

# PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC4106

<b>Project Name</b>	Transport Infrastructure Investment Project (P150028)
<b>Region</b>	EAST ASIA AND PACIFIC
<b>Country</b>	Fiji
<b>Sector(s)</b>	Rural and Inter-Urban Roads and Highways (100%)
<b>Theme(s)</b>	Infrastructure services for private sector development (50%), Trade facilitation and market access (50%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P150028
<b>Borrower(s)</b>	Ministry of Finance
<b>Implementing Agency</b>	Fiji Roads Authority
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/ Updated</b>	24-Jul-2014
<b>Date PID Approved/ Disclosed</b>	25-Jul-2014
<b>Estimated Date of Appraisal Completion</b>	20-Oct-2014
<b>Estimated Date of Board Approval</b>	22-Jan-2015
<b>Concept Review Decision</b>	Track II - The review did authorize the preparation to continue

## I. Introduction and Context

### Country Context

With a population of about 875,000, Fiji is located in the South Pacific Ocean about two-thirds of the way from Hawaii to New Zealand. It has a territory of 18,270 square km spread over 333 islands, a third of which are inhabited. However, nearly 90 percent live on the three main islands of Viti Levu (10,429 sq. km), Vanua Levu (5,556 sq. km), and Taveuni (470 sq. km).

Fiji is one of the wealthier countries in the South Pacific with an average gross national income of US\$4,110 per capita (2012). Agriculture, tourism and sugar drive economic activity. Agricultural activities employ around 70 percent of the labor force, but account for just 10 percent of gross domestic product (GDP). The country's economy is significantly dependent on tourism with about 650,000 visitors annually. The sugar industry has traditionally occupied a dominant role in economic activity.

Transport infrastructure plays an important role for local economic development and in providing inclusive access. Improved road sector assets support inclusive economic growth by providing rural populations with reliable access to economic opportunities, information and services. While the road network is fairly well developed, many rural populations lack access to reliable roads, which results in high transportation costs for many farmers. It also negatively impacts visits to health care facilities and school attendance. A new school grant of FJ\$250 per child per school year was introduced to help alleviate the burden of fees and transportation costs for children from pre-primary up to grade 12

Infrastructure in Fiji is at high risk of climate and disaster related events. Fiji is one of twenty countries worldwide that have the highest average annual disaster losses in proportion to its GDP as a result of extreme climatic events. The total value of infrastructure, buildings and cash crops considered at some level of risk in Fiji is high and estimates for asset replacement costs and economic losses due to extreme events in Fiji could be as much as US\$22 billion and US\$79 million respectively.

### **Sectoral and Institutional Context**

The Fiji Roads Authority (FRA), which was established by Decree in 2012, is responsible for maintaining and constructing roads, bridges and rural jetties throughout the country. It manages approximately 11,100 km of roads, including national, rural and municipal roads, 1,000 bridges, and 45 jetties.

One of the biggest challenges in the sector is the backlog in road maintenance, which has been neglected for several years. Although average annual expenditure on road maintenance from 2001 to 2011 was about 2.5 percent of the annual budget, it was not sufficient to meet needs and unrepaired road sector assets have deteriorated faster than expected. In addition, nearly half of the 1,400 km of paved network is in need of reseal or rehabilitation, which has been estimated to cost FJ\$300 million.

Numerous bridges and jetties are in a serious state of disrepair. In an effort to reduce the risk of failure while staying within available budgets, many bridges and jetties only received temporary repairs that were meant to last a year or two. To date in 2014, an average of one bridge per month has failed, which has resulted in significant local hardship. With an estimated FJ\$900 million backlog in renewal of bridges and jetties, an FRA objective is to ensure that assets are rehabilitated to higher, more resilient standards and improved levels of safety.

### **Relationship to CAS**

The Transport Infrastructure Investment Project (TIIP) will be the first major Bank project in Fiji in a decade and is being developed concurrently with the Country Engagement Note (CEN). The CEN and TIIP are expected to go to the Board together in January 2015.

TIIP would support the Government's program to upgrade transport infrastructure and reduce the backlog of deferred maintenance by rehabilitating existing road sector assets to higher standards. It will improve the safety and reliability of roads, bridges and jetties, which in turn will remove potential bottlenecks to private sector led growth and improve access. Improvements in rural areas, where the majority of poor people live, would benefit Fiji's most vulnerable areas and communities.

## **II. Proposed Development Objective(s)**

### Proposed Development Objective(s) (From PCN)

The project's development objective (PDO) is to increase the resilience and safety of land and maritime transport infrastructure for users of roads, bridges and jetties.

### Key Results (From PCN)

#### PDO Indicators

- FRA designs are informed by revised standards for resilience and safety (% of all FRA assets); and
- Decrease in bridges and jetties rated as structurally unsafe (% of all bridges and jetties).

#### Intermediate Indicators

- KM of project roads rehabilitated (core indicator);
- Number of bridges rehabilitated;
- Number of street lights reinstated or installed new; and
- Number of jetties rehabilitated.

## III. Preliminary Description

### Concept Description

The TIIP will be jointly financed with the Asian Development Bank (ADB), and is expected to consist of two components.

Component 1: Improvement of Existing Road and Maritime Sector Assets. This component would fund works to repair, rehabilitate, reconstruct or upgrade, as appropriate, existing roads, bridges and jetties. It would also repair and replace existing and/or install new streetlights on selected roads, bridges and jetties. Where possible and appropriate, road, bridge and/or jetty sub-projects would be geographically packaged to streamline costs and maximize local impact.

Component 2: Technical Assistance. Technical assistance would consist of consultancy services to help implement the project, carry out the prioritization processes for selection of sub-projects under Component 1 and design and supervision of the selected works, conduct road safety audits, and upgrade design and construction standards and specifications to be more climate resilient.

## IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04			x
Forests OP/BP 4.36			x
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11			x
Indigenous Peoples OP/BP 4.10	x		
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

**V. Financing (in USD Million)**

Total Project Cost:	222.22	Total Bank Financing:	100.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			22.22
International Bank for Reconstruction and Development			100.00
Asian Development Bank			100.00
Total			222.22

**VI. Contact point****World Bank**

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