development and maintenance of the road and bridge infrastructure. The Accounting Department comprises four staff, all of whom have accounting qualifications. Also, the Chief Financial Officer (CFO) and the assistant accountant are accredited chartered accountants with the Fiji Institute of Accountants and the CFO is also accredited to CPA Australia.

21. FRA was the implementing agency for the L2514-FIJ Third Road Upgrading (Sector) Project which closed on 14 May 2014 and for the L2541-FIJ Emergency Flood Recovery (Sector) Project which will close on 28 October 2014. Under both projects, FRA staff prepared the withdrawal applications, which were then forwarded to the MOF, where the authorized signatories are based. The MOF has been the executing agency for the last 2 Asia Pacific Disaster Response Fund grants (G0283-FIJ and G0286-FIJ), and 2 supplementary projects (L2514-FIJ and L2603-FIJ) that were approved for Fiji. Therefore, FRA and MOF are well-versed with ADB's disbursement and financial reporting and audit requirements.

22. Key findings of the financial management assessment undertaken for the FRA are as described in Table 3:

Table 3: Summary of Financial Management Assessment of FRA

| Particulars | Conclusion |
|--------------------------|--|
| A. Fund Flow Arrangement | Fund flow arrangements are reliable, predictable and secure. The MOF and FRA have the capacity to work under the proposed project implementation arrangements. |

⁷ Under the PEFA framework, performance is assessed in relation to seven dimensions of public financial management: credibility of the budget; comprehensiveness and transparency; degree to which the budget is prepared with due regard to government policy; predictability and control in budget execution; accounting, recording and reporting; external scrutiny and audit operations; appropriateness of development partner practices in country; and intergovernmental fiscal relationships.

⁸ Report on the Observance of Standards and Codes (ROSC), Fiscal Transparency Module, International Monetary Fund, March 3, 2004

| | |
|---------------------------------------|---|
| B. Staffing | FRA's Accounting Department has 4 qualified staff and the CFO has been trained on ADB's disbursement procedures. Under a current ADB project, an engineer prepares the loan withdrawal applications but for the proposed project, a qualified project accountant is proposed to support FRA in managing disbursements and financial management. |
| C. Accounting Policies and Procedures | FRA prepares its financial statements in accordance with the International Financial Reporting Standards. All accounting and financial management procedures are detailed in the FRA's Operations Manual 2013. |
| D. Internal and External Audits | FRA out-sources its internal audit function to KPMG who conducts annual audits and special audits, as needed. KPMG also provide advice on accounting functions, upon request. The Financial Management Act 2004 requires that all accounts of statutory authorities be audited by the Fiji Office of the Auditor General (OAG). OAG audits the FRA and its projects, in accordance with International Standards on Auditing. |
| E. Reporting and Monitoring | FRA's Accounting Department prepares monthly financial reports for their Board. Apart from these monthly reports, the FRA also prepares quarterly, six-monthly and annual reports. |
| F. Information systems | FRA's uses Microsoft Dynamics NAV 2009 (NAV) as its accounting software and Jet Essential as its reporting software. Both software packages can accommodate monitoring and reporting of physical performance, as well as the financial aspects of a project. |

23. A Financial Management Internal Control and Risk Management Assessment, based largely on International Standard on Auditing 400 *Risk Assessment and Internal Control*, was conducted on the existing structure, staffing, resources and procedures of the FRA. The results, including recommendations for risk mitigation measures, are summarized in Table 4.

Table 4: Financial Management Internal Control and Risk Management Assessment

| Risk type | Risk Asst ⁹ | Risk Description | Mitigation Measures |
|---------------------------|------------------------|---|---|
| A. Inherent Risk | | | |
| 1. Country-Specific Risks | M | Poor public financial management, including inadequate accountability and transparency as noted in the most recent IMF report 2004. | The Fiji public sector has well established financial management, accounting and auditing resources and processes. FRA as an autonomous entity has sufficient financial management resources and processes. Specific support will be provided to FRA as necessary to develop knowledge and capacity for ADB procedures. |

⁹ H = High, S = Substantial, M = Moderate, N = Negligible or Low

| Risk type | Risk Asst ⁹ | Risk Description | Mitigation Measures |
|------------------------------|------------------------|---|--|
| | | Management and skill capacity issues. Fiji has suffered from a depletion of human capital resources (brain drain) stemming from the coups since 1987. | Targeted capacity building will be provided to the PIU/FRA and MOF as needed based on available ADB training resources. Key financial management capacity shortages will be addressed by using contracted staff, consultants or |
| 2. Entity- Specific Risks | M | Overlap of roles between FRA, engineering support advisors and project consultants. | A clear organizational structure of the FRA will be established through a dedicated project supervision team, particularly the extent of separation of roles and responsibilities. Work plans with nominated core activities for all FRA personnel will be developed and coordination processes with outside support developed. |
| | | Transparency and accountability risks. | Transparency will be supported through provision of independent accounting support and the requirement that FRA financial statements and reports on project progress are posted on the FRA's website. Timely audits and the follow up of external audit findings and recommendations. |
| | M | Qualified audit opinions issued by the external auditor. | Qualified audit opinions were issued due to insufficient accounting and VAT records and the inappropriately accounting and valuation of property, plant and equipment. FRA will improve on their record keeping and a proper valuation of all assets will be conducted in early 2015. |
| 3. Project-Specific Risks | M | The relatively complex structure of the Project with multiple contracts over a 5 year period and two funding agencies. | Additional accounting support will be provided to the FRA to strengthen financial management and reporting and training and capacity building provided on ADB procedures. |
| Overall Inherent Risk | M | | |
| B. Control Risk | | | |
| 1. Implementing Entity | N | FRA's financial management policies and procedures are established, and detailed in their Operations Manual. | A financial management specialist/project accountant will be provided to FRA to strengthen their financial management arrangements and to deal with the increased workload. |
| | | Minor deficiencies and misinterpretation of ADB guidelines in preparation of withdrawal applications. | FRA to liaise regularly with ADB to ensure that ADB guidelines are followed. |

| Risk type | Risk Asst ⁹ | Risk Description | Mitigation Measures |
|---------------------------------------|------------------------|---|---|
| | | Detailing of where/how to report fraud, waste, and misuse of assets. | FRA procedures for reporting fraud, waste, and misuse of assets are documented in their Operations Manual. Refresher training to be provided to all FRA staff and relevant project personnel. |
| 2. Funds Flow | N | Separate accounts. | Separate accounts to be maintained for all project components financed by ADB, and the Government, and to be audited by an independent auditor. (The accounting software can easily accommodate this need). |
| 3. Staffing | M | FRA's accounting resources are adequate for the current level of operations but additional support will be required to cope with the anticipated increased number of contracts with the project. | Additional resources to be provided to the FRA through the recruitment of a dedicated qualified project accountant based in the project supervision team. Provide regular training on ADB's procurement and disbursement procedures. |
| 4. Accounting Policies and Procedures | N | FRA's accounting systems and charts of accounts used for its current projects and activities are effective but will require fine-tuning to accommodate the project. Project budgeting is carried out satisfactorily, and account and bank reconciliation are performed in a timely manner. The information is being used in management reports. | Modification of the chart of accounts to be used for budgeting and accounting for all sub-projects and trust accounts in the project, to conform to ADB expenditure categories. |
| 5. Internal Audit | M | Internal audit function is being effectively provided by the out-sourced commercial auditor, and issues raised have been addressed and monitored. | FRA to continue to out-source the services of an internal auditor and to receive professional advice of the accounting function to management, as needed. Issues raised by the internal audit will be addressed by FRA management and tracking of internal audit |
| 6. External Audit | M | FRA is subject to annual audit by the Fiji OAG, which is dependent on the production of the annual accounts by three months after year-end. | FRA to ensure that project accounts and working papers are produced on time in preparation for the annual audit. Any issues raised in the audit report to be addressed and rectified promptly. |
| 7. Reporting and Monitoring | N | Financial reports are produced promptly according to FRA's schedule and are acted upon by management. | Some fine-tuning of the financial reports may be needed to satisfy ADB requirements and assistance will be provided in revising the reporting format and content. Timely and reliable reporting provided to all stakeholders: implementing agency, user agencies, donors, and project management. |

| Risk type | Risk Asst ⁹ | Risk Description | Mitigation Measures |
|-----------------------------|------------------------|---|---|
| | | | Reporting to stakeholders will be prompt after the period end. These will include expenditure comparisons of actual with budget, linked to project progress and forecasts of expected outcome, cash flow statements, and asset schedules. FRA to prepare and submit to ADB quarterly and annual progress reports on project implementation and operation. |
| | | Loan covenants | FRA will monitor compliance with loan covenants, including submission of audited project accounts. |
| 8. Information Systems | N | FRA accounting and information systems are well established and up to date. The MS NAV Essential is fully integrated and flexible and the FMIS is capable of being linked into an asset management data base and GIS which is currently being established. Support is provided by the engineering consultants and local out-sourced support from KPMG and the software supplier. Back-up of accounting information and the database is stored securely off-site. | Development of the Integrated Financial Management System (IFMS) is completed. Regular backups of all accounting data and other appropriate security measures are continued. |
| Overall Control Risk | M | | |

B. Disbursement

24. The Loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time),¹⁰ and detailed arrangements agreed upon between the Government and ADB.

25. Direct payment and reimbursement procedures will be used for civil works and consulting services. The FRA will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for counterpart funds, (iii) collecting supporting documents, and (iv) preparing withdrawal applications, which will be sent to MOF for signature by the authorized signatories. MOF will forward the signed withdrawal applications to ADB.

26. Before the submission of the first withdrawal application, MOF should submit to ADB, sufficient evidence of the authority of the persons who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized

¹⁰ Available at: http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf

person. The minimum value per withdrawal application is US\$100,000 equivalent, unless otherwise approved by ADB. Individual payments below this amount should generally be paid by the EA/IA and subsequently claimed to ADB through reimbursement. ADB reserves the right not to accept WAs below the minimum amount.

C. Accounting

27. The MOF and FRA will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project. The MOF and FRA will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

D. Auditing

28. The MOF and FRA will cause the detailed consolidated project financial statements to be audited in accordance with International Standards on Auditing and with the Government's audit regulations, by an independent auditor acceptable to ADB. The audited project financial statements will be submitted in the English language to ADB within six months of the end of the fiscal year by the MOF and FRA.

29. The MOF and FRA will also cause the entity-level financial statements to be audited in accordance with International Standards on Auditing and with the Government's audit regulations, by an independent auditor acceptable to ADB. The audited entity-level financial statements, together with the auditors' report and management letter, will be submitted in the English language to ADB within one month after their approval by the competent authority.

30. The annual audit report for the project accounts will include an audit management letter and audit opinions which cover (i) whether the project financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; (ii) whether loan and grant proceeds were used only for the purposes of the project or not; and (iii) the level of compliance for each financial covenant contained in the legal agreements for the project.

31. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

32. The Government, MOF and FRA have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.¹¹ ADB reserves the right to require a change in the auditor (in a manner

¹¹ ADB Policy on delayed submission of audited project financial statements:

- When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (i) the audit documents are overdue; and (ii) if they are not received within the next six months, requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- When audited project financial statements have not been received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement and issuance of new commitment letters. ADB will (i) inform the executing agency of ADB's actions; and (ii) advise that the loan may be suspended if the audit documents are not received within the next six months.

consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

33. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011)¹². After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website. The Audit Management Letter will not be disclosed.

• When audited project financial statements have not been received within 12 months after the due date, ADB may suspend the loan.

¹² Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

34. All advance contracting and retroactive financing will be undertaken in conformity with ADB's Procurement *Guidelines* (February 2013, as amended from time to time) (ADB's *Procurement Guidelines*)¹³ and ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time) (ADB's *Guidelines on the Use of Consultants*).¹⁴ The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. The borrower, executing and implementing agencies have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the Project.

35. **Advance contracting.** To expedite project implementation, the government has requested advance contracting from ADB for (i) design and supervision consultants, who will be responsible for detailed design and construction supervision of a first package of subprojects; and (ii) civil works for a civil works package to be confirmed by the government during their annual budget cycle in October 2014. All advance contracting will be undertaken in conformity with ADB's Procurement Guidelines (2013, as amended from time to time).¹⁵ The issuance of invitations to bid and request for proposals under advance contracting will require ADB's prior approval on matters of procurement, and on necessary safeguards instruments. The executing and implementing agencies have been advised that approval of advance contracting does not commit ADB to finance the project.

36. **Retroactive financing.** The government has requested retroactive financing, such that the ADB loan can reimburse eligible expenditures incurred under the project before loan effectiveness (but not earlier than 12 months before the date of the Loan Agreement). Retroactive financing is subject to a maximum amount of 20% of each loan amount. Goods, works, services, and consultants for which retroactive financing is requested are to be procured in accordance with ADB's Procurement Guidelines and Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers. The executing and implementing agencies have been advised that approval retroactive financing does not commit ADB to finance the project.

B. Procurement of Goods, Works and Consulting Services

37. All procurement of goods and works financed by the project shall be carried out in accordance with ADB's Procurement Guidelines. Except as ADB may otherwise agree, the following process thresholds shall apply to procurement of goods and works. ADB-financed civil works contracts will be procured through international competitive bidding (ICB) procedures using ADB's standard bidding documents. The relevant sections of ADB's Anticorruption Policy (1998, as amended to date) will be included in all documents and contracts.

38. ICB procedures will be used for civil works contracts estimated to cost \$5,000,000 or greater, and NCB for civil works contracts estimated to cost less than \$5,000,000. Shopping will be used for contract for procurement of works and equipment worth less than \$100,000.

¹³ Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>

¹⁴ Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>

¹⁵ Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>.

39. A project procurement assessment was prepared in accordance with ADB's Guide on Assessing Procurement Risks and Determining Project Procurement Classification (2014). The Fiji Road Authority Decree 2012 provides that the provisions of the Fiji Procurement Regulations 2010 shall not apply to FRA, and requires FRA to establish and implement its own procurement process and plan and to ensure that all goods and services are procured in accordance with its plan. The plan is articulated in FRA's Operations Manual 2013. While there is a separate regulation governing procurement, the project procurement risk is assessed as moderate. The FRA's Operations Manual 2013 provides that all ADB financed project shall follow ADB's Procurement Guidelines (2013, as amended from time to time) for the procurement of goods and works, and ADB's Guidelines on Use of Consultants (2013, as amended from time to time) for the recruitment of consulting services.

40. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C.

41. All consultants will be recruited according to *Guidelines on the Use of Consultants for ADB and its Borrowers*.¹⁶ The terms of reference for all consulting services are detailed in Appendix 1.

42. An estimated 616 person-months (201 international, 415 national) of consulting services are required to (i) facilitate project management and implementation, and (ii) strengthen the institutional and operational capacity of the executing agency. Consulting firms will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality:cost ratio of 90:10.

43. The following table lists goods, works, and consulting service contracts for which procurement activities are either ongoing or expected to commence within the next 18 months.

Table 3: Goods and Works Contracts Estimates to Cost More Than \$1 Million, and Consulting Services Contracts Estimates to Cost More Than \$100,000

| General Description | Contract Value | Procurement Method | Prequalification of Bidders | Advertisement Date | Comments |
|---|----------------|--------------------|-----------------------------|--------------------|----------------|
| Design and Supervision Consultants – Batch I | 6.0 | QCBS (90:10) | None | Q4 2014 | Advance Action |
| Design and Supervision Consultants – Batch II | 5.8 | QCBS (90:10) | None | Q3 2015 | |
| Road and Bridge Improvements | 17.75 | ICB | None | Q3 2015 | 4 packages |

Source: Asian Development Bank estimates.

¹⁶ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

C. Procurement Plan

Basic Data

| | |
|---|---|
| Project Name: FIJ: Transport Infrastructure Investment Sector Project | |
| Project Number: 48141 | Approval Number: (tbc) |
| Country: Fiji | Executing Agency: Ministry of Finance |
| Project Financing Amount: \$111.11 million ADB Financing: \$100,00,000 Non-ADB Financing: \$11,110,000 | Implementing Agency: Fiji Road Authority |
| Date of First Procurement Plan: 29 Aug 2014 | Date of this Procurement Plan: 29 Aug 2014 |

A. Methods, Thresholds, Review and 18-Month Procurement Plan

1. Procurement and Consulting Methods and Thresholds

44. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

| Procurement of Goods and Works | |
|---|-----------------------------|
| Method | Threshold |
| International Competitive Bidding (ICB) for Goods and Works | \$5,000,000 and above |
| National Competitive Bidding (ICB) for Goods and Works | \$100,000 up to \$5,000,000 |
| Shopping for Works | Below \$100,000 |
| Shopping for Goods | Below \$100,000 |

| Consulting Services | |
|---|---|
| Method | Comments |
| Quality and Cost Based Selection (QCBS) | A quality and cost ratio of 90:10 will be applied for the selection of project management consultants, and design and supervision consultants |
| Individual Consultant Selection | Individual Consultant Selection will be used to procure grant financed technical assistance consultants for capacity building |

2. Goods and Works Contracts Estimated to Cost \$1 Million or More

45. The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

| Package Number | General Description | Estimated Value | Procurement Method | Review (Prior / Post) | Bidding Procedure | Advertisement Date (quarter/year) | Comments |
|----------------|------------------------------|-----------------|--------------------|-----------------------|-------------------|-----------------------------------|----------------|
| CW-1 | Road and Bridge Improvements | 17.75 | ICB | Prior | ICB /1S2E | Q2 2015 | Advance Action |
| CW-2 | Road and Bridge Improvements | 17.75 | ICB | Prior | ICB /1S2E | Q2 2017 | |
| CW-3 | Road and Bridge | 17.75 | ICB | Prior | ICB | Q4 2017 | |

| | | | | | | | |
|------|------------------------------|-------|-----|-------|-----------|---------|--|
| | Improvements | | | | /1S2E | | |
| CW-4 | Road and Bridge Improvements | 17.75 | ICB | Prior | ICB /1S2E | Q1 2018 | |

3. Consulting Services Contracts Estimated to Cost \$100,000 or More

46. The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

| Package Number | General Description | Estimated Value | Recruitment Method | Review (Prior / Post) | Advertisement Date (quarter/year) | Type of Proposal | Comments |
|----------------|---|-----------------|--------------------|-----------------------|-----------------------------------|-------------------------|----------------|
| DSC-1 | Design and Supervision Consultants-Phase I | 6.0 | QCBS (90:10) | Prior | Q4 2014 | Full Technical Proposal | Advance Action |
| DSC-2 | Design and Supervision Consultants-Phase II | 5.8 | QCBS (90:10) | Prior | Q3 2015 | Full Technical Proposal | |

D. Consultant's Terms of Reference

47. The detailed Terms of Reference for the project supervision staff and Design Supervision Consultants are in Appendix 1.

VII. SAFEGUARDS

48. **Environment.** For the sector project an environmental assessment and review framework has been prepared to guide the screening, assessment and statutory approvals process for subprojects, including those to be prepared during implementation, as well as environmental management of all sub-projects.¹⁷ An initial environmental examination (IEE) has been completed for Sigatoka Valley Road as a sample subproject, and this will be updated as required during implementation.

49. The EMP from the updated IEE for each sub-project will be incorporated into the design and implementation of the works. The EMP will guide the project supervision team, supervision consultants, and contractors in managing, monitoring, and reporting environmental impact mitigations and compliance. Civil works will not commence until the contractor has received induction training on environmental management delivered by the project supervision team or design and supervision consultants (DSC) and submitted the construction EMP (CEMP) for review and clearance; (ii) the CEMP has been reviewed and cleared by the project supervision team and/or DSC; and (iii) the Department of Environment (DOE) has approved the environmental assessment.

50. During project implementation the environmental management capacity of the FRA will be strengthened to ensure compliance with government and ADB safeguards requirements. The project supervision team will include an environment safeguards specialist for overall supervision of environmental compliance on behalf of FRA. The DSC will include two environmental safeguard specialists (one international and one national). The main task of the DSC for environment safeguards is to undertake screening and assessments as required, prepare safeguard documents (as part of feasibility study of subprojects), and arrange approval of the documents, supervise the contractor, and implement and monitor the safeguards measures and plans.

51. These three specialists will provide capacity building and provide wider awareness raising and strengthening of FRA, MIT, MOF, and contractors in environmental safeguards.

52. Figure 1 outlines the major actions associated with preparation, submission and approval of environmental documents.

¹⁷ In the event the project is financed by World Bank, a common approach to safeguards that has been agreed, based on country systems with additional elements as required to ensure full compliance with ADB Safeguard Policy Statement 2009 (SPS) will be applied. The common approach requires an environmental and social management framework which is equivalent to an EARF as required under SPS.

Figure 1 - Environmental Actions and Conditions

| Environmental Management Requirements | Environmental Management Actions | Conditions Required to Complete Actions |
|---|---|--|
| <p>Pre-construction Stage</p> <p>Establish environmental management and monitoring system</p> <p>Conduct surveys including environmental studies</p> <p>SS, ESS and procurement specialists extract requirements from EMP and submit to FRA for inclusion in tender documents. SS and ESS review tender documents and confirm that environmental management provisions are sufficient</p> <p>SS and ESS provide support to evaluation team and reviews environmental conditions of bids and rank contractors on this ability</p> <p>SS and ESS reviews construction EMP (CEMP) prepared by contractors (and other plans as required). DSC approves CEMP after receiving comments from SS/ESS</p> <p>Project supervision team and DSC verifies compliance of contractor with CEMP at site meeting</p> | <pre> graph TD A[Project becomes effective] --> B[Project supervision team's environment safeguards officer (SS) and DSC's two environmental safeguard specialists (EES) to support FRA comply with safeguards requirements of project] B --> C[DSC to prepare IEEs as per EARF and update EMPs based on detailed design] C --> D[Tender documents prepared (including updated EMP and other provisions as required)] D --> E[Tenders evaluated and contractor appointed] E --> F[Each contractor receives induction training from project supervision team/DSC and prepares SEMP and other plans as required] F --> G[Contractor approved to start work] </pre> <p>Project becomes effective</p> <p>Project supervision team's environment safeguards officer (SS) and DSC's two environmental safeguard specialists (EES) to support FRA comply with safeguards requirements of project</p> <p>DSC to prepare IEEs as per EARF and update EMPs based on detailed design</p> <p>Tender documents prepared (including updated EMP and other provisions as required)</p> <p>Tenders evaluated and contractor appointed</p> <p>Each contractor receives induction training from project supervision team/DSC and prepares SEMP and other plans as required</p> <p>Contractor approved to start work</p> | <p>Inclusion of covenants and safeguard requirements in agreement/loan documents</p> <p>Budget, facilities and staff for environmental management been provided according to Loan Agreement and EARF</p> <p>Consultants/qualified experts recruited, IEEs and EMPs cleared by ADB and approved by government</p> <p>FRA have necessary technical capacity and experience to integrate EMP requirements into project. Environmental conditions have been prepared which are integrated into tender documents</p> <p>SS or ESS to be a member of the bid evaluation panel</p> <p>Contractor appoints environmental staff. After award of contract, Contractor will receive induction on environmental management and prepares site and construction methodology specific CEMPs</p> <p>Contractor cannot commence works until (i) CEMP has been approved; (ii) contractor staff induction on environment is completed satisfactorily; (iii) DOE</p> |

| Environmental Management Requirements | Environmental Management Actions | Conditions Required to Complete Actions |
|---|--|---|
| | | approval of environmental assessment has been obtained |
| <p>Construction Stage</p> <p>ESS and engineer monitors contractor's CEMP compliance activities, coordinates consultation events, and liaises with project supervision team as required.</p> <p>Project supervision team environment specialist audits construction activities (monitors compliance with CEMP)</p> <p>ADB evaluates monitoring program</p> <p>SS and ESS assist ADB on supervision missions according to the Loan Agreement</p> <p>If noncompliance is identified, project supervision team supports DSC to instruct contractors to prepare and implement corrective action plan (CAP)</p> <p>Construction completed</p> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Contractor begins work. Contractor's staff participate in SEMP awareness training</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Environmental monitoring undertaken and reports prepared. (i) By Contractor: monthly reports to incl. SEMP sent to DSC; (ii) By DSC: environmental monitoring incorporated into quarterly progress reports (QPR) and semi-annual environmental reports submitted to FRA, EA and ADB. DSC/project supervision team submit CAP (if any), to ADB for review</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; padding: 5px;">Construction completed and project commissioned</div> | <p>Contractor complies with CEMP requirements for implementing and monitoring work on-site</p> <p>SS verify monitoring reports. FRA reviews and signs-off on completed work</p> <p>Project supervision team (with DSC assistance) submits monitoring reports (including CAP, if any) to ADB for review according to the Loan Agreement and to DOE according to Fiji laws and regulations</p> <p>Project works completed in accordance with the CEMP and other plans as required and all sites satisfactorily rehabilitated and restored.</p> <p>Payments may be withheld if sites not cleared and closed to meet CEMP specifications.</p> <p>ADB or consultant prepares project completion report at close of project (covers environmental management and capacity building)</p> |
| <p>Operation Stage</p> <p>FRA undertakes O&M and undertakes repair and maintenance activities as required.</p> | <div style="border: 1px solid black; padding: 5px;">Operations activities to follow requirements of IEE, EMP and any due diligence review undertaken; Submission of monitoring reports to ADB according to Loan Agreement;</div> | <p>FRA submits monitoring reports to ADB according to Loan Agreement</p> |

53. **Land Acquisition and Involuntary resettlement (category B).** The project is not expected to involve physical displacement, but it will require acquisition of land for road widening or realignment and temporary access during construction and impacts are not expected to be significant. A Land Acquisition and Resettlement Framework (LARF) has been prepared for the sector project describing procedures for (a) screening of land acquisition/resettlement impacts; (b) social impact assessment and preparation of land acquisition and resettlement plan (LARP); and (c) negotiation and agreements for land purchase. An LARP has been prepared for the sample sub-project. The LARP and LARF will be posted on ADB website and disclosed to affected persons before the ADB staff review meeting. Consultations have been undertaken during the project preparation and further consultations will be undertaken during implementation. The project will establish a grievance redress mechanism to resolve grievances of affected persons

54. The LARP 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 safeguard specialists at the Project Supervision Team will assist FRA in screening and assessment of impacts and preparation of LARP. The outline of the LARP is provided in the LARF.

55. 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 (TLTB) and Department of Lands (DOL) to implement the project's land acquisition and resettlement activities. The project will recruit a social safeguards specialist under the project supervision team and international resettlement specialist (5 person months) and national resettlement specialist (15 person months) under DSC Phase 1. These specialists will assist FRA and relevant government agencies to develop capacity as well as to implement and monitor activities on social safeguard/resettlement aspects.

56. **Indigenous peoples (category C).** The project is not expected to impact vulnerable group of IPs. The iTaukei (Melanesians) are the majority of the country's population and are likely the majority population and project beneficiaries in the project areas. While a separate IP 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 subproject(s). 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.

VIII. GENDER AND SOCIAL DIMENSIONS

57. The Gender Action Plan (GAP) will be implemented by the project supervision team which will include one full-time national social safeguards specialist (SSS), supported by an international gender and social development specialist from the design and supervision consultants. The specialists will be responsible for the overall implementation of GAP including incorporating the GAP into the design of subprojects, planning, implementation, monitoring and evaluation, capacity development, establishment and inclusion of sex-disaggregated data, gender sensitive indicators and analysis for project performance, monitoring, evaluation and reporting. The progress of GAP activities will be included in regular progress reports on overall project activities submitted to ADB and the Government. Other consultants including women's organizations and NGOs maybe hired to implement different GAP activities under the guidance of national and international SSS. The Gender Focal Person of MOF and of local authorities will also provide support for the GAP implementation.

GENDER ACTION PLAN

| Outputs and Activities | Proposed Gender Mainstreaming Activities (Target) | Primary Responsibility |
|---|---|--|
| Output 1: Rehabilitated and climate resilient land and marine transport infrastructure | | |
| <p>Activities:</p> <p>Rehabilitate or reconstruct 30 bridges with gender-sensitive designs that improve all weather pedestrian access to waterways</p> <p>Rehabilitate 30km of main, municipal, and rural roads</p> <p>Rehabilitate or reconstruct 4 rural jetties</p> | <ul style="list-style-type: none"> • Ensure selection of bridge, road and jetty subprojects include prioritizing women's access to social services, such as education, health facilities and market access • Ensure standardized designs for reconstructed bridges include measures to remove physical barriers to, and constraints on, access by women and children. • Ensure bridge design incorporates measures to enhance road safety, including pedestrian access with guard-rails and footpaths on bridge approaches and abutments and steps down to water level. • Concrete stairways to be provided on selected bridges at each abutment where appropriate, to provide access from the road level to the waterway below. A single handrail will be provided for each staircase. • At river sites used for washing, concrete washing tubs will be incorporated at water level near base of bridges, where it is safe and appropriate to install. • Ensure participation of women (at least 50%) in community consultations and meetings and conduct these in vernacular languages; if necessary, organize separate meetings for men and women. • Ensure females are represented on GRC • If land is acquired for subprojects, ensure that affected females are compensated at the same rate of payment as affected males, and provided with adequate arrangements to restore / maintain livelihoods. (Replacement land, financing for small business opportunities, skills training for income generation projects, cash transfers etc) • Where possible, include provisions in bidding documents to encourage women's involvement in labour-based work during construction, including at | <p>FRA, MOF</p> <p>FRA and international GSDS</p> <p>FRA and international GSDS</p> <p>FRA, construction supervision team, contractor</p> <p>FRA, construction supervision team, contractor</p> <p>FRA and international GSDS</p> <p>FRA, international GSDS, international and national SSS</p> <p>FRA, international GSDS, engineers</p> |

| | | |
|---|---|--|
| | <p>least 20% women.</p> <ul style="list-style-type: none"> • Ensure equal pay for equal work between male and female workers, and payment for women is directly to them. • Provide HIV/AIDS, STIs, gender, and road safety awareness training for all construction workers and neighboring community members. | <p>FRA, contractors</p> <p>FRA, construction supervision team, contractors</p> |
| Output 2: Efficient project management support and institutional strengthening | | |
| | <ul style="list-style-type: none"> • Include a GSDS in the design and supervision team to manage the implementation of socio-economic surveys, gender analysis, gender action plans, community consultations, and awareness training. • Provide gender awareness training to FRA staff, ministries, and provincial/district offices. • Develop a project performance system that includes indicators measuring the implementation and progress of the gender action plan. • Ensure the inclusion of sex-disaggregated data in the baseline studies and progress, monitoring and evaluation reports. • Ensure regular progress reports include the progress of GAP implementation and sex-disaggregated statistics for relevant performance indicators. | <p>FRA</p> <p>FRA and international GSDS</p> <p>FRA and international GSDS</p> <p>FRA and international GSDS</p> <p>FRA and international GSDS</p> |

IMPLEMENTATION ARRANGEMENTS

The GAP will be implemented by the FRA who will employ a Social Impact Manager, overseeing execution and compliance of all social and gender dimensions of the project, and social safeguards. The DSC will include one full-time national Safeguards Specialist (NSS) for the duration of project implementation under the supervision of an international Gender and Social Development Specialist (GSDS) and an international Social Safeguards Specialist (SSS) who will both work intermittently. The specialists will be responsible for incorporating the GAP into project planning and implementation programs, including awareness training and establishment of sex-disaggregated indicators for project performance and monitoring. The progress of GAP activities will be included in regular progress reports on overall project activities submitted to ADB and the Government of Fiji.

KEY: ADB = Asian Development Bank; DSC = Design and Supervision Consultant; FRA = Fiji Roads Authority; GAP = Gender Action Plan; GSDS = Gender and Social Development Specialist; GRC = Grievance Redress Committee; MOF=Ministry of Finance; NSS = National Safeguards Specialist; SSS = Social Safeguards/resettlement Specialist (in DSC team).

58. The project will target rural communities by improving connectivity to service hubs, access to agricultural markets, shorter travel times, improved access to employment, and reduced accident rates. Project designs will improve access of transport infrastructure for vulnerable groups, including the elderly, children, and disabled.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

59. The project's specific monitoring, evaluation, reporting, and communications arrangements are listed below:

| Design Summary | Performance Targets and Indicators with Baselines | Data Sources and Reporting Mechanisms | Assumptions and Risks |
|--|--|--|---|
| <p>Impact Improved access to markets, employment opportunities, and social services</p> | <p>By 2022: Increase in household income in selected subproject areas (target and baseline to be established during subproject selection) Increase in utilization of healthcare services in selected subproject areas (target and baseline to be established during subproject selection)</p> | <p>Household income and expenditure surveys Monitoring and evaluation surveys at baseline, inception, midterm, completion, and project evaluation</p> | <p>Assumption Private sector, communities, and households respond to improved access to health, education, and economic opportunities Risk Severe natural disasters affect infrastructure and service delivery</p> |
| <p>Outcome Improved safety and resilience of land and maritime transport infrastructure</p> | <p>By 2020: Number of bridges requiring high priority attention reduced by 30% (2014 baseline: 100)^a Number of jetties requiring high priority attention reduced by 20% (2014 baseline: 20)^a At least two subproject designs are informed by revised standards with climate resilience and safety considerations (2014 baseline: 0)</p> | <p>Project quarterly progress and completion reports</p> | <p>Assumptions Government remains committed to implementing public sector investment program and updated 20-Year National Transport Infrastructure Plan Revised design and construction standards are completed on time Risk Government budget allocations for investment, maintenance, and service delivery do not meet needs identified in sector plans</p> |
| <p>Outputs 1. Rehabilitated and climate-resilient land and maritime transport infrastructure</p> | <p>By 2020: 30 kilometers of main, municipal, and rural roads rehabilitated 30 bridges rehabilitated or</p> | <p>Project quarterly progress and completion reports FRA annual reports</p> | <p>Assumption Adequate counterpart and development partner financing is available</p> |

| Design Summary | Performance Targets and Indicators with Baselines | Data Sources and Reporting Mechanisms | Assumptions and Risks |
|---|--|---|--|
| | reconstructed with gender-sensitive designs that improve all weather pedestrian access to waterways Four rural jetties rehabilitated or reconstructed | FRA asset management system | |
| 2. Efficient project management support and institutional strengthening | By 2020 (baseline year: 2015): Project meets annual contract award targets Project meets annual disbursement targets Design and construction standards revised to incorporate climate change adaptation considerations, and to reflect current international standards for road geometry, pavement, drainage, and associated structures (2015 baseline: None) | Ministry of Finance budget and expenditures FRA annual reports Project progress and completion reports Updated FRA asset management system | Assumptions Institutional organization of government transport agencies remains consistent Sufficient capacity of government to recruit consultants on time and manage them effectively |
| Activities with Milestones 1. Rehabilitated and climate-resilient land and maritime transport infrastructure 1.1 Government approves rolling work program and priority subproject list for noncore subprojects (Q1–Q2 2015) 1.2 Phase 1 subproject selection and feasibility studies (Q3 2015–Q1 2016) 1.3 Phase 1 subproject detailed design and bidding documents preparation (Q2–Q4 2016) 1.4 Bidding of phase 1 subprojects (Q1–Q2 2017) 1.5 Award and implementation of phase 1 subproject (Q3 2017–Q4 2018) 1.6 Phase 2 subproject selection and feasibility studies (Q2–Q4 2016) 1.7 Phase 2 subproject detailed design and bidding document preparation (Q1–Q3 2017) 1.8 Bidding of phase 2 subprojects (Q4 2017–Q1 2018) 1.9 Award and implementation of phase 2 subprojects (Q2 2018–Q1 2020) 2. Efficient project management support and institutional strengthening | | Inputs ADB loan Ordinary capital resources: \$100.00 million Technical Assistance Special Fund (TASF-others): \$700,000 Government: \$11.11 million Note: The government will provide counterpart support in the form of counterpart staff, office space, administrative support, logistics, local transport, and other in-kind contribution. | |

| Activities with Milestones | |
|--|--|
| 2.1 Draft revised design and construction standards (Q3 2015–Q3 2016) | |
| 2.2 Pilot revised design and construction standards on selected phase 1 subproject (Q3 2016–Q1 2017) | |
| 2.3 Recruitment of phase 1 design and supervision consultants (Q4 2014–Q2 2015) | |
| 2.4 Recruitment of phase 2 design and supervision consultants (Q3 2015–Q1 2016) | |

ADB = Asian Development Bank, FRA = Fiji Roads Authority, Q = quarter.

^a “High priority” refers to FRA’s prioritization rating for a bridge or jetty’s condition, which indicates deficiencies in its serviceability, including but not limited to, its structural integrity, vulnerability to adverse weather events, and/or user safety issues.

Source: Asian Development Bank.

A. Monitoring

60. **Project performance monitoring.** A project performance management system will be prepared, including a set of measurable indicators based on the project design, impact, and risks. Performance against the proposed indicators will be reported in quarterly progress reports. FRA with support from the environmental and social safeguards specialists from the project management consultants will coordinate the environmental and land acquisition (if any) management issues during construction and operation. The monitoring and evaluation system will include specific and measurable targets and identify key risks and institutional arrangements for effective monitoring. One month before the midterm review, the implementing agencies will submit to ADB a comprehensive report on each of these issues.

61. **Compliance monitoring:** Compliance monitoring will be provided through regular quarterly progress reports and during regular ADB review missions.

62. **Safeguards monitoring: Land Acquisition and Resettlement.** FRA through the project supervision team social safeguards staff and the design and supervision social safeguards specialists will monitor all activities associated with land acquisition and resettlement. The monitoring will include reporting on progress of activities in the implementation of the LARF and LARP with particular focus on public consultations, land acquisition, payment of compensation, and level of satisfaction among affected persons. FRA will prepare and submit semi-annual monitoring reports to ADB. The LARF provides detailed arrangements for monitoring and reporting.

63. **Safeguards monitoring: Environment.** Before commencing civil works, the contractor will prepare a construction EMP (CEMP) which will establish how the contractor will comply with the EMP safeguard requirements. Monitoring of the contractor’s work will be undertaken by the resident engineer with assistance of the project supervision team and supported by the DSC. Monitoring will also be carried out independently by the Department of Environmental Protection and Conservation. ADB review missions will also check the progress on implementation of safeguard requirements.

64. The project supervision team with support from the DSC will monitor the contractor and check compliance with the approved CEMP and any other contract requirements on a regular basis. The quarterly monitoring reports will cover a summary of the contractor’s monthly

reports, details of monitoring data collected, and analysis of monitoring results, recommended mitigation measures, environmental training conducted, and environmental regulatory violations. The project supervision team will prepare the report on a quarterly basis and submit to the executing agency and ADB. The following checklist can be used for safeguard supervision monitoring. The following table sets out the suggested contents for an environmental monitoring report.

65. The safeguard specialists in the project supervision team and DSC will assist FRA in monitoring of safeguard activities and preparation, and review and disclosure of safeguard monitoring reports. The checklist for safeguard supervision and the outline of safeguard monitoring report on resettlement for ADB missions and FRA, respectively, are provided below.

Checklist for Safeguard Supervision/Monitoring (Land Acquisition/Resettlement)

| PROJECT INFORMATION | | | | | | | | | |
|--|------------------------|-----------------------------------|-----------------|---------------------|------------------|--------------------------|--|--------|--|
| Loan/Grant No.: | | Project Name: | | | | | | | |
| Approval Date: | | | Closing Date: | | | Cumulative Progress (%): | | | |
| Project Team Leader(s): | | | | | Project Analyst: | | | | |
| 1) Resettlement Categorization | | | | | | | | | |
| (Original) | | A | | B | | C | | FI | |
| (additional financing, if any) | | A | | B | | C | | FI | |
| <i>(Please complete the following sections if the project has been categorized as A, B or FI involving land acquisition/resettlement issues)</i> | | | | | | | | | |
| 2) Resettlement Planning | | | | | | | | | |
| Resettlement Planning Documents: | | RF | RP | Number of RPs _____ | | ESMS | | | |
| RP Finalized or Updated after Detailed Design: (Attach a list of subprojects and status if necessary.) | | Yes | No | If no, actions? | | | | | |
| Final/Updated RP Disclosed and Posted on ADB Website: | | Yes | No | If no, actions? | | | | | |
| Compensation Rates Approved by the Government: | | Yes | No | If no, actions? | | | | | |
| 3) Institutional Setup for Resettlement | | | | | | | | | |
| PROJECT SUPERVISION TEAM/PROJECT SUPERVISION TEAM Resettlement Consultant Assigned: | | | | | | | | | |
| | | If yes, Name: | | | | Since: | | / | |
| | | | | | | (month) | | (year) | |
| Resettlement Specialist Consultant Mobilized: | | Yes | No | If no, actions? | | | | | |
| | | If yes, Name: | | | | Since: | | / | |
| | | | | | | (month) | | (year) | |
| Grievance Redress Mechanism Established: | | Yes | No | If no, why? | | | | | |
| Allocation of Government Budget: | | Yes | No | If no, actions? | | | | | |
| | | If yes, amount\$: | | | | | | | |
| 4) Resettlement Monitoring and Reports | | | | | | | | | |
| Internal Monitoring System Established: | | Yes | No | If no, actions? | | | | | |
| External Monitor Engaged (if needed): | | Yes | No | If no, actions? | | | | | |
| | | If yes, Name: | | | | Since: | | / | |
| | | | | | | (month) | | (year) | |
| Monitoring Report Submitted to ADB: | | Yes | No | If no, actions? | | | | | |
| | | If Yes, provide information below | | | | | | | |
| | Baseline Report | Report 1 | Report 2 | Report 3 | Report 4 | | | | |
| Submission Date (m/yr) | | | | | | | | | |
| ADB Review Date (m/yr) | | | | | | | | | |
| Web-posting Date (m/yr) | | | | | | | | | |
| Name of ADB Reviewer | | | | | | | | | |
| 5) Resettlement Field Review with Participation of Safeguard Specialist/Officer/Staff Consultant | | | | | | | | | |
| | | Yes | No | If no, actions? | | | | | |
| | | If Yes, provide information below | | | | | | | |
| Mission Date (m/yr) | | | | | | | | | |
| Type of mission | | | | | | | | | |
| Name of safeguard specialist/officer/staff consultants | | | | | | | | | |

Suggested Contents of Land Acquisition/Resettlement Monitoring Report

| Heading/Section | Contents |
|---|---|
| Introduction | <p>Brief background on the project/subproject and progress status</p> <p>The project's category and planning documents (original, updated or new plans) on resettlement impacts</p> <p>Institutional arrangements and budget allocation for resettlement/social management</p> <p>Arrangement for the monitoring</p> |
| Monitoring Activities | <p>Methodology for monitoring (whether checklists prepared etc.)</p> <p>Period the monitoring covers</p> <p>Main activities: site visits, consultations, surveys, etc.</p> |
| Monitoring Results and Actions Required | <p>Progress and performance in implementation of LARF/LARP and other programs (how these were implemented, what are the outputs, etc.)</p> <p>Results on consultations, disclosure, and grievance redress (whether they have been effective)</p> <p>Whether the implementation comply with the approved LARP (e.g., whether compensation rates were at replacement cost, etc.)</p> <p>Results on outcome (whether APs were able to restore livelihoods)</p> <p>Compliance on monitoring and disclosure (whether reports have been submitted and posted on website)</p> <p>Whether any issues and corrective measures were identified to achieve the LARP objective. If yes, actions with target dates and responsible agency/person)</p> <p>Follow-up item/plan for next report</p> |
| Summary and Conclusions | <p>Summary of main findings</p> <p>Main issues identified and corrective actions noted</p> <p>A table on follow-up action which can be updated each period to track completion of actions required</p> |
| Attachments | <p>Monitoring checklist (based on items identified in the LARP)</p> <p>Photographs</p> <p>Additional information as required</p> |

Checklist for Safeguard Supervision/Monitoring (Environment)

PARD Safeguards Implementation Checklist: Environment

| | | | | | |
|---|------------------------|--|--------------------------|--------------------------|--------------------------|
| Date: _____ | | | | | |
| PROJECT INFORMATION | | | | | |
| Loan/Grant No.: | | Project Name: | | | |
| Approval Date: | | Closing Date: | | Cumulative Progress (%): | |
| Project Team Leader(s): | | | | Implementing Agency: | |
| 1) Categorization | | | | | |
| (Original) | | A | <input type="checkbox"/> | B | <input type="checkbox"/> |
| (additional financing, if any) | | A | <input type="checkbox"/> | B | <input type="checkbox"/> |
| | | C | <input type="checkbox"/> | FI | <input type="checkbox"/> |
| | | C | <input type="checkbox"/> | FI | <input type="checkbox"/> |
| <i>(Please complete the following sections if the project has been categorized as A, B or FI)</i> | | | | | |
| 2) Planning | | | | | |
| Documents: | | EARF | <input type="checkbox"/> | IEE/EIA | <input type="checkbox"/> |
| IEE/EIA Disclosed and Posted on ADB Website: | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, actions? _____ | | | |
| EMP Finalized or Updated after Detailed Design | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, actions? _____ | | | |
| CEMP submitted, reviewed and approved: | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, actions? _____ | | | |
| (Attach a list of subprojects and status if necessary.) | | | | | |
| 3) Institutional Setup | | | | | |
| PIU/PMU Environment Staff Assigned: | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, actions? _____ | | | |
| | | If yes, Name: _____ | | Since: _____ / _____ | |
| | | | | (month) (year) | |
| Environmental Specialist/Consultant Mobilized: | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, actions? _____ | | | |
| | | If yes, National Specialist's Name: _____ | | Since: _____ / _____ | |
| | | | | (month) (year) | |
| | | If yes, International Specialist's Name: _____ | | Since: _____ / _____ | |
| Participation of Gov. Environment Agency/Division: | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, actions? _____ | | | |
| | | If yes, Name: _____ | | Since: _____ / _____ | |
| | | | | (month) (year) | |
| Grievance Redress Mechanism Established: | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, why? _____ | | | |
| Allocation of Government Budget: | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, actions? _____ | | | |
| | | If yes, amount\$: _____ | | | |
| 4) Monitoring and Reports | | | | | |
| Internal Monitoring System Established: | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, actions? _____ | | | |
| Compliance monitoring incorp. into Q Progress Reports: | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, actions? _____ | | | |
| External Monitor Engaged (if needed): | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, actions? _____ | | | |
| | | If yes, Name: _____ | | Since: _____ / _____ | |
| | | | | (month) (year) | |
| Monitoring Report Submitted to ADB: | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, actions? _____ | | | |
| If Yes, provide information below | | | | | |
| | Baseline Report | Report 1 | Report 2 | Report 3 | Report 4 |
| Submission Date (m/yr) | | | | | |
| ADB Review Date (m/yr) | | | | | |
| Web-posting Date (m/yr) | | | | | |
| Name of ADB Reviewer | | | | | |
| 5) Field Review with Participation of Safeguard Specialist/Officer/Staff Consultant | | | | | |
| | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| | | If no, actions? _____ | | | |
| If Yes, provide information below | | | | | |
| Mission Date (m/yr) | | | | | |
| Type of mission: | | | | | |
| Participants (safeguard specialist/officer/staff consultants) | | | | | |

Suggested Outline of Monitoring Report – Environment

| Heading/Section | Contents |
|---|---|
| Introduction | Brief background on the project and subproject; Institutional arrangements for project management and environmental management; |
| Monitoring Activities | Who participated in the monitoring; Methodology for monitoring (whether checklists prepared etc); When the monitoring was undertaken and what period it covers; Summary of other monitoring undertaken in the period (i.e. from contractor's monthly reports and if any survey/sample monitoring undertaken); Main activities – observations/inspections, consultations, interviews with contractor staff etc |
| Works in Progress | Details of the works being undertaken, (with photographs); Include whether any environmental training/awareness has been provided to contractor staff in the period (what, by whom etc) |
| Monitoring Results and Actions Required | Whether works and measures comply with the approved EMP/CEMP; Should follow sequence of items identified in EMP/CEMP and verify that all mitigations measures noted are being implemented; Corrective actions cited (date to be resolved and person responsible on contractor team and verification by IA/PROJECT SUPERVISION TEAM) |
| Summary and Conclusions | Summary of main findings; Main issues identified and corrective actions noted; Can include summary table which can be updated each period to track completion of actions required |
| Attachments | Monitoring checklist (based on items identified in the EMP/CEMP) refer annex 1 Additional photographs Additional information as required |

66. **Gender and social dimensions monitoring:** A social safeguards specialist will provide guidance to the project supervision team in developing and establishing effective monitoring and reporting systems for GAP implementation and other requirements of social and poverty dimensions. Baseline surveys will be undertaken at the start of project implementation with all data being disaggregated by sex, and all design requirements, activities, and indicators in the GAP will be continuously monitored and reported. These will be included in the project supervision team's quarterly reports and project monitoring reports, together with GAP implementation matrix updating progress of GAP activities. Quarterly progress reports will include FRA's checklist on GAP implementation progress. A mid-term review will be carried out and a project completion report will be undertaken at project end.

B. Evaluation

67. ADB will undertake project reviews semiannually between 2015 and 2020. Additionally, ADB, MOF, and FRA will undertake a midterm review of the project in 2017, covering institutional and administrative arrangements, and technical, environmental, social and poverty reduction, resettlement, economic, financial management, procurement, and legal aspects that may have an impact on the performance of the project and its continuing viability. The review will (i) examine the progress in supporting FRA in reducing its maintenance backlog; (ii) evaluate environment, social, gender, and poverty impact; and (iii) ensure compliance with assurances in the loan agreement. The review shall also undertake a comprehensive review of potential loan savings, identify areas for reallocation of loan proceeds, and change disbursement percentages, as appropriate. Within three months of physical completion of the project, FRA will submit a project completion report to ADB.¹⁸

C. Reporting

68. FRA will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) the use of the loan and the grant proceeds, (b) progress achieved by output as measured through the indicator's performance targets, (c) key implementation issues and solutions, (d) updated procurement plan, and (e) updated implementation plan for next 12 months; and (iii) a project completion report within three months of physical completion of the project. To ensure projects continue to be both viable and sustainable, project accounts and annual financial statement for the implementing agencies, together with the associated auditor's report, should be adequately reviewed and submitted to ADB within 6 months after the end of fiscal year. In addition, FRA will submit safeguard monitoring reports including (i) environmental monitoring reports every 6 months during construction, and (ii) land acquisition/resettlement monitoring reports in which the first report will be due shortly after land transfer, and subsequent reports every six months during implementation to evaluate impacts on affected persons and ensure that there are no remaining land acquisition and compensation issues.

D. Stakeholder Communication Strategy

69. 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

¹⁸ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>.

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.

X. ANTICORRUPTION POLICY

70. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the Project.¹⁹ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the Project.

71. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the Project.

72. The Government, the Project Executing Agency and the Implementing Agency shall (i) ensure that the Project is carried out in compliance with all applicable anticorruption regulations of the government and ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; (ii) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation; and (iii) ensure that all relevant staff actively participate in the training in Government's anticorruption regulations and ADB's Anticorruption Policy.

73. The Project Executing Agency and the Implementing Agencies shall ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the Project Executing and Implementing Agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.

74. No later than 2 months after the Effective Date, the Government through the Project Executing Agency shall (i) create a website dedicated to the Project and accessible to the public, to disclose key Project-related information, including (i) costs, (ii) safeguards, (iii) procurement such as the list of participating bidders, name of the winning bidder, basic details on bidding procedures adopted, amount of contract awarded, and the list of goods/services procured, (iv) implementation information, and (v) expected service levels. The Government shall make public information about selection of consultants and award of civil Works through publication in national newspapers.

¹⁹ Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

XI. ACCOUNTABILITY MECHANISM

75. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.²⁰

²⁰ For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

XII. RECORD OF PAM CHANGES

76. All revisions/updates during course of implementation should retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM.

OUTLINE TERMS OF REFERENCE FOR PROJECT SUPERVISION STAFF

Background

The project is expected to be implemented from March 2015 to February 2022. The executing agency is the Ministry of Finance and has overall responsibility for project execution. The implementing agency is Fiji Road Authority (FRA). FRA will establish a project supervision team to supervise day-to-day implementation of the project. The project supervision team will consist of (i) Project Engineer/Procurement Specialist; (ii) Financial Management Specialist/Accountant; (iii) Environment Safeguards Specialist; and (vi) Social Safeguards Specialist.

Terms of Reference

6. The project engineer/procurement specialist will be accountable to FRA and the Project Steering Committee for the performance of the project, provide project implementation advice, ensure high quality of project reports, and timely procurement of all project activities including consulting services and civil work in accordance with ADB Procurement Guidelines, Guidelines on Use of Consultants and government guidelines and procedures.

7. The project engineer will be responsible for ensuring compliance with all technical criteria during project implementation including review and submission of subproject screening, feasibility studies, detailed design, terms of reference for services and technical specifications for works, cost estimates, and construction supervision and administration. The project engineer will manage the timeliness and quality of outputs of engineering consultants, civil works contractors, and design and build contractors.

8. The project engineer will possess a relevant degree in Civil Engineering and/or a relevant project management discipline, and have at least 10 years project engineering and procurement experience. Detailed tasks will include but are not limited to:

- i) Overseeing day-to-day activities of the project management office and maintaining official records of the Project;
- ii) Providing advice to the FRA and project stakeholders on government, ADB requirements and supporting and advising the FRA on the procurement of works, goods, and services in accordance with ADB Procurement Guidelines and Guidelines on Use of Consultants, checking documentation where necessary with particular attention to major procurement activities;
- iii) Assisting the FRA in the preparation of technical specifications and terms of reference for all project activities related to consultant recruitment and civil works;
- iv) Facilitating the preparation and public release of project information in accordance with ADB Public Communications Policy and providing advice and assistance to the FRA on public consultation;
- v) Preparing project progress reports for review by the Steering Committee and for submission to ADB and producing quarterly and project completion reports,
- vi) Liaising with ADB staff in the formulation of review missions and obtaining information and data on the project performance indicators;
- vii) Ensuring implementation compliance with the provisions of the loan agreement;
- viii) Assisting FRA in the preparation and submission of documentation (advertisements, bidding documents, bid opening minutes, evaluation reports, etc.) in connection with the international and local bidding processes for procurement of works, goods and non-consulting services financed under the project in accordance with ADB's Procurement Guidelines;

- ix) Assisting FRA in the preparation and submission of documentation (expressions of interest, short listing, request for proposal documents, proposal opening minutes, technical and financial evaluations, minutes of negotiations, etc.) in connection with the selection of consulting services financed under the project in accordance with the ADB's Guidelines on Use of Consultants;
- x) Updating the project procurement plan annually in consultation with FRA and submit to the project steering committee, ADB for review;
- xi) Ensure timely preparation of bidding documents for consulting services, goods, and works contracts using ADB Standard Bidding Documents and ADB Request for Proposal documents, submitting to ADB for review, and ensuring all comments are incorporated;
- xii) Assisting FRA in issuing approved general procurement notices, invitation for bids, bidding documents etc. in accordance with ADB Procurement Guidelines and FRA Operations Manual;
- xiii) Providing advice to evaluation committee members in the evaluation of the bidding documents, and consultants' proposals and preparation of reports in accordance with the ADB's Bid Evaluation Report templates;
- xiv) Ensuring timely submissions in the clearance and approval process for all procurement-related activities under the project, and follow up with the Evaluation Committees, Tenders Board, Cabinet, Auditor General's Office, ADB and other relevant entities;
- xv) Assisting FRA to prepare contracts for signature for procurement of consulting services, goods, works and training (if any) under the project in accordance with ADB's Procurement Guidelines and Guidelines on Use of Consultants, and FRA's Operations Manual;
- xvi) Assisting FRA negotiate contracts, address procurement-related complaints, and settle contractual disputes in accordance with ADB Procurement Guidelines and Guidelines on Use of Consultants, and FRA's Operations Manual;
- xvii) Assisting FRA in contract administration;
- xviii) Monitoring contractual deliverables and commitments, and maintain a contracts register in coordination with the project accountant;
- xix) Ensuring all project procurement documentation and records are systematically and securely maintained, and accessible for review by the ADB and Government authorized personnel;
- xx) Preparing six-monthly project procurement progress and performance reports, and updates on the project procurement risk mitigation action plans;
- xxi) Carrying out other procurement-related actions necessary to facilitate the effective and timely implementation of the project;
- xxii) Prepare draft Terms of Reference for engineering and consultancies as required; e.g. for technical assistance, undertaking feasibility and other studies, fieldwork, preliminary and detailed designs, construction supervision and works contract administration, all to be finalized and approved by FRA, and ADB;
- xxiii) Maintain close liaison with consultants and contractors through regular minuted formal meetings to monitor progress and resolve technical issues arising;
- xxiv) Undertake detailed review of all consultants' outputs – feasibility studies and detailed design reports, bid documents, design drawings and technical specifications, cost estimates, supervision reports, payment certificates, contract variations etc.;
- xxv) Ensure quality and timelines of consultant and contractor outputs, and ensure dissemination to FRA and ADB for comment, and incorporate comments;
- xxvi) Maintain oversight of the progress of all works contracts, attending sample site meetings as observers, reporting any problems, delays, potential cost overruns to the PM; and
- xxviii) Other duties as maybe required.

9. The financial management specialist/accountant will be responsible for maintaining all records of receipts and payments, and accounts record management. The specialist will

prepare and balance project accounts, provide periodic reports, and prepare project payments in accordance with the funds flow procedure explained in the PAM, and in accordance with ADB, and government procedures. Annual audits will be performed by the Office of the Auditor General, or an external firm. The specialist will possess a recognized accounting degree and at least 8 years project accounting experience. Detailed tasks will include but are not limited to:

- i) Maintaining up to date project accounts;
- ii) Liaising closely with the FRA and MOF on contractual payments and related project transactions;
- iii) Preparing withdrawal applications for submission to ADB through MOF in accordance with ADB's Loan Disbursement Guidelines;
- iv) Preparing quarterly statements of project expenditures, and provide analysis on spending against financial provisions and forecasts to the FRA through the project manager/team leader;
- v) Preparing annual project accounts and consult with the Ministry of Finance for their audit; and
- vi) Other duties as may be required.

10. The environment and social safeguards specialists will be a national or regional specialists with at least seven years' experience in safeguards assessment and management (social, environment and lands/resettlement issues), project implementation, and training/capacity building. Experience in the transport sector in Fiji and/or other Pacific countries would be an advantage. The safeguards specialist is also required to deliver capacity building and to provide wider awareness raising and strengthening of FRA and Ministry of Infrastructure and Transport, and contractors in safeguards.

The specific tasks for the safeguards specialists include:

- i) Consult with FRA management to understand the core vision and mission statement of the FRA as established in the Operations Manual and Corporate Plan to determine existing scope, if any, of social and environmental management policy. Draft the social and environmental management policy for consultation with FRA and stakeholders; revise the draft policy based on comments from FRA and stakeholders. Propose the social and environmental management policy for adoption;
- ii) Review the project documents, including the ADB Report and Recommendation of the President (RRP) and Project Administration Manual (PAM), loan documents and project agreements, safeguards frameworks, the safeguards documents prepared for the sample subproject (environmental assessment and land acquisition and resettlement plan), and other relevant reports (available on ADB website) and visit the project sites to familiarize with the project's safeguard requirements and the implementation status;
- iii) In coordination with the DSC specialists, and based on the Department of Environment (DOE) existing screening requirements²¹, prepare tools and checklists for screening safeguards impacts;
- iv) At the start of each quarter, consult with DOE, Department of Lands, and iTaukei Lands Trust Board as to the work program for the year;
- v) Facilitate preparation and updating of environmental assessments and land acquisition and resettlement plans (LARP) by the DSC (see TOR for DSC consultants---items B. 1 and 2). Review draft environmental assessments, LARPs and IPPs submitted by DSC, arrange executing agency endorsement and submit these to relevant government agencies and ADB for clearance;

²¹ Form EMA/EIAP 1 – Environmental Impact Assessment (EIA) Screening Application

- vi) Develop and maintain the project's information management system/database on safeguard aspects, including a system to track the project's relevant documents and records (screening, assessment, updating, plan implementation, monitoring). Maintain an up-to-date collection/library of relevant safeguard documents;
- vii) Assist FRA in implementation and reporting on these activities in compliance with the project's requirements (i.e quarterly progress reports (QPR) and semi-annual safeguards monitoring reports). Coordinate with ADB's safeguard specialists to review, clear and disclose the reports. Assist in conducting any field reviews by ADB on safeguards compliance;
- viii) Undertake oversight monitoring of the environmental management plan (EMP) activities, Land and Acquisition Resettlement Plan (LARP) and the Indigenous Peoples Plan (IPP). This will also include supervision of consultation processes and relevant activities on social safeguards. In particular, monitor the livelihoods and living standards of the affected persons (APs) by conducting field visits and consultations with the APs and stakeholders. Develop remedial actions in case any gaps are identified to meet the project's safeguard objectives;
- ix) In coordination with the DSC specialists, monitor compliance with safeguards requirements and provisions of the civil works contracts. Prepare a social management plan in case significant social impacts are identified that cannot be addressed by the EMP or other existing plans;
- x) Assist FRA in recruitment and mobilization of the third-party monitoring agency, if needed, and assist them in conducting their monitoring by providing relevant information, etc;
- xi) Undertake consultations for each subproject with key stakeholders before appraisal of each sub-project and as needed for any new sub-project changes and assist FRA for disclosure of relevant information to comply with the project's requirements. With the DSC specialists and FRA consultation officer, establish a system for maintaining proper documentation of consultation and disclosure activities;
- xii) Facilitate implementation of the project's grievance redress mechanism (GRM). Monitor status of grievances, facilitate their resolution, maintain documentation, and report the progress through monitoring reports;
- xiii) With DSC specialists, conduct necessary capacity building for the FRA staff, government agencies, contractors, and other stakeholders on project-related and ADB requirements for safeguards;
- xiv) Coordinate with FRA staff, government counterparts, and other relevant stakeholders for implementation and monitoring on safeguards;
- xv) Perform relevant tasks assigned by FRA, independently or in coordination with other specialists, to meet the project's safeguards requirements; and
- xvi) Ensure compliance with all safeguard assurances under the project.
- xvii) Participate in the joint implementation support missions as the safeguards specialist of the FRA.

OUTLINE TERMS OF REFERENCE FOR DESIGN AND SUPERVISION CONSULTANTS (PHASE I)

A. Scope of Consulting Services

1. Design and supervision consulting services will be required to undertake subproject appraisals, feasibility study preparation, detailed engineering design, and construction supervision. The full scope of services is expected to commence by 1 October 2015 and complete by 30 June 2020. The services are expected to implement approved candidate subprojects selected from the 20 year national transport infrastructure plan (in accordance with the approved project's subproject selection criteria), with a total estimated value of F\$74 million or \$40 million equivalent. Activities of the design and supervision consultants will broadly cover the following activities over the estimated timeframes:

Table 1: Schedule of tasks

| Task | Expected Start | Expected Completion |
|---|----------------|---------------------|
| Construction supervision of project ready subproject | October 2015 | December 2017 |
| Phase 1 subproject selection and feasibility studies | October 2015 | October 2016 |
| Detailed design and bid documentation of approved Phase 1 subprojects | July 2016 | March 2017 |
| Procurement of Phase 1 subprojects | April 2017 | December 2017 |
| Construction supervision of Phase 1 subprojects | January 2018 | June 2020 |

B. Consultant Selection and Composition

2. A consulting firm will be engaged as design and supervision consultants using quality- and cost-based selection (with a quality to cost ratio of 90:10) in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time), following submission of full technical proposals. The firm will provide 121 person months (pm) of international inputs and 175 of national inputs. A summary of the consultants inputs required are as follows:

Table 2: Summary of inputs

| Position | Inputs (person months) |
|-------------------------------|---------------------------|
| International | |
| Team Leader/Engineer | 9.0 |
| Road Design Engineer | 7.0 |
| Maritime Engineer | 6.0 |
| Structural/Drainage Engineer | 6.0 |
| Geotechnical Engineer | 3.0 |
| Materials Engineer | 3.0 |
| Economist | 4.0 |
| Social and Poverty Specialist | 3.0 |
| Resident Engineer | 22.0 |
| Field Superintendent 1 | 16.0 |

| | |
|---|--------------|
| Field Superintendent 2 | 16.0 |
| Field Superintendent 3 | 16.0 |
| Environment Safeguards Specialist | 5.0 |
| Social Safeguards Specialist | 5.0 |
| Sub-total | 121.0 |
| National | |
| Technical staff for subproject feasibility studies and detailed design (including but not limited to design engineers, draftspersons, topographical surveyors, geotechnical surveyors, cadastral surveyors, laboratory technicians, community liaison officers) | 55.0 |
| Construction supervision staff (including but not limited to inspectors, surveyors, laboratory technicians, community liaison officers office administrators, and assistants) | 120.0 |
| Sub-total | 175.0 |

C. Consultant Terms of Reference

3. The design and supervision consultants will be responsible for the following tasks:

(i) Undertake appraisal of candidate subprojects to justify subproject eligibility, in accordance with the project's approved subproject selection criteria. The appraisals will involve collecting and analyzing baseline data to assess feasibility and expected impact, using methods and tools established for the sample subprojects. Each subproject appraisal will include (i) a technical feasibility study, (ii) an economic analysis in accordance with ADB's Guidelines for the Economic Analysis for Projects, (iii) a social and poverty analysis consistent with the method and procedure used in the sample subproject feasibility study, (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 component of the assessment will confirm acceptable ratings against the criteria;

(ii) Undertake detailed design of approved subprojects. Detailed design activities will include but are not limited to:

- Topographical, cadastral, geotechnical, bathymetric, and traffic surveys as and when required by FRA;
- Determining sources of appropriate construction materials, including verification of material quality;
- Pavement structure and surfacing design of associated roads, taking into consideration traffic loading over a design life of 25 years, subgrade condition and variability, topographical and climatic conditions, and the likely maintenance arrangements post-construction;
- Engineering and hydraulic designs for bridge structures;
- Design of drainage structures, including side drains, culverts, and associated inlet and outlet structures, with consideration of climate change impacts, and prevention of scour and siltation;
- Design of appropriate, cost-effective road safety features that may include streetlight improvements, traffic calming measures, pedestrian access, and road safety furniture;
- Design of maritime structures, with consideration of climate change impacts and potential natural hazards;

- Prepare detailed design report, engineering drawings, technical specifications, and cost estimates, and submit to FRA project management team for review and approval;
- Liaise with FRA project management procurement team to ensure timely drafting of bid documents and subsequent procurement of works;
- Ensure land acquisition and resettlement plans, and environmental management plans are incorporated into bidding documents.

(iii) Undertake construction supervision and contract management of awarded subproject contracts. Activities will include but are not limited to:

- Liaising between FRA's project management team and contractors, preparing and submitting monthly progress reports to FRA, ADB. The format and content of reports are to be agreed with FRA, ADB;
- Monitoring and implementing day-to-day quality control and quantity measurements of works under the contract;
- Supervising works, approving materials, equipment, and workmanship to ensure compliance with contract requirements;
- Verifying quantity measurements invoiced for payment, and ensuring quantity measurements are carried out in a manner and at the frequency required by the contract;
- Verifying and countersigning monthly payment certificates;
- Ensuring works comply with technical specifications, engineering drawings, and other contractual requirements;
- Updating original designs or proposing new solutions to meet changed conditions in the field;
- Interpreting and applying requirements of the contract and advising FRA on matters related to contractors' claims, such as time extensions or additional works;
- Prepared detailed recommendations for contract variations for review and approval by FRA;
- Recommend solutions to FRA on ambiguities, discrepancies, or disputes arising from contracts;
- Inspecting and testing materials and works done by the contractor to ensure compliance with contract specifications;
- Ensure contractors implement site safety plans in accordance with requirements of the contract;
- Ensure implementation of land acquisition and resettlement plans;
- Review, approve, and monitor implementation of contractors' Environmental Management Plan, ensuring contractor complies with its reporting requirements, and incorporating monitoring reports in project management consultants quarterly progress reports to FRA, ADB;
- Maintaining day to day contract diary recording all events pertaining to contract administration.

Team Leader/Engineer (international 9 pm intermittent)

The team leader/engineer will be responsible for the subproject appraisals, preparation of feasibility studies, detailed designs, collaboration of bidding documents with project management consultants, and act as the "Engineer (as per the definition of "Engineer" of the civil works contracts" during the construction supervision stage. The Team Leader will be a professionally qualified engineer, possess post-graduate qualifications in civil engineering, and have at least 15 years relevant experience, and at least 10 years experience of managerial

experience in projects of similar nature and value. Experience in the Pacific will be an advantage. The team leader/engineer's tasks will include but are not limited to:

- (i) Lead all activities related to subproject appraisals, feasibility studies, detailed designs, preparing bid documents ensuring quality and timely delivery;
- (ii) Ensure subproject appraisal and feasibility studies are consistent with broad national government policies, public sector investment plan, 20 year national transport infrastructure plan, and approved project documentation. Provide input on updating of annual work programs to ensure selected subprojects are relevant to developments in the transport sector and broader national considerations;
- (iii) Supervise preparation of engineering reports, environmental management plan, resettlement plan, detailed drawings (incorporating social- and gender-inclusive designs as outlined in the GAP), technical specifications, bidding documents, and construction schedules showing anticipated contract durations and expenditure projections on a quarterly basis;
- (iv) Ensure bills of quantities are aligned with standard methods of measurement for purposes of bidding and contractor claims during construction;
- (v) Establish systems within the site supervision team for supervising work, contract management, quality control, data collection (including sex-disaggregated data), certification of contractors' accounts;
- (vi) Assume the role of Engineer as defined in the construction contract, ensuring that all procedures for the administration of the contract are followed;
- (vii) Ensure effective implementation of environmental management plans are land acquisition and resettlement plans;
- (viii) Ensure timely reporting of environmental and social safeguard reporting to FRA's project management team.

Road Design Engineer (international 7 pm)

The road design engineer will be responsible for the technical feasibility studies related to roads at subproject appraisal, detailed road design, and incorporation of all structural bridge and drainage designs into selected subproject road contract packages. The road design engineer will prepare bidding documents for each roads civil works package in consultation with FRA's project management team. The road design engineer will be a professionally qualified engineer with at least 12 years relevant experience, and experience in developing countries. Experience in the Pacific will be an advantage. He/she will perform the following tasks:

- (i) Identify potential future climate change impacts that should be considered in road, and bridge designs and evaluate incremental costs associated with incorporation of mitigation measures in the project design;
- (ii) Carry out technical feasibility studies for candidate road subprojects that identify appropriate engineering options, with consideration of cost effectiveness, road safety, and climate change impacts;
- (iii) Identify required engineering, geotechnical, traffic, cadastral, and topographical surveys for the purposes of detailed design of approved subprojects, and coordinate with the design team specialists;
- (iv) Review available engineering data, including data relating to availability and quality of construction materials;
- (v) Apply appropriate design standards, and pilot revised design and construction standards prepared by FRA, and ensure appropriate technical specifications are incorporated in engineering designs with regard of national systems and resources;

- (vi) Determine cost effective options to upgrade selected subproject road sections, with due consideration for topographical characteristics, and minimum service standards;
- (vii) Survey areas of potential slope instability, and develop recommendations and detailed engineering design to prevent slope failure, in consultation with the Geotechnical Engineer;
- (viii) Prepare pavement designs on the basis of subgrade condition, projected traffic levels, axle loads, climate change impacts, and expected future maintenance regime;
- (ix) Prepare detailed drawings and construction schedules;
- (x) Review road safety measures black-spot identification on selected subproject road sections and incorporate cost-effective and site appropriate road safety treatment measures in the design;
- (xi) Prepare bills of quantities aligned with standard methods of measurement for purposes of bidding and contractor claims during construction;
- (xii) Prepare detailed construction cost estimates;
- (xiii) Review environmental implications of construction, including those related to opening of borrow pits and spoil disposal;
- (xiv) Prepare construction schedules showing anticipated construction durations, and quarterly expenditure projections;
- (xv) Prepare draft bidding documents in conjunction with FRA's project management procurement specialist.

Maritime Design Engineer (international 6 pm)

The maritime engineer will be responsible for the technical feasibility studies related to jetties at subproject appraisal and detailed jetty design. The maritime design engineer will prepare bidding documents for jetty civil works package in consultation with FRA's project management team. The maritime engineer will possess a degree in civil engineering or equivalent relevant qualifications for designing rural maritime infrastructure with at least 10 years relevant experience, and experience in developing countries. Experience in the Pacific will be an advantage. He/she will perform the following tasks:

- (i) Identify potential future climate change impacts that should be considered in jetty designs and evaluate incremental costs associated with incorporation of mitigation measures in the project design;
- (ii) Carry out technical feasibility studies for candidate jetty subprojects that identify appropriate engineering options, with consideration of cost effectiveness, and climate change impacts;
- (iii) Identify required engineering, geotechnical, traffic, and bathymetric surveys for the purposes of detailed design of approved jetty subprojects, and coordinate with the design team specialists;
- (iv) Review available engineering data, including data relating to availability and quality of construction materials;
- (v) Apply appropriate design standards, and pilot revised design and construction standards prepared by FRA, and ensure appropriate technical specifications are incorporated in engineering designs with regard of national systems and resources;
- (vi) Determine cost effective options to upgrade selected subproject jetties, with due consideration for minimum service standards;
- (vii) Prepare jetty designs on the basis of projected vessel usage, berthing forces, climate change impacts, and expected future maintenance regime;
- (viii) Prepare detailed drawings and construction schedules;
- (ix) Prepare bills of quantities aligned with standard methods of measurement for purposes of bidding and contractor claims during construction;

- (x) Prepare detailed construction cost estimates;
- (xi) Review environmental implications of construction, ensuring compliance with subproject selection criteria (not environmental category A subprojects);
- (xii) Prepare construction schedules showing anticipated construction durations, and quarterly expenditure projections;
- (xiii) Prepare draft bidding documents in conjunction with FRA's project management procurement specialist.

Structural and Drainage Design Engineer (international 6 pm)

The structural and drainage design engineer will support the technical feasibility studies at subproject appraisal and detailed road design by providing structural bridge and drainage designs into selected subproject road contract packages. The structural and drainage design engineer will support the road design engineer in the preparation of bidding documents for each contract package in consultation with FRA's project management team. The structural and drainage design engineer will possess a degree in structural engineering with at least 8 years experience designing bridges, culverts, and road drainage structures in developing countries. Experience in the Pacific will be an advantage. He/she will perform the following tasks:

- (i) Establish parameters for drainage design, taking into account climate change forecasts over the design life of the road and component parts;
- (ii) Support the road design engineer and maritime design engineer in the preparation of technical feasibility studies by providing inputs related to structural and drainage design;
- (iii) Study existing hydrological regime based on analysis of rainfall, flood records, and local enquiry. Estimate the required hydraulic capacity of main drainage structures, including an estimate of incremental capacity needed to cater for climate change considerations;
- (iv) Prepare a program of geotechnical investigation needed for the design of drainage structures and bridges;
- (v) Identify, design, and quantify all necessary drainage systems including bridges, culverts, side drains and ensure that they are incorporated in the overall design of the works;
- (vi) Prepare full, specific designs for all bridge structures, and large drainage structures such as insitu box culverts, aprons, wing walls;
- (vii) Support the preparation of technical specifications, bills of quantity, and engineering drawings;

Geotechnical Engineer (international 3 pm)

The geotechnical engineer will provide inputs relating to slope stability, availability of construction materials, design of pavement options, and organizing geotechnical surveys to establish criteria for substructure designs where required. The geotechnical engineer will be professionally qualified with at least 8 years relevant experience. The geotechnical engineer will perform the following tasks:

- (i) Identify potential geotechnical constraints on proposed subprojects, and identifying specific locations where mitigation measures will be required;
- (ii) Undertake a program of geotechnical investigations required for detailed design of structural foundations, road pavement design, and slope stability measures;
- (iii) Interpret results of geotechnical investigations and prepare appropriate designs in conjunction with the Drainage and Structural Engineer;
- (iv) Design slope stabilization measures using bio-engineering methods and prepare drawings and specifications as appropriate;
- (v) Assess potential sources of materials, particular pavement materials required for the works, and processing requirements;

- (vi) Prepare a detailed program, implementation schedule, and budget for geotechnical investigations necessary for the design of all the works

Materials Engineer (international 3 pm)

The materials engineer will be responsible for the quality of materials and construction. The materials engineer will possess a relevant engineering degree and at least 10 years relevant experience. The materials engineer will:

- (i) Prepare a detailed list of laboratory equipment and associated specifications (to be incorporated in the bidding documents and procured under the first civil works contract), necessary for quality control by the supervising engineer during construction;
- (ii) Undertake detailed investigations of material sources for construction of embankments and pavement layers, in cooperation with the geotechnical engineer;
- (iii) Conduct an assessment of the pavement subgrade for the length of selected subproject roads, in cooperation with the geotechnical and roads design engineer;
- (iv) Prepare a report on the results of all materials testing carried out for the purpose of designing the works and incorporation in a report for bidders information.

Project Economist (international 4 pm)

The project economist will be responsible for the economic feasibility studies for appraisal of road, bridge, and jetty subprojects. The economist will liaise with the relevant design engineers on the expected capital and lifecycle costs, and initiate and supervise surveys to establish expected lifecycle benefits. The economist will identify subproject alternatives and carry out least cost analyses and cost benefit analyses, and perform sensitivity and risk analyses. The project economist will possess a degree in economics or equivalent relevant qualifications with at least 10 years relevant experience in infrastructure projects, and experience in developing countries. Experience in the Pacific will be an advantage. He/she will perform the following tasks:

- (i) Identify data requirements, design field surveys, and configure economic analysis spreadsheets;
- (ii) Identify all costs and benefits of various engineering options, taking into account engineering, environmental, and socioeconomic perspectives of the subprojects;
- (iii) Apply a cost–benefit and/or cost-effectiveness analysis of the adaptation options identified above and prioritize the options;
- (iv) Conduct economic analysis in accordance with ADB's *Guidelines for the Economic Analysis of Projects*,²²
- (v) Liaise with other specialists to provide an integrated feasibility study report(s)

Gender and Social Development Specialist (international 3 pm)

The gender and social development specialist will undertake poverty, social, and gender analyses for the approved subprojects according to ADB's guidelines and prepare necessary documents for the proposed subproject. The specialist will preferably have (i) an advanced degree in social sciences; (ii) at least 5 years experience in analyzing social and gender dimensions of development projects; (iii) at least 5 years experience in advising on gender-inclusive development projects for governments; and (iv) relevant work experience in the Pacific region or similar environment. He/she will perform the following tasks:

²² ADB. 1997. *Guidelines for the Economic Analysis of Projects*. Manila.
http://www.adb.org/Documents/Guidelines/Eco_Analysis/default.asp.

- (i) Based on a review of existing data and reports, as well as field studies and community consultations, prepare summary social, poverty, and gender profiles for each subproject, which include:
 - a. baseline socioeconomic profiles of the proposed project areas such as the nature and extent of poverty, major means of livelihoods, and constraints in living conditions especially in relation to available transport systems/services;
 - b. current conditions of land/maritime transport in accessing essential social services (e.g., schools and health facilities) and market opportunities, and their impacts on men and women;
 - c. expected social, economic, and gender benefits of the proposed investment project and identification of primary beneficiaries; and
 - d. identification of potential negative impacts resulting from the investment project and proposed mitigation measures.
- (ii) Assist the design team in preparing the subprojects with specific designs outlined in the GAP, as well as other pro-poor, socially inclusive, and gender mainstreamed project designs and those minimizing potential negative social impacts based on summary social, poverty, gender profiles prepared for each of subproject areas.
- (iii) Ensure that all bid documents incorporate required design and activities specified in the GAP.
- (iv) Assist FRA to implement the GAP and provide capacity development support to the national social safeguard specialist on GAP implementation and monitoring responsibilities, including:
 - a. Provide gender awareness training to FRA, project management unit, and project design and supervision team as specified in the GAP;
 - b. Ensure that gender-responsive designs addressing women's needs for transport infrastructure and road safety are incorporated into all subproject designs;
 - c. Support the national social safeguard specialist to develop concrete plans to ensure women's participation in all project activities during project implementation stage;
 - d. Assist FRA to establish clear institutional arrangements for GAP implementation, monitoring, and reporting responsibilities;
 - e. Assist FRA and PMU to establish mechanisms for collecting and reporting sex-disaggregated data for the GAP, as well as all other project-related indicators;
 - f. Establish sex-disaggregated baseline data for the GAP and DMF performance indicators, if needed, and other gender-related indicators for subprojects for regular monitoring and reporting during project implementation period.

Resident Engineer (international 24 pm)

The resident engineer will be a qualified civil engineer with at least 15 years experience including at least 5 years relevant experience in contract management. Experience in the Pacific will be an advantage. The resident engineer, under authorities delegated to him by the Engineer will:

- (i) Supervise construction of the work and test or order to test and examine any materials to be used or workmanship employed in connection with the works;
- (ii) Lead the construction supervision team on a day to day basis;
- (iii) Train national consultants in contract administration, assigning roles and responsibilities to engineers attached to the team;
- (iv) Ensure that the team accomplished all tasks and duties related to construction supervision and contract management of awarded subproject contracts, as set out in para. 3 (iii) above.

3 Nos. Field Superintendents (international 16 pm each)

The field superintendents shall have at least 15 years international experience supervising civil works construction with at least 10 years experience supervising the construction of roads, bridges, associated drainage structures, and small maritime structures. The field superintendents will:

- (i) Inspect all operations on the site, ensuring safe practices and good workmanship;
- (ii) Maintain a detailed record of daily activities on the site including equipment working or broken down, weather conditions, labor, work stoppages and the reasons thereof;
- (v) Assist the resident engineer in all tasks related to construction supervision and contract management of awarded subproject contracts, as set out in para. 3 (iii) above.

Environmental Safeguards Specialists (international 5 pm; national 12 pm)

The environmental safeguards specialists (ESS) will include an international for 18 person-months who will have at least ten years' experience and a national for 36 person-months who will have at least five years' experience. The international ESS shall have relevant and recent experience (including work in developing countries) in safeguards screening, environmental assessment, development and implementation of EMP, environmental monitoring, and shall have experience in delivery of training/capacity building in safeguards aspects. The national ESS is required to be registered with the DOE as an EIA consultant. For both ESS, experience in the transport sector in Fiji and/or other Pacific countries would be an advantage. If the international ESS is registered with the DOE as an EIA consultant, this will be considered an advantage. Together the ESS will undertake a screening, environmental assessment, and monitoring of each subproject in accordance with the approved environmental and social management framework (ESMF). The national and international ESS will:

Subproject screening and categorization

- i) Review the scope and activities of the proposed subprojects and screen their potential impacts on the environment. Make recommendations for modifications to avoid or reduce potential environmental impact. As per the ESMF, undertake a screening and determine the environmental categorization for each subproject;
- ii) Prepare the EIA Screening Application as required by DOE for each subproject, and through the PMSS, submit to FRA. The Screening Applications and requisite fee will be formally submitted to DOE by FRA;
- iii) In consultation with the DOE develop the TOR for the environmental assessment²³ of each subproject;

Subproject environmental assessment

- iv) In consultation with the engineer(s) and based on preliminary designs sufficient to meet the agreed TOR, assess the potential environmental impacts of the subproject and prepare an environmental assessment taking into consideration direct and indirect impacts during pre-construction, construction and operation, and identifying costs of mitigation measures and implementation of a monitoring plan. Ensure that the environmental assessment of each subproject is prepared in compliance with both the government's requirements and the project's ESMF;

²³ As per the approved ESMF for the project, the environmental assessment of each subproject will meet the requirements of an EIA for the purposes of the Environment Management Act plus additional elements or requirements so as to fully comply with SPS and OP 4.01.

- v) In conjunction with the PMSS, FRA's consultation officer, and SSS undertake or participate in consultations as required by the consultation and participation plan (CPP) prepared for the project. Ensure that DOE is invited to participate in at least the formal public meetings held for environmental assessment of a subproject;
- vi) Submit the draft environmental assessment to ADB for clearance before formal submission to DOE for review and approval. Submit cleared environmental assessment through DSC team leader to FRA. Environmental assessments and requisite fee will be formally submitted to DOE by FRA;
- vii) Assist PMSS to undertake local public disclosure of the environmental assessment, respond to comments from the public and as required revise the assessment report;

Updating of EMP, preparation of bid documents and CEMP

- viii) During detailed design of each subproject, update the EMP reflecting any conditions on EIA approval required by DOE and prepare draft method statements for other management plans (to be integrated into EMP) as required including waste management plan (WMP), materials management plan (MMP), excavation protection and runoff control plan (ERCPC), noise and dust control plan (NDCP), drainage management plan (DMP), transport management plan (TMP), and health and safety plan (HSP);
- ix) Assist DSC procurement specialist and other DSC members as required to include the updated EMP and draft method statements (see item viii above) and relevant provisions and text from the approved environmental assessment into the bid documentation for civil works for each subproject;
- x) Prior to contract award, as requested by DSC team leader and FRA, assist in the review of contractor bids, in respect of response to environmental management provisions;
- xi) Prior to preparation and submission of the construction EMP (CEMP) by the contractor, provide introductory training to the contractor on general safeguard matters, EMP requirements and provisions and preparation of the CEMP;
- xii) Review the CEMP (including other plans as required - see item viii) for each subproject, suggest changes or revisions as required, and recommend to DSC and FRA that approval of the CEMP may be issued;

Monitoring and reporting

- xiii) Work with the supervising engineer to monitor the contractor's compliance with approved CEMP (and other plans), and as necessary conduct on-site spot-checks of contractor's mitigations and review contractor's monthly reports for each subproject. Request the supervising engineer to issue the contractor with corrective action orders where breaches of the CEMP are observed or non-compliance is noted through the GRM;
- xiv) Coordinate with the PMSS to establish an environmental monitoring and reporting system within FRA and contribute to QPR - including summary and compilation of relevant items from monthly reports prepared by contractors - to be prepared for FRA, ADB. The monitoring and reporting system will cover CEMP compliance;
- xv) At each stage of the process for each subproject ensure information is relayed to PMSS for updating of the safeguards tracking system;
- xvi) Work with the PMSS to ensure compliance with all assurances under the project; and
- xvii) Participate in implementations support missions.

Social Safeguards Specialists (international 5 pm; national 12 pm)

The SSS will have a graduate degree in social science or similar fields and experience (10 years for international and 5 years for national) in conducting social assessments, preparing

land acquisition and resettlement plans (LARP) and Indigenous Peoples Plan (IPP) in developing countries. The selected consultant(s) should also have proven experience in organizing and undertaking consultations with communities in ways that are sensitive to cultural and social culture and gender sensitive. The international specialist will take a lead and national specialist will assist the international specialist in undertaking all relevant tasks. The national social safeguard specialist should also have experience in the transport sector in Fiji and/or other Pacific countries would be an advantage. Together the SSS will:

Subproject screening and categorization

- (i) Review the scope and activities of the proposed subprojects and screen their potential impacts on land acquisition/involuntary resettlement (IR) and indigenous peoples (IPs);
- (ii) In conjunction with the PMSS, FRA's consultation officer, and ESS undertake or participate in consultations as required by the CPP prepared for the project;
- (iii) Conduct surveys, interviews and focus-group discussions to collect data for assessment of social impacts and preparation of safeguard planning documents;

Subproject social safeguards plans

- (iv) Coordinate with relevant government agencies for necessary information on affected land and land-based assets, and for coordination with the government's formal land acquisition procedures in accordance with relevant laws on land and land acquisition;
- (v) Prepare LARP for subprojects involving physical or economic displacements due to land acquisition or restriction on land use or access. The LARP must be based on the census of affected persons, inventory of losses, and socio-economic survey of affected person (APs). The LARP must follow the land acquisition and resettlement framework (LARF) approved for the project,²⁴ and should include gap-filling measures in case of any gaps between the SPS and OP 4.12 and country laws. The contents of the LARP should follow the outline provided in the LARF;
- (vi) Undertake due diligence or assessment of potential impacts on IPs and prepare an IP Plan or due diligence report, as required, according to SPS and OP 4.10 as stipulated in the IP Planning Framework (IPPF) or summary document;
- (vii) In coordination with FRA, undertake consultations with APs, IPs and other key stakeholders and disclose relevant information including the draft safeguard documents in accordance with the country's laws and ADB SPS. Based on the grievance redress mechanism (GRM) outlined in the ESMF, LARF and sample safeguard documents, provide support to the PMSS to develop a GRM for the project;
- (viii) Submit draft safeguard documents to ADB and FRA and finalize these incorporating comments from ADB and FRA;

Monitoring and reporting

- (ix) Develop a schedule to implement and monitor the approved/cleared LARPs and IPP at subproject level;
- (x) Conduct workshops and meetings, and provide guidance to the FRA on project-related resettlement issues and procedural requirements for social safeguards as required by SPS and OP 4.10 and OP 4.12;
- (xi) Provide inputs to the team leader on social safeguards required for other project documents;

²⁴ As per the approved LARF for the project, the LARP for each subproject will meet the requirements of Crown Lands Act and existing systems governing iTaukei lands plus additional elements or requirements so as to fully comply with SPS and OP 4.12.

- (xii) At each stage of the process for each subproject ensure information is relayed to PMSS for updating of the safeguards tracking system;
- (xiii) Work with the PMSS to ensure compliance with all assurances under the project; and
- (xiv) Participate in implementations support missions.

National Social Safeguard Specialist will also be responsible for the following tasks related to GAP implementation and monitoring:

- (i) Support the international social and gender specialist to conduct gender awareness training for FRA, project management unit, and design and supervision team, as outlined in the GAP;
- (ii) Under the guidance of the international social and gender specialist, prepare concrete plans to conduct community consultations for GAP implementation activities and arrange gender awareness training through NGOs or other women's groups as needed;
- (iii) Under the guidance of the international social and gender specialist, assist FRA and other project consulting teams to collect GAP and other project-related data disaggregated by sex;
- (iv) Assist FRA and PMU in updating progress in GAP implementation by conducting all required activities, monitoring progress in GAP, collecting sex-disaggregated data, and preparing GAP progress implementation matrix;
- (v) Assist FRA and the international social and gender specialist for all other tasks related to GAP implementation, monitoring, and reporting.

Subproject appraisal and detailed design technical and supporting staff (national 55 person months)

The consulting firm shall provide supporting staff including but not limited to engineers, surveyors, laboratory technicians, draftspersons, office administrators, and assistants as may be needed to satisfactorily undertake the subproject appraisals, feasibility studies, and detailed design.

Construction supervision technical and supporting staff (national 120 person months)

The consulting firm shall provide supporting staff including but not limited to inspectors, surveyors, laboratory technicians, office administrators, and assistants as may be needed to satisfactorily undertake the construction supervision.

D. Outputs

4. The design and supervision consultants will also be responsible for updating design and construction standards for roads and bridges to bring uniformity to constructed road and rural maritime assets in Fiji, incorporate climate change adaptation considerations for more climate resilient road and maritime transport infrastructure, and reflect current international standards for road geometry, pavements, drainage and associated structures. The updated standards will be formulated under the supervision of a civil engineer with post-graduate qualifications and at 5 years experience in developing building standards for roads, bridges, and rural jetties. A draft of the updated design and construction standards will be reviewed by MIT, FRA, and ADB prior to finalization.

5. The design and supervision consultants will submit subproject appraisals, feasibility studies, and detailed design in accordance with national design and construction standards, ADB guidelines and policies where applicable, and approved project documentation including the approved ESMF and LARP for approved subprojects with a total estimated value of F\$74 million or \$40 million equivalent. The timing of activities shall be in accordance with the

schedule of tasks in Table. All outputs will be submitted to FRA and ADB through FRA's project management team.

E. Others

6. The consultants will include in their financial proposal the cost of appropriate office accommodation, situated within close proximity to the FRA for design services. The consultants will make arrangements for facilities and equipment in country, and arrangements for international and local transportation.

7. For construction supervision, the consultants shall provide for appropriate site office accommodation, a materials testing laboratory, vehicles (including fuel and maintenance). A list of all equipment (office, laboratory, and survey equipment) will be provided with the request for proposals.