

**OFFICIAL  
DOCUMENTS**

LOAN NUMBER 8482-FJ

# **Project Agreement**

**(Transport Infrastructure Investment Project)**

**between**

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**and**

**FIJI ROADS AUTHORITY**

Dated *April 14*, 2016

## PROJECT AGREEMENT

AGREEMENT dated April 14, 2016 entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and Fiji Roads Authority ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of same date between the Republic of Fiji ("Borrower") and the Bank. The Bank and the Project Implementing Entity hereby agree as follows:

### ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Loan Agreement or the General Conditions.

### ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article V of the General Conditions, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

### ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. The Project Implementing Entity's Representative is its Chief Executive Officer.
- 3.02. The Bank's Address is:

International Bank for Reconstruction and Development  
1818 H Street, NW  
Washington, DC 20433  
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD	248423(MCI) or	1-202-477-6391

Washington, D.C. 64145(MCI)

3.03. The Project Implementing Entity's Address is:

Level 1, Building 3  
Revenue & Customs Services Complex  
Ratu Sukuna Road  
Suva  
Republic of Fiji

Fax

+679 3100 044

AGREED at Suva, Fiji, as of the  
day and year first above written.

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By

Franz R. Drees-Gross  
Authorized Representative

Name: FRANZ R. DREES-GROSS

Title: COUNTRY DIRECTOR, EACNF

FIJI ROAD AUTHORITY

By

Rory Garland  
Authorized Representative

Name: RORY GARLAND

Title: Acting CEO

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional and other Implementation Arrangements

###### 1. Project Supervision Team

To ensure proper and efficient day to day implementation of the Project, the Project Implementing Entity shall establish, by not later than four (4) months after the Effective Date, and thereafter maintain throughout the Project implementation period, a Project Supervision Team, with mandate and staff in adequate numbers all with qualifications and experience satisfactory to the Bank, such staff to include a Project manager/procurement specialist, an accountant, an environmental specialist and a social development specialist.

###### 2. Project Administration Manual

The Project implementing Entity shall:

(a) prepare and thereafter adopt a Project Administration Manual (“PAM”), in form and substance satisfactory to the Bank, containing detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) eligibility criteria, appraisal, approval and administration arrangements and procedures for Subprojects; (iii) disbursement and financial management; (iv) procurement; (v) environmental and social safeguards management; (vi) monitoring and evaluation, reporting and communication; and (vii) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project;

(b) carry out the Project in accordance with the Project Administration Manual (“PAM”) as shall be so adopted; (provided, however, that in the event of any conflict between the arrangements and procedures set out in the PAM and the provisions of this Agreement, the provisions of this Agreement shall prevail); and

(c) not amend, abrogate or waive any provision of the PAM unless the Bank has provided its prior no-objection thereof in writing.

##### B. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**C. Selection Criteria and Approval Process for Subprojects**

1. The Project Implementing entity shall periodically submit for Bank's approval a list of roads, bridges, rural jetties and/or wharves it wishes to propose for Subprojects. The list shall be accompanied by an endorsed feasibility study for each proposed Subproject, with sufficient detail for Bank and the Co-financier to assess whether the proposed Subprojects meet the criteria set forth in the PAM, and are otherwise suitable and viable. The said feasibility studies prepared for proposed Subprojects shall be endorsed by the Ministry of Finance prior to submission to the Bank and Co-financier for approval.
2. The Project Implementing Entity shall ensure that all documents forming the basis for screening, selection and processing of Subprojects are made available to Bank upon request and are kept available for such purposes for a minimum period of five years from the date of the project completion report for the Project.

**D. Project Website**

By not later than twelve (12) months after the Effective Date, the Project Implementing Entity shall create a Project website on which information about various matters in regards to the Project shall be disclosed, including information about the status of contract implementation. The Project website need not be separate from an existing website of the Project Implementing Entity, as long as it is comprehensive and easily accessible by the public.

**E. Counterpart Funds**

1. The Project Implementing Entity shall ensure: (i) sufficient counterpart funds are provided from its budget for each fiscal year, in a timely manner, for the efficient implementation of the Project; and (ii) adequate funds towards operations and maintenance of Project facilities, through budgetary allocations or other means, during and after the Project's completion.
2. The Project Implementing Entity shall provide as necessary, respective counterpart staff, land, facilities, and funding required for timely and effective implementation of the Project, including, without limitation, any funds required (a) to fund operation and maintenance of Project facilities, (b) to mitigate unforeseen environmental or social impacts, and (c) to meet any additional costs arising from design changes, price escalation in construction costs and/or unforeseen circumstances. The Project Implementing Entity shall make the resources thus required available on an annual basis for each fiscal year.

**F. Environmental and Social Safeguards**

1. The Project Implementing Entity shall carry out the Project in accordance with the provisions of the Safeguard Instruments and the Additional Plans.
2. Whenever an Additional Plan shall be required for any proposed Subproject in accordance with the provisions of the ESMF or the LARF as the case may be, the Project Implementing Entity shall ensure that:
  - (a) prior to the commencement of such Subproject, such Additional Plan is:
    - (i) prepared in accordance with the provisions of the ESMF or the LARF, as the case may be; (ii) furnished to the Bank and the Co-financier for review and no-objection in accordance with the PAM; and (iii) thereafter adopted and disclosed as accepted by the Borrower, in a manner satisfactory to the Bank and the Co-financier; and
  - (b) thereafter such measures are taken as shall be necessary or appropriate to ensure compliance with the requirements of such Additional Plan.
3. The Project Implementing Entity shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the Safeguard Instruments or the Additional Plans, unless the Bank and the Co-financier has provided its prior no-objection thereof in writing, and the Borrower has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.
4. The Project Implementing Entity shall ensure that:
  - (a) all terms of reference for any technical assistance or studies carried out under the Project are consistent with the Bank's environmental and social safeguards policies social safeguards policies and requirements; and,
  - (b) in drafting any regulations, guidelines or corporate procedures and carrying out capacity building activities under the Project, due attention is given to said policies and requirements.
5. Without limitation upon its other reporting obligations under this Agreement, the Project Implementing Entity shall collect, compile and submit to the Bank, as part of the Project Reports, consolidated reports on the status of compliance with the Safeguards Instruments, the Additional Plans and other safeguard requirements for any technical assistance, giving details of:
  - (a) results of the screening process for sub-projects
  - (b) measures taken in accordance with the said instruments and requirements;

- (c) conditions, if any, which interfere or threaten to interfere with the implementation of the said measures; and
  - (d) remedial measures taken or required to be taken to address such conditions.
6. In the event of any conflict between the provisions of any of the Safeguard Instruments or the Additional Plans, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

**Section II. Project Monitoring, Reporting and Evaluation.**

**A. Project Reports**

- 1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports the Project in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators acceptable to the Bank and set forth in the PAM. Each such Project Report shall cover the period of one calendar quarter, and shall be furnished to the Borrower not later than thirty (30) days after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report.
- 2. The Project Implementing Entity shall: (a) not later than July 31, 2017 (or such other date as the Bank may agree), prepare and furnish to the Borrower a mid-term report, in such detail as the Bank shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to paragraph 1 of this Section II.A, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objective during the period following such date; and (b) review with the Bank such mid-term report, on or about the date one month after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objective, based on the conclusions and recommendations of the mid-term report and the Bank's views on the matter.

**B. Financial Management, Financial Reports and Audits**

- 1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.



2. The Project Implementing Entity shall prepare and furnish to the Borrower and the Bank, not later than thirty (30) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.
3. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one (1) fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower and the Bank not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank. The Project Implementing Entity shall, in accordance with Section 5.09 of the General Conditions, furnish the Bank with such additional information concerning its financial statements, their audits and their auditors as the Bank may request.

**Section III. Procurement**

All goods, works and services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.