

# Project Administration Manual

Project Number: 43072

Loan and Grant Numbers: 2795-KIR, 0263-KIR, 0387-KIR

Last updated October 2016

Kiribati: South Tarawa Sanitation Improvement  
(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 and grant negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the Loan and Grant agreements. Such agreement shall be reflected in the minutes of the Loan and Grant Negotiations. In the event of any discrepancy or contradiction between the PAM and the Loan and Grant Agreement, the provisions of the Loan and Grant 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 statement
CLTS	–	community-led total sanitation
DMF	–	design and monitoring framework
EA	–	executing agency
EARF	–	environmental assessment and review framework
EIA	–	environmental impact assessment
EMP	–	environmental management plan
GACAP	–	governance and anticorruption action plan
GAP	–	gender action plan
IA	–	implementing agency
ICB	–	international competitive bidding
KFSU	–	Kiribati Fiduciary Services Unit
IEE	–	initial environmental examination
MELAD	–	Ministry of Environment, Lands and Agricultural Development
MFED	–	Ministry of Finance and Economic Development
MPWU	–	Ministry of Public Works and Utilities
NGO	–	nongovernment organization
O&M	–	operations and maintenance
PAI	–	project administration instruction
PAM	–	project administration manual
PAUS	–	Pacific Urban, Social Development and Public Management Division
PIU	–	project implementation unit
PPMS	–	project performance monitoring system
PUB	–	Public Utilities Board
QCBS	–	quality- and cost-based selection
RF	–	resettlement framework
RP	–	resettlement plan
RRP	–	report and recommendation of the President to the Board
SMF	–	sanitation maintenance fund
SOE	–	statement of expenditure
SPRSS	–	summary poverty reduction and social strategy
STSISP	–	South Tarawa Sanitation Improvement Sector Project
SPS	–	Safeguard Policy Statement
TOR	–	terms of reference

## I. PROJECT DESCRIPTION

1. South Tarawa comprises a series of islets located along the southern rim of Tarawa Atoll with a total land area of under 15 square kilometers (km<sup>2</sup>). High population density, poor hygiene practices, and inadequate sanitation infrastructure have contributed to a high prevalence of waterborne disease among the local population and degradation of the natural environment. The proposed project will support improvements to the health of communities in South Tarawa. This will be achieved through: (i) enhanced community engagement in, and public awareness of, hygiene and sanitation; (ii) rehabilitation and upgrading of sanitation infrastructure; (iii) capacity development in sector planning, and operations and maintenance (O&M) of urban water supply and sanitation services; and (iv) the creation of a sanitation maintenance fund to ensure adequate financing for sanitation infrastructure maintenance.

2. The impact of the project is the improved health of South Tarawa's population. The outcome of the project will be that South Tarawa's urban population has enhanced access to improved sanitation infrastructure and services.

### A. Outputs

3. The project will deliver the following outputs: (i) sanitation and hygiene practices among South Tarawa's population will be improved, (ii) wastewater in South Tarawa will be effectively managed by PUB, (iii) the MPWU and PUB will have the capacity to plan and manage water and sanitation services, (iv) adequate funds will be available to the PUB to finance sanitation O&M, and (v) project management and implementation services by the Ministry of Finance and Economic Development (MFED) and MPWU will ensure efficient and effective project implementation. The majority of project outputs will include specific gender design features to ensure women's participation in and access to project benefits.

4. **Output 1: Community engagement.** Sanitation and hygiene practices among South Tarawa's population will be improved. A comprehensive and sustained community awareness, education, and participation program will be designed and implemented to improve understanding of the close links among health, hygiene, water use, and sanitation practices at the urban and village household levels throughout South Tarawa. Awareness activities at the community level will be delivered through community mobilizers, engaged under the project, who will be trained in sanitation and hygiene promotion. A culturally appropriate media campaign will also be launched. The community engagement and public awareness programs will be implemented in coordination with development partners including the United Nations Children's Fund, the World Bank, and the New Zealand Aid Programme.

5. **Output 2: Improved sanitation infrastructure.** Priority water and sanitation infrastructure will be upgraded. High priority investments identified in the water supply and sanitation road map, 2011–2030 were selected as core subprojects. These include (i) rehabilitation of the existing Bairiki, Betio and Bikenibeu sewerage systems; (ii) upgrading works on three sewerage outfalls; and (iii) procurement of a sludge digester for septic tank effluent, and sewerage and septic tank cleaning equipment. Additional subprojects will be guided by the country's sector road map and investment plan, and will be selected during project implementation. Subprojects will be screened using eligibility criteria defined under the project.<sup>1</sup> An onsite sanitation pilot has been selected and confirmed as a candidate subproject to be

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<sup>1</sup> The Subproject Eligibility Criteria is accessible from the list of linked documents in Appendix 2 of the Report and Recommendation of the President to the Board of Directors for the proposed KIR: South Tarawa Sanitation Improvement Sector Project.

implemented under the project. To ensure the sustainability of investments, maintenance contracts to provide O&M support for up to 5 years following completion of civil works project are included under the project.

6. **Output 3: Capacity building.** The MPWU and PUB will have the capacity to plan and manage water and sanitation services. The project will strengthen the MPWU's capacity to plan and develop the sanitation and water supply sectors. The project will deliver training to PUB staff in financial management and O&M to ensure effective implementation of asset management plans. The project will also assist with the development and phased introduction of an appropriate tariff structure. To address critical skills gaps within the MPWU and PUB, at least two staff will be provided with the opportunity to obtain diplomas in engineering.

7. **Output 4: Sanitation maintenance fund.** Adequate funds will be available to the PUB to finance sanitation O&M. A dedicated sanitation maintenance fund (SMF) will be created under the MPWU to ensure that adequate resources are available to finance O&M activities that are critical for the sustainability of infrastructure investments. The SMF will be set up with \$0.74 million in grant funds. A tariff structure will be developed in consultation with the government and the Asian Development Bank (ADB) at the beginning of the project implementation period, and tariffs will be phased in over the life of the project. By the end of 2018, the PUB will be expected to recover at least 85% of O&M costs through user charges.

8. **Output 5: Project management.** Project management and implementation services by the MFED and MPWU will ensure effective and efficient project implementation. The existing Kiribati Fiduciary Services Unit (KFSU) established within the MFED to oversee large externally-financed infrastructure projects will also be responsible for overall project coordination, financial management, procurement, and project monitoring and reporting. The coordination, financial management, and procurement capacity of the KFSU will be strengthened with additional consultant support provided under the project. Consultants will assist in day-to-day administration, coordination, financial management, and project performance monitoring and reporting.

9. A project implementation unit (PIU) will be established within the MPWU to oversee project implementation. The PIU will be responsible for (i) civil works construction supervision; (ii) feasibility assessments for appraisal of additional subprojects; (iii) detailed design of additional subprojects; (iv) design, establishment, and management support for the SMF; (v) MPWU and PUB capacity building activities; (vi) community engagement and public awareness activities; (vii) implementation of the gender action plan (GAP); (viii) ensuring safeguards compliance; (ix) contract administration, including certifying payments to contractors; and (x) carrying out and evaluating the results of periodic baseline and monitoring surveys. The PIU will also assist the KFSU in preparing work plans and tender documents, and support the tender process, reporting, and other relevant tasks. Consultant support will be provided to the PIU to ensure effective project implementation.

10. The proposed project design incorporates a number of lessons learned by the previous ADB-supported Sanitation for Public Health and Environment improvement (SAPHE) project. A matrix which outlines these lessons and how these have been addressed is included in Appendix 1.<sup>2</sup>

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<sup>2</sup> ADB. 1998. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Republic of Kiribati for Sanitation, Public Health, and Environment Improvement*. Manila.

## II. IMPLEMENTATION PLANS

### A. Project Readiness Activities

**Table 1: Summary of Project Readiness Activities**

Indicative Activities	2011					2012		Who responsible
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	
Advance contracting actions		√						ADB
Project management implementation consultants Recruitment								EA <sup>3</sup>
<ul style="list-style-type: none"> <li>• Commencement</li> <li>• Completion</li> <li>• KFSU and PIU Establishment</li> </ul>		√				√	√	
ADB Board approval			√					ADB
Loan and grant signing				√				Government of Kiribati
Government legal opinion provided					√			EA
Loan and grant effectiveness						√		ADB

ADB = Asian Development Bank, EA = executing agency, PIU = project implementation unit, KFSU = project management unit.

<sup>3</sup> ADB will assist the government by putting out a Consultant Selection Recruitment Notice on its website, and providing ADB staff consultant support to assist the government with consultant recruitment.

**B. Overall Project Implementation Plan**

Activities	2012				2013				2014				2015				2016				2017				2018				2019			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<b>A. DMF</b>																																
<b>1. Community Engagement</b>																																
1.1 Prepare work program																																
1.2 Community-based activities																																
1.3 Public awareness campaign																																
1.4 Collect socio-economic data																																
<b>2. Sanitation Infrastructure</b>																																
2.1 Tendering and contract award																																
2.2 Procure sewer cleaning plant																																
2.3 Sewer and pump rehabilitation																																
2.4 Procure and install screens																																
2.5 Procure and install digester																																
2.6 Upgrade ocean outfalls																																
2.7 Group 1 candidate subprojects feasibility/design and tendering																																
2.8 Group 1 implementation																																
2.9 Group 2 candidate subproject feasibility/design, tendering																																
2.10 Group 2 implementation																																
<b>3. MPWU and PUB Capacity</b>																																
3.1 Provide advisor support																																
3.2. Carry out training activities																																
<b>4. Maintenance Fund</b>																																
4.1 Establish maintenance fund and capital injection																																
<b>5. Project management</b>																																
5.1 Establish KFSU																																
5.3 Implement GAP																																



Activities	2012				2013				2014				2015				2016				2017				2018				2019			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<b>B. Management Activities</b>																																
Carry out consultant recruitment																																
Environment management plan key activities																																
GAP key activities																																
Annual/Mid-term review																																
Quarterly progress report																																
Project completion report																																

DMF = design and monitoring framework, GAP = gender action plan, MPWU = Ministry of Public Works and Utilities, KFSU = project implementation unit, PUB = Public Utilities Board.

### III. PROJECT MANAGEMENT ARRANGEMENTS

#### A. Project Implementation Organizations – Roles and Responsibilities

Project implementation organizations	Management Roles and Responsibilities
<b>Executing agency</b> Ministry of Finance and Economic Development (Kiribati Fiduciary Services Unit)	<ul style="list-style-type: none"> <li>➤ Responsible for overall execution of the project</li> <li>➤ Coordinate with the IA on the preparation of withdrawal applications and submit to ADB</li> <li>➤ Responsible for maintaining separate project accounts; have all project accounts audited annually and sent to ADB</li> <li>➤ Responsible in the administration of two imprest accounts</li> <li>➤ Responsible for recruitment of project management and implementation consultants</li> <li>➤ Assisting MPWU in finalizing bid documents to comply with ADB requirements, evaluating bids and awarding works</li> <li>➤ Ensure compliance with loan and grant covenants</li> <li>➤ Support for procurement of civil works, equipment and goods and services</li> </ul>
<b>Project Steering Committee (National Infrastructure Development Steering Committee)</b>	<ul style="list-style-type: none"> <li>➤ Oversee and monitor all aspects of project implementation</li> <li>➤ Advise government on any issues raised or concerns and propose remedial actions</li> <li>➤ Endorse candidate subprojects for inclusion in the project</li> </ul>
<b>Implementing Agency</b> Ministry of Public Works and Utilities	<ul style="list-style-type: none"> <li>➤ Responsible for day-to-day implementation of the project</li> <li>➤ Prepare overall project implementation plan and consolidated annual work plan</li> <li>➤ Contract administration and supervision</li> <li>➤ Evaluating works carried out by contractors and certifying payments</li> <li>➤ Carry out environmental assessments and project performance management system</li> <li>➤ Implementing and monitoring the Gender Action Plan</li> <li>➤ Responsible for nominating and appraising candidate subprojects and development of detailed design and specifications</li> <li>➤ Prepare quarterly reports</li> <li>➤ Carry out socio-economic monitoring surveys to assess project impact</li> <li>➤ Ensure compliance with safeguards requirements</li> </ul>
Asian Development Bank	<ul style="list-style-type: none"> <li>➤ Monitor and review overall implementation in consultation with the EA and IA, including- project implementation schedule; actions required with reference to the summary poverty reduction and social strategy, gender action plan, environment management plan, and resettlement plan, if applicable; timeliness of budgetary allocations and counterpart funding; project expenditures progress with procurement and disbursement, statement of expenditures when applicable;</li> </ul>

Project implementation organizations	Management Roles and Responsibilities
	<p>compliance with loan and grant covenants; and likelihood of attaining project development objectives</p> <ul style="list-style-type: none"> <li>➤ Participate in annual workplan discussions</li> <li>➤ Responsible for administration of the selection of project management and implementation consultants in coordination with the IA</li> </ul>

ADB = Asian Development Bank, EA = executing agency, IA = implementing agency.

11. Ministry of Finance and Economic Development (MFED) will be the executing agency for the project. MFED is the central government agency responsible for preparing national budgets, debt management, revenue collection, economic planning and donor coordination. The existing KFSU that was established within MFED to oversee management of large externally-financed infrastructure projects will be used to manage the proposed project. Additional consultant support in the form of a national project finance officer and international procurement specialist will support the KFSU under the project to ensure that there is sufficient human resource capacity for effective and efficient project management.

12. The Ministry of Public Works and Utilities (MPWU) is the implementing agency for the project. The MPWU is a government line agency, and is the sector regulator responsible for the regulatory framework and policy setting of the water, sanitation and power sectors in Kiribati. A project implementation unit (PIU) will be established within MPWU to oversee project implementation. The PIU will consist of the following part-time international consultants: (i) a water supply and sanitation engineer/team leader, (ii) construction supervision and design engineer/deputy team leader, (iii) procurement specialist, (iv) environment specialist, (v) economics and financial specialist, (vi) financial management specialist, (vi) computer-aided drawing specialist, (vii) community engagement and gender specialist, (viii) capacity building and training specialist, (ix) advisor-financial management, (x) advisor- operations and maintenance, (xi) resettlement specialist. The PIU will also be provided with support from the following national consultants: (i) water supply and sanitation engineer, (ii) community engagement and gender officer, and (iii) safeguards officer.

13. MPWU is responsible for providing regulatory oversight of the Public Utilities Board (PUB). PUB is a state-owned enterprise responsible for the delivery of water, sanitation and power services in Kiribati. Although the PIU will be located within MPWU, consultants will work closely with PUB staff to support strengthened capacity for water and sanitation operations and maintenance. Future designation of PUB as a formal implementing agency will be considered during project implementation.

## B. Key Persons Involved in Implementation

### Executing Agency

Ministry of Finance and Economic Development	Officer's Name: Eriati Manaima Position: Secretary Telephone: (686) 21848 Email address: emanaima@mfep.gov.ki
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**Implementing Agency**

Ministry of Public Works and  
Utilities

Officer's Name: Benjamin Tokataake  
Position: Secretary  
Telephone: (686) 26982  
Email address: [secret@mpwu.gov.ki](mailto:secret@mpwu.gov.ki)

**ADB**

Pacific Subregional Office

Staff Name: Robert Jauncey  
Position: Regional Director  
Telephone No. + 679 331 8101  
Email address: [rjauncey@adb.org](mailto:rjauncey@adb.org)

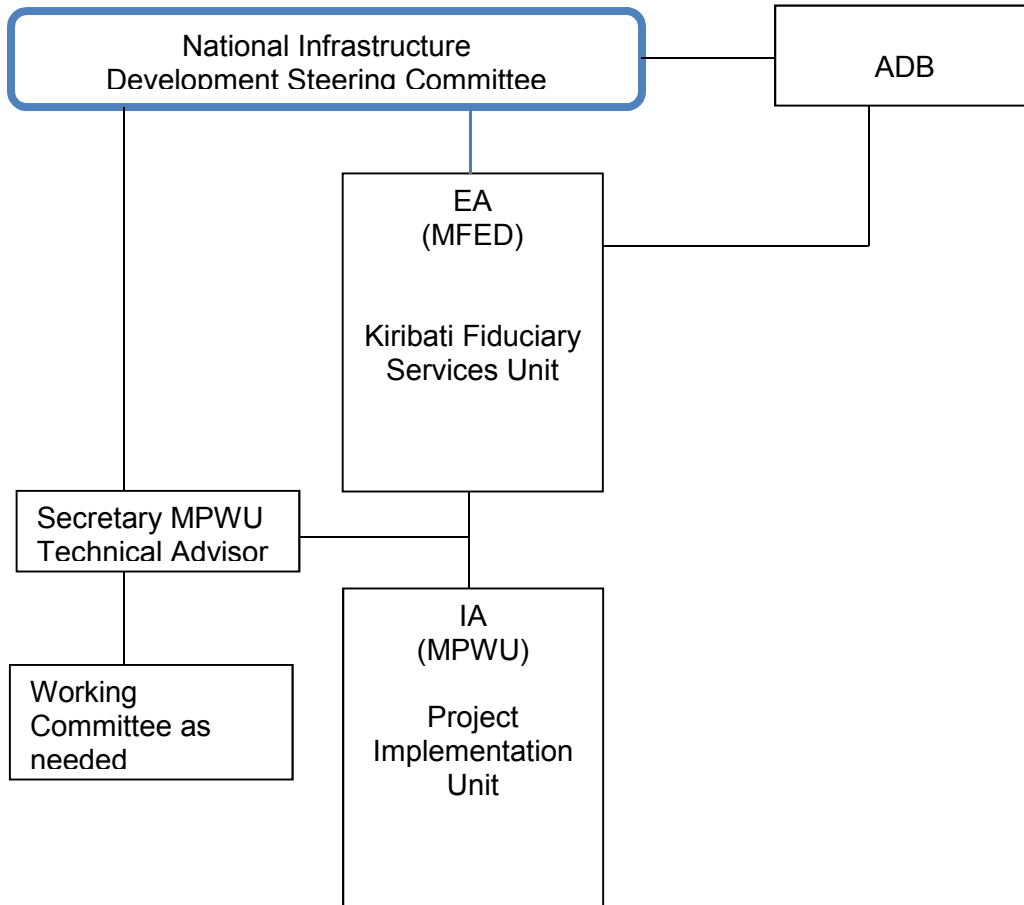
Mission Leader

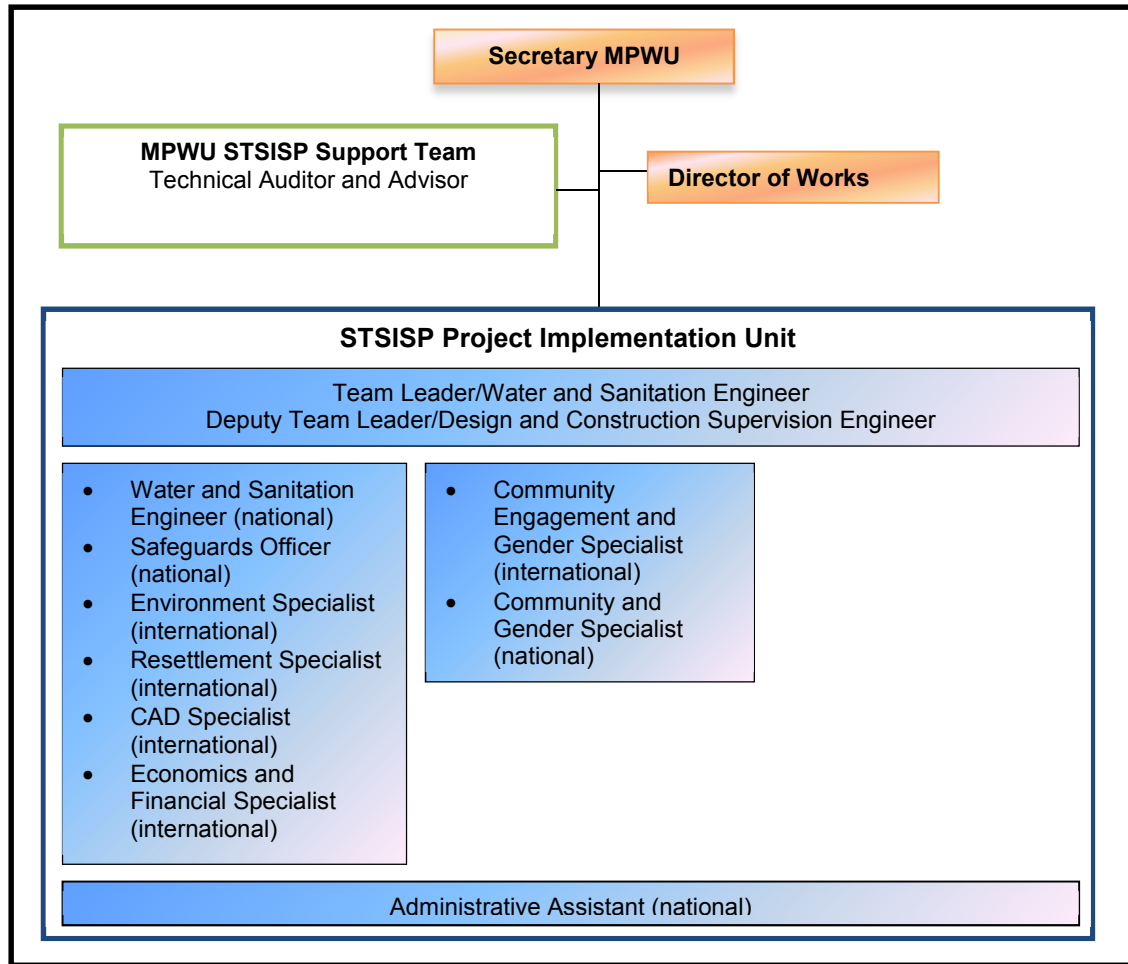
Staff Name: Jude Kohlhase  
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Project Analyst

Staff: Lavenia Uruvaru  
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### C. Project Organization Structure





#### IV. COSTS AND FINANCING

12. The current project cost is \$26.13 million, including taxes and duties, physical and price contingencies, and interest charged during implementation. The government has received a loan from the Asian Development Fund (ADF) of SDR 4.7 million to finance civil works activities and grant of \$2.8 million. An ADB grant of \$0.61 million was also provided through the Multi-Donor Trust Fund under the Water Financing Partnership Facility. The Government of Australia has provided a grant of \$13.95 million. The government will finance \$1.21 million equivalent to cover taxes and duties, land acquisition and resettlement costs, and contribution to the sanitation maintenance fund. Taxes and duties will be financed by the government through exemption. Detailed cost estimates are presented below.

##### A. Detailed Cost Estimates by Expenditure Category

Item	Local currency A\$ million	Foreign Currency US\$ million	% Total Base Costs
<b>A. Investment Costs</b>			
<b>1. Civil Works</b>			
Construction	7.28	9.54	41.8
Land Acquisition and Resettlement	0.05	0.06	0
Land acquisition consultations	0	0.01	0
<b>Subtotal</b>	<b>7.32</b>	<b>9.61</b>	42.1
<b>2. Plant &amp; Equipment</b>			
Plant & Equipment	4.08	5.26	23.1
<b>Subtotal</b>	<b>4.08</b>	<b>5.26</b>	23.1
<b>3. Capacity Building</b>			
Community awareness/education	0.77	1.01	4
Training	0.13	0.17	0.7
<b>Subtotal</b>	<b>0.90</b>	<b>1.18</b>	5
<b>4. Consulting Services</b>			
International consultants	2.56	3.35	15
National consultants	1.08	1.42	6
Consultant support costs	0.95	1.24	5
<b>Subtotal</b>	<b>4.59</b>	<b>6.01</b>	26
<b>5. Sanitation Maintenance Fund</b>			
Sustainable O&M	<b>0.57</b>	<b>0.74</b>	3
<b>Total BASELINE COSTS</b>	<b>17.46</b>	<b>22.80</b>	100
Physical Contingencies	0.98	1.28	6
Price Contingencies	0.45	0.59	3
<b>6. Duties &amp; Taxes</b>	0.76	0.99	4
<b>Total PROJECT COSTS</b>	<b>19.64</b>	<b>25.66</b>	113
Interest During Implementation	0.36	0.47	2
<b>Total Costs to be Financed</b>	<b>20.00</b>	<b>26.13</b>	114.6

## B. Allocation and Withdrawal of Loan and Grant Proceeds

13. Except as ADB may otherwise agree, each item of expenditure shall be financed from the proceeds of the loan and grant on the basis of the percentages set forth in the tables below.

<b>ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS</b> (South Tarawa Sanitation Improvement Sector Project - Additional Financing)			
<b>Number</b>	<b>Item</b>	<b>Total Amount Allocated for ADB Financing (\$)</b> <b>Category</b>	<b>Basis for Withdrawal from the Grant Account</b>
1	Works	2,800,000	100% of total expenditure claimed*
<b>Total</b>		<b>2,800,000</b>	

\*Exclusive of taxes and duties in the territory of the beneficiary.

### Grant 0387-KIR

<b>ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS</b> (South Tarawa Sanitation Improvement Sector Project)			
<b>Number</b>	<b>Item</b>	<b>Total Amount Allocated for MDTF Grant Financing (\$)</b> <b>Category</b>	<b>Basis for Withdrawal from the Grant Account</b>
1	Works	130,454	100% of total expenditure claimed*
2	Equipment	111,567	100% of total expenditure claimed*
3	Capacity Building	66,032	100% of total expenditure claimed*
4	Consulting Services	271,880	100% of total expenditure claimed*
5	Unallocated	30,067	
<b>Total</b>		<b>610,000</b>	

Exclusive of taxes and duties in the territory of the beneficiary.

### Loan 2795-KIR (SF)

<b>ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS</b> (South Tarawa Sanitation Improvement Sector Project)			
<b>Category</b>		<b>ADB Financing</b>	
<b>Number</b>	<b>Item</b>	<b>Total Amount Allocated for ADB Financing (SDR)</b>	<b>Percentage and Basis for Withdrawal from the Loan Account</b>
1	Works - Construction	2,313,000	48% of total expenditure claimed*
2	Equipment	1,915,000	50% of total expenditure claimed*
3	Financing (loan interest)	292,000	100% of amounts due
4	Unallocated	180,000	
<b>Total</b>		<b>4,700,000</b>	



\* Exclusive of taxes and duties in the territory of the beneficiary.

### Grant 0263-KIR

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (South Tarawa Sanitation Improvement Sector Project)				
CATEGORY			ADB FINANCING	
Number	Item	Total Amount Allocated for Australian Financing \$		Percentage and Basis for Withdrawal from the Grant Account
		Category	Subcategory	
1	Works	3,190,000		
1B	Construction		3,185,000	52% of total expenditure claimed*
1C	Land acquisition consultations		5,000	100% of total expenditure claimed*
2	Equipment	2,060,000		50% of total expenditure claimed*
3	Capacity Building	1,119,000		
3A	Community Awareness		1,010,000	100% of total expenditure claimed*
3B	Training		109,000	100% of total expenditure claimed*
4	Consulting Services	5,798,200		
4A	International consultants		3,180,000	100% of total expenditure claimed*
4B	National consultants		1,390,000	100% of total expenditure claimed*
4C	Consultant support costs		1,153,200	100% of total expenditure claimed*
4D	Vehicles		75,000	100% of total expenditure claimed*
5	Sanitation Maintenance Fund <sup>a</sup>	601,425		90% of total expenditure claimed
7	Unallocated <sup>b</sup>	1,181,375		
<b>Total</b>		<b>13,950,000</b>		

\* Exclusive of taxes and duties in the territory of the beneficiary.

<sup>a</sup> Requires ADB approval of Sanitation Maintenance Fund design prior to disbursement.

<sup>b</sup> May be used towards audit costs, bank charges, and a provision for foreign exchange fluctuations, etc. Of the total unallocated, \$0.650m has already been allocated as ADB's administration fee.

### C. Detailed Cost Estimates by Financier

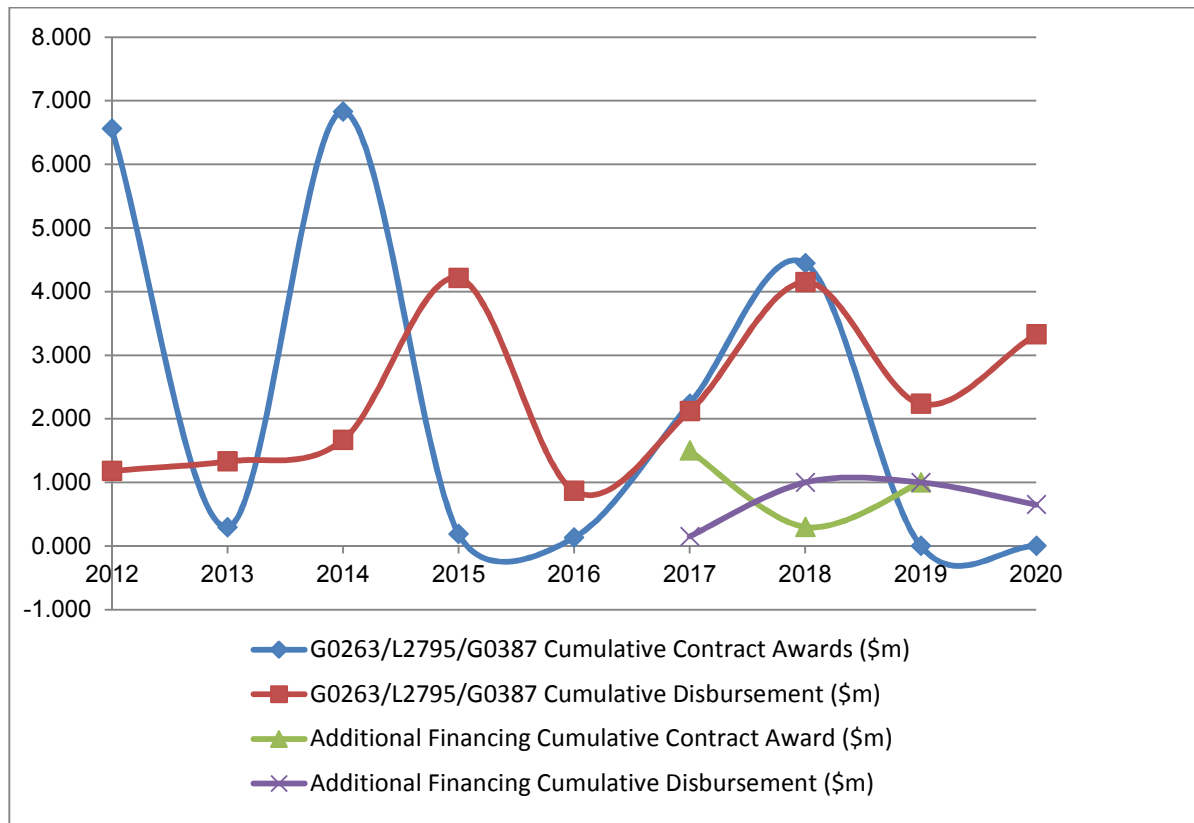
(US\$ million)												
Item	Government		ADB				Government of Australia <sup>b</sup>		WFPF		Total	
			Original Financing		Additional Financing							
	\$ million	%	\$ million	%	\$ million	%	\$ million	%	\$ million	%	\$ million	%
<b>A. Investment Costs</b>												
<b>1. Civil Works</b>												
Construction	-	-	3.72	53.8	-	-	3.19	46.2	-	-	6.91	30.3
Construction (AF)	-	-	-	-	2.50	100	-	-	-	-	2.50	11.0
Construction (onsite pilot)	-	-	-	-	-	-	-	-	0.13	100	0.13	0.6
Resettlement Census and Compensation	0.06	100	-	-	-	-	-	-	-	-	0.06	0.3
Land Acquisition Consultations	-	-	-	-	-	-	0.01	100	-	-	0.01	0.0
<b>Subtotal</b>	0.06	0.6	3.72	38.7	2.50	26	3.19	33.2	0.13	1.35	9.61	42.1
<b>2. Plant &amp; Equipment</b>												
Plant & Equipment	-	-	3.08	59.92	-	-	2.06	40.1	-	-	5.14	22.5
Equipment (onsite pilot)	-	-	-	-	-	-	-	-	0.12	100	0.12	0.5
<b>Subtotal</b>	-	-	3.08	58.6	-	-	2.06	39.2	0.12	2.28	5.26	23.1
<b>3. Capacity Building</b>												
Community awareness/education	-	-	-	-	-	-	1.01	100	-	-	1.01	4.4
Community awareness (onsite pilot)	-	-	-	-	-	-	-	-	0.06	100	0.06	0
Training	-	-	-	-	-	-	0.11	100	-	-	0.11	0.5
<b>Subtotal</b>	-	-	-	-	-	-	1.12	95	0.06	5.09	1.18	5.2
<b>4. Consulting Services</b>												
International consultants	-	-	-	-	-	-	3.18	100	-	-	3.18	13.9
International consultants (onsite pilot)	-	-	-	-	-	-	-	-	0.17	100	0.17	0.7
National consultants	-	-	-	-	-	-	1.39	100	-	-	1.39	6.1
National consultants (onsite pilot)	-	-	-	-	-	-	-	-	0.03	100	0.03	0.1
Consultant support costs	0.02	1.7	-	-	-	-	1.15	98	-	-	1.173	5.1
Consultant support costs (onsite pilot)	-	-	-	-	-	-	-	-	0.07	100	0.07	0.3
<b>Subtotal</b>	0.02	0.3	-	-	-	-	5.72	95.2	0.27	4.49	6.01	26.4

<b>5. Sanitation Management</b>												
O&M	0.14	19	-	-	-	-	0.60	81	-	-	0.74	3.3
<b>TOTAL BASE COSTS</b>	<b>0.22</b>	1.0	<b>6.80</b>	29.8	<b>2.50</b>	11	<b>12.69</b>	55.7	<b>0.58</b>	2.54	<b>22.80</b>	100
<b>Taxes and Duties</b>	0.75	100	-	-	-	-	-	-	-	-	0.75	3.30
<b>Taxes and Duties (onsite pilot)</b>	0.01	100	-	-	-	-	-	-	-	-	0.01	0.05
<b>Taxes and Duties (AF)</b>	0.23	100									0.23	1.00
Physical contingency	-	-	0.22	21.2			0.82	78.8	-	-	1.04	4.56
Physical contingency (onsite pilot)									0.02	100	0.02	0.07
Physical contingency (AF)					0.23	100					0.23	1.00
Price contingency	-	-	0.07	13.7			0.44	86.3	-	-	0.51	2.24
Price contingency (onsite pilot)									0.01	100	0.01	0.05
Price contingency (AF)					0.07	100					0.07	0.30
Interest During Implementation	-	-	0.47	100			-	-	-	-	0.47	2.06
<b>TOTAL PROJECT COST</b>	<b>1.21</b>	4.6	<b>7.56</b>	28.9	<b>2.80</b>	11	<b>13.95</b>	53.4	<b>0.61</b>	2.33	<b>26.13</b>	114.6

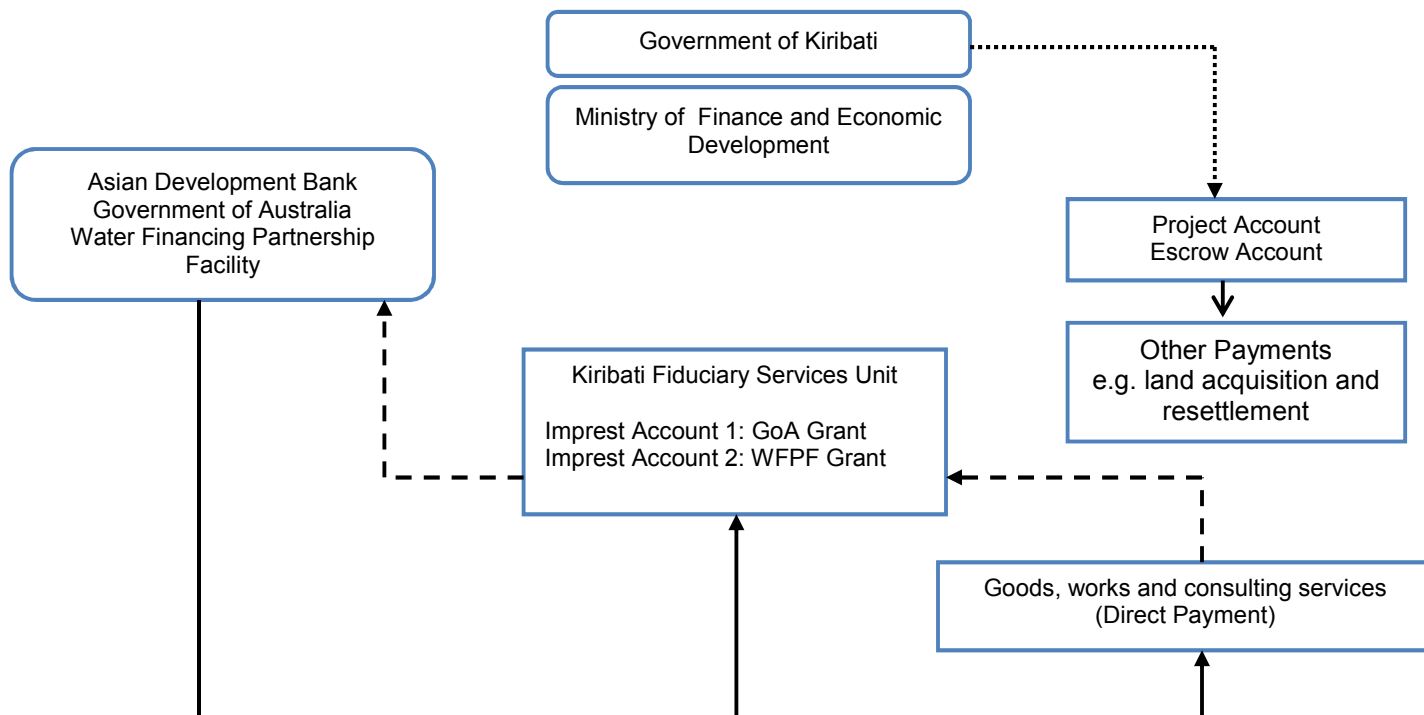
<sup>a</sup> Consultant support costs for land acquisition, to be financed by the Government at 100%.

Amounts and percentages may not sum to exact amounts due to rounding.

<sup>b</sup> This amount includes the ADB administration fee, audit costs, bank charges, and a provision for foreign currency fluctuations (if any) to the extent that these items are not covered by the investment income earned on this grant, or any additional grant contribution by the Government of Australia.

**D. Contract and Disbursement S-Curve**

**E. Funds Flow Diagram**



- = Payments released to imprest accounts and/or directly to contractors
  - -> = Withdrawal application prepared by KFSU and forwarded to MFED
  - .....→ = Funds transfer from Government of Kiribati to Project Account
  - - -> = Reimbursement of funds from ADB to Government of Kiribati
- KFSU= Kiribati Fiduciary Services Unit, GoA= Government of Australia, MFED= Ministry of Finance and Economic Development, WFPF= Water Financing Partnership Facility  
 Source: Asian Development Bank

## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

14. Financial due diligence of the Tarawa Sanitation Improvement Sector Project was undertaken in accordance with ADB's *Financial Management and Analysis of Projects Guidelines*.<sup>4</sup> Financial management assessments were prepared for the Public Utilities Board (PUB) and the Ministry of Public Works and Utilities (MPWU). MPWU is the main implementing agency for the project through a project implementation unit (PIU) setup within the ministry.

#### 1. Country Level Issues

15. In the last few years, the Government of Kiribati, with support from its partners has been able to progressively improve its management of public finances by- (i) eliminating the backlog of central government financial statements, (ii) enabling more up-to-date audits of these statements, (iii) reducing the backlog of financial statements and audit of public enterprises, and (iv) strengthening and starting to modernize its tax and customs administration. However, a number of weaknesses remain. While annual monitoring of public enterprises (PEs) has improved with the setting up of the PE monitoring Unit within MFED, the lack of up-to-date and accurate financial information in some PEs continues to be a problem.

16. The use of expenditure commitment controls has improved significantly with the installation of Access databases in a number Ministries and government is looking to exoand the installation of these databases in all line Ministries. . Although financial laws and regulations have been updated periodically since their original enactment in the mid-1970s, there are still concerns that they do not reflect current business practices or modern public financial management, understanding of and compliance with existing regulations are also noted to be weak. Internal audit is weak; it does not have its own mandate and is not actively involved in systems monitoring, partly due to limited capacity and partly because of a general lack of understanding of its importance in the overall internal control framework.

17. Although work is ongoing to improve the timeliness of bank reconciliations and retirement of advances, there is a significant backlog for the main government accounts and frequent (weekly reconciliation of some of the acconts) reconciliation will ensure the timeliness of bank reconciliation. In-year budget reports (for recurrent expenditure) are prepared monthly, but there are major concerns over the reliability of the data. Many ministries maintain their own systems and reconciliations between MFED and line ministry data is a problem. A massive effort has taken place to bring central government financial statements up to date. They are prepared in accordance with the legislation (1976 Public Finance (Control and Audit) Act, but there are no national accounting standards in Kiribati, and they are not compliant with international public sector accounting standards. The Auditor General has issued a qualified opinion on all the government's recent financial statements.

18. In the last 4 years, there has been a major effort by the Kiribati National Audit Office to audit the central government's accounts and to begin a rigorous auditing regime, following international auditing standards. The Office's independence is established in the Constitution, although some issues remain on independence over personnel recruitment and financial resources. Parliament reviews the estimates, although it has only had limited time for scrutiny and at a relatively late stage in the budgeting process. The Public Accounts Committee reviews

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<sup>4</sup> ADB. 2005. *Financial Management and Analysis of Projects*. Manila.

the auditor general's reports, conducts widespread hearings, and produces reports with recommendations. In the last few years, there has been a marked improvement in management response to their recommendations.

## 2. Risk Analysis

19. The financial management capacity assessment identified the principal risks as being: (i) limited experience of project financial staff with ADB-financed projects, and (ii) generally limited financial management capacity within MPWU. MPWU has had some experience in the implementation of projects funded by multilateral funding agencies. However, some training in ADB procedures for KFSU and PIU staff will be required, particularly in procurement, disbursement, and project management procedures. A capacity development component to strengthen financial management systems and to provide training is included in the project.

## 3. Risk Mitigation

20. Mitigation measures recommended as being necessary to address underlying risks include: (i) strengthening the capacity of the KFSU within MFED to manage project funds supported by a national consultant with expertise in financial management; (ii) development of a financial management training plan to be prepared and all project financial staff to be trained before and during project implementation; (iii) financial management manual for KFSU to standardize project financial management procedures and provide guidance to project financial staff on ADB/World Bank requirements; and (iv) the terms of reference for the required external audits to be agreed upon with the ADB.

## B. Disbursement

21. The ADB Loan, and the Government of Australia and WFPF Grant proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time),<sup>5</sup> and detailed arrangements agreed upon between the Government of Kiribati and ADB. Online training for project staff on disbursement policies and procedures is available at: [http://wpgr4.adb.org/disbursement\\_elearning](http://wpgr4.adb.org/disbursement_elearning). Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

22. Direct payment will be used for goods with a value that exceeds A\$100,000 equivalent, international consulting services, and works that exceed A\$100,000 equivalent in value during project implementation, except for sanitation infrastructure and equipment maintenance contracts, which will be funded from the sanitation maintenance fund created under the project. A dedicated project account for counterpart funds will be established from which project payments will be made. The account will be established immediately after loan and grant effectiveness to ensure project implementation and timely disbursement. The KFSU will prepare project disbursement projections (budgets) and submit to the MFED for approval and for release of funds in accordance with government financial management procedures. The government contribution to project costs will be budgeted for in each project year with necessary funds placed in the dedicated project account at the beginning of the financial year to cover such expenditure.

24. The government will open two separate imprest accounts, one each for the Government of Australia Grant and WFPF grant proceeds. The Government of Australia Grant project

<sup>5</sup> Available at: <http://www.adb.org/sites/default/files/institutional-document/33606/adb-loan-disbursement-handbook.pdf>

imprest account will be used to disburse funds for national consultants recruited on an individual basis, and small community engagement and training activities. The WFPF Grant imprest account will be used to finance national consultants engaged to support onsite sanitation pilot activities, training and household consultation activities, and small goods and works expenditures. The imprest accounts will be established, managed, and liquidated in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time) and detailed arrangements agreed by the government and ADB. The maximum ceilings of the respective imprest accounts will not at any time exceed A\$100,000 for the Government of Australia Grant account, and A\$66,000 for the WFPF Grant account. The currency of the imprest accounts will be the Australian dollar. The imprest accounts, which will be opened at a commercial bank, will be used exclusively for Australian and WFPF co-financed share of eligible expenditures.<sup>6</sup> MFED, through the KFSU, as executing agency will be accountable and responsible for proper use of advances to the imprest accounts. MFED may request for initial and additional advances to the respective imprest accounts based on an Estimate of Expenditure Sheet setting out the estimated expenditures to be financed through the respective imprest accounts for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by MFED in accordance with ADB's *Loan Disbursement Handbook* when liquidating or replenishing the imprest accounts.

25. Before the submission of the first withdrawal application, the government will submit to the ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. All withdrawal applications will be consolidated by the Ministry of Finance and submitted to ADB. The minimum value per withdrawal application is A\$100,000 equivalent for the ADB loan and grant and Government of Australia Grant account, and A\$50,000 equivalent for the WFPF Grant account, unless otherwise accepted by ADB. Individual payments below this amount should generally be paid from the imprest account (or the Government of Australia or WFPF grants) or by MFED and subsequently claimed to ADB through reimbursement. ADB reserves the right not to accept withdrawal applications below the minimum amount.

26. A sanitation maintenance fund (SMF) will be created under MPWU to ensure that sufficient funds are available to fully execute PUB's sanitation asset management plans. The SMF will be used to fund sanitation infrastructure and equipment maintenance contracts during the project implementation period. The SMF arrangements must be reviewed and approved by government and ADB to ensure adequate fiduciary controls and necessary disbursement arrangements are developed, prior to project funds for the SMF being disbursed.

27. An escrow account will be used for government-financed land compensation payments for land sites that are disputed by multiple landowners. Once a court ruling has been made, compensation payment will be made to the rightful landowner.

### **C. Accounting**

28. MFED, through the KFSU, will maintain separate project accounts and records by funding source for all expenditures incurred on the project. Project accounts will follow international accounting principles and practices.

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<sup>6</sup> Bank charges incurred in the operation of the imprest accounts may be financed from the grant proceeds.



## **D. Auditing**

29. MFED, through the KFSU, 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 the National Audit Office. The audited project financial statements will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the executing agency.

30. The annual audit report 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. MFED, through the KFSU, shall furnish to ADB, on an annual basis during a period from loan effectiveness to loan closing, no later than 1 month after approval by the relevant authorities, copies of its annual audited financial statements in the English language audited by an the National Audit Office, provided that qualifications, experience and terms of reference are acceptable to ADB.

32. 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.

33. The Government of Kiribati and the MFED 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. ADB reserves the right to require a change in the auditor in a manner 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.

34. 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). 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.

## **VI. PROCUREMENT AND CONSULTING SERVICES**

35. A Procurement Capacity Assessment of the EA, MFED, has established that although it has had recent experience with the ADB/World Bank Roads Improvement Project, and the previous ADB Sanitation for Public Health and Environmental Improvement Project, procurement capacity remains weak. To address capacity gaps within the executing and implementing agencies, the PIU will be supported by an international procurement specialist consultant to assist with procurement of civil works, equipment and services. In addition, a procurement review for effective implementation (PREI) will be carried out during project mid-term review.

## A. Advance Contracting

36. All advance contracting will be undertaken in conformity with ADB's *Procurement Guidelines* (2015, as amended from time to time)<sup>7</sup> and ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).<sup>8</sup> The issuance of invitations to bid under advance contracting will be subject to ADB approval. The borrower, MFED and MPWU have been advised that approval of advance contracting does not commit ADB to finance the project.

37. The government has requested that ADB administer the process of advertising, short-listing and evaluation of proposals of the project management and implementation consultants using quality- and cost-based selection (QCBS) selection under advance action to facilitate commencement of the project and to avoid project implementation delays. No other advance contracting is envisaged.

## B. Procurement of Goods, Works and Consulting Services

38. All procurement of goods and works will be undertaken in accordance with ADB's *Procurement Guidelines* (2015, *amended from time to time*).

39. International competitive bidding procedures will be used for civil works contracts, and the use of national competitive bidding, is not envisioned under the project. Shopping will be used for contracts for procurement of works and equipment worth less than \$100,000.

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

41. A consulting firm will be engaged using the QCBS method with a standard quality: cost ratio of 80:20. Additional consultants for positions outlined in the Procurement Plan will be recruited through individual consultant selection. All consulting services will be carried out in accordance with ADB's *Guidelines on the Use of Consultants* (2013, amended from time to time). The KFSU will follow national labor regulations, and is expected to offer equal opportunities to women. The terms of reference for all consulting services are detailed in Section D.

## C. Procurement Plan

### Basic Data

<b>Project Name:</b> South Tarawa Sanitation Improvement Sector Project (formerly Tarawa Sanitation Improvement Project)	
<b>Project Number:</b> 43072-013	<b>Approval Number:</b> 2795/0263/0387
<b>Country:</b> Kiribati	<b>Executing Agency:</b> Ministry of Finance and Economic Development
<b>Project Procurement Classification:</b>	<b>Implementing Agency:</b> Ministry of Works and Public Utilities
<b>Project Procurement Risk:</b>	
<b>Project Financing Amount:</b> US\$ 23,090,000 <b>ADB Financing:</b> US\$ 7,560,000 <b>Cofinancing (ADB Administered):</b> US\$ 14,560,000 <b>Non-ADB Financing:</b> US\$ 970,000	<b>Project Closing Date:</b> 30 September 2019
<b>Date of First Procurement Plan:</b> 17 October 2011	<b>Date of this Procurement Plan:</b> 2 August 2016, Version 1

<sup>7</sup> Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>.

<sup>8</sup> Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>.

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

**1. Procurement and Consulting Methods and Thresholds**

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	Comments
International Competitive Bidding for Goods	US\$ 1,000,000 and Above	
Shopping for Goods	Up to US\$ 100,000	
International Competitive Bidding for Works	US\$ 3,000,000 and Above	
Shopping for Works	Up to US\$ 100,000	

Consulting Services	
Method	Comments
Quality- and Cost-Based Selection for Consulting Firm	80:20 quality cost ratio
Individual Consultants Selection for Individual Consultant	National and International

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

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
None							

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

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
tbd06	Consulting services-design and delivery of public awareness campaign	430,000.00	ICS	Prior	Q1 / 2015	BTP	Assignment: National Expertise: Yet to be recruited.

**4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)**

The following table lists smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package	General	Estimated	Number of	Procurem	Review	Bidding	Advertise	Comments

Number	Description	Value	Contracts	ent Method	(Prior/ Post)	Procedure	ment Date (quarter/year)	
tbd08	Sludge digester with mixing and dewatering units and a flare	840,000.00	1	ICB	Prior	1S1E	Q1 / 2014	Approved on 28Jul16 to change to a Sludge Drying Bed and a variation order to be issued to ICB01 Cotntractor
tbd09	Milli-screens for primary treatment of discharge to the Betio, Bairiki and Bikenibeu ocean outfalls, including disinfection dosing units with each	390,000.00	1	ICB	Prior	1S1E	Q4 / 2013	Approved on 28Jul16 to change to Manual Screening proposed to be part of a variation order to ICB01 contractor
tbd10	Sewer cleaning equipment: one truck-mounted multi-vac water jetting and vacuum sucking unit, one trailer-mounted water jetting unit, one septage pump truck	690,000.00	1	ICB	Prior	1S1E	Q4 / 2015	Yet to be procured. It was expected to procure in Q4 2015.
tbd12	Vehicles	75,000.00	1	SHOPPING	Post		Q4 / 2011	Comments: 2 contracts; Procured under PMU/PIU consulting services contract
tbd13	Office and Information technology equipment	17,000.00	1	SHOPPING	Post		Q4 / 2011	4 contracts; Procured under PMU/PIU consulting services contract
tbd14	Office supplies and printing	51,000.00	1	SHOPPING	Post		Q4 / 2011	Procured under Project Accountant's services

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
tbd11	Community beneficiaries training	56,000.00	1	ICS	Prior	Q1 / 2016	BTP	Assignment: National Expertise: Design and delivery of training courses and workshops for community beneficiaries expected to commence Q1 2016.

## B. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
tbd15	Sewerage system maintenance contract infrastructure	1,440,000.00	1	ICB	Prior	1S1E	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Large Works Comments: 1 package
tbd16	Civil works	350,000.00	1	ICB	Prior	1S1E	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Large Works Comments: Candidate subprojects is now part of the Onsite Sanitation Project.
tbd17	Civil works	300,000.00	1	ICB	Prior	1S1E	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Large Works Comments: Candidate subproject is now part of the Onsite Sanitation Project.

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior/Post)	Type of Proposal	Comments
tbd04	Project management and implementation consultants	5,020,000.00	1	QCBS	Prior	FTP	Assignment: National Quality-Cost Ratio: 80:20 Comments: Contract awarded to SMEC Pty Ltd., Australia for US\$5,2 million equivalent. Contract period: 05 June 2012 to 16 Sept 2019. (PAUS to confirm package number and type of proposal)

### C. List of Awarded and On-going, and Completed Contracts

The following tables list the awarded and on-going contracts, and completed contracts.

#### 1. Awarded and Ongoing Contracts

Goods and Works							
Package Number	General Description	Estimated Value	Awarded Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
ICB01	Civil works- Rehabilitation of existing sewerage systems at Betio, Bairiki and part of Bikenibeu, including the supply of saltwater intake pumps and in-	5,960,000.00	7,222,019.97	ICB	Q4 / 2013	02-MAY-14	

	line sewerage pumps, electrical switch boards and pump controls						
ICB02	Civil works-upgrading of the existing ocean outfalls at Betio, Bairiki and Bikenibeu	4,010,000.00	5,214,602.00	ICB	Q3 / 2015	19-JUL-16	

Consulting Services							
Package Number	General Description	Estimated Value	Awarded Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
tbd05	Consulting services-community mobilizers	650,000.00	600,000.00	ICS	Q1 / 2013	27-MAY-13	

#### D. Consultant's Terms of Reference

48. The project will consist of the following major components: (i) community engagement to facilitate improved hygiene and sanitation behavior; (ii) civil works to rehabilitate, upgrade and improve disposal of the sewage; (iii) capacity building for MPWU and PUB; (iv) improved maintenance of sanitation infrastructure; and (v) project management to support all tasks above.

**Table 2: Summary of Consulting Services' Inputs**

International Specialists	Person-Months	Status
Water Supply and Sanitation Engineer Team Leader	18.5	25.55
Construction Supervision and Design Engineer/ Deputy Team Leader	38.32	Extension 4 months pending.
Procurement Specialist	6.32	
Sanitation Specialist	2.86	
Environment Specialist	4	
Resettlement Specialist	4.5	
Economics and Financial Specialist	3	
Financial Management Specialist	3	
Computer-Aided Drawing Specialist	3.47	
GIS Specialist	1.0	
Community Engagement and Gender Specialist	22.57	15
Capacity Building and Training Specialist	6	
Technical Communicator	4	
Advisor- Financial Management	8.9	
Advisor- Operations and Management	14	
Technical Advisor/Auditor	10.5	
National Specialists	Person-Months	
Project Coordinator	12	
Water Supply and Sanitation Engineer	30	
Community Engagement and Gender Officer	82	
Safeguards Officer	15	
Administration Assistant	80	
Finance Officer	36	

<b>International Specialists</b>	<b>Person-Months</b>	<b>Status</b>
Sanitation and Gender Community Mobilizers*	720	

## **VII. SAFEGUARDS**

49. Pursuant to ADB's *Safeguard Policy Statement* (2009),<sup>9</sup> ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth in Appendix 5 of the *Safeguard Policy Statement*. All financial institutions will ensure that their investments are in compliance with applicable national laws and regulations and will apply the prohibited investment activities list of the *Safeguard Policy Statement* to subprojects financed by ADB.

50. The project, including the civil works, has been classified as Category B for environment and involuntary resettlement. Framework documents have been prepared to prescribe the safeguard requirements for the project, which includes an environmental assessment review framework and a resettlement framework. A Resettlement Plan and initial environment examinations (IEEs) have also been prepared for ongoing subproject implementation.

51. The MPWU as the IA, will have overall responsibility for the project's compliance with safeguard requirements. The MFED will also coordinate with relevant government agencies, including the Ministry of Environment, Lands and Agriculture Development (MELAD), as needed. The project implementation unit (PIU) will be responsible for following the government's safeguards assessment procedure and ADB's *Safeguard Policy Statement* (2009) and will obtain safeguards clearance from ADB and the government prior to the start of civil works.

52. The team leader and deputy team leaders of the PIU will manage the day-to-day activities, including safeguard activities. The international environmental specialist and the national safeguards (environment and resettlement) officer will be responsible for facilitating and supervising implementation of the environmental management plan (EMPs) which will include (i) revising the construction section of the EMPs and ensuring their inclusion in the Bid and Contract documents, (ii) reviewing and approving the contractor's EMPs, (iii) training of contractors in implementing the EMPs and monitoring requirements, (iv) undertaking compliance monitoring of the EMPs, and (v) preparing the necessary environmental assessment of future candidate subprojects.

53. The environmental specialist and safeguards (environment and resettlement) officer will also be responsible for carrying out an environmental impact assessment in accordance with national laws and the requirements of the MELAD. The consultants will also support MPWU in its application for environmental licenses for the subprojects and in meeting ADB's safeguard compliance requirements for a Category B project. Monthly compliance reports will be prepared and submitted to MELAD and will be incorporated into the quarterly progress reports. The civil works contracts will contain appropriately scaled remedies for non-compliance.

54. The resettlement specialist and safeguards (environment and resettlement) officer will be responsible for social safeguards, including (i) preparation and implementation of the resettlement plans (RPs) to negotiate settlements, and (ii) facilitation of consultations as required at various stages of the project and individual subprojects. Specifically, during the land acquisition and resettlement process, if required, they will ensure that entitlements and

<sup>9</sup> Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>.

mitigation measures established in the RPs are consistent with the RF; and suitable budgetary provisions are made for timely RP implementation. They will also ensure that funds for compensation and entitlements under the RP, provided through MFED or its contractors, are fully provided to development plans prior to the commencement of works and activities. For candidate subprojects, the resettlement specialist will prepare either (i) a satisfactory RP as per the agreed upon RF for subproject's involving land acquisition and resettlement; or (ii) a due diligence report documenting the screening and consultation process, when a formal RP is not required.

55. The environmental and resettlement specialists will be responsible for strengthening MPWU and national consultants' capacity in environmental management and resettlement including undertaking on-the-job training and supporting the national officers so that, during the project, they are able to carry out the safeguard programs. The environmental and resettlement specialists will ensure that MPWU staff acquires an understanding of the principles and processes of environmental assessment. This should be sufficient to enable MPWU staff to (i) prepare environmental assessments for smaller projects, and (ii) engage and direct consultants in the preparation of environmental assessments for more complex subprojects.

56. In addition the Environment and Social Specialist and the National Safeguards Officer will assist the MWPU to submit semi-annual safeguard monitoring reports. This standard template attached as Appendix 6 will document safeguard issues as they arise and the corrective actions taken by the IA and contractor to mitigate them.



## VIII. GENDER AND SOCIAL DIMENSIONS

### A. General

57. The project gender action plan (GAP) will ensure that project benefits flow to women. The GAP will address awareness and behavior change campaigns, the engagement of gender and community engagement specialists, both women and men, as community mobilizers; provision of 50% of scholarship opportunities for sanitation engineers/technicians to women, and gender sensitivity training to project implementers and Public Utilities Board (PUB)/ Ministry of Public Works and Utilities (MPWU) staff.

58. The GAP will be implemented by the project implementation unit (PIU) which will include one full-time national community engagement and gender officer under the supervision of the international (part-time) community engagement and gender specialist, both of whom will be responsible for the community engagement and gender aspects in the PIU. The specialists will be responsible for incorporating the GAP into project planning and implementation programs, including awareness workshops and establishment of gender-disaggregated indicators for project performance and monitoring.

59. Gender and social dimensions of the project will be monitored by the project management unit (KFSU) and the subcontractor with the international specialist as a focal person. For each subproject area, the international specialist will establish performance monitoring system indicators measuring implementation of the GAP matrix. The national and international gender specialists will conduct monitoring activities through collecting gender-disaggregated baseline data given outputs to be provided by the subcontractor, under the guidance of the international specialist. The monitoring results will be used for midterm and final monitoring and evaluation for each subproject area.

60. The KFSU will report the progress of GAP activities in regular progress reports on overall project activities to ADB and the government.

## B. Gender Action Plan

Project Outputs	Activity/Strategy	Performance/Target Indicators	Responsibility
<p><b>Outputs</b></p> <p>1. Sanitation and hygiene practices among South Tarawa's population will be improved.</p>	<ul style="list-style-type: none"> <li>• Appoint part-time international community engagement and gender specialist to design awareness campaign and to train national specialist and sanitation and gender community mobilizers.</li> <li>• Appoint national community engagement and gender specialist to design and run awareness campaign, and to coordinate the community mobilizers.</li> <li>• Hire, appoint and train at least 10 sanitation and gender community mobilizers, through NGOs or individually, on gender roles and sanitation for men and women with equal labor conditions and pay.</li> <li>• Prepare training plan and education materials for awareness-raising plan on sanitation, hygiene and gender.</li> <li>• Run awareness campaign; conduct training and seminars.</li> <li>• Collect sex-disaggregated data.</li> <li>• Use existing health or relevant church sub-committees or other feedback mechanisms, such as other groups or organizations, to assist in monitoring effectiveness of community engagement and awareness programs. These will include consultation and focus groups sessions organized by church women's committees to solicit feedback from community members. Church women and youth groups will be involved in public awareness activities such as organizing song competitions and drama sketches to spread key messages on hygiene and sanitation.</li> </ul>	<ul style="list-style-type: none"> <li>• Two specialists appointed in KFSU and reporting periodically on progress with GAP implementation.</li> <li>• At least 50% of community mobilizers hired for national awareness-raising campaign to be women.</li> <li>• Consultation with both men and women.</li> <li>• 50% of those participating in awareness-raising seminars and activities to be women, with the remaining 50% being male participants.</li> <li>• 50% female-headed households included in awareness training.</li> <li>• 50% of women consulted express the view that positive sanitation behavior changes are exhibited in their households.</li> <li>• At least 3 feedback mechanisms are established and used to carry out consultations, 50% of those consulted are women.</li> </ul>	EA/IA/PIU
<p>2. MPWU and PUB will have the capacity to plan and manage water and sanitation services.</p>	<ul style="list-style-type: none"> <li>• Contractors will be encouraged to hire local female labor at equal work for equal pay.</li> <li>• Women will be targeted as part of HIV awareness programs.</li> </ul>	<p>Note that although this output will result in significant benefits for the target female population, specific gender impacts are not being monitored as part of the project.</p>	EA/IA/PIU

Project Outputs	Activity/Strategy	Performance/Target Indicators	Responsibility
3. MPWU and PUB will have the capacity to effectively and efficiently plan and manage water and sanitation services.	<ul style="list-style-type: none"> <li>• Award 2 engineering scholarships to technical institute.</li> <li>• Recruit 6 new graduates of the Kiribati Technology Institute for 1-year training attachments with MPWU and PUB.</li> <li>• Train and build capacity of MPWU and PUB staff in technical competencies, sanitation, hygiene, and gender.</li> <li>• Design and conduct gender sensitivity training.</li> <li>• Provide education to improve men's and women's awareness and practice, and willingness to pay for monthly sanitation fees.</li> <li>• Collect sex-disaggregated data.</li> </ul>	<ul style="list-style-type: none"> <li>• At least 50% of engineering scholarship holders to be women.</li> <li>• At least 50% of graduates recruited for attachments are female.</li> <li>• At least 80% of water and sanitation staff and management successfully complete gender sensitivity, sanitation, and hygiene training.</li> <li>• At least 60% of female staff participates in technical training.</li> <li>• At least 60% of women consulted through feedback mechanisms are satisfied with the services provided by MPWU and PUB to their households.</li> </ul>	EA/IA/PIU
4. Adequate funds will be available to PUB to finance required sanitation O&M.		Note that although this output will result in significant benefits for the target female population, specific gender impacts are not being monitored as part of the project.	IA
5. Project management and implementation services by MFED and MPWU will ensure effective and efficient project implementation.	<ul style="list-style-type: none"> <li>• Appoint part time international community engagement and gender specialist to ensure adequate consideration of gender issues and analysis in project planning, design, and implementation procedures.</li> <li>• Appoint full time national community engagement and gender specialist to be responsible for oversight monitoring and reporting against the GAP and coordination of SGCMs.</li> <li>• Facilitate equal participation and consultation of women participating in the project GAP and collect sex-disaggregated data.</li> <li>• Conduct gender sensitivity training.</li> <li>• Ensure that resettlement plan is gender responsive.</li> </ul>	<ul style="list-style-type: none"> <li>• Two specialists appointed in KFSU and reporting periodically on progress with GAP implementation.</li> <li>• 100% of KFSU staff successfully complete gender sensitivity training.</li> <li>• GAP developed, implemented and monitored.</li> <li>• Resettlement plan refers to gender considerations and women are consulted during resettlement discussions.</li> <li>• Studies and reports include reference to sex-disaggregated data and gender analytical information.</li> </ul>	EA/IA/KFSU/PIU

EA = executing agency, FHH = female-headed household, GAP = gender action plan, IA = implementing agency, MFED = Ministry of Finance and Economic Development, MPWU = Ministry of Public Works and Utilities, NGO = nongovernment organization, O&M = operations and maintenance, PIU = project implementation unit, KFSU = project management unit, PUB = Public Utilities Board, SGCM = sanitation and gender community mobilizers, WSC = water and sanitation committee.

## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

### A. REVISED PROJECT DESIGN AND MONITORING FRAMEWORK

<b>Impact the Project is Aligned with the Kiribati Development Plan</b>			
<p><b>Current project</b> Improved health of South Tarawa's population.</p> <p><b>Overall project</b> Unchanged.</p>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting</b>	<b>Risks</b>
<p><b>Impact</b> <b>Current project</b> Improved health of South Tarawa's population.</p> <p><b>Overall project</b> Unchanged.</p>	<p>50% reduction in infant mortality resulting from diarrhea by 2015 (2011 baseline: 50 deaths per year of children 0–5 years)</p> <p>By 2016, the number of reported cases of dysentery and diarrhea in South Tarawa is less than 8,000 (2009 baseline: 10,000+ reported cases of dysentery and diarrhea).</p> <p><b>Overall project</b> Unchanged.</p>	<p>Ministry of Health and Medical Services and World Health Organization statistics</p> <p>Ministry of Health and Medical Services statistics</p>	
<p><b>Outcome</b> <b>Current project</b> South Tarawa's urban population has enhanced access to improved sanitation infrastructure and services.</p> <p><b>Overall project</b> Unchanged.</p>	<p><b>Current project</b> By 2019 80% of the South Tarawa community in Bairiki, Betio, and Bikenibeu has access to improved sanitation (2010 baseline: 64.3%)</p> <p><b>Overall project</b> Unchanged.</p>	<p>Census data and household and income expenditure survey.</p> <p>WHO/UNICEF Joint Monitoring Data.</p>	<p>Climate change impacts are more severe than predicted by current models.</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
<p><b>Outputs</b>  <b>Output 1</b>  <b>Current project</b>  Sanitation and hygiene practices among South Tarawa's population will be improved.</p>	<p><b>Current project</b>  By 2018  People defecating in the open reduced from 56% (2005 baseline) to 5%</p> <p>50% of women in South Tarawa consulted respond that their families practice hand washing with soap (Baseline 2011 less than 20%).</p> <p>50% of households in South Tarawa have adequate hand washing stations in their homes (2011 baseline less than 20%).</p>	<p>MFED project progress reports and surveys.</p>	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
<p><b>Output 2</b> <b>Current Project</b> Wastewater in South Tarawa will be effectively managed by the PUB.</p> <p><b>Overall project</b> Unchanged.</p>	<p><b>Current project</b> By 2018 Water quality tests indicate faecal coliform concentrations ranging from 9–127/140 enterococci/100 milliliters in nearshore areas where ocean outfalls are located (baseline 110-229/100 milliliters in 2010).</p> <p>By 2016 Technical performance of onsite sanitation systems is demonstrated in 35 locations in South Tarawa (2014 baseline 0).</p> <p><b>Overall project</b> Unchanged.</p>	<p>MFED project surveys and Ministry of Environment, Lands and Agriculture Development lagoon water quality monitoring data</p> <p>PUB data</p>	
<p><b>Output 3</b> <b>Current Project</b> MPWU and PUB will have the capacity to plan and manage water and sanitation services.</p> <p><b>Overall project</b> Unchanged.</p>	<p><b>Current Project</b> By 2018 PUB sanitation tariff revenues cover at least 85% of total sanitation O&amp;M costs (2011 baseline: no tariff is charged)</p> <p>At least 80% of MPWU and PUB staff successfully complete gender sensitivity, hygiene, and sanitation training (2011 baseline 0% of staff trained)</p> <p>By 2016 90% of MPWU Water and Sanitation Engineering Unit Staff undergo training on approved National Sanitation Guidelines.</p> <p><b>Overall project</b> Unchanged.</p>	<p>PUB data</p> <p>MFED project progress reports</p> <p>Gender-disaggregated data included in MFED project training and consultation records</p>	
<p><b>Output 4</b> <b>Current Project</b> Adequate funds will be available to PUB to finance required sanitation O&amp;M.</p> <p><b>Overall project</b></p>	<p><b>Current Project</b> By 2018 PUB annual asset management plans are fully financed and executed for at least 5 consecutive years. (2011 baseline asset management plans are neither prepared or costed).</p> <p><b>Overall project</b></p>	<p>MFED project progress reports.</p>	

<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting</b>	<b>Risks</b>
Unchanged.	Unchanged.		
<b>Output 5</b> <b>Current Project</b> Project management and implementation services by MFED and MPWU will ensure effective and efficient project implementation  <b>Overall project</b> Unchanged.	<b>Current Project</b> By 2018 PMU meets annual contract awards and disbursements  100% of PMU and PIU staff successfully complete gender sensitivity training.  <b>Overall project</b> Unchanged.	MFED project progress reports.	

### **Key Activities with Milestones**

1. Sanitation and hygiene practices among South Tarawa's population will be improved.
  - 1.1 Develop work program, in consultation with other development partners and government agencies, on sanitation and hygiene by the end of Q4 2012. (Completed and ongoing review)
  - 1.2 Train and recruit at least 10 community motivators in target communities by Q2 2013. (Ongoing)
  - 1.3 Carry out community-based sanitation and hygiene awareness activities between Q3 2013 and Q3 2019. (Ongoing)
  - 1.4 Carry out public awareness campaign in South Tarawa between Q3 2013 and Q2 2019. (Ongoing)
  - 1.5 Carry out baseline data collection during Q1 2013, a monitoring survey during Q1 2016, and an impact survey during Q3 2019. (Ongoing)
2. Wastewater in South Tarawa will be effectively managed by PUB.
  - 2.1 Tender and award civil works contracts for sewerage system rehabilitation by the end of Q2 2014. (Completed)
  - 2.2 Procure sewer cleaning plant by the end of Q2 2014. (In progress)
  - 2.3 Carry out and commission sewerage infrastructure by the end of Q2 2017. (Changed)
  - 2.4 Procure and install milliscreens by the end of Q3 2016. (Changed)
  - 2.5 Procure and install sludge digester by the end of Q4 2015. (Changed)
  - 2.6 Upgrade ocean outfalls by Q2 2017. (Changed)
  - 2.7 Carry out Group 1 candidate subproject (onsite sanitation pilot) feasibility, design, and tendering by the end of Q3 2016. (Changed)
  - 2.8 Carry out Group 1 candidate subproject (onsite sanitation pilot) implementation by the end of Q1 2017. (Changed)
  - 2.9 Carry out Group 2 candidate subproject feasibility design, and tendering by Q3 2017. (Changed)
  - 2.10 Carry out Group 2 candidate subproject implementation by Q1 2018. (Changed)
3. MPWU and PUB will have the capacity to plan and manage water and sanitation services.
  - 3.1 Advisers in financial management, and sewerage system O&M are embedded in PUB between Q1 2013 and Q4 2017. (Ongoing)
  - 3.2 Capacity development training activities are developed and implemented for MPWU and PUB staff by Q4 2017. (Ongoing)

<b>Key Activities with Milestones</b>	
3.3 National Sanitation Guidelines are finalized based on the results of the onsite sanitation pilot by Q3 2017. (Changed)	
4. Adequate funds will be available to PUB to finance required sanitation O&M.	
4.1 Design governance arrangements for the sanitation maintenance fund in consultation with relevant government agencies for endorsement of the project steering committee by Q1 2017. (Changed)	
4.2 Provide support for establishment and management of the sanitation maintenance fund, including the provision of secretariat services such as monitoring and reporting on available maintenance funds between Q1 2015 and Q1 2018. (Ongoing)	
5. Project management and implementation capacity of MFED and MPWU is strengthened.	
5.1 Establish operational PMU and PIU by the end of Q2 2012. (Ongoing)	
5.2 Implement and monitor gender action plan by Q2 2012.(Ongoing)	
<b>Inputs</b>	
<b>ADB</b>	
<b>Loan (Special Funds)</b>	<b>Grant (Special Funds)</b>
\$7.56 million (current)	\$2.8 million (additional)
<b>Government of Australia<sup>a</sup></b>	
<b>Multi-Donor Trust Fund under the Water Financing Partnership Facility<sup>b</sup></b>	
<b>Grant</b>	<b>Grant</b>
\$13.95 million (current)	\$0.61 million (current)
<b>Government</b>	
\$0.97 million (current)	\$0.23 million (additional)

ADB = Asian Development Bank, MFED = Ministry of Finance and Economic Development, MPWU = Ministry of Public Works and Utilities, O&M = operation and maintenance, PIU = project implementation unit, PMU = project management unit, PUB = Public Utilities Board, Q = quarter, UNICEF= United Nations Children's Fund, WFPF= Water Partnership Financing Facility, WHO= World Health Organization.

<sup>a</sup> In accordance with the Cofinancing Agreement between the Government of Australia and the Asian Development Bank dated 27 January 2012.

<sup>b</sup> Contributors: the governments of Australia, Austria, Norway, Spain, and Switzerland. Administered by the Asian Development Bank.

Source: Asian Development Bank.

## **B. Project Performance Monitoring**

61. Project performance monitoring. Within 6 months of loan and grant effectiveness, MFED, through the KFSU, will establish a project performance monitoring system. ADB and the government will agree on a set of indicators for monitoring and evaluating to what extent the project achieving its goals and purposes. These indicators will be refined and monitored during project implementation. The indicators will include data for monitoring economic development, water and sanitation sector performance, socioeconomic development, environmental impact, and institutional development. Monitoring and evaluation (M&E) will be based on gender-disaggregated data for social and poverty impact indicators. The PIU international consultants will provide hands-on training to MPWU staff and national consultants in data collection, and



M&E. MFED, through the KFSU, will monitor and evaluate the indicators according to the agreed-upon framework on a quarterly basis to determine the efficiency and effectiveness of the project. Disaggregated baseline data for output and outcome indicators gathered during project processing will be updated and reported quarterly through MFED's quarterly progress reports and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.<sup>10</sup> Beneficiaries will be involved in project M&E. In addition, a project steering committee will oversee and monitor the overall implementation of the project.

62. Compliance monitoring: This will be monitored through regular quarterly progress reports and during regular ADB review missions

63. Safeguards monitoring: MPWU will be responsible for monitoring safeguard activities through the PIU. MPWU, through MFED, will submit semi-annual safeguard monitoring reports to ADB, and the findings will be incorporated into the progress reporting of the KFSU. Safeguard monitoring is included as a requirement of the Environmental Assessment and Review Framework.<sup>11</sup> Before commencing work the contractor will prepare a contractor's EMP which will establish how the contractor will comply with the EMP safeguard requirements. Monitoring of the contractor's work will be undertaken by the Construction Supervision and Design Engineer with assistance of the national Water Supply and Sanitation Engineer and Safeguards Officer. Monitoring will also be carried out independently by MELAD. MPWU, through MFED, will also submit a subproject land acquisition completion report to ADB before award of civil works contracts for subprojects involving land acquisition and resettlement. ADB review missions will also check the progress on implementation of safeguard requirements. If any subproject involved significant safeguard issues, MPWU will recruit qualified and experienced external experts or qualified civil society organizations to verify the PIU's monitoring information on an annual basis. The PIU will recruit such experts or organization in consultation with ADB and submit external monitoring reports to ADB.

64. Gender and social dimensions monitoring: Action plans pertaining to social, gender, and poverty will be implemented by the PIU as required. It is not envisaged that there are any significant issues with the project pertaining to this area.

65. The project will engage a Community Engagement and Gender Specialist who will provide guidance to the KFSU in developing and establishing an effective monitoring and reporting systems and processes. Baseline surveys will be undertaken at the start of project implementation and all indicators in the GAP will be continuously monitored and reported. These will be included in the KFSU quarterly reports and Project monitoring reports. A mid-term review will be carried out and a project completion report will be undertaken at project end.

## **C. Evaluation**

66. Soon after the KFSU and PIU consultants are mobilized, ADB will field an inception mission to agree with MFED and MPWU on implementation requirements of the project as well discuss in detail on the procedures relating to procurement of works and goods, recruitment of consultants and disbursements. ADB and the government will undertake semiannual reviews

<sup>10</sup> ADB's project performance reporting system is available at:  
<http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>.

<sup>11</sup> Environmental Assessment and Review Framework (accessible from the list of linked documents in Appendix 2).

of the project to consider: the (i) scope of the project, (ii) implementation arrangements, (iii) compliance with loan and grant covenants, (iv) physical achievements against targets and milestones, and (v) project implementation issues requiring resolution or action. The midterm review will be made after 2 years of the loan and grant effectiveness date. Prior to the midterm review, MFED with the assistance of the KFSU will prepare a position paper outlining proposals for any changes required under the project that will not adversely affect its outcomes. The midterm review will examine in detail the implementation progress and project design (institutional, administrative, organizational, technical, environmental, social, poverty reduction, resettlement, economic, and financial aspects), and will identify courses of action that would improve project performance, viability, and the achievement of targets and project objectives. All the assumptions and risks noted in the design and monitoring framework will be reviewed. Within 6 months of physical completion of the Project, MFED will submit a project completion report to ADB.<sup>12</sup>

67. ADB will undertake a project completion review (PCR) of the project 12-24 months after the physical completion date. The PCR will evaluate the processing and design of the project, both by ADB and by the borrower, among other things, assessing and evaluating (i) performance of the borrower, EA and IA in managing and implementing the Project, and in complying with ADB's guidelines, policies, practices, procedures, and loan/grant covenants, and evaluate project costs, disbursements, and institutional improvements; (ii) assess the performance of consultants; (iii) review problems encountered during implementation and the effectiveness of measures to resolve them, by the borrower, EA, IA and ADB; (iv) assess whether the borrower, EA, IA, and ADB monitored progress effectively in comparison with quantifiable and monitoring targets; (v) reevaluate the financial and economic performance of the Project at its initial stage of operation and compare with the qualified indicators in the design and monitoring framework and Project Performance Report; (vi) assess the Project's transition to operations, and identify any remedial measures needed; (vii) assess future operation and maintenance schedules to ensure sustainability of the Project; (viii) recommend any other steps that the borrower and EA need to take to ensure the Project's sustainable operation; (ix) assess the performance of the monitoring and evaluation system established for the Project and reexamine the indicators selected for monitoring operations and assessing development impact; (x) assess significant environmental and poverty reduction impacts (include sociocultural impacts when applicable) of the Project, and evaluate the implementation and effectiveness of any environmental control measures, resettlement plans, and poverty reduction measures; and (xi) assess whether the immediate development objective has been met and the likelihood of attaining long-term development goal.

#### **D. Reporting**

68. MFED through the KFSU 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) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions; (c) an updated procurement plan and (d) an updated implementation plan for the next 12 months; and (iii) a PCR within 6 months of physical completion of the Project. To ensure that the project continues to be both viable and sustainable, the project accounts and the EA's audited financial statements, together with the associated auditor's report, should be adequately reviewed.

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<sup>12</sup> Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>.

**E. Stakeholder Communication Strategy**

69. During the early implementation phase of the project, a communication strategy and communication plan will be prepared by the PIU indicating the types of information, means of communication, who will provide and to whom including at what intervals to the stakeholders about the project as well as its implementation.

## 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.<sup>13</sup> All contracts financed by ADB will include provisions specifying the right of ADB to audit and examine the records and accounts of the EA 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.<sup>14</sup>

71. To support these efforts, relevant provisions are included in the Loan Agreement and Grant Agreement/Regulations and the bidding documents for the project. These include: (i) posting of key project documents including costs, safeguards, procurement information, and project implementation details on the Ministry of Finance and Economic Development website, (ii) use of international competitive bidding for all civil works and high value equipment contracts in accordance with ADB's Procurement Guidelines (2015, as amended from time to time) , and (iii) payment for civil works, goods and services through direct disbursement and reimbursement procedures in accordance with ADB's Loan Disbursement Handbook (2015, as amended from time to time). The EA and IA have indicated their commitment to promote good governance and establish a corruption-free environment under the project.

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<sup>13</sup> Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>.

<sup>14</sup> ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>.

## XI. ACCOUNTABILITY MECHANISM

72. People who are, or may in the future be, adversely affected by the project may address complaints to ADB, or request the review of ADB's compliance under the Accountability Mechanism.<sup>15</sup>

73. A procedure for managing complaints and problems will be established by MFED to (i) review and redress grievances and complaints of project stakeholders in relation to the Project, any service provider, or any person responsible for carrying out the project; (ii) set the threshold criteria and procedures for handling such grievances, for proactively addressing them, and for notifying stakeholders about the mechanism or course of action chosen; and (iii) maintain the records on the above.

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<sup>15</sup> For further information see: <http://compliance.adb.org/>.

## XII. RECORD OF PAM CHANGES

74. August 2011: Draft version completed.

75. 9 August 2012: Updates during Inception Mission, 6,13 August 2012

Item II, B: Overall Implementation Plan - shifted by one quarter scheduled activities.

Item III B: Key Persons Involved in Implementation – reflected new Secretary of MPWU and Director, PAUS, and designation of Mission Leader.

Item III, C: Project Organization Structure – Project Steering Committee changed from Water and Sanitation Task Force to National Infrastructure Committee.

Item IV, F: Contract and Disbursement S-curve – reflected revised projections following loan and grant's effectivity date of 01 June 2012.

Item VI, C: Procurement Plan – adjusted schedule by one quarter.

Item VI, D: Consultant's Terms of Reference - adjusted summary of consulting services and terms of reference to conform to actual contract of the Project Management and Implementation Consultants.

Added Terms of Reference for the STSISP Steering Committee.

76. 25 April 2014, updates to reflect additional financing.

Item I. Updates to all cost tables, grant and loan allocation tables, and S-curve.

Item II. Updates to disbursement arrangements to include project imprest account.

Item III. Updated procurement plan.

77. 05 June 2014

Updates to cost tables, funds flow arrangements, disbursement arrangements.

78. June 2015

Updates to clarify project implementation arrangements, updated procurement plan and updated safeguards information.

79. September 2015

Updates to clarify project implementation arrangements, updated procurement plan and updated safeguards information.

80. September 2016

Updates related to reflect additional financing.

Item I. Updates to all cost tables, grant and loan allocation tables, and S-curve.

Item II. Updates to disbursement arrangements to include project imprest account.

Item III. Updated procurement plan.

**APPENDIX 1. LESSONS LEARNED FROM PREVIOUS ADB ASSISTANCE TO THE  
KIRIBATI WATER AND SANITATION SECTOR**

Lesson Learned	SAPHE weakness	STSISP design feature to address identified weakness
<p>Household sanitation and hygiene practices are slow to change.</p> <p>Multi-dimensional projects require effective coordination</p> <p>Local culture impacts project outcomes.</p>	<p>Although there were initial gains from community engagement activities carried out under ADB-supported technical assistance projects provided prior and during the early stages of SAPHE project implementation, these were too short-term and were poorly aligned to the actual infrastructure project.</p>	<p>Community engagement and public awareness activities to promote improved sanitation and hygiene behavior have been integrated into the project as core components.</p> <p>Activities will be sustained over the entire project period (8 years).</p> <p>A coordinated government and development partner approach will be used to deliver engagement and awareness activities; in order to ensure sustainability, activities will link where possible into existing government initiatives, e.g., MHMS and MELAd programs.</p> <p>Baseline and monitoring surveys will be carried out over the course of project implementation to measure impact of community engagement and public awareness activities, and take corrective action if necessary.</p>
<p>Transformation of public enterprises is difficult in the absence of genuine government commitment to reform. Externally-driven reforms are often superficial, and are not sustained.</p>	<p>The SAPHE project included conditions for loan effectiveness such as measures to improve the commercial orientation of PUB.</p> <p>Project effectiveness was significantly delayed due to slow government action in passing required legislative changes.</p> <p>Despite existing legislative provisions which provide it with a large degree of independence, PUB has continued to largely operate as a government department rather than as a commercially-oriented corporatized utility.</p>	<p>The Government of Kiribati in recent years has demonstrated its commitment to reforming the country's poorly-performing state-owned enterprises.</p> <p>GoK has expressed its willingness to introduce drastic changes to PUB to ensure the delivery of improved service delivery, and reducing its dependence on government transfers.</p>
<p>Tariff reforms require buy-in from stakeholders which takes time to achieve, and must be accompanied by improvements in service.</p>	<p>Inadequate consideration was given to the difficulties associated with tariff reform. As a result tariff increases were either partial (flat rate for water) or non-existent (sanitation). This resulted in poor financial sustainability and inadequate resources to fund required operations and maintenance,</p>	<p>The project will gradually introduce tariffs, so that by 2018 user fees account for 85% of total operations and maintenance costs.</p> <p>The community engagement activities will seek to address willingness to pay for sewerage services by building awareness on the health and environmental benefits associated with sanitation improvements; and build support for the concept of payment for the</p>

Lesson Learned	SAPHE weakness	STSISP design feature to address identified weakness
	<p>which contributed to the system's current dilapidated state.</p> <p>Due to limited service improvements, particularly water supply, public remained largely unwilling to pay for services.</p> <p>Insufficient communication was provided to public and PUB board on the importance of tariff reforms.</p>	<p>delivery of quality services.</p> <p>Capacity development activities will include training for PUB board of directors and other key stakeholders on the need for sewerage tariffs to ensure adequate cost recovery; it will also build capacity of PUB staff to assess and adjust tariff levels as required over time.</p> <p>Innovative schemes will be explored to encourage payment for utilities services that have been used successfully in other countries which have faced low tariff collection rates, e.g., prize draws for regularly paying customers.</p> <p>A sanitation maintenance fund will be created as an interim measure to ensure that sufficient funds are available for O&amp;M; appropriate governance structure will be created to ensure that SMF funds are used to implement fully costed asset management plans.</p>
<p>Service improvement requires sufficient human resources.</p> <p>Organizational change takes time.</p>	<p>Technical assistance to improve PUB operations and maintenance, and financial management capacity through short-term training and installation of accounting software, was provided before and during implementation of SAPHE. These TAs were rated as successful following completion, and additional follow-up TAs were proposed but not implemented. The lack of follow-up training meant that TAs had little lasting impact on capacity of PUB staff and operations.</p>	<p>Capacity development of MPWU and PUB will be delivered through a mix of formal training, mentorship and on-the-job training to be delivered over the 8-year project period. Specific activities include:</p> <ul style="list-style-type: none"> <li>- Two long-term embedded advisors in financial management and operations and maintenance to support PUB through mentoring, on-the-job training and provision of expert advice</li> <li>- Two engineering scholarships with bonding requirements to be provided to current and/or prospective PUB staff</li> <li>- Targeted training courses based on capacity gaps identified in the capacity development plan prepared by the PPTA to be provided to PUB and MPWU staff</li> <li>- 6 qualified KIT graduates to complete training attachments with PUB with supervision from KIT staff and project embedded advisors.</li> </ul> <p>Training will also be provided to the PUB board given limited awareness of board members on the role and responsibilities of a corporate board.</p> <p>Opportunities for PUB staff to participate in existing ADB utilities twinning programs with other utilities in the region will be explored.</p> <p>Additional capacity strengthening support provided to PUB/MPWU by KAP project and PIAC TA will complement project activities.</p>



Lesson Learned	SAPHE weakness	STSISP design feature to address identified weakness
<p>Simple solutions are less costly and more sustainable.</p>	<p>Design solutions were overly complex and costly. Certain materials and equipment, e.g., sewerage pumps proved to be unsuitable for Kiribati's harsh marine environment.</p> <p>There was insufficient consultation with end-users in specification and design, which could have enhanced ownership and sustainability.</p>	<p>Design has ensured that suitable materials and equipment are selected so as to minimize operations and maintenance requirements for off-site sanitation system works and equipment.</p> <p>Maintenance contracts for sewerage system pumps and equipment for up to 5 years, will ensure adequate operations and maintenance, and allow time for skills transfer to PUB staff to be able to effectively operate the sewerage system following project completion.</p> <p>Support for asset management provided under KAP project will also support improved system maintenance regime.</p> <p>In the selection and design of communal sanitation facilities and small scale decentralized sanitation options, participatory planning and design processes will be used to ensure community input and ownership.</p>

KAP = Kiribati Adaptation Project, MELAD = Ministry of Environment, Lands and Agricultural Development, MHMS = Ministry of Health and Medical Services, KIT = Kiribati Institute of Technology, MPWU = Ministry of Public Works and Utilities, O&M = operations and maintenance, PIAC = Pacific Infrastructure Advisory Center, PPTA = project preparatory technical assistance, PUB = Public Utilities Board, SMF = sanitation maintenance fund, SAPHE = Sanitation for Public Health and Environment Improvement Project, STSISP = South Tarawa Sanitation Improvement Sector Project, TA = technical assistance.  
Source: Asian Development Bank. 2008. *SAPHE Project Completion Report*. Manila.

## APPENDIX 2. EXECUTING AGENCY PROCUREMENT CAPACITY ASSESSMENT

<b>Proposed Project Name: South Tarawa Sanitation Improvement Sector project</b>	<b>Proposed Amount (US\$): 22.48 million</b>												
<b>Executing/Implementing Agency: Ministry of Finance and Economic Development</b>	<b>Source of Funding: ADF loan and co-financing grant funds</b>												
<b>Assessor: John M Howse</b>	<b>Date: May 2011</b>												
<p><b>Expected Procurement</b>  The procurement primarily consists of goods, works and consulting services for the rehabilitation of the sewer systems for the urban areas of Betio, Bairiki and part of Bikenibeu in South Tarawa, the capital of the Republic of Kiribati. The procurement also extends to the purchase of items of plant for sewer cleaning and treatment of sewer and septic tank discharges and the works associated with upgrading and deepening three existing ocean outfalls.</p>													
<p><b>General Procurement Environment Assessment</b></p> <p><u>Risk Assessment:</u>  The risk assessment for the General Procurement Environment is summarized in the following table.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Criterion</th> <th style="text-align: center;">Risk</th> </tr> </thead> <tbody> <tr> <td>A. Legal and Regulatory Framework</td> <td>Average</td> </tr> <tr> <td>B. Institutional Framework</td> <td>Average</td> </tr> <tr> <td>C. Procurement and Market Operations</td> <td>High</td> </tr> <tr> <td>D. Integrity of the Procurement System</td> <td>Average</td> </tr> <tr> <td style="text-align: center;"><b>OVERALL RISK RATING</b></td> <td>Average</td> </tr> </tbody> </table>		Criterion	Risk	A. Legal and Regulatory Framework	Average	B. Institutional Framework	Average	C. Procurement and Market Operations	High	D. Integrity of the Procurement System	Average	<b>OVERALL RISK RATING</b>	Average
Criterion	Risk												
A. Legal and Regulatory Framework	Average												
B. Institutional Framework	Average												
C. Procurement and Market Operations	High												
D. Integrity of the Procurement System	Average												
<b>OVERALL RISK RATING</b>	Average												
<p><u>Summary of Findings:</u>  Kiribati has limited resources, a relatively small economy and a very shallow pool of professionals and qualified people. These constraints impact on the public service and government agencies where staff numbers are both limited and lack a depth of experience in almost all aspects accepted government procedures elsewhere. Those staff members with the qualifications and experience are, as a consequence, in high demand and fully committed on other equally important tasks.</p> <p>Procurement is governed by the Republic of Kiribati Procurement Act 2002 but lacks regulations for the application of the law, guidelines for a consistent approach to procurement. Similarly there is no national training in procurement and recognition of “procurement” as a professional discipline within the public sector. There is no separate procurement unit with staff dedicated to these tasks separate from the line agencies. While there is no evidence of conflict of interest the absence of independent of the process raises cause for concern. The existing process relies upon the establishment of a procurement committee by the ministry proposing the procurement with representatives’ seconded from other ministries and agencies on the basis of the knowledge and experience they can bring to the task. The Ministry of Finance and Economic Development (MFED) has automatic representation of all procurement committees, providing advice and ensuring compliance with the Procurement Act and conformance with budget approvals. The process functions well with transparency and openness and has been appropriate given the level of government procurement and limited resources at its disposal. The process will require tightening for compliance with ADB procurement policies and procedures with support for procurement, capacity building and training.</p>													
<p><b>Organizational and Staff Capacity</b></p> <p><u>Risk Assessment:</u>  The risk rating has been assessed as average– but this assessment is based on present circumstances with MFED reflected in changes to past processes for procurement. Without these changes the risk rating would be high.</p>													

**Summary of Findings:**

Describe in general terms the human and physical resources that will be available to the EA/IA for project implementation, noting shortfalls in these resources. Highlight the strengths and weaknesses, including any best practice.

With the advent of the World Bank/ADB funded Tarawa Road Improvement project, a project Management Unit is being established with MFED. Office space has been allocated and staff appointments for the KFSU manager and other personnel are proceeding. Support for the establishment and capacity building and training or procurement is to be provided by ADB through a staff consultant. This will occur in advance of the bid processes for the road in the next towards mid 2011. The PPTA consultants for STSISP are recommending that the KFSU also become the KFSU for the sanitation improvement project with extended staffing and further capacity building for procurement to ADB requirements. The Government procurement process can be integrated into the broader ADB guidelines. This brings confidence in the process and the low risk assessment.

**Information Management****Risk Assessment:**

The risk assessment is low, but again this is founded upon the changes occurring with the establishment of the KFSU within MFED. Without the KFSU and related capacity building and staffing, the assessment would be average to high risk.

**Summary of Findings:**

MFED maintains records of contract documents, evaluation reports and all associated minutes and contract administration papers largely in hard copy format. The information can be accessed for inspection but the documents have to be extracted and the information collated. There is no integrated database to assist access and searching of the information.

The establishment of the KFSU with dedicated staff and equipment, and structured record keeping and file systems brings confidence again and the low risk assessment.

**Procurement Practices****Procurement of Goods and Works****Risk Assessment:**

The assessment is for low risk.

**Summary of Findings:**

The present procurement processes are disciplines and transparent with oversight by MFED and for larger contracts the Office of the president. There are no constraints on the ability to bid and the process is competitive and fair. The process has checks and balances throughout and is functioning without complaint or major difficulties. Again, the establishment of the KFSU and capacity building and training gives confidence in the agency's ability to handle the more complex and comprehensive ADB requirements.

**Consulting Services****Risk Assessment:**

The assessment is for low risk.

**Summary of Findings:**

The findings echo the comments for the procurement of goods and services. The KFSU and capacity building will bring improved capabilities; nevertheless, assistance will be required initially for the appointment of consultants for management services and design, for the capacity building training of MPWU and PUB and the community education and awareness component of the project.

<b>Effectiveness</b>		
<u>Risk Assessment:</u> The assessment is average to high.		
<u>Summary of Findings:</u> The contractual performance monitoring and reporting lacks consistency and a systematic approach. There are no formal complaints resolution mechanisms apart from administrative reviews and reporting to the relevant permanent secretary for decision. There is considerable room for improvement. However, again the establishment of the KFSU within MFED with systems, structure and staffing will address these shortcomings.		
<b>Accountability Measures</b>		
<u>Risk Assessment:</u> The assessment of risk is average.		
<u>Summary of Findings:</u> The Procurement Law which governs the process and actions of national staff is based on practice in other domains and aligns with best practice. There is no apparent conflict with the ADB policy and guidelines. The capacity building and training for the manager and staff of the KFSU embedded with MFED will align the process and requirements. The recent appointment of consultants earlier in 2011 for the World Bank/ADB supported Tarawa Road Improvement Project revealed no major conflicts and the appointment proceeded without complications. The same expectations hold for STSISP. Support to the KFSU for the project from ADB and the procurement specialist within the consultant's team give additional confidence in this outcome.		
<b>Summary Assessment</b>		
<b>Specific Recommendations, Project Implementation</b>		
<b>Risks</b>	<b>Recommended Action</b>	<b>Responsibility and comment</b>
<i>The primary risk is the lack of familiarity with ADB procurement requirements and the documentation and process on the approval and sign-off on the bid and contract documents.</i>	<i>It is recommended that a project KFSU be established within MFED and that consideration be given to combining the KFSU for STSISP with the PIU for the Tarawa Road Improvement Project so that the project benefits for the capacity building and training provided to the soon to be established road project KFSU</i>	<i>To be resolved by ADB and the EA (MFED) and reflected in the project assurances.</i>
<b>Capacity Constraint</b>	<b>Recommended Action</b>	<b>Responsibility and comment</b>
<i>The capacity constraint will relate to the staffing of the combined KFSU for STSISP and the Tarawa Road Improvement Project. Also the staffing of the PIU within the Ministry of Public Works and Utilities (MPWU)</i>	<i>It is recommended that adequate staffing be allocated (appointed) to both the project KFSU and the PIU. Further that capacity building and training be provided in ADB procurement processes and best practice.</i>	<i>The capacity building measure should be undertaken immediately upon loan effectiveness.</i>

<b>General Recommendations, EA/IA</b>		
<b>Risks/Capacity Constraint</b>	<b>Recommended Action</b>	<b>Responsibility and comment</b>
<i>The capacity for procurement should be mainstreamed within the EA and IA by building upon the capacity building and strengthening of the KFSU and PIU. This should be such that a competent procurement section will exist in both agencies.</i>	<i>Extend the training and support to the KFSU and PIU to include staff of MFED and MPWU. Also review present government procurement processes in the light of the knowledge and experience gained of ADB procedures and processes.</i>	<i>MFED and MPWU should reflect on present procurement processes and action improvement in the light of the experience gained.</i>
<b>General Recommendations, Procurement Environment</b>		
<b>Risk/Capacity Constraint</b>	<b>Recommended Action</b>	<b>Responsibility and comment</b>
<i>The risks and capacity constraints relate to the absence of regulations for the application of the Procurement Law, national guidelines, training and a formal complaints mechanism. The regulations would allow more flexible review of process and application with the structure of the law</i>	<i>That consideration be given to the development of national procurement guidelines, a uniform and transparent complaint resolution mechanism, and training for the professionalization of procurement.</i>	<i>The decision will rest with the government on the basis of recommendations from MFED and MPWU supported by the secretaries coordinating committee.</i>

### APPENDIX 3. SUBPROJECT SELECTION AND ELIGIBILITY CRITERIA

#### A. Introduction

1. The proposed project will use a sector approach. This approach will allow the government to lead the identification, prioritization, appraisal, design and implementation of project subcomponents and ensure that investments are in line with the National Sanitation Policy, National Water Resources Policy, South Tarawa Water, Sanitation and Solid Waste Management Program, and the Water Supply and Sanitation Roadmap and Investment Plan 2011-2030.

2. The implementing agency for the proposed project, the Ministry of Public Works and Utilities (MPWU), will nominate candidate subprojects for increasing access to improved water supply and sanitation among South Tarawa's population for endorsement by the project steering committee and approval by the Asian Development Bank (ADB). Subproject approval will be granted on the basis of satisfactory technical, economic, social and environmental assessments against agreed upon eligibility criteria between the government and ADB.

3. The subproject selection criteria outlined in the document will apply to nominated candidate subprojects. Other components of the project will be implemented according to the standard procedures for ADB-funded projects.

#### B. Subproject Selection Criteria

4. Nominated candidate subprojects will be selected from investments outlined in the Water Supply and Sanitation Roadmap and Investment Plan 2010-2030. Selection as a candidate subproject will be based on the following general eligibility criteria:

- (i) Have significant potential to contribute to improved health of communities in South Tarawa through a reduction in water-borne disease;
- (ii) Have significant potential to contribute to an improvement in environmental quality of South Tarawa;
- (iii) There has been sufficient consultation and target communities fully support the proposed subproject; and
- (iv) Be demonstrated to be the least-cost socially acceptable feasible option.

#### C. Eligibility Criteria for Candidate Subprojects

5. The project implementation unit (PIU) will shortlist candidate subprojects that satisfy the criteria listed above for proposed sanitation and/or water supply investments. The candidate subprojects must meet the following eligibility criteria for funding under the proposed project:

- (i) **Economic efficiency.** The subprojects must be economically viable, and must demonstrate an economic internal rate of return of at least 12%. The economic analysis should be conducted in accordance with ADB's *Guidelines for the Economic Analysis of Projects*.

- (ii) **Environmental impact.** Environmental screening will be conducted for all subprojects according to the Environmental Assessment and Review Framework prepared for the project and ADB's *Safeguards Policy Statement 2009*. Subproject environmental selection criteria will exclude subprojects that are likely to cause major environmental impact (environmental category A), according to ADB's *Safeguards Policy Statement 2009*.
- (iii) **Land acquisition and resettlement.** No subproject that requires land acquisition with significant resettlement impact, according to ADB's *Safeguards Policy Statement 2009*, will be eligible for funding under the project. With respect to minimizing land acquisition (no permanent and only minimal temporary use of land) and its impact, the criteria are as follows: (i) rehabilitation should require no land acquisition and no major earthworks;; (ii) the proposed works avoid the displacement of residential structures or other, permanent, structures; (iv) the site is located on state-owned land or there is a negotiated agreement with affected landowners; and (v) there is no other significant adverse environmental or social impact.

6. The PIU will conduct stakeholder consultations on behalf of MPWU, and report on the results and propose subprojects for appraisal. The Secretary, MPWU, will endorse candidate subprojects for appraisal. With MPWU's endorsement of candidate subprojects, the PIU, assisted by the project implementation support consultants, will undertake the required appraisal to justify subproject eligibility. The appraisal will involve collecting and analyzing baseline data to assess feasibility and expected impact, using methods and tools established for the sample subprojects.

7. Each subproject appraisal will cover (i) a technical feasibility study, (ii) an economic analysis in accordance with ADB's *Guidelines for the Economic Analysis of Projects*, (iii) a social, poverty and gender analysis in accordance with the method and procedure used in the sample subproject feasibility study, and (iv) environmental and resettlement due diligence assessments as outlined under ADB's *Safeguards Policy Statement 2009*. Each component of the assessment will confirm acceptable ratings against the criteria, or recommend further works to complete the assessment.

8. MPWU will review the appraisal report and endorse the subproject that meets all the eligibility criteria. The subproject appraisal report, with the endorsement of the project steering committee, will then be submitted to ADB for approval.

9. ADB will review the appraisal report and, if necessary, may request additional materials and studies to justify the subproject. ADB's formal approval must be obtained before the detailed design of any subproject, and its inclusion for financing under the proposed project. Once ADB's approval has been secured, the PIU will commence subproject detailed design and implementation.

## **Terms of Reference for the STSISP Steering Committee**

### Membership

The Government of Kiribati's National Infrastructure Development Steering Committee will act as the Project Steering Committee (PSC). Members of the PSC include Secretaries or their delegated representative from the following ministries:

- Office of the President (Chair)
- Ministry of Finance and Economic Development (Deputy Chair)
- Ministry of Public Works and Utilities
- Ministries of Environment, Lands and Agriculture Development
- Ministry of Communications, Transport and Tourism
- DFAT/Australian Aid representative- as observer
- Asian Development Bank- observer

The Chairperson shall be the Secretary to Cabinet, or delegated representative. The Deputy Chairperson shall be the Secretary, Ministry of Finance and Economic Development, or delegated representative. Representatives from other government departments and public enterprises such as PUB, the private sector, or civil society organizations may be invited by the PSC as observers.

### Responsibilities

The PSC shall oversee the overall implementation of the project and assist MFED and MPWU to resolve any problems or constraints affecting implementation.

The PSC shall approve the work programs submitted by MPWU.

The PSC shall endorse project review reports submitted by the KFSU

The PSC shall provide guidance to MFED and MPWU on government policies, procedures, and other relevant issues

### Meetings

The PSC shall meet on at least a quarterly basis, or as otherwise necessary.

A quorum of four members is required to make approvals outlined in these terms of reference.

### Secretariat

The Secretariat for the PSC will be the KFSU.

The secretary or any delegate from KFSU shall produce minutes of meetings for distribution to all committee members within one week after the conclusion of the PSC meeting.



## APPENDIX 5: CONSULTANT TERMS OF REFERENCE

1. **Team Leader/Water Supply and Sanitation Engineer** (international). The team leader will hold a dual role being the water supply and sanitation engineer as well as team leader. The Team Leader will have strong team leadership experience, excellent inter-personal communication skills, a demonstrated ability to manage interdisciplinary teams, cultural empathy and sound organizational and reporting skills. The consultant will have a degree in civil engineering from an internationally-recognized university and at least 10 years of experience managing the implementation of water and sanitation infrastructure projects in developing countries. Experience will also include the management of non-technical aspects of water and sanitation projects i.e. sanitation and hygiene promotion and awareness. The Team Leader will report to the MPWU management team and the project steering committee. Tasks will include, but are not limited to the following:

- a. Take overall responsibility for quality and timely delivery, monitoring and reporting on all project outputs by managing and coordinating the activities of other consultants.
- b. Develop strong working relationships with MPWU staff and ensure adequate mechanisms are in place for (a) external coordination, regular information sharing and collaboration with other government agencies e.g. MFED, Ministry of Environment Lands and Agriculture Development (MELAD), Ministry of Health and Medical Services (MHMS), development partners and civil society organizations, and (b) internal coordination and regular information sharing among relevant MPWU staff.
- c. Assist MPWU recruit a project coordinator by assisting with advertisement of the position and evaluation and ranking of expressions of interest, and submitting required documentation for MFED and ADB approval.
- d. Prepare a detailed quality plan for the project covering all stages of the implementation process for all components, to be updated on a monthly basis.
- e. Establish Project Performance Management System (PPMS) framework for project implementation with relevant monitoring indicators including those included in the project design and monitoring framework; and ensure effective safeguards and gender action plan implementation, monitoring and reporting.
- f. Ensure the establishment of a project website to disclose project information to the public including business opportunities and contract awards, and ensure that relevant information and documents are available in both English and Gilbertese.
- g. Supervise overall project financial management and accounting activities. Maintain with the support of the Finance Officer, financial records of all contracts, including contract value, variations, historical disbursements and projected disbursements.
- h. Supervise and provide support as needed for the procurement of goods, works and services for all project components including civil works, community engagement and capacity development activities in accordance with ADB's Procurement Guidelines.
- i. Take responsibility for the preparation of quarterly project progress reports on behalf of MPWU for endorsement by the KFSU's Project Coordination Officer (to be recruited separately under the project), and timely submission of reports to the Project Steering Committee, MFED, ADB and AusAID.
- j. Review final designs for core subproject civil works, and update tender documents for works and equipment prepared under the project preparatory technical assistance if required.
- k. For candidate subprojects, identify and screen candidate subprojects that are in line with the Water Supply and Sanitation Roadmap 2011-2030 and associated investment plan for approval by the project steering committee. Lead the team in conducting

feasibility assessments for screened subprojects for endorsement by the steering committee. Prepare preliminary engineering designs, costs and specifications for candidate subprojects. Feasibility assessments will be carried out in accordance with ADB's Guidelines for the Economic Analysis of Projects, ADB's Poverty Handbook (2006) and Handbook on Social Analysis (2007), and ADB Safeguard Policy Statement (2009).

- l. Provide assistance to MFED and MPWU to ensure compliance with all government policies and procedures, and with ADB's covenants, guidelines and procedures, including safeguards.
- m. Facilitate the participation of government counterparts in project implementation to promote skills transfer. Build the capacity of government staff and national consultants through on-the-job training and the establishment of standard procedures that can be replicated in routine projects, as well as potential future externally-funded projects.
- n. Ensure that the required audits, such as environmental, social, and financial audits, are undertaken and reported, and prepare a project completion report.
- o. Perform other related duties and responsibilities as required.

**2. Construction Supervision and Design Engineer/ Deputy Team Leader (international).** The Consultant will hold a degree in civil engineering from an internationally-recognized university, and at least 10 years of experience in the design and management of water and sanitation infrastructure projects. The consultant will also have strong communications skills and experience in managing and coordinating interdisciplinary project teams. The consultant will report to the Water Supply and Sanitation Engineer/Team Leader, and will assume the responsibilities of the Team Leader in his/her absence. The consultant will carry out the following:

- a. During the Team Leader's absence, assume full responsibility for quality and timely delivery of all project outputs.
- b. Assist with the technical feasibility assessments for proposed candidate subprojects. Prepare final technical documentation, including detailed engineering designs, costs and specifications for candidate subprojects. Ensure that engineering designs incorporate improved environmental protection standards.
- c. Assist the Procurement Specialist in the preparation of the bid documents, and with tender evaluation, negotiation of award and contract.
- d. Review and approve the contractor's construction methodology, work plans and schedules.
- e. Administer, implement and monitor contracts for civil works in line with procedures outlined in the project contract administration manual. Ensure that all design requirements meet required quality; review, approve and certify for payment contractor's progress claims as required by the civil works contracts. Hold monthly meetings with contractor's representatives.
- f. Regularly review and monitor the performance of sanitation infrastructure maintenance contracts, and ensure adequate training for PUB staff in the operations and maintenance of rehabilitated sewerage infrastructure.
- g. Provide on-the-job training and mentoring to the national Water Supply and Sanitation Engineer to monitor and review progress of civil works contractors.
- h. Work with the Procurement Specialist and Advisor (operations and maintenance) to identify and assess opportunities for local private sector involvement in the water and sanitation sector in South Tarawa.
- i. Perform related duties and responsibilities as required.

3. **Procurement Specialist (international).** The consultant will have a degree in engineering, quantity surveying, architecture or other relevant qualification from an internationally-recognized university, and at least 10 years' experience managing the procurement of goods, works and services for water and sanitation infrastructure projects. The consultant will have good knowledge and experience in applying ADB's procurement processes, as outlined in ADB's Procurement Guidelines (2015, as amended from time to time). The consultant will report to the Team Leader and provide procurement support to the existing Project Management Unit within MFED. The consultant will be required to work closely with PIU consultants within MPWU in order to ensure efficient procurement of goods, works and services under the project, in accordance with ADB's procurement guidelines. Tasks will include:

- a. Prepare detailed procurement plan for the first 18 months of project implementation, using the draft procurement plan prepared during project preparation
- b. Review bid documents for core subprojects prepared during project preparation, and update as necessary before finalizing.
- c. Prepare all bidding documentation for candidate subprojects.
- d. Provide support for the procurement of consulting services, equipment and supplies for project capacity development training and community engagement components.
- e. Review options for contracting of sewerage system operations and maintenance services following completion of civil works. Prepare required tender documentation and provide support for the procurement of operations and maintenance services for sewerage system infrastructure.
- f. Provide support to the MFED on all aspects of procurement, and coordinate all procurement activities. Assist the KFSU with the advertisement, development of evaluation criteria, evaluation of bids and preparation of bid evaluation reports for sanitation civil works and equipment for core and candidate subprojects, including recommendations on contract awards. The expert will act as a member of the bid opening and evaluation committee, and will prepare the bid evaluation report on the basis of the procurement committee's evaluation, and assist the government in submitting required documentation to ADB for approval. The expert will ensure that the bid evaluation committee is provided with all of the guidance and advice needed, and that all procedures are followed in compliance with ADB's procurement guidelines.
- g. Provide training support through targeted training to MFED and MPWU staff as well as local contractors to build capacity in procurement e.g. preparing tender documents and submitting bids, and increase local familiarity with ADB procurement processes. Identify and assess opportunities for local private sector involvement in the water and sanitation sector in South Tarawa.
- h. Ensure that all relevant project procurement information (advertisements, contract award information etc.) is posted on the project website and ADB's business opportunities website.
- i. Provide support as needed for the ADB procurement assessment during the project mid-term review.
- j. Perform related duties and responsibilities as required.

4. **Environment Specialist (international).** The consultant will hold post-graduate qualifications in environmental engineering, science or a related field from an internationally-recognized university, and have at least 10 years of experience in the environmental assessment of infrastructure projects, including water supply and sanitation sector experience.

The consultant will have expert knowledge and experience in the application of ADB's Safeguard Policy Statement (2009). The consultant will report to the Team Leader. Tasks will include:

- a. Review and update the environmental assessment and review framework (EARF) for the project.
- b. Review approved Environmental Management Plans (EMPs) and update as required to account for any changes during implementation, including updates to mitigation and monitoring plans, budget and capacity development needs of MPWU.
- c. Provide initial training to relevant government staff and the national Safeguards Officer (Environment and Resettlement) on the purpose, content, and roles and responsibilities in the implementation of EMPs. Facilitate the participation of government counterparts in ongoing capacity development activities to ensure skills transfer in the area of environmental assessment and monitoring, and to ensure that there is adequate capacity to implement the project EMPs.
- d. Review current water quality monitoring practices and establish in collaboration with relevant government agencies a system for monitoring the quality of groundwater in project areas, lagoon and coastal waters, including collection of baseline data.
- e. Coordinate with the MELAD to ensure that environmental safeguards measures comply with national safeguards requirements. Assist MPWU to prepare environmental impact assessment reports (EIA) using the standard format required by MELAD, and submit EIAs for MELAD approval and issuance of environmental licenses, prior to tendering of civil works.
- f. Assist MPWU in preparing Initial Environmental Examinations (IEEs) and EMPs for candidate sub-projects for endorsement by MFED and ADB.
- g. Ensure that all relevant safeguards of EMPs are adequately addressed in bidding documents (instruction to bidders), and in the evaluation criteria for awarding contracts. Assist MFED in the review of bids for civil works contracts and advise the evaluation team on capacity of contractor to implement proposed mitigation plans.
- h. Develop a reporting template for project progress reporting on environmental issues and required remedial action for quarterly progress reports. Provide inputs, as appropriate, to project monitoring reports.
- i. Assist in preparing a simple report template for construction contractors on mitigation activities, and environmental issues that arise during construction
- j. Perform related duties and responsibilities as required

5. **Resettlement Specialist (international).** The consultant will hold a post-graduate degree in social development or a related field from an internationally-recognized university, and have at least 10 years of experience working on social safeguards for infrastructure projects. The consultant will have expert knowledge and experience in the application of ADB's Safeguard Policy Statement (2009). The consultant will report to the Team Leader. Tasks will include:

- (i) Review the Resettlement Framework (RF) prepared for the project during the project preparation stage.
- (ii) Review and reconfirm the approved (RP) Resettlement Plan, and update as required in consultation with MFED to account for any changes during project implementation, including compensation rates, mitigation and monitoring plans,

- budget and capacity development needs of MPWU. Review the proposed grievance redress mechanisms to ensure that affected communities are aware of entitlements and can easily lodge complaints, and ensure that these are addressed.
- (iii) Develop project social monitoring and evaluation plan including relevant indicators and a strategy for the collection of gender disaggregated socio-economic data in collaboration with the Community Engagement and Gender Specialist in order to monitor and assess project performance on an ongoing basis.
  - (iv) Conduct candidate subproject feasibility assessments, including baseline data collection, detailed feasibility studies, social impact assessment including gender analysis.
  - (v) Assist MPWU with public consultations for subproject feasibility assessment and implementation of civil works.
  - (vi) Provide social safeguards training to relevant MPWU staff and the Safeguards Officer (Environment and Resettlement) to inform them on the scope of: (i) ADB policy and procedural requirements, (ii) national laws and regulations, (iii) resettlement planning, including social impact and gender analyses, (iv) resettlement implementation and supervision, and (v) monitoring and evaluation.
  - (vii) Ensure that subproject-specific social mitigation measures are incorporated into contract documents. Review bids and advise evaluation team on capacity of contractor to implement proposed social mitigation plans.
  - (viii) Develop checklists and questionnaires to monitor and evaluate the compliance of contractors on social, environmental, health and safety contractual obligations.
  - (ix) Work with the Community Engagement and Gender Specialist to develop and deliver an education and awareness program and produce relevant instruction and materials on gender, HIV/AIDS and safety among target communities, especially women and girls, and civil works contractors.
  - (x) Develop a template for project progress reporting on resettlement issues and remedial action (if any), to include in quarterly project progress reports. Provide inputs into project monitoring reports as appropriate.
  - (xi) Perform other relevant duties and responsibilities as required

**6. Economics and Financial Specialist (International).** The consultant will hold a post-graduate degree in economics from an internationally-recognized university and have at least 10 year's of experience carrying out economic and financial appraisal of infrastructure projects, including water and sanitation investments. In depth knowledge and experience in the application of economic analysis methodologies outlined ADB Handbook on Economic Analysis of Projects is required. The consultant will report to the Team Leader. Tasks will include the following:

- (i) Carry out economic and financial appraisal of candidate subprojects including baseline data collection and demand forecasts to inform the economic and financial analysis in accordance with ADB's Handbook on Economic Analysis of Projects. The economic analysis should use appropriate quantitative methods to estimate and quantify in monetary terms social benefits and costs associated with the project.
- (ii) Calculate financial and economic rates of return for selected candidate subprojects including appropriate sensitivity and risk analyses.
- (iii) Perform related duties and responsibilities as required.

**7. Financial Management Specialist (international).** The consultant will hold post-graduate qualifications in accounting, business administration, or finance from an internationally-recognized university, and have at least 10 years of public financial

management experience, including experience in the design and management of public trust funds. The consultant will be responsible for: (a) establishing project financial management systems and reporting procedures, and (ii) designing and establishing the SMF that is intended to ensure that sufficient financing is available to support sewerage operations and maintenance activities over the medium-term. The consultant will report to the Team Leader. Tasks will include the following:

- (i) Develop procedures for financial accounting, reporting, auditing and loan disbursement for the project with the project Finance Officer, and ensure that these follow sound accounting principles in line relevant ADB guidelines including ADB's Guidelines for the Financial Governance and Management of Projects and Loan Disbursement Handbook.
- (ii) Prepare financial management manual for the project that outlines procedures developed for project financial management, reporting and auditing.
- (iii) Prepare terms of reference for the annual external auditing of project accounts
- (iv) Provide training for the project Finance Officer in ADB financial management procedures. The training will cover loan disbursement procedures and financial management practices for ADB financed projects
- (v) Review existing budgeting and funds flow mechanisms that are used to support the delivery subsidies to support sewerage service delivery in South Tarawa.
- (vi) In consultation with MFED, MPWU and PUB, prepare a proposal for the detailed design of management, disbursement, monitoring and reporting procedures to support the establishment of a SMF for endorsement by the government and ADB. Ensure that the proposed SMF oversight and control arrangements are consistent with relevant ADB and government requirements.
- (vii) Provide support to MFED and MPWU to setup the SMF, and once approval has been provided by ADB, ensure the disbursement of project funds into the SMF.
- (viii) Perform other related duties and responsibilities as required.

8. **Computer-Aided Drawing Specialist (International)** The consultant will hold relevant qualifications from an internationally-recognized institution, and have at least 2 years of experience in applying AutoCAD to water supply and sanitation projects. The CAD specialist will support the work of the PIU consultants and will prepare the plans and details for inclusion in the tender and contract documents and for implementation of the proposed civil works. The CAD specialist will also provide on-the-job training to relevant government counterparts. The consultant will report to the Team Leader.

9. **Community Engagement and Gender Specialist (International).** The consultant will have a post-graduate degree in a social development, health or a related field from an internationally-recognized university, with at least 10 years of experience managing hygiene and sanitation promotion and marketing activities in developing countries. The consultant will also have experience training government officials and community groups using approaches such as Community-Led Total Sanitation (CLTS), and designing or managing hygiene/sanitation behavior change campaigns. The consultant must also have relevant qualifications and/or experience in gender. Pacific Developing Member Country experience would be an asset. The consultant will have excellent inter-personal communication and management skills and a strong ability to work effectively in different cultural contexts. The consultant will report to the Team Leader and will supervise and mentor the national Community Engagement and Gender Officer. Tasks will include the following:

- (i) Review and update the community engagement strategy and GAP developed during project preparation, and develop a detailed work plan in collaboration with relevant government departments e.g. MPWU, MHMS, MELAD, and development partners e.g. UNICEF, World Bank and New Zealand. Strategies and plans should be reviewed and updated annually based on lessons learned during project implementation.
- (ii) Provide support for the formation and participate in relevant inter-government/development partner agency working groups to coordinate community sanitation, hygiene and health activities.
- (iii) Provide training and support to the national Community Engagement and Gender Specialist, and relevant government counterparts, to build capacity in sanitation and hygiene promotion.
- (iv) Provide support, in partnership with other development partners, for the implementation of MPWU's onsite sanitation system pilot schemes, as needed, by implementing community engagement and education activities to be carried out during the pre-construction, construction, trial and evaluation phases. Work with communities to secure their active participation in the construction and trialing of systems, and ensure that in addition to technological feasibility, the social and cultural acceptability of systems, are adequately monitored and assessed.
- (v) In collaboration with government agencies and other relevant development partners, identify and agree on an appropriate gender-sensitive approach for (a) promoting hygiene and sanitation behavior change and safe water use, e.g. handwashing and a reduction in open defecation, among South Tarawa communities including the use of CLTS, (b) designing high impact, targeted public awareness campaigns and communication outreach activities to improve public understanding on hygiene, health and sanitation issues.
- (vi) Recruit consultants to design and implement of innovative and high impact public awareness campaigns on hygiene and sanitation awareness, and safe water use. Manage consultant contracts and monitor performance to ensure the effectiveness of activities in achieving intended outputs.
- (vii) With support from the national Community Engagement and Gender Specialist, assess training needs of Sanitation and Gender Community Mobilizers (SGCM), and develop a gender-sensitive training and activity plan for the entire project duration. These plans should be reviewed and updated annually based on implementation experience. Community outreach activities will include a combination of education, awareness, and demonstration activities. Establish mechanisms for providing ongoing support and performance monitoring of SGCMs.
- (viii) Recruit and train at least 10 qualified SCGMs selected to achieve wide representation among South Tarawa communities, to lead and influence gender-sensitive sanitation and hygiene behavior change at the community level. Training activities should be organized, where possible, in coordination with government agencies and development partners who are involved in similar activities. Recruit and manage consultants to carry out specialized training activities, as needed.
- (ix) Work with MPWU and PUB to design and implement activities to educate communities and gain their acceptance of the need for water and sanitation tariff reform, and to improve willingness to pay for utility services.
- (x) Design and implement activities to promote ownership and appropriate use of sanitation infrastructure. Awareness activities should highlight the need to maintain toilets and saltwater reticulation systems in good working order; appropriate use of toilets connected to the sewerage system; and the need to ensure that septic tanks are properly constructed and maintained to avoid groundwater pollution.

- (xi) Actively engage with various civil society organizations and target groups such as churches, women's and youth groups, community elders, and non-government organizations, to (a) promote their involvement in sanitation and hygiene awareness activities e.g. song and drama competitions, community and school events, use of local leaders to spread key messages (b) determine what types of advertizing and marketing are most effective to promote behavior change given cultural practices, beliefs, attitudes in South Tarawa, and (c) to seek regular feedback on the impact on community engagement and public awareness activities.
- (xii) Carry out sanitation and hygiene, and gender awareness and sensitivity training for government officials including MPWU and PUB staff, and KFSU and PIU consultants. Ensure that all community engagement and public awareness activities are gender sensitive.
- (xiii) Take responsibility to implementing the project GAP, including gender targets to ensure adequate consultation with women, and their participation in various project capacity development activities; and the collection of sex-disaggregated data to ensure that the impact of the project on women in South Tarawa can be adequately assessed.
- (xiv) Design and implement baseline, mid-term and end-of-project surveys to monitor changes in knowledge, attitudes and behavior towards hygiene and sanitation in South Tarawa.
- (xv) Provide support for community engagement activities related to the design of additional candidate subprojects to be identified and assessed during project implementation. Inputs could include, for example, community consultations to seek feedback on social and cultural preferences in the design, location and management of onsite sanitation facilities such as communal toilet blocks.
- (xvi) Prepare completion report for community engagement and public awareness activities and submit to the (Acting) Team Leader. Perform related duties and responsibilities as required.

**10. Capacity Development and Training Specialist. (international).** The consultant should possess relevant post-graduate qualifications in human resources management or other relevant field from an internationally-recognized university, and at least 10 years of capacity development experience working related to utilities reform in developing countries and water and sanitation sector capacity development. The consultant will report to PUB management and the Team Leader, and work closely with the Advisor (Operations and Maintenance) and Advisor (Financial Management) in the design and delivery of capacity development activities for MPWU and PUB staff. Tasks will include the following:

- (i) Review the findings of the institutional and capacity assessment of MPWU and PUB carried out during project preparation, and collect additional information and data as needed, to assess capacity development and training needs of MPWU and PUB water and sanitation section staff.
- (ii) Work with PUB and MPWU human resources staff and project advisors to prepare a capacity development and training (CDT) plan for MPWU and PUB staff to improve operational effectiveness of both organizations, for approval by PUB and MPWU management. Training should include a mix of appropriate modules including: (a) on-the-job training and mentoring, (ii) short informal training sessions, (c) formal training courses, and (d) diploma courses. Appropriate targets, timeframe, monitoring indicators and follow-up measures should also be included in the plan. The CDT plan



- should be subject to regular reviews so that training activities can be adapted based on implementation experience.
- (iii) As part of CDT plan preparation, review the level and subject areas of training available in South Tarawa tertiary institutions e.g. Kiribati Institute of Technology (KIT), and investigate the scope for these organizations to provide courses tailored to specific identified capacity needs within PUB and MPWU.
  - (iv) Develop in-house training programs for PUB and MPWU staff in consultation with the project advisers, as part of CDT implementation.
  - (v) Recruit and manage contracts for consultants to deliver targeted training sessions identified in the CDT plan
  - (vi) Identify appropriate professional engineering diploma or certificate programs in Kiribati or the South Pacific region, and assess the suitability of programs to address water and sanitation engineering skills gaps of PUB and/or MPWU staff. Assess required course pre-requisites in relation to staff qualifications. In coordination with relevant government agencies, establish and implement a transparent and fair process for identifying and awarding 2 engineering scholarships to PUB and/or MPWU staff members (at least one female) with the endorsement of the project steering committee. Design and put into place a system for supporting and monitoring performance of scholarship students.
  - (vii) Identify opportunities to develop 'twinning' arrangements between PUB and other utilities in the region e.g. Australia and New Zealand, to create opportunities for learning and capacity development among PUB staff
  - (viii) Assist PUB and MPWU in preparing and submitting requests to various development partner-supported specialist volunteer programs as needed, e.g. Australian Volunteer Program or Japan International Cooperation Agency, to provide additional in-line capacity development support.
  - (ix) Assist with the design of a training attachment program for 6 recent KIT technical and finance graduates to gain relevant work and professional development experience within PUB and MPWU.
  - (x) Work the project Procurement Specialist to deliver training to local contractors to build local private sector capacity prepare bid documentation and gain familiarity with ADB's procurement processes. Coordinate training with other development partners who are carrying out similar capacity development activities.
  - (xi) Perform related duties and responsibilities as required.

**11. Adviser (Operations and Maintenance, international).** The consultant is required to possess the following essential skills: strong technical expertise in utility management, excellent interpersonal and communications skills, cultural sensitivity, patience, flexibility and ability to adapt well to different cultural situations, and ability to mentor and motivate staff to achieve best possible results. The consultant should have a degree in engineering from an internationally-recognized university and extensive relevant experience in the management and operations of water supply and sewerages services. It is also critical that the consultant has the ability to interact and develop good professional working relationships with counterpart staff. The consultant's role will include: capacity building of counterpart staff through mentorship, support for day-to-day operations, and targeted and on-the-job training. The consultant will provide management with advice on, and assist in strengthening and developing procedures and systems to promote effective management, operation and maintenance of sanitation services. It is critical that the consultant is able to secure a high level commitment and ownership from PUB staff so that procedures and systems for improved performance are introduced and sustained. All inputs provided by the consultant must be developed in a highly participatory and consultative manner to ensure appropriateness for the local context. The

consultant will report to PUB management and the Team Leader. Specific tasks include, but are not limited to the following:

- (i) Develop a detailed workplan for the duration of the assignment that includes measurable targets, in discussion with PUB management, and update annually based on project implementation experience.
- (ii) Provide support to PUB staff to develop, refine and update water and sanitation asset management plans, and provide support for their implementation.
- (iii) In coordination with PUB staff develop and streamline standard operating procedures for the delivery of water and sanitation services, and provide support for implementation.
- (iv) Provide support to PUB management for the development of performance-based systems to monitor and address existing identified operational deficiencies in the delivery of water and sanitation services.
- (v) Work with relevant human resource management staff within PUB to ensure that all essential tasks and responsibilities for effective sanitation operations and maintenance are clearly assigned to PUB staff and are included in staff job descriptions, with associated training plans to ensure that staff have the capacity to carry out their assigned duties.
- (vi) Provide day-to-day support and mentoring to PUB staff for the implementation of water and sanitation operations and asset management plans, and for the effective supervision and monitoring of sanitation infrastructure and equipment maintenance contracts.
- (vii) Work with the Capacity Development and Training Specialist to develop targeted training programs to address identified skills gaps for PUB water and sanitation operations staff; and deliver in-house training programs to staff.
- (viii) Work with relevant PUB staff and the Adviser (financial management) to develop and submit annual water and sanitation system O&M programs and budgets for PUB board of directors approval, and to prepare applications for funds disbursements from the SMF.
- (ix) Review existing procedures for addressing customer complaints, and work with PUB staff to improve PUB responsiveness to complaints while ensuring that adequate monitoring systems are in place.
- (x) Identify opportunities in consultation with PUB management and staff for improving the operational effectiveness of PUB by outsourcing of certain PUB functions to the private sector such as asset maintenance.
- (xi) Assist with the training and professional development of KIT graduates during their training attachment assignments with PUB and MPWU.
- (xii) Ensure that capacity development support provided under the project is well aligned to capacity support provided by other development-partner funded projects.
- (xiii) Monitor and report on progress made in implementation of the detailed work plan on a quarterly basis; progress monitoring will also include feedback provided by PUB counterpart staff on the consultant's performance.
- (xiv) Perform other relevant work as required.

12. **Adviser (Financial Management, international).** The consultant is required to possess the following essential skills: strong technical expertise in financial management of utility services; excellent interpersonal and communications skills, cultural sensitivity, patience, flexibility and ability to adapt well to different cultural situations, and ability to mentor and motivate staff to achieve best possible results. The consultant should hold a degree in accounting or other relevant discipline, and have extensive relevant experience in financial

management and accounting, including experience working in public utilities. It is also critical that the consultant has the ability to interact and develop good professional working relationships with counterpart staff to gain their trust and confidence. The consultant's role will include: capacity building of counterpart staff in financial management and accounting through mentorship and on-the-job training, and providing advice and support for strengthening and development of financial management procedures. It is critical that the consultant is able to secure a high level commitment and ownership from PUB so that procedures and systems for improved performance are introduced and sustained. All inputs provided by the consultant must be developed in a highly participatory and consultative manner to gain acceptance and ensure appropriateness for the local context. The consultant will report to PUB management and the Team Leader. Specific tasks include, but are not limited to the following:

- (i) Develop a detailed workplan for the duration of the assignment that includes measurable targets, in discussion with PUB management, and update annually based on project implementation experience.
- (ii) Provide financial inputs into the review and/or development of PUB's business plans, asset management plans, accounting and information systems, operating guidelines and procedures, and pro-poor services management strategy of PUB to achieve PUB's strategic goals and objectives for the delivery of water, sanitation and power services in a cost-effective manner
- (iii) Review existing financial management and audit procedures, and provide advice on strengthening these systems; ensure that proper financial and accounting systems are in place and are maintained.
- (iv) Work with relevant human resource management staff within PUB to ensure that all essential tasks and responsibilities for effective financial management are clearly assigned to PUB staff and are included in staff job descriptions, with associated training plans to ensure that staff have the capacity to carry out their assigned duties.
- (v) Provide day-to-day support and mentoring to PUB finance staff.
- (vi) Work with the Capacity Development and Training Specialist to develop targeted training programs to address identified accounting and financial management skills gaps for PUB staff; and deliver in-house training programs to staff.
- (vii) Work with PUB staff and Adviser (operations and maintenance) to develop system for reviewing water, sanitation and electricity tariff structures on an annual basis to ensure financial sustainability through adequate cost recovery, in order to achieve the target of 85% of sewerage operations and maintenance costs being funded by user charges by 2018. Provide ongoing support for the preparation of annual tariff revision proposals for approval by the PUB board of directors'.
- (viii) Work with PUB management to design and implement an appropriate pro-poor tariff structure. Estimate required annual government subsidies to ensure access to sanitation among low-income households.
- (ix) Review systems for billing and revenue collection, and provide advice and support for strengthening these systems, including the introduction of performance targets, to ensure cost-recovery. Provide advice on innovative means of improving bill payment and collection e.g. incentives such as prize draws to encourage regular and prompt bill payment, or outsourcing of these functions to the private sector.
- (x) Provide support to PUB staff and management to prepare annual budgets, and other financial reports submitted to the board of directors, which ensure adequate funding for operations and asset maintenance.
- (xi) Provide support for the management of the SMF. Assist PUB to identify any funding gaps for sanitation infrastructure maintenance as outlined in asset management plans, and prepare funding proposals to submit to the SMF board to secure required funding. Assist with the preparation of regular SMF financial statements.

- (xii) Provide required training to the board responsible for overseeing the management of SMF, including: (a) raising awareness on the fund's purpose, board roles and duties, and the need to ensure adequate scheduled maintenance of sanitation infrastructure, (ii) assisting in evaluating the quality of asset management plans including cost estimates submitted by PUB for the board's consideration, (iii) preparing annual reports on SMF performance.
- (xiii) Assist with the training and professional development of KIT graduates during their training attachment assignments with PUB and MPWU.
- (xiv) Ensure that capacity development support provided under the project is well aligned to capacity support provided by other development-partner funded projects.
- (xv) Monitor and report on progress made in implementation of the detailed work plan. progress monitoring will also include feedback provided by PUB counterpart staff on the consultant's performance.
- (xvi) Perform other relevant work as required.

13. **Sanitation Specialist (international)** The Consultant will assist with the feasibility assessments and design for identified candidate sub-projects in line with the Water Supply and Sanitation Roadmap 2011-2030 and associated investment plan.

14. **National Water Supply and Sanitation Engineer (national)**. The national water supply and sanitation engineer will have at least 5 years of experience in the design and implementation of infrastructure projects, and hold relevant technical qualifications, preferably in civil engineering. The consultant will report to the Team Leader. Tasks are as follows:

- (i) Assist in the preparation of detailed engineering designs and drawings for candidate subprojects.
- (ii) Carry out field inspections to ensure that engineering designs are adequately implemented.
- (iii) Provide input into bid documents for candidate subprojects.
- (iv) Assist with any design changes during implementation of subprojects.
- (v) Assist the Construction Supervision and Design Engineer in supervising contractor's works including carrying out periodic performance audits to ensure quality control and that core labor standards are met.
- (vi) Support the Construction Supervision and Design Engineer in reviewing and approving the contractor's construction methodology and work plans.
- (vii) Review and approve with the Construction Supervision and Design Engineer contractor's progress claims and certify them for payment.
- (viii) Provide support to the Construction Supervision and Design Engineer in reviewing subprojects' environmental monitoring plans, carrying out regular audits and monitoring, and providing technical advice to the PIU on ensuring compliance with environmental assurances under the project.
- (ix) Review contractual issues including contract variations and seek approval from appropriate authorities.
- (x) Hold monthly meetings with contractor's representatives, review progress, identify issues and/or constraints, and propose remedial actions.
- (xi) Carry out additional duties or responsibilities as required.

15. **Community Engagement and Gender Officer (national)**. The consultant will hold a degree in a relevant field and have at least 5 years of experience working on community engagement and/or health promotion activities, preferably including experience working on

externally-funded projects. The consultant will have excellent inter-personal communication and management skills. The consultant will report to the Community Engagement and Gender Specialist and the Team Leader. Tasks will include the following:

- (i) Assist in the review and updating of the community engagement strategy and GAP prepared for the project, and provide input into the development of a detailed work plan.
- (ii) Actively participate in relevant inter-government/development partner agency working groups to coordinate community sanitation, hygiene and health activities, and the development of joint information, education and communication materials, and public awareness strategies.
- (iii) Provide support for the implementation of MPWU's onsite sanitation system pilot schemes, as needed, by implementing community engagement and education activities to be carried out during the pre-construction, construction, trial and evaluation phases. Work with communities to secure their active participation in the construction and trialing of systems, and ensure that in addition to technological feasibility, the social and cultural acceptability of systems, are adequately monitored and assessed.
- (iv) In collaboration with relevant government agencies and development partners, identify and agree on an appropriate gender-sensitive approach (i) for promoting hygiene and sanitation behavior change, e.g. handwashing and a reduction in open defecation, among South Tarawa communities including the use of CLTS,, (ii) designing a high impact, targeted public awareness campaigns to improve understanding on the links on health, hygiene and sanitation in South Tarawa.
- (v) Assist with the recruitment and management of consultants to carry out various training and public awareness activities.
- (vi) With support from the national Community Engagement and Gender Specialist, assess training needs of Sanitation and Gender Community Mobilizers (SGCM), and develop a gender-sensitive training and activity plan for the entire project duration. These plans should be reviewed and updated annually based on successes and lessons learned during project implementation.
- (vii) Assist the Community Engagement and Gender Specialist in identifying suitable prospective candidates for the SCGM positions, ensuring wide representation among South Tarawa communities. Assist with the training and day-to-day supervision of SGCMs. Training activities should be organized, where possible, in coordination with government agencies and development partners, who are involved in similar activities.
- (viii) Assist with the development and implementation of a tariff reform education strategy to gain public acceptance on the need to pay for water and sanitation services, and to promote greater willingness to pay for sanitation services.
- (ix) Assist with the design and implementation of activities to promote community and household ownership and appropriate use of sanitation infrastructure. Awareness activities should highlight the need to maintain toilets and saltwater reticulation systems in good working order; appropriate use of toilets connected to the sewerage system; and the need to ensure that septic tanks are properly constructed and maintained to avoid groundwater pollution.
- (x) Actively engage with various civil society organizations and target groups such as churches, women's and youth groups, community elders, and non-government organizations to involve these groups in various sanitation and hygiene awareness activities, e.g. song and drama competitions, community and school events, use of local leaders to spread key messages.

- (xi) Provide advice on the types of advertising and marketing that are most effective to promote behavior change among the population of South Tarawa.
- (xii) Assist with the recruitment and management of consultants for the delivery of (i) specialized training activities, and (ii) innovative and high impact public awareness campaigns.
- (xiii) Assist and lead sanitation and hygiene, and gender awareness and sensitivity training activities for government officials including MPWU and PUB staff, and KFSU and PIU consultants as well as SGCMS.
- (xiv) Assist with the design and implementation of baseline, mid-term and final surveys to monitor changes in knowledge, attitudes and behavior towards hygiene and sanitation in South Tarawa.
- (xv) Provide support for community engagement activities related to the design of additional candidate subprojects to be identified and assessed during project implementation. Inputs could include, for example, community consultations to seek feedback on social and cultural preferences in the design, location and management of onsite sanitation facilities such as communal toilet blocks.
- (xvi) Assist with project monitoring and evaluation activities related to social impacts of the project.
- (xvii) Perform other relevant tasks to support project implementation as needed.

16. **Safeguards Officer (National).** The consultant will hold relevant qualifications in social or environmental sciences, with at least 5 years of experience carrying out environmental impact assessment and monitoring activities. Previous experience with externally-funded projects is preferred. The consultant will report to the Team Leader, Environment Specialist and Resettlement Specialist. Tasks will include:

- (i) Work with MELAD to ensure that EIA requirements are met for issuing of environmental licenses for subprojects.
- (ii) Assist in conducting candidate subproject feasibility assessments, including baseline data collection, detailed feasibility studies, and environmental assessment.
- (iii) Assist the Resettlement Specialist in carrying out necessary work including surveys, public consultations, and any land acquisition and leases for temporary use of land, and preparation and implementation of RPs, if needed, in compliance with ADB requirements.
- (iv) Integrate mitigation measures presented in the IEE and RP into bidding documents and ensure provisions are made for contractors to include their approach/costs for mitigations in their bidding documents.
- (v) Provide guidance to contractors after being awarded contracts to prepare EMPs that include implementation, monitoring, and reporting on their mitigation measures, including workplace safety.
- (vi) Conduct site visit spot-checks of contractors' mitigations and review contractors' regular monitoring reports.
- (vii) Monitor compliance with EMPs, RPs and GAP, as necessary, and ensure compliance with these plans under the project, and report monitoring results to relevant project team members.
- (viii) Facilitate participation of government counterparts in ongoing capacity development activities to ensure skills transfer.
- (ix) Assist in addressing community complaints and grievances, and actively seek to promote community ownership and involvement in project implementation.
- (x) Assist with the collection of relevant environmental and social data to support project performance, gender action plan and safeguards monitoring.

- (xi) Prepare all necessary routine reports on time and to the required quality.
- (xii) Carry out additional duties and responsibilities as required.

17. **Finance Officer (national).** The consultant will hold relevant qualifications in accounting, commerce or finance, preferably with at least 10 years' experience working as an accountant or finance officer. Previous experience working on externally-funded project is preferred. The Finance Officer will work in the Project Management Unit within MFED but will be required to work closely with PIU consultants within MPWU, and will report to both the Project Coordination Officer in the KFSU and the Team Leader. Tasks will include the following:

- (i) Work with the Financial Management Specialist to develop financial management, reporting and auditing procedures outlined in a Financial Management Manual that are in accordance with ADB requirements.
- (ii) Assist in the setup, and administer a financial management system for project implementation in accordance with the relevant ADB guidelines.
- (iii) Manage and facilitate the timely disbursement of project funds in accordance with ADB's Loan Disbursement Handbook (2015, as amended from time to time).
- (iv) Prepare and submit withdrawal applications under ADB's Loan Disbursement Procedures concerning direct payment and reimbursement
- (v) Assist with the preparation and updating of financial records, projections, and project reports in accordance with procedural requirements of ADB and the government
- (vi) Maintain accurate and auditable records of financial transactions for the project
- (vii) Prepare project accounts for annual audits, and assist auditors, if, and when needed
- (viii) Liaise with contractors and suppliers on financial issues as needed
- (ix) Maintain close working relationship with both KFSU and PIU staff to ensure effective and efficient project implementation.
- (x) Carry out additional duties and responsibilities as required.

18. **Administrative Assistant (national).** The consultant will hold relevant qualifications and have at least 5 years of relevant administrative experience. Previous employment experience working with development partners or externally-funded projects would be preferable. The consultant will report to both the Project Coordination Officer and the Team Leader. Tasks will include the following:

- (i) Provide administrative and clerical support to both the KFSU and PIU.
- (ii) Assist the Finance Officer in processing contractual claims.
- (iii) Maintain files and records in accordance with an appropriate quality management system.
- (iv) Provide support for arrangement logistics and travel for project consultants.
- (v) Provide support for organizing meetings and workshops organized under the project.
- (vi) Carry out additional duties and responsibilities as required.

#### **A. Outputs**

19. KFSU and PIU will provide the following outputs::

- (i) Subproject assessments including technical, economic, environmental and social impact assessments for all prioritized subprojects;
- (ii) Detailed engineering designs for candidate subprojects, technical specifications, and environmental management and monitoring plans for all civil works;

- (iii) Evaluation reports for civil works contracts
- (iv) Executed civil works contracts;
- (v) Project reports;
- (vi) Detailed project performance monitoring system including detailed indicators; and
- (vii) Public communications plan

## **B. Reporting Requirements**

20. Consultants will support the KFSU with reporting requirements including:

- (i) Inception report, within 6 weeks of project commencement;
- (ii) Quarterly progress reports in a format agreed upon with MFED and ADB, submitted within 1 month of the end of the quarter;
- (iii) Mid-term progress report;
- (iv) Draft final report and draft project completion report in agreed upon format; and
- (v) Final report and a final project completion report 1 month after receiving the comments on the final draft report from the government, ADB and AusAID.

21. **Sanitation and Gender Community Mobilizers (720 person-months, 10 positions, national).** The Sanitation and Gender Community Mobilizers (SGCM) will work in target communities in South Tarawa. They will act as role models within their communities and will be responsible for promoting and educating community members on improved sanitation and hygiene behavior and gender, and leading by example. The SGCMs should coordinate where possible with other community-based organizations, e.g., Church or youth groups, government agencies, or nongovernment organizations, in the delivery of activities. Specific tasks include but are not limited to:

- (i) Participating in training events organized by project Community Engagement and Gender Specialists, other project consultants, or other government agencies and development partners to build their knowledge on health, hygiene and sanitation issues.
- (ii) Working with members of the community to promote widespread and regular hand washing with soap, and educating communities on the health risks associated with poor hygiene practices. SGCMs will also provide information and advice, and assist community members in setting up hand washing stations.
- (iii) Organizing community events and competitions to raise awareness on health, sanitation and hygiene issues, and carrying outside activities as part of other organized community events to promote greater awareness on hygiene and sanitation issues.
- (iv) Implementing community-led total sanitation activities within communities to discourage open defecation, specifically targeting groups which most frequently engage in such behavior. Mobilize communities to view open defecation as socially unacceptable behavior, and to actively discourage its use among members.
- (v) Encouraging households to use and/or invest in improved sanitation facilities as an alternative to open defecation or systems that contribute to pollution. Highlight the health and environmental benefits of sanitation investments. Raise awareness on health and environmental impacts of poorly constructed and maintained sanitation systems, e.g., unsealed concrete block or leaking septic tanks, and pit latrines. Share information on sanitation system options.



- (vi) Encouraging community investments in sanitation, e.g., communal toilet blocks, fundraising events to raise money for sanitation investments, encouraging donations of material and labor; and assisting to establishing proper management regimes to ensure adequate maintenance of communal facilities.
- (vii) Providing information on the correct use of sanitation systems and discouraging the use of materials such as leaves and rags which cause sewerage system blockages.
- (viii) Piloting, demonstrating and raising awareness on the benefits of affordable small-scale improved sanitation systems such as compost toilets, by installing such systems in their homes, in order to build cultural acceptability of such options.

22. **Project Coordinator (12 person-months, national).** In order to effectively carry out its role as Implementing Agency for the STSISP, MPWU is seeking to recruit a qualified Project Coordinator. The role of this position is to ensure effective coordination, implementation and oversight of STSISP activities on behalf of MPWU.

23. The Project Coordinator will report to MPWU's water and sanitation sector management team consisting of: (i) the Secretary, MPWU, (ii) Deputy Secretary, MPWU and (iii) Director of the Water Engineering Unit. The Project Coordinator will also ensure that PUB management is adequately consulted in the implementation of the STSISP, and that effective coordination arrangements between MPWU and PUB are in place. The key functions of the Project Coordinator are:

**(i) Project administration**

- On behalf of MPWU, take responsibility for project administration,
- Assist EA and IA monitor compliance with loan and grant covenant and safeguards requirements
- Coordinate with EA to ensure that withdrawal applications for contract payments are prepared in a timely manner.
- Ensure effective coordination between the PIU and MFED's project management unit (KFSU) to support efficient procurement of goods, works and services under the project.
- Ensure that annual project accounts are audited, and submitted to ADB.
- Ensure that all relevant information is posted on the EA's website in line with the project's information disclosure requirements
- Perform other tasks and duties to support effective project administration as required

**(ii) Project monitoring**

- On behalf of the MPWU management team, review and endorse quarterly project progress reports.
- Provide support to the project steering committee by organizing quarterly steering committee meetings, and ensuring timely submission of draft progress reports for the steering committee's review. On behalf of MPWU, report on project progress to the steering committee.
- On behalf MPWU's management team, follow-up on requests for information from the KFSU and PIU, PUB and from other relevant government agencies involved in project implementation, to ensure that the management team is fully briefed on the current status of project activities. Also, ensure that the project EA is also kept informed on the progress of project activities.

- Alert and discuss with of MPWU's management team or senior EA staff issues that require their attention or advice.
- Provide input into, and endorse annual project workplans on behalf of MPWU's management team

**(iii) Project coordination**

- Ensure effective day-to-day coordination between the MPWU management team, the KFSU and PIU.
- Coordinate with PUB to ensure that the utility is kept fully informed, and consulted regularly, during the implementation of project activities.
- Liaise with MPWU and PUB management to ensure counterpart staff support is available when required, and that they are provided with required training to carry out required duties.
- On behalf of MPWU, carry out regular dialogue with project teams to ensure that STSISP activities are well coordinated with other water and sanitation sector project activities such as KIRIWATSAN and KAPIII. Take responsibility for resolving any coordination issues that arise during project implementation, and where needed, raise issues with the MPWU management team, and steering committee.
- Liaise with other government agencies such as MELAD and MHMS, civil society organizations, and government coordination committees such as the National Water and Sanitation Coordination Committee to ensure that project activities are line, and support, existing initiatives in sanitation and health.
- Actively coordinate with other water/sanitation, health, and infrastructure project teams to ensure good collaboration between activities, and sequencing of activities e.g with the Road Rehabilitation Project, to minimize disruptions and project implementation delays.
- Provide government agencies, development partners and other stakeholders with updates on project activities and progress as needed
- With the endorsement of MPWU's management team, represent the project team at meetings, workshops and other forums.
- The Project Coordinator Officer should be a citizen of Kiribati and have relevant experience working at the senior government level including experience working with development partner agencies. Other important qualifications include:
  - Academic qualifications in a relevant field
  - Strong leadership and management capabilities and a demonstrated record of successful leadership of multi-disciplinary teams;
  - Excellent Gilbertese and English communications skills demonstrated by experience in liaising between different government and development partner agencies.
  - Experience supervising the work of individual consultants and/or consulting teams would be an asset

## APPENDIX 6: ENVIRONMENT SAFEGUARDS

The following provides the main content of a monitoring report for environment with an outline of an EMP compliance monitoring checklist that would be compiled by the IA and/or its consultant. The findings of this will form the basis of the environmental monitoring that either goes (or should go) into the stand-alone reports or into the QPR. The completed checklists would usually be provided as an annex to the QPR or monitoring report.

### Suggested Contents of Environmental Monitoring Report

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. form 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/PMU)
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 below. Additional photographs Additional information as required

## INVOLUNTARY RESETTLEMENT/INDIGENOUS PEOPLES – SOCIAL SAFEGUARDS

For involuntary resettlement (IR) and indigenous peoples (IP) this includes monitoring: whether the implementing agency (IA) or its project management/implementation unit and/or design and supervision consultants have designated the required resources (staff, budget, etc.) to IR and IP planning and implementation; that updated and/or new plans (RP or IPP) have been prepared, submitted for clearance, approved and disclosed; compensation rates at replacement cost approved and the budget allocated by the government; that there has been satisfactory implementation of RP (delivery of compensation and livelihood restoration measures) and/or IPP; consultations, information disclosure, and the grievance redress mechanism (GRM) are being implemented; and whether the EA/IA is undertaking spot-checks, engaging monitoring experts, and submitting and disclosing social monitoring reports; and

### Suggested Contents of IR and/or IP/Social Monitoring Report

Heading/Section	Contents
Introduction	<p>Brief background on the project/subproject and progress status</p> <p>The project's/subproject's category and planning documents (original, updated or new plans) on resettlement/IP impacts</p> <p>Institutional arrangements and budget allocation for resettlement/social management;</p> <p>Arrangement for the monitoring (internal monitoring, external monitoring etc)</p>
Monitoring Activities	<p>Methodology for monitoring (whether checklists prepared etc);</p> <p>What period the monitoring covers</p> <p>Main activities – site visits, consultations, survey etc</p>
Monitoring Results and Actions Required	<p>Progress and performance in implementation of RP/IPP and other programs (how they 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 RP/IPP (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, posted on website)</p> <p>Whether any issues and corrective measures identified to achieve the RP/IPP 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 RP/IPP)</p> <p>Photographs</p> <p>Additional information as required</p>