

COUNTRY STRATEGY AND PROGRAM RESULTS FRAMEWORK, 2006–2008

Fiji's development objectives (Selected)	Main challenges and constraints in achieving these objectives	Outcomes that ADB expects to influence through the CSP	Indicators to track progress towards these outcomes	ADB's and other partners' programs ^a
Increase private sector-led growth to generate sustainable employment	1. Weak macroeconomic fundamentals and policy framework	<ul style="list-style-type: none"> Results-focused Government planning for economic and public sector reform 	<ol style="list-style-type: none"> Clear, concise, realistic results framework for macroeconomic management and public sector reforms Clear and cascading target indicators throughout the planning documentation—Strategic Development Plan, Public Sector Investment Program, Fiscal Budget, Corporate Plans, performance-based contracts of senior Government officials Enhanced capacity of central agencies to diagnose, evaluate, communicate and implement reforms 	<p>ADB TA4540-FIJ: FRUPIV, public private partnerships</p> <p>ADB: TA for Capacity Building for Economic and Public Sector Reform</p> <p>Development Partners: AusAID: Civil Service Reform</p> <p>NZAID: Support to governance improvement</p>
	2. Expansive state ownership crowding out public sector	<ul style="list-style-type: none"> Enhanced efficiency and effectiveness of SOEs Improved framework for public private partnerships 	<ol style="list-style-type: none"> Service delivery improvement, measured through business surveys Increased business opportunities, measured through transfer of operations to private ownership Reduced fiscal allocations and contingent liabilities for SOE operations Improved rate of return of the SOE portfolio, measured by return on assets 	<p>ADB TA4704: Private Sector Road Maps</p> <p>ADB TA 2007: Implementation of Public Enterprise Reforms</p>
	3. Ineffective financial market intermediation	<ul style="list-style-type: none"> Increased and broadened access to credit Establish well-functioning secured transactions (collateral) framework 	<ol style="list-style-type: none"> Increased private sector credit (in % of GDP) Increased number of secured transactions filings Broadening of types of collateral used Increased number of financing investments (e.g., accounts receivable, leasing, warehouse financing) Reduced interest rate spreads 	<p>ADB TA 2005: Private Sector Road Maps</p> <p>ADB TA6202-REG: Financial Market Development and Collateral</p> <p>Development Partners: IMF and WB: Financial Sector Assessment Program, April 2006</p> <p>PFTAC: Financial sector and supervision support</p>
	4. Legal and regulatory	<ul style="list-style-type: none"> Strengthening the legal and regulatory 	<ol style="list-style-type: none"> Reduced time and cost to register business 	<p>ADB TA 2005: Private Sector Road Maps</p>

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	impediments	<p>environment for private sector investment</p> <ul style="list-style-type: none"> • Reduced startup, compliance, and exit costs for business • Increased transparency and predictability in the regulatory environment 	<ol style="list-style-type: none"> 2. Reduced time to enforce contracts 3. Reduced time to process and finalize bankruptcy applications 4. Increased satisfaction among businesses with operating environment (survey) 	<p>TA6162-REG: Improving the Legal Business Environment in the Pacific Region</p> <p>Development Partners: FIAS: Diagnosis of Registry of Companies</p> <p>FIAS: Foreign Investment Promotion</p> <p>World Bank assistance requested for review of FNPF regulations</p>
	5. Limited investments in infrastructure	<ul style="list-style-type: none"> • Increased access to affordable transport and energy services 	<ol style="list-style-type: none"> 1. Increase in road asset value: sealed km/total network 2. Improved port efficiency: cargo handling efficiency 3. More effective road sector management framework: Fiji Road Authority, with cost recovery system, established by 2008. 4. Reliable and affordable power supply: marginal cost of supply; tariff 5. Level of unaccounted-for water reduced by 30% by 2007 6. Enhanced capacity at international airports: m² of terminal space/passenger; number of passengers landed 7. Increased level of private sector participation in transport services and infrastructure, including the build-own-operate and private-public partnership concepts by 2007 	<p>ADB TAs: TA4099-FIJ: Civil Aviation and Airport Improvement TA4540-FIJ: Fourth Road Upgrading Project ADB TA4540-FIJ: FRUP IV, public private partnerships</p> <p>Road Sector Performance Improvement Power Development Road Map Airport Sector Improvement</p> <p>ADB Loans: Ln1530-FIJ: Third Road Upgrading Sector Project Ln1902-FIJ: Ports Sector Development</p> <p>Fiji Road Upgrading Sector Project Airports Sector Development</p> <p>Development Partners: - FIAS: TA to facilitate business registration</p>

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	6. Reliance on contracting sectors for livelihood and subsequent unemployment	<ul style="list-style-type: none"> • Creation of employment in alternative livelihoods 	<ol style="list-style-type: none"> 1. Number of persons exiting sugar sector and employed in alternative livelihoods 2. Enhanced rural and agrarian incomes 	<p>- World Bank: TA to support telecommunications sector liberalization and rural telecommunications</p> <p>- EU: BA, Sigatoka, and Rewa Bridges</p> <p>- PRC: Navuso Bridge</p> <p>ADB TAs: TA3888-FIJ: Sugar Sector Restructuring TA4589-FIJ: Rural and Outer Islands Development</p> <p>ADB Loans: Ln2158-FIJ: Alternative Livelihoods Project Rural and Outer Island Development Project Natural Resource-Based Sector Program</p> <p>Development Partners: Government of India: Mill Refurbishment of Fiji Sugar Corporation EU: Sugar Protocol</p>
Improved access to reliable and affordable provision of basic social services	1. Ineffective management and provision of social services		<ol style="list-style-type: none"> 1. Piped water shortages and breakdown reduced by 30% by 2007 2. Water and sewerage services corporatized by 2007 3. Private sector participation in provision and maintenance of water and sewerage increased through outsourcing at least 15 contracts by 2007 	<p>ADB TA: TA4270-FIJ: Capacity Building in Water and Sewerage Services</p> <p>ADB Loan: Loan 2055-FIJ: Suva-Nausori Water and Supply</p> <p>Development Partners: JBIC Loan: Nadi-Lautoka Water Supply</p>

Fiji's development objectives (Selected)	Main challenges and constraints in achieving these objectives	Outcomes that ADB expects to influence through the CSP	Indicators to track progress towards these outcomes	ADB's and other partners' programs ^a
	2. Deteriorated social service delivery	<ul style="list-style-type: none"> • Improved local government efficiency • Access to basic social service delivery 	1. Upgraded municipal service delivery	<p>ADB TA: Provincial and Local Governance Program</p> <p>Development Partners: NZAID: Assistance to poverty alleviation initiatives and peri-urban squatter problem AusAID, NZAID, EU, UNDP: Rural basic necessities AusAID, EU, NZAID: Improved access to basic health, education, and governance All development partners: TAs on governance issues</p>
More effective development institutions and processes	1. Ineffective policy coherence and budget coordination 2. Insufficient resource allocations	<ul style="list-style-type: none"> • Coherence in policy objectives across Government • Good development partner coordination and harmonization • Effective leadership in communicating reforms • Community ownership of development programs 	1. Number of joint development partner forums/meetings 2. Cofinancing possibilities 3. Joint strategy planning 4. Joint support to economic and public sector reform implementation 5. Joint support to private sector development 6. % of development programs with systematic participation of civil society groups	<p>ADB TA: Capacity Economic and Public Sector Reforms.</p> <ul style="list-style-type: none"> - ADB's efforts to coordinate with development partners - ADB's active promotion of Government's leadership in aid coordination - ADB's promotion of policy dialogue between all stakeholders - Dissemination of ADB's knowledge products <p>Development Partners: All development partners: TA's on capacity development</p>

ADB = Asian Development Bank, EU = European Union, FIAS = Foreign Investment Advisory Service, FNPF = Fiji National Provident Fund, FRUP IV = Fourth Fiji Road Upgrading Program, JBIC = Japan Bank for International Cooperation, NZAID = New Zealand's International Aid & Development Agency, PFTAC = Pacific Financial Technical Assistance Centre, PRC = People's Republic of China, SOEs = state-owned enterprises, TA = technical assistance, UNDP = United Nations Development Programme, WB = World Bank.

Source: ADB estimates.

COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

Table A2.1: Progress Toward the Millennium Development Goals and Targets

Goals and Targets	Country Status
<p>Goal 1: Eradicate Extreme Poverty and Hunger</p> <p>Target 1: Halve the proportion of people living in extreme poverty between 1990–2015.</p> <p>Target 2: Halve the proportion of population below minimum level of dietary energy consumption & halve proportion of underweight children (under 5 years old).</p>	<p>Despite the prominence now given in national policy to reducing poverty, little reliable or up-to-date data is available on the extent, depth, or other characteristics of poverty in Fiji. Earlier reports described Fiji as a society with deep inequalities, though relatively little absolute poverty. About 25% of households lived in poverty, unable to afford an adequate living as defined by Fiji standards. Many more households were vulnerable to poverty. These reports challenged the generally held assumption in Fiji that poverty is rare, that better-off relatives always help disadvantaged people, and that poverty pervaded all communities—Fijian, Indian, and others—and was not restricted to a particular ethnic group or section of the society.</p> <p>The Food and Agriculture (FAO) reports in 2003¹⁷ that malnutrition in children resulting from insufficient dietary intake is a concern. The World Health Organization reports that in 1999¹⁸, a cross-sectional study amongst a total of 33,074 children showed that malnutrition was highlight prevalent among school children in Fiji with only 52.3% of urban studies and 58.4% of rural students being of normal weight. The Food and Agriculture Organization reports in 2003 that lack of access to food due to economical shortages is one of the major causes of malnutrition in the country.</p>
<p>Goal 2: Achieve Universal Primary Education</p> <p>Target 3: Achieve universal access to primary education by 2015.</p>	<p>By the mid-1990s, almost all 6-year-olds were enrolled. The gender gap had closed in primary school and had reversed in secondary school with girls outnumbering boys. Further, 72% of all children enrolled in secondary school, and 40% of all eighteen-year-olds were still in school. The net enrollment ratio is around 100%, and entry to primary education is now almost universal in Fiji.</p>
<p>Goal 3: Promote Gender Equality and Empower Women</p> <p>Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.</p>	<p>There is no gender disparity at the primary level, and girls outnumber boys in secondary schools.</p>
<p>Goal 4: Reduce Child Mortality</p> <p>Target 5: Reduce children under-5 mortality rate by two thirds by 2015.</p>	<p>The under-5 mortality rate is now low. Meeting the MDG goal of reducing under-5 mortality by another two thirds, therefore, will be difficult, because the challenge now goes far beyond improving medical services to addressing hardship and poverty throughout Fiji.</p>
<p>Goal 5: Improve Maternal Health</p> <p>Target 6: Reduce maternal mortality rate by three quarters by 2015.</p>	<p>Maternal mortality is already low in Fiji by international standards. Reducing this by three quarters from its 1990 level would imply an annual rate of around 15/100,000,</p>

¹⁷ Food and Agriculture Organization of the United Nations. *Nutrition Country Profiles: Fiji*. 2003. Rome.

¹⁸ The World Health Organization of the United Nations. <http://www.wprol.who.int/Fiji>. 2002.

<p>Target 7: Increase access to reproductive health services to 60% by 2005, 80% by 2010, and 100% by 2015.</p>	<p>or less than three deaths per year. This will be difficult, for maternal mortality and morbidity is now less related to the conditions of delivery and more to long-term health risks, such as rheumatic heart disease, obesity, diabetes, and anemia, which exacerbate complications of pregnancy and childbearing.</p> <p>Government provides health care services, and 98.6% of births are attended by skilled health personnel (2003). All health centers and nursing stations provide routine services, antenatal and postnatal care, family planning, and developmental screening for children. Nevertheless, concern has been expressed that the quality of rural health services has deteriorated, particularly in the availability of medical staff.</p>
<p>Goal 6: Combat HIV, AIDS, Malaria and Other Diseases</p> <p>Target 8: Halt & reverse the spread of HIV/AIDS by 2015.</p>	<p>The risk factors for a fast-growing HIV epidemic in Fiji include (i) high incidence of other sexually transmitted infections; (ii) high incidence of teenage pregnancies; (iii) high incidence of drug and substance abuse; (iv) mobile population; (v) large tourism industry; and (vi) cultural behavior that includes a considerable degree of extramarital sex, particularly by men, and sexual violence. Data on known infections suggest that women are a large group at risk. Young people are also generally at risk. People under the age of 20 account for 10% of known infections, while people aged 20–29 years account for 50%. Although a serious epidemic is a real risk, the situation is not yet out of control in Fiji, and an integrated, multisectoral response is gathering strength.</p>
<p>Goal 7: Ensure Environmental Sustainability</p> <p>Target 9: Implement national strategies for sustainable development by 2005, to reverse loss of environmental resources by 2015.</p> <p>Target 10: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.</p>	<p>Fiji has a mixed record. The rate of deforestation has been slow. Since the 1970s, Fiji has lost less than 1% annually of its forest area to nonforest uses. The 1993 National Environment Management Strategy set out a plan to establish comprehensive heritage protection. Since then, the area of land protected for biodiversity conservation has been enlarged only informally by the addition of small project areas. Fiji ranks higher than most other Pacific island countries in energy efficiency (2004). Importation of CFCs has been controlled through legislation since 2000. Importation of R-12 was banned, though quantities already in Fiji (mostly in old refrigerators and vehicle air-conditioning systems) can be reused until 2010. The percentage of households using wood for cooking fuel dropped considerably, from 63% in 1986 to 48% in 1996. Most switched to using LPG gas, which more than doubled, from 13% of households in 1986 to 28% in 1996.</p> <p>Many urban dwellers of all ethnic groups lack secure tenure. Surveys conducted for the Fiji Poverty Report in the mid-1990s found that about 20% of urban households lived in informal or squatter housing, often with inadequate sanitation and water supply. Very limited public housing was available for low-income families. According to the 2002 HIES, 26.5% of the urban population lived in settlements and an additional 10.3% lived in squatter areas. Many rural households in Fiji also face insecure tenure. In the late 1990s, the first of some 22,000 agricultural leases, most held by Indian farmers in</p>

	the sugarcane districts, began to expire, creating uncertainty for the farmers and the sugar industry.
<p>Goal 8: Develop a Global Partnership for Development</p> <p>Target 11: Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system; include a commitment to good governance, development, and poverty reduction—nationally and internationally.</p> <p>Target 12: Target 14: Deal comprehensively with the debt problems of developing countries through national and international measures to make debt sustainable in the long term.</p>	<p>Fiji faces a number of difficult economic adjustment challenges in the near future, including contraction of key industries (sugar and garments). Unemployment, especially among the young, is a concern. Trade barriers and distorted incentives are limiting growth. The environment for private sector growth needs substantial legal and regulatory reform.</p> <p>Public debt amounts to 50.4% of GDP. External debt levels are low. Debt has been growing faster than the economy and exceeds SDP target (40%). The Government recently indicated its intention to improve its fiscal position after several years of high budget deficits.</p>

GDP = gross domestic product, MDG = Millennium Development Goal.

Sources: ADB. 2005. *Private Sector Assessment for Fiji*; Berdach, James T. 2005. Republic of the Fiji Islands: Country Environmental Analysis. Report under TA 6039-REG: *Formulation of the Pacific Region Environmental Strategy 2004–2008*. ADB, Manila; United Nations. 2005. *The Millennium Development Goals Report*. New York.

Table A2.2: Country Economic Indicators

Item	Calendar year ^a					
	1999	2000	2001	2002	2003	2004
A. Income and Growth (US\$, 1995 prices, using respective year's exchange rate)						
1. GDP per Capita	1,694	1,473	1,424	1,639	2,008	2,172
2. GDP Growth (% in constant 1995 prices)	9.2	(2.8)	2.7	4.3	3.0	4.1
Agriculture	13.5	(1.2)	(5.8)	4.3	(3.9)	3.4
Industry	8.0	(7.9)	9.1	2.9	5.1	4.5
Services	3.9	0.1	3.1	4.3	3.2	3.6
B. Saving and Investment (current market prices) ^b (% of GDP)						
1. Gross Domestic Investment	13.8	11.5	13.7	14.8	15.8	16.6
2. Gross Domestic Saving	18.5	16.4	18.9	—	—	—
C. Money and Inflation (annual % change)						
1. Consumer Price Index	0.2	3.0	2.3	1.6	4.2	3.3
2. Total Liquidity (M2)	14.2	(2.1)	(3.1)	7.9	25.2	10.4
D. Government Finance (% of GDP)						
1. Total Revenue and Grants	26.7	26.2	24.4	26.2	25.1	25.8
2. Total Expenditure and Net lending	32.0	32.8	33.9	34.9	34.1	32.6
3. Overall Fiscal Surplus (Deficit)	(5.3)	(6.6)	(9.5)	(8.7)	(9.0)	(6.8)
E. Balance of Payments ^c (at current factor cost of GDP)						
1. Merchandise Trade Balance (% of GDP)	(15.2)	(14.4)	(19.2)	(17.0)	(21.8)	(28.0)
2. Current Account Balance (% of GDP)	(4.4)	(3.9)	(9.4)	(0.5)	(7.6)	(18.4)
3. Merchandise Export (\$) Growth (fob annual % change)	24.7	13.4	(4.5)	1.2	3.6	-6.0
4. Merchandise Import (\$) Growth (fob annual % change)	26.1	5.6	7.4	(0.9)	14.6	11.5
F. External Payments Indicators						
1. Gross Official Reserves ^d (F\$ million, end of period)	1,006	1,039	994	902	944	1,046
- in months of imports (goods and non-factor services)	5.1	5.3	5.1	4.4	4.2	4.7
2. External Debt Service (% of exports of goods and services)	4.9	4.1	2.5	2.9	2.5	2.5
3. Total External Debt (% of GDP) ^c	15.9	17.4	16.3	14.6	12.8	11.8
G. Memorandum Items						
1. GDP (current market prices, billion local currency)	3.2	3.0	3.2	3.4	3.7	3.9
2. Exchange Rate (US dollar, annual average/F\$)	0.509	0.458	0.433	0.484	0.581	0.608
3. Population (million)	0.806	0.811	0.815	0.826	0.833	0.839

— = no data available, GDP = gross domestic product, RFB = Reserve Bank of Fiji, NBF = National Bank of Fiji Ltd

^a Period average.

^b Data on investment from 2002 to 2004 are RFB estimates only and no official statistics are available – RFB note

^c The data on BOP are in accordance with the IMF BOP Manual (BPM) 5th Edition from 2000. The past data are by using BPM 4th Edition – RFB Note

^d Foreign exchange reserves include foreign reserve holding of RFB and NBF.

Note: All sources are from RFB Quarterly Review, September 2005; Suva, Fiji Islands and RFB staff updates to ADB.

Table A2.3: Country Poverty Indicators

Item	Period			
	1990	1995	2000	Latest Year
1. Development Progress Indices				
Human Development Index (HDI)				
Pacific HDI	—	0.652	0.667	1998
		-1994		
PDMC Rank (out of 12 PDMCs)	—	3	2	
Global HDI	0.724	0.741	0.752	2003
Rank (out of 177 countries)	—	—	92	
Human Poverty Index (HPI)				
Pacific HPI	—	—	8.5	1998
PDMC Rank (out of 12 PDMCs)	—	—	4	
Global HPI	—	—	21.3	2005
Rank (out of 94 developing countries)	—	—	49	
Composite Vulnerability Index				
PDMC Rank (out of 7 PDMCs)	—	—	3	
Gender-Related Development Index	—	—	0.742	2003
Global Rank (out of 144 countries)	—	—	71	
2. Poverty Indicators				
Headcount Index				
(i) % of population below basic needs poverty line				
Total	25.5	—	—	
Urban	27.6	—	30 to 40	2002-03
Rural Settlement	26.2	—	—	
Rural Village	22.4	—	—	
(ii) % of households below basic needs poverty line				
Total	25	—	—	
Urban	24	—	30	2002
Rural Settlement	28	—	—	
Rural Village	22	—	—	
Poverty Severity Index (%)	—	—	—	
3. Inequality Indicators				
Gini Coefficient, based on:				
Household Income	0.46	—	0.42	2002
Per Capita Income	0.49	—	—	
Household Income				
H2O	50.1	—	48.7	2002
L2O	5.1	—	5.4	2002
Income Ratio (H2O/L2O)	9.8	—	9	2002

— = no data available; H2O = highest income quintile group; H2O/L2O = ratio of share in total income of the highest income quintile group to the lowest income quintile group; HIES = household income and expenditure survey; L2O = lowest income quintile group; PDMC = Pacific developing member country.

Sources: ADB. 2002. *Technical Assistance for the Preparation of National Poverty Reduction Strategies in Pacific Developing Member Countries*. Manila.; Fiji Islands Bureau of Statistics (FIBS), Urban Household Income and Expenditure Survey 2002-03, Provisional Results (Dec-03); United Nations Development Programme (UNDP) and

the Government of Fiji. 1996. *Fiji Poverty Study* (1996); UNDP. 2003. *Human Development Report 2003*; UNDP. 1994, *Pacific Human Development Report* (1994, 1999).

Table A2.4: Country Social Indicators

Item	Period			
	1990	1995	Latest Year	
1. Demographic Indicators				
Total Population ('000)	737	768	840 ^a	(2004 est.)
Annual Population Growth Rate (% change)	0.7	1.2	1.0	(2004 est.)
Dependency Ratio (% of dependents to working age)	69.0 ^b	62.6	57.0 ^b	(2002 est.)
		(1996)		
Total Fertility Rate (births per woman)	3.4 ^b	3.3	2.9 ^b	(2002 est.)
		(1996)		
Ave. Household Size	5	5.2	—	
		(1996)		
Urban	—	5.3	4.7	2002
		(1996)		
Rural	—	5	—	
		(1996)		
2. Health				
Life Expectancy at Birth (years)	67.8	67.8	67.8 ^b	(2005 est.)
(2000 – 2005 figure)				
Male	62.0	62.0	62.0 ^b	(2005 est.)
(2000 – 2005 figure)				
Female	72.2	72.2	72.2 ^b	(2005 est.)
(2000 – 2005 figure)				
Population with Access to Health Services (%)	98.0 ^c	100.0 ^c	—	
	(1993)	(1995–97)		
Population per Doctor	3,234	2,636 ^c	4490 ^e	2000
		(1995–97)		
Government Expenditure on Health				
As % of Total Government Spending	8.1	8.3	8.6	2002
	(1992)			
As % of GDP	2.4	2.4	2.7	2002
	(1992)			
3. Education				
Adult Literacy Rate (%)	88.6 ^d	91.0 ^d	92.2 ^c	2003
Male	91.6 ^d	93.5 ^d	95.2 ^c	2001
Female	85.5 ^d	88.5 ^d	91.2 ^c	2001
Combined Gross School Enrollment Ratio	—	81.3 ^c	85	2001
		-1996		
Male	—	80.0 ^c	—	
		-1996		
Female	—	83.0 ^c	—	
		-1996		
Gross Primary Enrollment (% of aged 5-14 years)	100.0 ^d	—	100.0 ^d	(2002/03)
Male	100.0 ^d	—	100.0 ^d	(2002/03)
Female	100.0 ^d	—	100.0 ^d	(2002/03)

Item	Period		
	1990	1995	Latest Year
Gross Secondary Enrollment (% of aged 15-19 years)			76.0 (2002/03)
Male			
Female			
Student-Teacher Ratio (no. of students per teacher)			
Primary	34.0 ^d	28.5 -1997	28 2002
Secondary	18.0 ^d	19.9 -1997	16 2002
Government Expenditure on Education			
As % of Total Government Spending		14.4	14.4 2000–2002
As % of GDP	4.7	5.6	5.6 2000–2002

— = no data available; GDP = gross domestic product.

^a Fiji Islands Bureau of Statistics

^b United Nations Development Programme (UNDP). 2005. *Human Development Report 2005*. New York.

^c UNDP. 2005. *Human Development Report 2005*. New York.; UNDP.1994. *Pacific Human Development Report 1994*.New York.; UNDP.1999. *Pacific Human Development Report1999*. New York.

^d United Nations Educational, Scientific and Cultural Organization (UNESCO), Institute for Statistics
Available: <http://www.uis.unesco.org>; UNESCO, World Education Indicators (Country Tables)

^e WHO Western Pacific Region Health Databank, 2004 Revision. Available: <http://www.wpro.who.int>

Sources: Unless otherwise specified, data are from the (i) ADB. 2002. *Technical Assistance for the Preparation of National Poverty Reduction Strategies in Pacific Developing Member Countries*. Manila (Discussion Paper on Assessment of Hardship and Poverty, June 2003); and (ii) Fiji Islands Bureau of Statistics (FIBS), with web site at <http://www.spc.int/prism/Country/FJ/stats>. Figures from these reports population database. are primarily based on the 1990–1991 household income and expenditure survey (HIES), 2002 Urban HIES and various censuses (1986 and 1996). Population figures and growth estimates were taken from the Asian Development Outlook (ADO) 2004 Pacific

Table A2.5: Country Environment Indicators

Item	1990	Latest Year	
1. Energy Efficiency of Emissions			
Traditional Fuel Use (% of total energy use)	45	50	1996
2. Water Pollution	(1980)		
Water Bodies Exceeding Contact Recreation Standards			
Biological Oxygen Demand (BOD)			
Chemical Oxygen Demand (COD)	—	—	
3. Air Pollution	—	—	
Carbon Dioxide (CO ₂) Emissions			
Total ('000 metric tons)	813.9	725.9	1999
Per unit of GDP (kg/PPP\$ GDP)	0.2	0.2	1999
Combined Gross School Enrollment Ratio			
Sulphur Dioxide (SO ₂) Emissions			
Total ('000 metric tons)		3.0	1995
4. Land Use and Deforestation			
Total Land Area (km ²)	18,333	18,333	2003
Average Annual Deforestation			
Area (remaining km ²)	8,700 (47.5%)	8,150 (44.6%)	2000
% change ^a		-0.2	(1990–2000)
Arable Land (% of total land)	10 (1993)	} 25	2000
Cropland, Permanent (% of total land)	4 (1993)		
Pastures, Permanent (% of total land)	10 (1993)		
Population, Density, Rural (people per km ²)		24.3	(2003 est.)
5. Biodiversity and Protected Areas			
Nationally Protected Area(s)			
Area (km ²)			
Number	—		2003
Mammals (number of threatened species)	4	2	2003
Birds (number of threatened species)	9	13	2002
Higher Plants (number of threatened species)	—	281	2002
Reptiles and amphibians (number of threatened species)	—	10	2002
6. Urban Areas	—	6	2002
Urban Population		1	
Total ('000)	276.8	393.9	(2002 est.)
	1986		

Item	1990	Latest Year
% of total population	38.7	48.3 (2002 est.)
Urban population density (# person/km ²)		205 (2003 est.)
Per Capita Water Use (liters/day)	—	+/-250 (2004 est.)
Wastewater Treated (%)	—	>30% (2004 est.)
Solid Waste Generated per Capita (kg/day)	—	343 (2004 est.)

— = no data available; GDP = gross domestic product; kg = kilogram; km² = square kilometer; PPP\$ = purchasing power parity in US dollars.

^a A positive number indicates a loss of forest area, a negative number a gain.

Source: Berdach, James T. 2005. Republic of the Fiji Islands: Country Environmental Analysis. Report under TA 6039-REG: *Formulation of the Pacific Region Environmental Strategy 2004–2008*. ADB, Manila.

Table A2.6: Portfolio Indicators –Amounts and Ratings
(public sector loans, as of 31 December 2004)

Sector	Net Loan Amount		Total		Rating ^a											
	(\$ million)	(%)	(no.)	(%)	Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		Potential Problem ^b		At Risk ^c	
					(no.)	(%)	(no.)	(%)	(no.)	(%)	(no.)	(%)	(no.)	(%)	(no.)	(%)
Agriculture and Natural Resources	25.0	19.4	1	25.0	—	—	1	100.0	—	—	—	—	—	—	—	—
Education	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Energy	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Finance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health, Nutrition and Social Protection	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Industry and Trade	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Law, Economic Management and Public Policy	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transportation and Communications	56.8	44.1	2	50.0	—	—	2	100.0	—	—	—	—	—	—	—	—
Water Supply, Sanitation and Waste Management	47.0	36.5	1	25.0	—	—	1	100.0	—	—	—	—	—	—	—	—
Multisector	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	128.8	100.0	4	100.0	—	—	4	100.0	—	—	—	—	—	—	—	—

— = no data available, no. = number.

^a One rating for implementation progress and development objectives, based on the lower rating of either.

^b Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^c A loan is "at risk" if it is rated as partly satisfactory, as unsatisfactory, or as a potential problem.

Source: Asian Development Bank estimates.

Table A2.7: Portfolio Indicators - Disbursements and Net Transfers of Resources
(Public Sector Loans, as of 31 December 2004)

Disbursements and Transfers	OCR	ADF	Total
Disbursements ^a			
Total Funds Available for Withdrawal (\$ million)	103.8	-	103.8
Disbursed Amount (\$ million, cumulative)	33.0	-	33.0
Percentage Disbursed (disbursed amt/total available)	31.8	-	31.8
Disbursements (\$ million, latest year)	9.5	-	9.5
Disbursement Ratio (%) ^b	11.9	-	11.9
Net Transfer of Resources (\$ million)			
2000	(2.9)	-	(2.9)
2001	(2.7)	-	(2.7)
2002	(3.0)	-	(3.0)
2003	0.9	-	0.9
2004	4.1	-	4.1

ADF = Asian Development Fund, OCR = ordinary capital resources.

^a Includes ongoing loans and loans with disbursements during the year.

^b Ratio of disbursements during the year over the undisbursed net loan balance at the beginning of the year less cancellations during the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

Source: Asian Development Bank estimates.

Table A2.8: Portfolio Indicators—Evaluation Rating By Sector
(as of 30 June 2005)

Sector	GS/HS/S		PS		US		Total	
	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	0	0.0	1	50.0	1	50.0	2	100.0
Energy	3	100.0	0	0.0	0	0.0	3	100.0
Industry and Trade	0	0.0	0	0.0	0	0.0	0	0.0
Transportation and Communication	2	100.0	0	0.0	0	0.0	2	100.0
Water Supply, Sanitation and Waste Management	0	0.0	0	0.0	0	0.0	0	0.0
Finance	1	50.0	0	0.0	1	50.0	2	100.0
Multisector	0	0.0	1	50.0	0	0.0	1	0.0
Total	6	60.0	2	20.0	2	20.0	10	100.0

GS = generally successful, HS = highly successful, PS = partly successful, S = successful, US = unsuccessful.

Source: Asian Development Bank Postevaluation Information System.

Table A2:9 Portfolio Implementation Status

(public sector loans, as of 31 December 2005)

No.	Sector	Loan No.	Seg. Title	Net Loan Amount			Closing Date		Progress (% completed)
				OCR (\$ million)	ADF million)	(\$ Approval Date	Effectivity Date	Original	
1	WS	2055	Suva-Nausori Water Supply & Sewerage Project	47.0		18 Dec 03	08 Dec 04	30 Jun 09	4
2	TC	1530	Third Road Upgrading Project	40.0		26 Aug 97	15 Jan 98	30 Jun 04 31 Dec 05	75
3	TC	1902	Fiji Ports Development Project	16.8		05 Mar 02	03 Sep 02	30 Jun 06	75
4	AG	2158	Alternative Livelihoods Development Project	25.0		28 Mar 05	06 Sep 05	30 Jun 11	3
Total				128.8					

No.	Loan		Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disburse- ments (\$ million)	Rating		Potential Problem ^a	At Risk ^b
	Sector No.	Seg.				IP	DO		
1	WS	2055	Suva-Nausori Water Supply & Sewerage Project	19.7	2.6	S	S	No	No
2	TC	1530	Third Road Upgrading Project	37.4	28.3	S	S	No	No
3	TC	1902	Fiji Ports Development Project	15.1	15.7	S	S	No	No
4	AG	2158	Alternative Livelihoods Development Project	0.0	0.5	S	S	No	No
Total				72.2	47.1				

ADF = Asian Development Fund, AG = agriculture and natural resources, DO = development objectives, ED = education, EN = energy, FI = finance, HL = health, nutrition and social protection, HS = highly satisfactory, IN = industry and trade, IP = implementation progress, LW = law, economic management and public policy, MS = multisector, no. = number, OCR = ordinary capital resources, PS = partly satisfactory, S = satisfactory, Seg = segment (pertaining to loans with more than one withdrawal authority), TC = transportation and communication, U = unsatisfactory, WS = water supply, sanitation and waste management.

^a "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^b A loan is considered "at risk" if it is rated as "PS" or "U" in either implementation progress or development objectives, or if it is a potential problem loan.

Source: Asian Development Bank estimates.

Table A2.10: Assistance Pipeline for Lending Products, 2006–2008

Sector Project/Program Name	Targeting Classification	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)				Cofi- nancing
						ADB		Gov't.	Total	
						OCR	ADF			
2006 Firm Loans										
Transportation and Communications										
1. Fiji Fourth Road Upgrading (Sector) Project (FRUP IV)	GI	ECO/PSD	SPSO	2004	124.6	81.0	0.00	81.0	43.6	TBD
Multisector										
2. Rural and Outer Islands Development	TI	ECO/PSD	PAHQ	2005	50.0	50.0	0.00	50.0	TBD	TBD
Total					174.6	131.0	0.00	43.6	TBD	
2006 Standby Loans										
Energy										
3. Renewable Power Sector Development Project	GI	ECO	PAHQ	2006	85.0	27.0	0.00	27.0	TBD	58.0
Total					85.0	27.0	0.00	27.0	TBD	TBD
2007 Firm Loans										
Transportation and Communication										
1. Airport Rehabilitation and Upgrading	GI	ECO/PSD	PAHQ	2004	50.0	32.0	0.00	32.0	18.0	TBD
Energy										
2. Renewable Power Sector Development Project	GI	ECO	PAHQ	2006	85.0	27.0	0.00	27.0	TBD	58.0
Total					135.0	59.0	0.00	59.0	TBD	TBD
2008 Loan										
Multisector										
1. Natural Resource-based Sector Development Program		ECO	PAHQ	2006	30.0	30.0	0.00	30.0	TBD	TBD
Total					30.0	30.0	0.00	30.0	TBD	TBD

ADB = Asian Development Bank, ADF = Asian Development Fund, ECO = sustainable economic growth, FRUP = Fourth Road Upgrading Project, OCR = ordinary capital resources, PAHQ = Pacific Operations Division, SPSO = South Pacific Subregional Office, PSD = private sector development, TBD = to be determined.
Source: Asian Development Bank estimates.

Table A2.11: Assistance Pipeline for Nonlending Products and Services, 2006–2008

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
2006							
Transportation and Communication							
1. Strengthening Road Sector Performance (FRUP IV)	PAHQ	ID	TASF	700.0	—	—	700.0
Law, Economic Management and Public Policy							
1. Capacity Building for Economic and Public Sector Reforms	PAHQ	ID	TASF	800.0	—	—	800.0
Multisector							
1. Natural Resource-Based Sector Development Program	PAHQ	PP	TASF	800.0	—	—	800.0
Energy							
1. Renewable Power Sector Development Project	PAHQ	PP	TASF	650.0	Gov't.	280.0	930.0
2. Power Sector Development Road Map	PAHQ	ECO	TASF	500.0	Gov't.	125.0	625.0
Law, Economic Management and Public Policy							
1. Institutional Support to Private Sector Development	PAHQ	ID	TASF	700.0	Gov't.	150.0	850.0
Total				4,150.0		555.0	4,705.0
2007							
Law, Economic Management and Public Policy							
1. Provincial and Local Governance Program	PAHQ	PP	TASF	800.0	—	—	800.0
2. Implementation of Public Enterprises Reforms	PAHQ	ID	TASF	800.0	—	—	800.0
Transport and Communication							
1. Strengthening Aviation Sector Performance	PAHQ	ID	TASF	400.0	—	—	400.0
Total				2,000.0			2,000.0

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
2008							
Law, Economic Management and Public Policy							
1. Public Sector Reform Program	PAHQ	PP	TASF	800.0	—	—	800.0
Multisector							
1. Support to Natural Resource-based Sector Performance	PAHQ	ID	TASF	800.0	—	—	800.0
Energy							
1. Implementation of Power Sector Development Road Map	PAHQ	ID	TASF	400.0	—	—	400.0
Total				2,000.0			2,000.0

— = no data available, ADB = Asian Development Bank, ID = institutional development, PAHQ = Pacific Operations Division, PP = project preparatory, TA = technical assistance, TASF = technical assistance special fund.
Source: Asian Development Bank estimates.

CONCEPT PAPERS FOR LENDING PRODUCTS

This appendix contains the concept papers for the following proposed lending products:

- (i) Table A3.1: Fiji Fourth Road Upgrading (Sector) Project (FRUP IV)
- (ii) Table A3.2: Rural and Outer Islands Development
- (iii) Table A3.3: Renewable Power Sector Development Project
- (iv) Table A3.4: Airports Rehabilitation and Upgrading

Table A3.1: Fiji Fourth Road Upgrading (Sector) Project (FRUP IV)¹
Concept Paper

Date: February 2006

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transportation and communication Subsector: Roads and Highways</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Targeted Intervention</p> <p><input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input checked="" type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme:</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: South Pacific Subregional Office (SPSO)</p>								
<p>5. Responsible ADB officer: Thomas Gloerfelt-Tarp, Head, Project Administration Unit, SPSO</p>								
<p>6. Description of assistance</p> <p>a. Background/link to country/regional strategy: Specifically, the Government, since the mid-1980s, has been selectively borrowing to upgrade its road infrastructure to support its economic development. In doing so, it has been unable to meet the increasing demands on the road transport infrastructure. The proposed Project will assist in stimulating economic recovery by reducing transport sector constraints on economic development and by improving economic returns on the transport infrastructure. It will continue to support the Government's program to improve the national road network and management of roads, improving access to rural areas.</p> <p>b. Goal and purpose: The impact of the Project will be a contribution to social and economic development countrywide, and to reduction of poverty and isolation of disadvantaged groups within the area of influence of the improved roads. It will enable more rural people to participate in the cash economy and improve their choices and access to markets, educational, health, and business services. The Project will reduce road transport costs, journey times, and improve road safety. Lower transport costs will generate financial and economic savings that</p>								

¹ This Concept Paper was approved earlier in the 2004 CSPU in an amount of US\$26 million.

will permeate throughout the economy in reduced cost of doing business, including (i) reduced costs to transport operators, to primary product producers, to shippers of consumer goods and to the end purchasers, (ii) reduced number and severity of road accidents, and (iii) reduced cost and improved travel conditions and thereby increased access to employment opportunities and social services.

The Project's purpose is to improve transport sector efficiency and contribution to economic growth, expanded employment opportunities, and poverty reduction. The Project will finance a 6-year time-slice of the Government's 20 year road upgrading, rehabilitation and safety improvement program, and will establish an effective road asset management system with sustainable funding to secure the benefits of past and planned investments to the road users and affected communities.

c. Components and outputs: The proposed loan will comprise:

- (i) about 100 km of upgraded national roads from gravel to bitumen double surface treated sealed standard, about 100 km of rehabilitated existing sealed roads, and about 20 replaced bridges, each as identified under TA4540-FIJ² and the Government funded feasibility study;³
- (ii) road safety improvements including (a) road accident blackspot treatment, village treatment, roadside hazard mitigation, road furniture and delineation, area- and corridor-wide safety treatment, and (b) complementary institutional and operational safety improvements within the road transport agencies, police and community, and
- (iii) road sector restructuring and performance improvement, comprising: (a) a fully functioning and legally established statutory Fiji Road Authority (FRA); including its financial and operational systems and funding arrangements; (b) enhanced domestic private sector capability and participation in road construction and maintenance of the road sector; and (c) a feasibility study on a part privately financed build-operate-transfer (BOT) project as an alternative route to the high-volume Suva-Nausori corridor.

The Project will be implemented using a sector approach, given that the Government and DNR have (i) a 20-year national sector development plan with a multi-subproject infrastructure development program to meet the priority development needs of the sector; (ii) proven institutional capacity to implement and manage a sector approach, particularly by implementing transparent, rational, and interdepartmental decision-making processes in selecting subprojects; and (iii) gradually moving to a private sector-delivery of maintenance services under performance-based contracts. As part of the sector approach, the Road Sector Reform Action Plan provides an appropriate and comprehensive time-bound framework for pursuing the policy and institutional development goals agreed by Government and supported by ADB.

d. Expected results and deliverables: The expected results of the investment program will be an improved and expanded, sustainably funded road transport network, managed within an appropriate policy, regulatory and institutional framework, designed to meet the present and future development needs of the Fiji Islands.

e. Social or environmental issues or concerns: The participatory assessment for the sample subprojects found that the sub-projects were generally welcomed by all project-affected persons: those "in hardship/poor" and those "better-off"; and by both native Fijians and Indo-Fijians. In the sample subproject poverty impact assessments, 30% of persons were found to be poor or living in hardship in the area of the Sigatoka Valley road, and 58% of persons in the area of Nabouwala Road. The Sigatoka Valley Road is, for example, envisaged to: (i) improve access to markets, hospitals and schools; (ii) reduce transport-caused damage to perishable crops; (iii) in conjunction with other investments, stimulate further cash-crop production; (iv) improve access to taxis; and (v) reduce dust pollution.

The rural upgrading and rehabilitation sub-projects are expected to cause minimal or no resettlement. For example, on the Sigatoka Valley subproject, no persons will be resettled and land acquisition will be confined to marginal strips along the road.

Native Fijians comprise 55.3% of the population and are the indigenous people of Fiji. The balance of the population is Indo-Fijian (38.2%) and other groups (7.5%). On the Sigatoka Valley subproject, these groups were found in the ratios 52%, 45%, and 3%, respectively. On the Nabouwala Road, these groups were found to be in the ratios 69%, 29%, and 2%, respectively. The rural upgrading and rehabilitation subprojects will have positive impacts on the indigenous population in terms of improved access to health, education, livelihood, and social services. The Project will not have a negative impact on indigenous peoples that would trigger ADB's Policy on Indigenous Peoples.

² TA 4540-FIJ: Fourth Road Upgrading (Sector) Project, approved for US\$600,000 on 23 December 2004.

³ The Department of National Roads, letter of invitation and terms of reference, 25 February 2005.

f. Plans for disseminating results/deliverables: As an integral part of the development program, an effective education and road safety awareness campaign will be conducted in the news media, and on TV and radio. The program will work closely with police and traffic enforcement agencies, and road safety campaigns will be carried out when the roads are opened to traffic. Training and capacity building will be conducted for transport service providers and operators to improve their ability to participate in the new policy environment.

7. Proposed executing/implementing agency or agencies: Ministry of Works and Energy, working in close cooperation with the Ministry of Transport and Civil Aviation.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Transport sector stakeholders comprising government and non-government beneficiaries have been widely consulted at workshops and dissemination meetings during the preparation of the Project and their concerns will be incorporated in the Project design.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: **2003**
- b. Expected date of submission for approval
 Lending: **1st quarter 2006**
 Nonlending (project preparatory):
 Nonlending (other than project preparatory):
- c. Period and duration of assistance
 Lending: **5 years**
 Nonlending:

10. Financing Plan

- a. For lending
 Ordinary capital resources: \$81 million
 Asian Development Fund: \$
 Other: \$

If cofinancing is required, indicate amount and sources sought: \$____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$) million
ADB Financing	81.0
Government Financing	43.6
Other Financing	
Total Cost	124.6

Source: ADB estimates.

- b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds
 Other:

If cofinancing is required, indicate amount and sources sought: \$____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program.

**Table A3.2: Rural and Outer Islands Development
Concept Paper**

Date: March 2005

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> ADF grant-financed</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and Natural Resources Subsector: Agriculture production, agro processing and agribusiness</p> <p>b. For project preparatory and lending, classification</p> <p> <input checked="" type="checkbox"/> Targeted intervention</p> <p> <input type="checkbox"/> General intervention</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subthemes: Developing rural areas, public-private partnerships</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Pacific Department</p>								
<p>5. Responsible ADB officer: Kunhamboo Kannan, Principal Country Programs Specialist</p>								
<p>6. Description of assistance(s)</p> <p>a. Background/link to country/regional strategy: About 25% of the Fiji Islands' population lives on about 106 of the 320 islands. Considerable socioeconomic disparities exist between the main and outer islands. Rural and outer islands development is crucial to promote balanced development in the Fiji Islands. The outer islands possess natural resources, including forestry, fishery, and agriculture. They also have good tourism potential. Subsistence agriculture is the mainstay of the rural and outer islands' economy. However, most people depend on copra and kava for cash income. Private sector-led joint ventures with local entrepreneurs have potential in agriculture, sustainable tourism, and marine resources development. Lack of economic opportunities has resulted in a low level of skills in the remote communities, including technical, managerial, and entrepreneurial skills. Development of such skills will be essential to enable the people to take advantage of new opportunities. Promoting equitable economic growth and improving the quality of life</p>								

of the people is consistent with the Government's Strategic Development Plan for 2003–2005 and the CSPU 2005–2007.

- b. Goal and purpose:** The purpose of the TA is to help the Government design an investment project to improve income earning opportunities to reduce socioeconomic disparities in the rural and outer islands, comprising the eastern and central divisions of the Fiji Islands. The TA will identify potential income-generating opportunities and priority infrastructure for rehabilitation to support development. The TA also will identify potential areas for private sector collaboration with island communities to develop locally available resources in a sustainable and equitable manner. The proposed project will enhance the Government's objectives of balanced regional development and distribution of economic opportunities to all parts of Fiji.
- c. Components and outputs:** The output of the TA will be a detailed feasibility study for financing by ADB and/or other agencies. It will cover, among others, the scope, detailed costs, implementation arrangements, economic, social, environment, institutional, and key sectors analysis. The TA also will evaluate policy and institutional constraints impacting outer islands development. Special attention will be paid to the needs of women and youth to identify income-earning opportunities.
- d. Expected results and deliverables:** A detailed feasibility report for loan processing.
- e. Social or environmental issues or concerns:** none
- f. For TA, method(s) of TA output dissemination:**
- A conference/workshop/brown bag
 - Publication of article(s) in external journals or books
 - External press release to news agencies, including www.adb.org
 - Internal press release in *ADB Today*
 - Others (specify) _____

7. Proposed executing/implementing agency: The Ministry of Agriculture, Sugar, and Land Resettlement

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Government recognizes the need to improve income-earning opportunities and intra-island infrastructure including transportation and communication to facilitate growth, but so far there is little investment in exploring economic potential and rehabilitation and upgrading of outer islands basic facilities. The Strategic Development Plan 2003–2005, and the 20-year Development Plan (2001–2020) emphasizes reducing disparities between main islands and outer islands through systematic development and implementation of programs, including basic social services, related infrastructures and income earning opportunities to reduce disparity and poverty. The Project will be prepared with extensive beneficiary participation.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: **2004**
- b. Expected date of submissions for approval

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Government recognizes the need to improve income-earning opportunities and intra-island infrastructure including transportation and communication to facilitate growth, but so far there is little investment in exploring economic potential and rehabilitation and upgrading of outer islands basic facilities. The Strategic Development Plan 2003–2005, and the 20-year Development Plan (2001–2020) emphasizes reducing disparities between main islands and outer islands through systematic development and implementation of programs, including basic social services, related infrastructures and income earning opportunities to reduce disparity and poverty. The Project will be prepared with extensive beneficiary participation.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: **2004**
- b. Expected date of submission for approval
- Lending: **January 2006**
 - Nonlending (project preparatory): **May 2005**
 - Nonlending (other than project preparatory):
- c. Period and duration of assistance
- Lending: **2006–2011**

Nonlending: June–October 2005

10. Financing Plan

a. For lending

- Ordinary capital resources: \$15 million
 Asian Development Fund: \$
 Other: \$

If cofinancing is required, indicate amount and sources sought: \$ ____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$) million
ADB Financing	50.0
Government Financing	
Other Financing	
Total Cost	50.0

Source: ADB estimates.

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds
 Other:

If cofinancing is required, indicate amount and sources sought: \$ ____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	700,000
Government Financing	280,000
Other Financing	
Total Cost	980,000

Source:

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

Table A3.3: Renewable Power Sector Development Project

Date: 19 December 2005

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input checked="" type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> ADF grant-financed</p> <p><input type="checkbox"/> Other</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsectors: Energy sector development, Renewable energy generation</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Targeted intervention</p> <p><input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Capacity development</td> </tr> </table> <p>Subthemes: Fostering physical infrastructure development</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development							
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Pacific Operations Division, Pacific Department</p>								
<p>5. Responsible ADB officer: Carol Litwin, Senior Economist, Pacific Department</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy:</p> <p>As a small open economy, Fiji is highly vulnerable to global and domestic shocks. The gross domestic product (GDP) growth has averaged around 2.8% between 1999 and 2004, with large variations between years. Forecasted GDP growth for 2005 is 1.2%. Despite these variations, growth in electricity consumption has remained stable at around 5% per year. Consumption in 2003 is estimated at around 600 kWh per capita which is relatively low compared to a per capita GDP of about US\$1,200. Coverage of electricity is 90% in urban areas and 50% in rural areas. About 60% of the population has electricity access through the grid. Electricity consumption is constrained by Fiji Electricity Authority's (FEA) system capacity and the lack of financial and institutional capacity to implement and sustain small-scale off-grid systems to rural communities. As the country embarks on a path to broaden its economic base, ensuring that sufficient capacity in generation, transmission, and distribution is available to meet electricity demands will be a key challenge facing the power sector in Fiji.</p>								

The Government of Fiji's Strategic Development Plan for 2003–2005 sets out the goal for the energy sector as “to facilitate the development of a resource efficient, cost-effective, and environmentally-sustainable energy sector.” With sharply fluctuating world market fuel prices, FEA is seeking to diversify its energy resource base by further developing renewable and indigenous energy resources.

b. Goal and purpose:

The objective of the TA is to assist the GOF in the development of a resource-efficient, cost-effective, and environmentally-sustainable power sector to promote broad based economic growth. The TA will assist the Government and FEA in developing a least-cost and diversified investment plan to meet electricity demand growth.

c. Components and outputs:

Support for the development of an optimized and prioritized least-cost investment plan to meet forecast electricity demands. The investment plan will in particular take into account policies in promoting renewable resources, sustainable and cost effective generation mix and the country's vulnerability to global macroeconomic shocks and international price fluctuations. The TA will also include work on developing a carbon credit mechanism.

d. Expected Results and Deliverables:

The key deliverables include: (i) demand forecast; (ii) prioritized investment plan covering generation, transmission, and distribution that yields maximum benefits in terms of social, economic and financial returns; (iii) resettlement plan and frameworks; (iv) environmental impact assessment; (v) work on carbon credits; and (vi) financial and economic due diligence of FEA and the proposed investment plan.

e. Social or environment issues or concerns:

The proposed power sector development project is likely to involve hydro-generation, which would be considered Category A for environmental impact assessment. Resettlement impacts are expected but will be avoided to the extent possible. The TA will include the preparation of environmental impact assessment and resettlement plans for core subprojects as well as frameworks for the remaining investment subprojects.

f. Plans for disseminating results/deliverables:

For TA, method(s) of TA output dissemination:

- A conference/workshop/brown bag
- Publication of article(s) in external journals or books
- External press release to news agencies, including www.adb.org
- Internal press release in *ADB Today*
- Others (specify): News release in Fijian newspapers

7. Proposed executing/implementing agency or agencies:

Executing Agency: Ministry of Works and Energy, through its Department of Energy
Implementing Agency: Fiji Electricity Authority

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

Key stakeholders include Ministry of Public Enterprises & Public Sector Reform, Department of Energy, Commerce Commission, Ministry of Finance and Planning, and Fiji Electricity Authority, affected communities, and electricity consumers.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2006
- b. Expected date of submission for approval
 - Lending: Loan approval is stand-by for 2006
 - Nonlending (project preparatory): 2006
 - Nonlending (other than project preparatory):
- c. Period and duration of assistance
 - Lending: Loan approval is stand-by for 2006
 - Nonlending: March–November 2006

10. Financing Plan

a. For lending

- Ordinary capital resources: \$27 million
 Asian Development Fund (loan): \$
 Asian Development Fund (grant): \$
 Other: \$

If cofinancing is required, indicate amount and sources sought: \$58.0 million, from World Bank and European Investment Bank.

Source	Amount (\$ million)
ADB Financing	27.0
Government Financing	
Other Financing: World Bank	33.0
European Investment Bank	25.0
Total Cost	85.0

Source: Asian Development Bank estimates

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds: \$650,000
 Other:

Source	Amount (\$)
ADB Financing	650,000
Government Financing	280,000
Total Cost	930,000

Source: Asian Development Bank estimates

ADB = Asian Development Bank, TA = technical assistance

**Table A3.4: Airports Rehabilitation and Upgrading
Concept Paper**

Date: August 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transportation and communication Subsector: Civil aviation</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Targeted intervention</p> <p> <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme:</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Pacific Department</p>								
<p>5. Responsible ADB officer: Robert Guild</p>								
<p>6. Description of assistance</p> <p>a. Background/link to country/regional strategy: Air transport is vital for economic development and connecting the Fiji Islands to the outside world. Tourism, the biggest foreign exchange earner, depends upon efficient international and local flights into the Fiji Islands at all times of the year, and with adequate night landing facilities. The international airports in Nadi and Suva need urgent rehabilitation and upgrading to eliminate impending capacity constraints and meet future tourist arrivals. Current international passenger movements are about 1 million per year, with domestic movements of about 500,000 per year. Nadi is also a hub in the Pacific for international flights, with potential for further strengthening as a regional hub.</p> <p>b. Goal and purpose: To provide efficient airport and terminal facilities to international airlines and passengers. To maintain a high level of safety in the aviation system and to promote efficiency in aviation services to be able to compete with other regional airports in the region.</p> <p>c. Components and outputs: Support for upgrading existing runways and aprons for bigger planes; rehabilitating airport navigational facilities; expansion and upgrading of terminals; and institutional development of the Ministry of Transport and Civil Aviation, Airports Fiji Ltd, and the Civil Aviation Authority of the Fiji Islands.</p>								

<p>d. Expected results and deliverables: Provide efficient and competitive landing and terminal facilities to international airlines and passengers. Upgrade domestic airports to meet operational and safety requirements. Promote private sector participation in airport operations.</p> <p>e. Social or environmental issues or concerns: Major airport construction will be considered Category A for environmental impact assessment. Minor resettlement is a possibility, depending on expansion designs.</p> <p>f. Plans for disseminating results/deliverables: International consultants' inputs will be required for feasibility studies.</p>																				
<p>7. Proposed executing/implementing agency or agencies: Airports Fiji Ltd will be the Executing Agency. Ministry of Transport and Civil Aviation will chair the Project Steering Committee.</p>																				
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: A Project Steering Committee, including representatives of all relevant ministries, aviation and tourism operators, and private sector stakeholders will guide the project.</p>																				
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval Lending: 2005 Nonlending (project preparatory): 2004 Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance Lending: Nonlending:</p>																				
<p>10. Financing Plan</p> <p>a. For lending <input checked="" type="checkbox"/> Ordinary capital resources: \$32 million <input type="checkbox"/> Asian Development Fund: \$ <input type="checkbox"/> Other: \$</p> <p>If cofinancing is required, indicate amount and sources sought: \$____, from _____. If known, provide cost estimates and financing arrangements.</p> <table border="1"> <thead> <tr> <th>Source</th> <th>Amount (\$) million</th> </tr> </thead> <tbody> <tr> <td>ADB Financing</td> <td>32.0</td> </tr> <tr> <td>Government Financing</td> <td>18.0</td> </tr> <tr> <td>Other Financing</td> <td></td> </tr> <tr> <td>Total Cost</td> <td>50.0</td> </tr> </tbody> </table> <p>Source: ADB estimates.</p> <p>b. For nonlending <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: \$ <input type="checkbox"/> Grant TA funds <input type="checkbox"/> Other:</p> <p>If cofinancing is required, indicate amount and sources sought: \$____, from _____. If known, provide cost estimates and financing arrangements.</p> <table border="1"> <thead> <tr> <th>Source</th> <th>Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>ADB Financing</td> <td></td> </tr> <tr> <td>Government Financing</td> <td></td> </tr> <tr> <td>Other Financing</td> <td></td> </tr> <tr> <td>Total Cost</td> <td></td> </tr> </tbody> </table> <p>Source:</p>	Source	Amount (\$) million	ADB Financing	32.0	Government Financing	18.0	Other Financing		Total Cost	50.0	Source	Amount (\$)	ADB Financing		Government Financing		Other Financing		Total Cost	
Source	Amount (\$) million																			
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Other Financing																				
Total Cost	50.0																			
Source	Amount (\$)																			
ADB Financing																				
Government Financing																				
Other Financing																				
Total Cost																				

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program.

CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES

This appendix contains the concept papers for the following proposed nonlending products and services:

- (i) Table A4.1: Strengthening Road Sector Performance (FRUPIV)
- (ii) Table A4.2: Capacity Building for Economic and Public Sector Reforms
- (iii) Table A4.3: Natural Resource-Based Sector Development Program
- (iv) Table A4.4: Renewable Power Sector Development Project
- (v) Table A4.5: Power Sector Development Road Map
- (vi) Table A4.6: Institutional Support to Private Sector Development

**Table A4.1: Strengthening Road Sector Performance (FRUIV)
Concept Paper**

Date: 15 December 2005

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> ADF grant-financed</p> <p> <input type="checkbox"/> Other: loan financed detailed design and project management</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other</p>								
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector(s): Transport and communications Subsector(s): Roads and highways</p> <p>b. Targeting classification</p> <p> <input type="checkbox"/> Targeted intervention</p> <p> <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <p>Themes:</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Capacity development</td> </tr> </table> <p>Subthemes: (i) Institutional/legal reforms; (ii) Institutional development</p>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Capacity development
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Capacity development							
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: South Pacific Subregional Office</p>								
<p>5. Responsible ADB officer(s): T. Gloerfelt-Tarp, Head, Project Administration Unit</p>								
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: The overall strategy of the ADB for the Fiji Islands is to promote economic growth and improve the quality of life. This is fully consistent with the Government's strategic development plan (SDP) for 2003–2005, which seeks to reduce poverty by providing income earning opportunities through close government-private sector partnership. During 2005–2007, in addition to development of alternative livelihoods, ADB will focus on public investment in productive physical infrastructure in key sectors, one of which is roads; strengthening the associated policy, institutional capacity, and regulatory frameworks; and increased private sector participation and competition in public enterprises. The proposed technical assistance will reinforce steps already taken by Government to improve competitiveness within the road sector by creation in early 2005 of the</p>								

Department of National Roads (DNR), which has the aim of commercializing road asset management and development, improving the public agency's responsiveness to road user needs and achieving better output-and outcome-based performance, through re-engineering of its management structure and systems, and through exposure to private competition through services outsourcing and competitive tendering of works contracts.

b. Goal and purpose: To assist DNR in its transition to the proposed Fiji Road Authority (FRA) and support DNR in implementing the operational road asset management system (RAMS) and financial management information system (FMIS).

c. Components and outputs: Engage specialist services to (a) support changes to the management, business process and staffing (b) carry out asset valuation and implement accrual accounting through FIMS (c) develop RAMS interface with forward budgeting and management of road asset, including asset maintenance, and (d) implement legislative and organizational changes to establish user-charge-based dedicated funding for national roads.

d. Rationale and purpose of ADF grant financing: N/A

e. Expected results and deliverables: DNR reconstituted as a results-oriented and efficient road network manager, responding to relevant and measurable performance indicators, providing cost-efficient and technically optimized solutions to customer (road user) demands for a well maintained, appropriately sized and safe road network with due consideration and management of environmental and social effects. TA deliverables will relate to documentation of achievements with emphasis on pre-established milestones.

f. Social or environmental issues or concerns: Organizational change has human resource implications that will need to account for the Government's social policy, in particular aspirations for ethnic Fijian advancement and avoiding involuntary redundancy and unemployment.

g. Plans for disseminating results/deliverables: results will be the subject of periodic progress monitoring and in-country seminars/workshops.

For TA, method(s) of TA output dissemination:

- A conference/workshop/brown bag
- Publication of article(s) in external journals or books
- External press release to news agencies, including www.adb.org
- Internal press release in *ADB Today*
- Others (specify) _____

7. Proposed executing/implementing agency or agencies: Department of National Roads, the Ministry of Works and Energy.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

Formulation of the TA has been developed in discussion with the DNR as EA for the Loan and recipient of the assistance and with other Government agencies; a Steering Committee has reviewed the development of the Project and associated technical assistance through fortnightly meetings over a period of 2 months of preparation and Loan Fact Finding. The Steering Committee has high level representation from the Ministry of Works and Energy; Ministry of Public Enterprise and Public Sector Reform; Ministry of Finance and Planning; National Planning Office; Land Transport Authority; National Road Safety Council; and Fiji Police Force.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP Update; Firm 2006
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory): 15 March 2006
- c. Period and duration of assistance
 - Lending:
 - Nonlending: 2006 – 2007, 2 years

10. Financing Plan

- a. For lending
- Ordinary capital resources
 - Asian Development Fund (loan)
 - Asian Development Fund (grant)
 - Other

If cofinancing is required, indicate amount and sources sought: \$____, from _____.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget
 - Grant TA funds
 - Other

If cofinancing is required, indicate amount and sources sought: \$____, from _____.

Source	Amount (\$)
ADB Financing	700,000
Government Financing	
Other Financing	
Total Cost	700,000

Source: Asian Development Bank Estimates

ADB = Asian Development Bank, CSP = country strategy and program, TA = technical assistance.

**Table A4.2: Capacity Building for Economic and Public Sector Reforms
Concept Paper**

Date: 8 September 2005

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> ADF grant-financed</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, economic management, and public policy Subsector: Government administration</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Targeted intervention</p> <p> <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic area</p> <p>Themes:</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Capacity development</td> </tr> </table> <p>Subtheme(s):</p>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development							
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Pacific Department</p>								
<p>5. Responsible ADB officer: Fernando Garcia, Principal Country Programs Specialist</p>								
<p>6. Description of assistance(s)</p> <p>a. Background/link to country/regional strategy: ADB assisted the Government with its midterm review of the Strategic Development Plan (SDP). This assistance, which was in line with ADB's Pacific Strategy, was part of ADB's support in Fiji Islands for (i) sound macroeconomic management, (ii) private sector development, and (iii) effective development processes. The revised SDP, which is focused on results, incorporates target indicators for guiding development activities. However, the Government's planning instruments lack congruence. The instruments include the Public Sector Investment Plan, fiscal budget, corporate plans of the Government's agencies, the performance-based contracts of senior Government officials, and the necessary economic and public reform sector reforms prepared with the assistance of the development partners (DP) for generating sustainable growth and employment. In addition, the Government needs to strengthen its capabilities to plan implementation and provide resources for cohesive action plans and development activities, and monitor and evaluate development impacts of activities. In particular, the Government faces capacity challenges in planning, implementing, monitoring, and</p>								

evaluating its new Financial Management Act, which guides the public sector reforms. Necessary capacity building and sequencing of the reform agenda will be crucial to ensure envisaged benefits are realized and sustained.

This TA will build upon earlier development partners engagement in this area, and will be implemented in close cooperation and collaboration with the DPs under harmonized conditions. Importantly, the TA will provide a vehicle for positive engagement with key counterpart agencies, including the Ministry of Finance and National Planning. This will help support reforms by building capacity to deliver their respective mandates and targeted results under a cohesive results-based framework, particularly the economic and public sector reforms. The TA will help with setting up a comprehensive results framework for the delivery of the Government's SDP.

b. Goal and purpose: The TA will strengthen the capacity for developing and implementing economic and public sector reform policy. This will be achieved by working with the key ministries to establish an agreed platform and results-based criteria for planning and implementing development activities, as well as monitoring and evaluating these through a results framework. The TA will help deliver the results envisaged under the necessary economic and public sector reforms.

c. Components and outputs: The TA will implement result-based planning and management by (i) identifying a cohesive regime of development and economic reform targets, (ii) delineating cascading and supportive responsibilities of key Government agencies to facilitate delivery of the desired outcomes; and (iii) developing capacity to take action on road maps toward achievement of the targets. The TA will provide a range of advisory services that will help empower and mentor the managers of the key Government agencies to effectively and efficiently support the agreed results-based program.

d. Expected results and deliverables: A set of realistic economic and public sector reform targets in the context of the SDP; and capacity building for Government agencies to target achievement of the results-based framework coherently under SDP.

e. Social or environmental issues or concerns: Social and environmental issues and concerns will be addressed more effectively in the planning stage.

f. Plans for disseminating results/deliverables: The output will be widely disseminated and is to be used as a tool for improving development planning and implementation.

For TA, method(s) of TA output dissemination:

- A conference/workshop/brown bag
- Publication of article(s) in external journals or books
- External press release to news agencies, including www.adb.org
- Internal press release in *ADB Today*
- Others (specify)

7. Proposed executing/implementing agency: Ministry of Finance and National Planning

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Preliminary consultations with Government took place during the 2004 CSPU, the 2005 Country Program Confirmation Mission, and the ongoing 2005 CSP. Extensive consultation will be undertaken to ensure the targets and benchmarks with corresponding timelines are realistic and relevant.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory): 14 October 2005
- c. Period and duration of assistance
 - Lending:
 - Nonlending: February 2006–August 2007

10. Financing Plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund (loan):

Asian Development Fund (grant):
 Other:

If cofinancing is required, indicate amount and sources sought: \$ _____, from _____.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source: _____

b. For nonlending

No resources required, other than ADB staff
 ADB's administrative budget
 Grant TA funds
 Other:

If cofinancing is required, indicate amount and sources sought:

Source	Amount (\$)
ADB Financing	800,000
Government Financing	
Other Financing	
Total Cost	800,000

Source: Asian Development Bank Estimates

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A4.3: Natural Resource-Based Sector Development Program
Concept Paper**

Date: 31 August 2005

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector(s): Natural Resources Subsector(s): Fisheries, Forestry, and Tourism</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Targeted intervention</p> <p> <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input checked="" type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme:</p>	<input type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: TBD</p>								
<p>5. Responsible ADB officer(s): TBD</p>								
<p>6. Description of assistance(s)</p> <p>a. Background/link to country/regional strategy: This TA builds on ADB's ongoing efforts to support alternative livelihoods in the northern and western part of the country, as well as the forthcoming Rural and Outer Islands Development Project to promote economic activities in the rural and outer islands. The Government recognizes and places high priority on complementing these efforts by exploiting the importance and potential of the resource-based industries (fisheries, forestry and tourism) in the country, and the scope of private sector participation in promoting their contribution to the sustained growth in Fiji. As a result, the Government asked ADB to prepare an investment for a resource-based sector development program, which aims to implement the recommendations of the fisheries sector review (financed by ADB) and forestry sector review (financed by SPC/GTZ), as well as to enforce and implement the Environmental Management Act (financed by ADB) to promote sustainable growth and support private sector development. ADB aims to support the country's efforts in diversifying the economy due to the declining prospects in two leading industries, sugar and garments. Further, ADB promotes environmentally sustainable development in tourism, forestry, and fisheries through institutional and sector reforms, as well as necessary infrastructure investments.</p>								

b. Goal and purpose: The TA will seek an agreement with the Government on a package of reform and investment activities supporting environmentally sustainable growth in tourism, fisheries, and forestry. This will be achieved by promoting private sector participation, which ADB will consider for financing.

c. Components and outputs: The TA will include (i) assessment and prioritization of recommendations under the fisheries sector review and forestry sector review, and implementation of Environmental Management Act; (ii) derivation of social, economic, poverty, and environment impacts, and implications for implementation of these recommendations; and (iii) preparation of a sector development program (SDP) suitable for ADB financing, comprising institution and sector reforms, as well as infrastructure investments, to promote environmentally sustainable growth and private sector development.

d. Expected results and deliverables: The TA will help to formulate an agreed reform and investment package/proposal in the form of an SDP between the Government and ADB for implementation. This will be considered for ADB financing.

e. Social or environmental issues or concerns: Social and environmental issues and concerns of the reform and investment program will be examined thoroughly and addressed. These are the key outputs of the TA.

f. Plans for disseminating results/deliverables: The proposed package of reform and investment activities to be considered for ADB financing will be disseminated widely and discussed through seminars and workshops attended by stakeholders, including private sector, aiming to arrive at consensus on the reform and investment agenda.

g. For TA, method(s) of TA output dissemination:

- A conference/workshop/brown bag
- Publication of article(s) in external journals or books
- External press release to news agencies, including www.adb.org
- Internal press release in *ADB Today*
- Others (specify) _____

7. Proposed executing/implementing agency or agencies:
 Executing Agency: The Ministry of Finance and National Planning
 Implementing Agencies: Ministry of Fisheries and Forests/Ministry of Tourism/ Ministry of Public Enterprises

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:
 Extensive consultation among stakeholders, including funding agencies, will be undertaken to ensure the targets and benchmarks with corresponding timelines are realistic and relevant, and are ready for implementation.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005
- b. Expected date of submission for approval
 Lending:
 Nonlending (project preparatory):
 Nonlending (other than project preparatory): 2006
- c. Period and duration of assistance
 Lending:
 Nonlending: 2006–2008

10. Financing Plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund:
 - Other:

If cofinancing is required, indicate amount and sources sought: \$ _____, from _____.
 If known, provide cost estimates and financing arrangements. _____

Source	Amount (\$)
ADB Financing	

	Government Financing Other Financing <hr/> Total Cost										
	Source: _____										
b. For nonlending											
<input type="checkbox"/>	No resources required, other than ADB staff										
<input type="checkbox"/>	ADB's administrative budget:										
<input checked="" type="checkbox"/>	Grant TA funds \$800,000										
<input type="checkbox"/>	Other:										
If cofinancing is required, indicate amount and sources sought: \$_____, from _____. If known, provide cost estimates and financing arrangements.											
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%; border-bottom: 1px solid black;">Source</th> <th style="width: 30%; border-bottom: 1px solid black;">Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>ADB Financing</td> <td></td> </tr> <tr> <td>Government Financing</td> <td></td> </tr> <tr> <td>Other Financing</td> <td></td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black;">Total Cost</td> </tr> </tbody> </table>	Source	Amount (\$)	ADB Financing		Government Financing		Other Financing		Total Cost	
Source	Amount (\$)										
ADB Financing											
Government Financing											
Other Financing											
Total Cost											
	Source: _____										

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

Table A4.4: Renewable Power Sector Development Project

Date: 19 December 2005

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input checked="" type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> ADF grant-financed</p> <p><input type="checkbox"/> Other</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsectors: Energy sector development, Renewable energy generation</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Targeted intervention</p> <p><input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Capacity development</td> </tr> </table> <p>Subthemes: Fostering physical infrastructure development</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development							
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Pacific Operations Division, Pacific Department</p>								
<p>5. Responsible ADB officer: Carol Litwin, Senior Economist, Pacific Department</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy:</p> <p>As a small open economy, Fiji is highly vulnerable to global and domestic shocks. The gross domestic product (GDP) growth has averaged around 2.8% between 1999 and 2004, with large variations between years. Forecasted GDP growth for 2005 is 1.2%. Despite these variations, growth in electricity consumption has remained stable at around 5% per year. Consumption in 2003 is estimated at around 600 kWh per capita which is relatively low compared to a per capita GDP of about US\$1,200. Coverage of electricity is 90% in urban areas and 50% in rural areas. About 60% of the population has electricity access through the grid. Electricity consumption is constrained by Fiji Electricity Authority's (FEA) system capacity and the lack of financial and institutional capacity to implement and sustain small-scale off-grid systems to rural communities. As the country embarks on a path to broaden its economic base, ensuring that sufficient capacity in generation, transmission, and distribution is available to meet electricity demands will be a key challenge facing the power sector in Fiji.</p>								

The Government of Fiji's Strategic Development Plan for 2003–2005 sets out the goal for the energy sector as "to facilitate the development of a resource efficient, cost-effective, and environmentally-sustainable energy sector." With sharply fluctuating world market fuel prices, FEA is seeking to diversify its energy resource base by further developing renewable and indigenous energy resources.

f. Goal and purpose:

The objective of the TA is to assist the GOF in the development of a resource-efficient, cost-effective, and environmentally-sustainable power sector to promote broad based economic growth. The TA will assist the Government and FEA in developing a least-cost and diversified investment plan to meet electricity demand growth.

g. Components and outputs:

Support for the development of an optimized and prioritized least-cost investment plan to meet forecast electricity demands. The investment plan will in particular take into account policies in promoting renewable resources, sustainable and cost effective generation mix and the country's vulnerability to global macroeconomic shocks and international price fluctuations. The TA will also include work on developing a carbon credit mechanism.

h. Expected Results and Deliverables:

The key deliverables include: (i) demand forecast; (ii) prioritized investment plan covering generation, transmission, and distribution that yields maximum benefits in terms of social, economic and financial returns; (iii) resettlement plan and frameworks; (iv) environmental impact assessment; (v) work on carbon credits; and (vi) financial and economic due diligence of FEA and the proposed investment plan.

i. Social or environment issues or concerns:

The proposed power sector development project is likely to involve hydro-generation, which would be considered Category A for environmental impact assessment. Resettlement impacts are expected but will be avoided to the extent possible. The TA will include the preparation of environmental impact assessment and resettlement plans for core subprojects as well as frameworks for the remaining investment subprojects.

f. Plans for disseminating results/deliverables:

For TA, method(s) of TA output dissemination:

- A conference/workshop/brown bag
- Publication of article(s) in external journals or books
- External press release to news agencies, including www.adb.org
- Internal press release in *ADB Today*
- Others (specify): News release in Fijian newspapers

7. Proposed executing/implementing agency or agencies:

Executing Agency: Ministry of Works and Energy, through its Department of Energy
Implementing Agency: Fiji Electricity Authority

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

Key stakeholders include Ministry of Public Enterprises & Public Sector Reform, Department of Energy, Commerce Commission, Ministry of Finance and Planning, and Fiji Electricity Authority, affected communities, and electricity consumers.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2006
- b. Expected date of submission for approval
 - Lending: Loan approval is stand-by for 2006
 - Nonlending (project preparatory): 2006
 - Nonlending (other than project preparatory):
- c. Period and duration of assistance
 - Lending: Loan approval is stand-by for 2006
 - Nonlending: March–November 2006

10. Financing Plan

a. For lending

- Ordinary capital resources: \$27 million
- Asian Development Fund (loan): \$
- Asian Development Fund (grant): \$
- Other: \$

If cofinancing is required, indicate amount and sources sought: \$58.0 million, from World Bank and European Investment Bank.

Source	Amount (\$ million)
ADB Financing	27.0
Government Financing	
Other Financing: World Bank	33.0
European Investment Bank	25.0
Total Cost	85.0

Source: Asian Development Bank estimates

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget: \$
- Grant TA funds: \$650,000
- Other:

Source	Amount (\$)
ADB Financing	650,000
Government Financing	280,000
Total Cost	930,000

Source: Asian Development Bank estimates

ADB = Asian Development Bank, TA = technical assistance

**Table A4.5: Power Sector Development Road Map
Concept Paper**

Date: 31 August 2005

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> ADF grant-financed</p> <p> <input type="checkbox"/> Other</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, economic management, and public policy Subsectors: Public finance and expenditure management, economic management</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Targeted intervention</p> <p> <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Capacity development</td> </tr> </table> <p>Subthemes: Promoting economic efficiency and enabling markets, and institutional development</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development							
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Pacific Operations Division, Pacific Department</p>								
<p>5. Responsible ADB officer: Carol Litwin</p>								
<p>6. Description of assistance</p> <p>a. Background/link to country/regional strategy: As a small open economy, Fiji is highly vulnerable to global and domestic shocks. Gross domestic product (GDP) growth has averaged about 2.8% annually between 1999 and 2004, with large variations between years. Forecasted GDP growth for 2005 was 1.2%. Despite these variations, growth in electricity consumption has remained stable at around 5% per year. Consumption in 2003 is estimated at around 600 kWh per capita, which is relatively low compared to a per capita GDP of about US\$1,200. Coverage of electricity is 90% in urban areas and 50% in rural areas. About 60% of the population has electricity access through the grid. Fiji Electricity Authority's (FEA) system capacity and the high cost of small-scale, off-grid systems for rural communities constrain electricity consumption. As the country embarks on a path to broaden its economic base, ensuring sufficient capacity in generation, transmission, and distribution to meet electricity demands will be a key challenge facing the power sector in Fiji.</p> <p>In the Government of Fiji's Strategic Development Plan for 2003–2005, the goal for the energy sector is “to facilitate</p>								

the development of a resource efficient, cost effective and environmentally sustainable energy sector." The power sector will benefit from internal restructure of FEA and promotion of private sector participation in generation, including independent power producers and renewable energy service companies. The Government recognizes that the private sector can contribute capital and expertise to power sector development, provided that business incentives and legal and regulatory arrangements are in place. To this end, the Government is undertaking a broad review of the regulatory and institutional environment for private sector participation.

b. Goal and purpose:

The objective of the TA is to assist the Government in developing a resource-efficient, cost-effective, and environmentally sustainable power sector to promote broad-based economic growth. The TA will assist the Government in identifying a least-cost investment plan, and in developing the institutional, legal, and regulatory environment to address the challenges the power sector faces in to meeting growing electricity demands.

c. Components and outputs:

The TA will consist of two components. The first component will include the formulation of a power sector restructuring road map to promote private sector participation in grid and off-grid electricity supply. The key outputs include (i) reviewing and drafting required amendments of the legislation that governs the power sector, (ii) identifying a suitable institution to perform independent regulatory functions, (iii) identifying the role and functions of the regulatory agency, (iv) assessing human and financial resource requirements for a regulatory agency to perform its functions, and (v) sequencing actions and decisions within a realistic time-bound plan for implementation of the restructuring road map.

The second component will include the development of an optimized and prioritized least-cost investment plan to meet forecast demands in the power sector. The investment plan will take into account policies in promoting renewable resources, sustainable and cost-effective generation mix, and the country's vulnerability to global macroeconomic shocks and international price fluctuations, in meeting demand forecasts. The key outputs will include (i) demand forecast for grid and off-grid areas; and (ii) prioritized investment plan covering generation, transmission, distribution, and off-grid subprojects, including social and environmental costs, which yield maximum social, economic, and financial returns.

d. Expected results and deliverables:

The key deliverables include:

- (i) An actionable and sequenced time-bound implementation road map for power sector restructuring.
- (ii) Electricity demand forecasts for grid and off-grid system areas.
- (iii) Optimized and prioritized least-cost investment plans to meet forecast demands for grid and off-grid systems.

f. Plans for disseminating results/deliverables:

For TA, method(s) of TA output dissemination:

- A conference/workshop/brown bag
- Publication of article(s) in external journals or books
- External press release to news agencies, including www.adb.org
- Internal press release in *ADB Today*
- Others (specify): News release in Fijian newspapers

7. Proposed executing/implementing agency or agencies:

Executing Agency: Steering committee headed by the Minister or CEO of the Ministry of Public Enterprises & Public Sector Reform; Steering Committee members include senior management of Department of Energy, Commerce Commission, and Ministry of Finance and Planning.

Implementing Agencies:

Power Sector Restructuring Road Map Component: Ministry of Public Enterprises & Public Sector Reform.

Least-Cost Investment Planning Component: FEA for grid investment planning; and Department of Energy, Ministry of Works & Energy for off-grid investment planning.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

Key stakeholders include Ministry of Public Enterprises & Public Sector Reform, Department of Energy, Commerce Commission, Ministry of Finance and Planning, and FEA.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005
- b. Expected date of submission for approval

Lending:
 Nonlending (project preparatory):
 Nonlending (other than project preparatory): September 2005 (tentative)

- c. Period and duration of assistance
 Lending:
 Nonlending: January–October 2006

10. Financing Plan

- a. For lending
 Ordinary capital resources: \$
 Asian Development Fund (loan): \$
 Asian Development Fund (grant): \$
 Other: \$
- b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds: \$500,000
 Other:

Source	Amount (\$)
ADB Financing	500,000
Government Financing	125,000
Total Cost	625,000

Source: Asian Development Bank Estimates

ADB = Asian Development Bank, CSP = country strategy and program, IMF = International Monetary Fund, PDMC = Pacific developing member country, PFTAC = Pacific Financial Technical Assistance Centre, RCSP = regional cooperation strategy and program, TA = technical assistance, UNDP = United Nations Development Programme.

**Table A4.6: Institutional Support to Private Sector Development
Concept Paper**

Date: 31 August 2005

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> ADF grant-financed</p> <p> <input type="checkbox"/> Other</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law and public sector management Subsectors: Law and judiciary</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Targeted intervention</p> <p> <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Capacity development</td> </tr> </table> <p>Subthemes: Policy and institutional/legal/regulatory reforms; promoting economic efficiency and enabling markets.</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development							
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Pacific Liaison and Coordination Office (PLCO)/Pacific Department</p>								
<p>5. Responsible ADB officer: Winfried Wicklein</p>								
<p>6. Description of assistance</p> <p>a. Background/link to country/regional strategy:</p> <p>The Government of Fiji recognizes the need to diversify the economy and improve the business environment to attract private sector investment. It has committed to formulate and implement policies and structural reforms conducive to private sector development (PSD), as reflected in the Government's medium-term development plan. ADB's Private Sector Assessment for Fiji lays out a PSD agenda that is shaped by the need to (i) accelerate the reform of state-owned enterprises (SOE); (ii) improve access to finance and develop the domestic financial market, (iii) strengthen the framework of commercial laws and regulations, (iv) improve the tax and incentive system, (v) examine reform options for Fiji National Provident Fund, (vi) enhance infrastructure and accelerate private sector participation in delivery of such services, and (vii) resolve property rights issues.</p>								

Fiji's commercial legal framework is outdated and largely ineffective in supporting modern business transactions. ADB's assessment of the legal business environment in Fiji, prepared under TA 6162-REG for Improving the Legal Business Environment in the Pacific, concluded that the system of formation, registration, operation, and closure of companies is overly costly, inaccurate, and penalizes smaller businesses. Contract disputes are costly and enforcement is weak; recourse to the law often is available only to the wealthy. The bankruptcy framework functions poorly, which raises risks correspondingly for operating businesses and for granting trade credit. Ineffective arbitration and operation of small claims courts increase the costs of disputes. Despite improvements made through recent reform initiatives, lengthy regulatory processes and unnecessary bureaucratic obstacles and uncertainties raise the cost of doing business in Fiji—for local and foreign investors alike. Legal issues impede the operation of infrastructure-related activities, including ownership and corporate governance of SOEs, and regulations for inter-island transport. The proposed TA will assist the Government in implementing some of these priority reforms.

Moreover, while Fiji has the most developed and extensive financial market in the Pacific Region, the financial sector's inability to finance investment and encourage savings is reflected in high interest rate spreads, low levels of credit to the private sector, and low levels of local and foreign investment. Access to credit for the private sector could be improved by expanding the collateral framework to enable movable property (chattels) to be used as collateral. Under Fiji's current legislation, chattel coverage is very limited and costly in the legal process. ADB is preparing, under separate TA 6202-REG for Diagnostic Studies for Secured Transactions Reforms in the Pacific Region, a diagnostic study of Fiji's secured transactions framework, and might consider including related reforms in the proposed TA.

The proposed TA directly supports the country assistance strategic thrust of helping to create a business environment conducive to PSD. The proposed TA is consistent with ADB's Private Sector Development Strategy and the Pacific Strategy 2005–2009.

c. Goal and purpose:

The proposed TA will support the Government in improving the legal and regulatory frameworks governing private business activity. The efficiency of the country's legal and regulatory business environment will be improved with a view to (i) reducing risk, uncertainty, and transaction costs for private businesses; (ii) improving corporate and public governance; and (iii) increasing productivity and investment. This will include reforms of commercial laws, regulations, and supporting legal institutions.

c. Components and outputs:

As part of regional TAs 6162 and 6202, ADB is assisting the Government of Fiji in formulating a reform agenda for the commercial legal framework. The priority areas for implementation under the proposed TA will be agreed upon after consultation and consensus building.

d. Expected results and deliverables:

The results and deliverables will depend largely on the outputs of regional TAs 6162 and 6202, both of which feed directly into the TA design process. Deliverables will include new or amended business laws and regulations that will improve conditions for setting up, contracting, and exiting a business.

f. Plans for disseminating results/deliverables:

For TA, method(s) of TA output dissemination:

- A conference/workshop/brown bag
- Publication of article(s) in external journals or books
- External press release to news agencies, including www.adb.org
- Internal press release in *ADB Today*
- Others (specify): News release in Fijian newspapers

7. Proposed executing/implementing agency or agencies:

Key agencies/mechanisms involved are Ministry of Commerce, Regulatory Reform Task Force, Ministry of Finance and National Planning, Ministry of Justice, Chief Justice's Chambers, and relevant line ministries. The proposed Executing agency is Ministry of Justice, though this should be confirmed by the key stakeholders.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

Key agencies/mechanisms have been consulted, including the Ministry of Commerce, Regulatory Reform Task Force, Ministry of Finance and National Planning, Ministry of Justice, and Chief Justice's Chambers,

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):

Nonlending (other than project preparatory): September 2006

- c. Period and duration of assistance
 Lending:
 Nonlending: January 2007–December 2009

10. Financing Plan

- a. For lending
 Ordinary capital resources: \$
 Asian Development Fund (loan): \$
 Asian Development Fund (grant): \$
 Other: \$
- b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds: \$700,000
 Other:

Source	Amount (\$)
ADB Financing	700,000
Government Financing	150,000
Total Cost	850,000

Source: Asian Development Bank Estimates

ADB = Asian Development Bank, CSP = country strategy and program, TA = technical assistance.