

**PROJECT INFORMATION DOCUMENT (PID)
IDENTIFICATION/CONCEPT STAGE**

Report No.: PIDC56649

Project Name	Utility Services for the Development of Housing in Squatter/ Informal Settlements
Region	EAST ASIA AND PACIFIC
Country	Fiji
Sector(s)	Transmission and Distribution of Electricity (34%), Sanitation (33%), Water supply (33%)
Theme(s)	Urban services and housing for the poor (100%)
Lending Instrument	Lending Instrument
Project ID	P159183
Borrower Name	Republic of Fiji
Implementing Agency	Department of Housing, Ministry of Local Government, Urban Development, Housing and Environment
Environment Category	B - Partial Assessment
Date PID Prepared	10-Mar-2016
Estimated Date of Approval	30-Sep-2016
Initiation Note Review Decision	The review did authorize the preparation to continue

I. Introduction and Context

Country Context

The number of people living in squatter settlements in Fiji has grown rapidly in recent years. Underperforming rural economies and the promise of a better future in the city have been the main drivers of rapid urban growth. It is estimated that 15,445 households (77,794 people) currently live in over 240 squatter settlements around the country. This is equivalent to about 7 percent of Fiji's total population and 15 percent of the total urban population.

The lack of accessible, affordable and safe housing has contributed to a situation whereby a large number of people are compelled to live in substandard conditions in squatter/informal settlements without any security of tenure. It has led to increased demands on infrastructure services, e.g., roads, utilities such as water, sewerage, electricity, telephone and fire hydrants, as well as an increase in health and social problems. The settlements are generally characterized by overcrowding with high concentrations of people occupying relatively small areas, and large extended families with more than one family/household in a single shelter. The majority of inhabitants are unable to sustain what may be considered a basic standard of living, including housing. This has led to insecurity and undue stress among the settlers, as well as exploitation. The generally poor hygiene and sanitation also continue to lead to ill health for these vulnerable populations.

Ensuring tenure security and access to basic services for low-income households in squatter

settlements would have a positive impact on domestic stability. There is a strong underlying rural-urban dimension to the growth of squatter settlements with displaced Fijians from rural areas more likely to end up in urban squatter settlements, due to expiry and non-renewal of rural native leases. For this reason the Government of Fiji (GoF) is embarking on a program for formalize tenure provide basic utility services to households in the squatter settlements. The GoF has requested World Bank assistance to fund basic utility services for low income households.

Sectoral and Institutional Context

The general movement from the rural areas to the urban areas has led to increased demands on infrastructural services, e.g., roads, utilities such as water, sewerage, electricity, telephone and fire hydrants, and an increase in health and social problems which, in turn, has led to people living in substandard conditions. The settlements are generally characterized by overcrowding with high concentrations of people occupying relatively small areas and often comprising large extended families with more than one family/household in a single shelter. The majority of inhabitants are unable to sustain what may be considered a basic standard of living, including housing. This has led to insecurity and undue stress among the settlers, as well as exploitation. The generally poor hygiene and sanitation also continue to lead to ill health for these vulnerable populations.

The Government's Urban Policy Action Plan (2004), Urban Growth Management Plan (2006) and National Housing Policy (2011) seek to improve urban infrastructures and amenities. The Town Wide Informal Settlement Upgrading Projects, to which this proposal is related, seeks to contribute to eradicating poverty by the provision of housing and land opportunities for all by:

- facilitating for the provision of basic infrastructure services and affordable and decent housing opportunities for the Target Group (low income earners and those with special needs); and
- providing some form of security of tenure (establishment of property rights); and
- improving urban infrastructure and amenities in compliance with the Government policy.

Housing and access to utility services is a basic human need. The quality of shelter of a nation to a large extent determines the socio-economic circumstances of its people. Improved housing contributes to human development and higher quality of life through its real side linkages to health, education and incomes. Provision of improved housing to its people had remained a priority of the GoF. The GoF recognizes that a section of the country's population is struggling to have a roof over their head and to live with dignity.

A large number of poor families have moved from the outer islands or from rural areas to the urban areas in search of work, or economic (e.g., falling farming incomes) or land tenure issues. These households are not able to afford the rental in the urban areas and are forced to become squatters in the peri-urban areas. There they are faced with difficulties in accessing basic services such as water, sanitation, waste disposal, drainage, roads and electricity because of lack of formal titles to land. Replenishing the urban backlog, meeting the new demand, improving the supply of serviced land, and broadening the flow of institutional finance for housing are primary challenges that have to be addressed through policy mediation. GoF responses to these challenges have been constrained by the shortage of public resources and limited capacities of its institutions.

Relationship to CAS/CPS/CPF

The GoF has requested the World Bank assistance for the GoF's Town Wide Informal Settlement

Upgrading Projects. As set out above, the project is in accordance with the GoF policies and is consistent with the World Bank's Country Engagement Note (CEN):

“Operationally, the WBG program over the CEN cycle will focus on two broad themes: (i) strengthening the foundations for macro-economic stability and inclusive private sector led growth; and (ii) protecting vulnerable populations. These themes are closely linked to Fiji’s specific country needs as well as the WBG twin goals of boosting shared prosperity and eliminating extreme poverty. Under the first theme, the WBG will focus on supporting the GoF to open avenues for growth and connect people to opportunities and services. Under the second theme, the WBG will assist the GoF to build resilience and protect vulnerable populations and resources from the impacts of natural disasters and other shocks.”

This proposed project will assist the GoF to achieve its policy objective of eradicating poverty the provision of housing and land opportunities, and basic infrastructure services for all.

The project also contributes to the achievement of United Nations Sustainable Development Goals (SDGs) 1, 6, 7 and 11:

- Goal 1. End poverty in all its forms everywhere;
- Goal 6. Ensure availability and sustainable management of water and sanitation for all;
- Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all; and
- Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable.

II. Project Development Objective(s)

Proposed Development Objective(s)

The project development objective is to improve the availability and utilization of affordable and better quality basic infrastructure services (electricity, water and sewerage) for low-income households living in squatter areas in Fiji.

Key Results

The project will partially fund the following outputs:

- Agreement to lease subject to survey;
- Electricity services;
- Water supply; and,
- Sewerage services.

Providing security to tenure for housing and improving access to utility services is fundamental to economic and social development for the squatter communities in Fiji. Utility services are an essential element of developing the enabling conditions to meet many of the MDGs. The proposed GPOBA project will focus on the provision of electricity, water and sewerage services as it has the potential to provide the most significant benefits to its users. Security of tenure facilitates permanent housing and formal connection to utility services. Access to electricity provides security and supports education and economic outcomes. Access to clean water and sanitation services contributes to health outcomes.

III. Preliminary Description

Concept Description

The PDO supports the Government of Fiji's (GoF) broader objective of eradicating poverty through the provision of housing and land opportunities for all by:

- facilitating for the provision of basic infrastructure services and affordable and decent housing opportunities for the low income earners and those with special needs;
- providing some form of security of tenure (establishment of property rights); and
- improving urban infrastructures and amenities in compliance with the Fiji Urban Policy Action Plan [2004] and Fiji Urban Growth Management Plan [2006] and Fiji National Housing Policy [2011].

The targeting will be geographic and by low income households (those earning less than FJD15,000 per annum) in identified squatter settlements. These low-income households do not own land or the lease rights to the property and are "squatting" on other people's land, either illegally or under informal arrangements, as a result, there are no formal utility services available to the settlements. The GoF has a policy of addressing this issue by facilitating formal lease holding over the land, subdividing the land and providing basic services to the communities.

This project links security of tenure with access to basic utility services. The GoF has identified lack of security of tenure and affordable housing and basic utility services as a key priority because of the impact on the social and economic well-being of households living in the informal/squatter settlements. It has established a policy to systematically address this issue through the formalization of titles to leases and provision of services.

The GoF has mobilized the key government departments and the services providers working in consultation with the landowners and the affected communities to advance to implementation of its policy. Availability of finance is the main impediment to achieving security of tenure and access to services.

Access and affordability of basic utility services will also result in greater benefits for the female population in Fiji. Improved access to electricity, water and sanitation will reduce the physical burden associated with organizing alternative sources. Access to services such as clean and affordable energy can also have a positive impact on education (as for example, by extending the studying hours for girls). Safe and sufficient drinking-water, along with adequate sanitation and hygiene, can help in improving women's and children's health. Access to services will also free up valuable time, especially for women, widening their employment opportunities (in rural and urban areas). In addition, street lighting will help to improve the safety of women and girls at night. The project will include analysis and consultation on the needs of all users, men and women, as experience shows that the participation of women along with men in project planning, implementation, and maintenance can enhance project efficiency. The project will identify specific gender-targeted activities, especially related to the provision of basic services. Monitoring and evaluation by relevant gender indicators will be included to enable assessment of progress toward greater gender equality and documentation of the actual impacts of access to basic utility services. Socio-economic surveys are underway that will assist with the targeting of project activities.

This project will upgrade four (1200 households) out of nine identified settlements (2,858 households) identified for initial upgrade by the GoF. These settlements are within the reach of existing electricity, water and sewerage infrastructure with adequate capacity. The design phase will determine whether additional infrastructure or enhancement is required. The GoF estimates that there are 15,445 households living in 240 squatter or informal settlements in Fiji and the replication

and scale-up potential of this initial project are substantial. This proposed project will provide the GoF with valuable lessons for upgrading squatter settlements and the availability of funds will assist the GoF to achieve its policy objective of eradicating poverty through the provision of housing and land opportunities and basic infrastructure services for all.

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:	4	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Global Partnership on Output-based Aid			4

VI. Contact point

World Bank

Contact: Kamleshwar Prasad Khelawan

Title: Senior Energy Specialist

Tel: 5740+6573 /

Email: kkhelawan@worldbank.org

Contact: Juliet Pumpuni

Title: Senior Infrastructure Speciali

Tel: 473-5314

Email: jpumpuni@worldbank.org

Borrower/Client/Recipient

Name: Republic of Fiji

Contact: Makereta Konrote

Title: Acting Permanent Secretary, Ministry of Finance

Tel:

Email: makereta.konrote@govnet.gov.fj

Implementing Agencies

Name: Department of Housing, Ministry of Local Government, Urban Development, Housing and Environment

Contact: Kolinio Bola

Title: Director
Tel:
Email: kolinio.bola@govnet.gov.fj

VII. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>