



Report and Recommendation of the President to the Board of Directors

Project Number: 43110
August 2009

Proposed Loan
Republic of the Fiji Islands: Emergency Flood
Recovery (Sector) Project

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 10 July 2009)

Currency Unit – Fiji dollar/s (F\$)

F\$1.00 = \$0.4781

\$1.00 = F\$2.0916

ABBREVIATIONS

ADB	–	Asian Development Bank
EA	–	executing agency
EARP	–	environmental assessment and review procedure
EMMP	–	environmental management and monitoring plan
EMU	–	Environmental Management Unit
ENDA	–	Emergency Assistance for National Disasters
GDP	–	gross domestic product
ICB	–	international competitive bidding
IEE	–	initial environmental examination
km	–	kilometer
LIBOR	–	London interbank offered rate
LWRM	–	Land and Water Resource Management Division
MAPI	–	Ministry of Agriculture and Primary Industries
MNP	–	Ministry of National Planning
MWTPU	–	Ministry of Works, Transport and Public Utilities
NCB	–	national competitive bidding
NGO	–	nongovernment organization
PMT	–	project management team
SIEE	–	summary initial environmental examination
TA	–	technical assistance

NOTE

In this report, "\$" refers to US dollars unless otherwise stated.

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- D. Environmental Assessment and Review Procedures

LOAN AND PROJECT SUMMARY

Borrower	Republic of the Fiji Islands
Classification	<p>Targeting classification: General intervention</p> <p>Sectors (subsectors): Transport, and information and communication technology (road transport); water supply and other municipal infrastructure and services (water supply and sanitation); agriculture and natural resources (irrigation, drainage, and flood protection)</p> <p>Themes (subthemes): Economic growth (widening access to markets and economic opportunities); social development (human development).</p> <p>Climate change: The Project contributes to climate change mitigation and climate change adaptation.</p> <p>Location impact: Rural (high), urban (low), national (low)</p>
Environment Assessment	Category B. An initial environmental examination was undertaken. The summary initial environmental examination is in Supplementary Appendix B.
Project Description	The emergency assistance loan will rehabilitate public infrastructure that was damaged by torrential rains and flooding that occurred over the Fiji Islands in January 2009. The rehabilitation includes main and rural roads—it involves stabilization of landslides, resurfacing, reconstruction of culverts, and repairs and improvements to wet crossings. The Project will also rehabilitate agricultural drainage schemes and water supplies. Design and construction will incorporate climate proofing to the extent economically feasible. The Project will be implemented under a sector approach.
Rationale	Equitable economic growth and improvement in social and health indicators depend on maintaining the rural economy. The damaged transport network is a constraint to the movement of people and goods, a disincentive to productive rural activity, and an impediment to the recovery and growth of tourism. Better transport infrastructure and services, which would restore access to domestic and international markets for agricultural products, are necessary to rehabilitate rural economies in the affected areas. Restoring rural accessibility will reduce poverty.
Impact and Outcome	The impact will be reduced economic losses and social disruption from extreme weather in the future. The outcome will be the restoration of economic and social activities in affected areas to pre-disaster levels. The rehabilitation of damaged roads is expected to restore accessibility to rural areas and allow a full resumption of economic activities and social services. Restoration of water supplies will safeguard public health.

Project Investment Plan The Project is estimated to cost \$19.99 million, including taxes and duties of \$4.50 million.

Financing Plan

Source	Total (\$ million)	Share of Total (%)
Asian Development Bank	17.56	87.8
Government of the Fiji Islands	2.43	12.2
Total	19.99	100.0

Source: Asian Development Bank estimates.

A loan of \$17.56 million from the ordinary capital resources of the Asian Development Bank (ADB) will be provided under ADB's London interbank offered rate (LIBOR)-based lending facility. The loan will have a 32-year term including a grace period of 8 years, an interest rate determined in accordance with ADB's LIBOR-based lending facility, a commitment charge of 0.15% per year, and such other terms and conditions set forth in the draft Loan Agreement.

Period of Utilization Until 29 February 2012

Estimated Project Completion Date 31 August 2011

Implementation Arrangements The Project will be implemented over 24 months. Recruitment of consultants will be initiated under advance procurement. Services for feasibility studies, detailed design, and bidding documents will be procured by September 2009. Services for project management and construction supervision will be procured by November 2009. Preparatory activities for all works (excluding repairs to landslips) will be completed by November 2009, and initial contract awards will be made in December 2009. Rehabilitation activities will be physically completed by August 2011. The loan is scheduled to close by 29 February 2012.

Executing Agency Ministry of National Planning

Procurement Procurement under the Project, including for ADB and Government-financed packages, will follow ADB's *Procurement Guidelines* (2007, as amended from time to time), with the flexible interpretation permitted for emergency assistance in accordance with ADB's *Disaster and Emergency Assistance Policy* (2004) to ensure maximum expediency in implementing the recovery program. Civil works will be procured using international and national competitive bidding procedures and shopping for works of low value.

Consulting Services	International and domestic consulting services will be required for (i) engineering design and preparation of bidding documents, (ii) construction supervision, and (iii) project management. The Project will fund 42.5 person-months of international consulting services and 82 person-months of national consulting services. Consultants will be engaged through a firm using the (i) the Consultant's Quality Selection method (design phase), Quality and Cost based Selection (supervision phase) and Individual Consultant (Environment and Social Specialist- both phases), in accordance with ADB's <i>Guidelines on the Use of Consultants</i> (2007, as amended from time to time).
Project Benefits and Beneficiaries	The Project will directly benefit the rural population in affected areas, many of whom are poor, by restoring access to economic opportunities and social services and safeguarding public health. Government agencies and private sector companies that use the transport network to deliver products and services will benefit similarly.
Risks and Assumptions	The project design considers potential risks associated with project management, rehabilitation quality, and financial management. The Project will be supported by a project management unit, financed under the loan, to supplement the Government's capacity. Environmental impacts will be monitored through construction supervision and mitigated at the rehabilitation stage.



09-25338-60

I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed loan to the Republic of the Fiji Islands for the Emergency Flood Recovery (Sector) Project. The design and monitoring framework is in Appendix 1.

II. RATIONALE: SECTOR PERFORMANCE, PROBLEMS, AND OPPORTUNITIES

A. Overview

2. The Fiji Islands experienced continuous and heavy rain from 8 to 15 January 2009 that included periods of exceptional intensity. Flash flooding affected many areas of the Fiji Islands, particularly the northwest of the main island of Viti Levu. Areas severely affected were the Sigatoka valley, Nadi town and surrounding areas, Ba, Rakiraki, Nausori, Tailevu North, and parts of Vanua Levu. The extent and depth of flooding in Nadi and Ba was the worst since 1931. About 150,000 people (roughly one-sixth of the population) were affected directly or indirectly through disruption of communications and access to food and clean water. Affected areas suffered damage to roads, schools, medical facilities, water and sanitation facilities, and crops. Commercial enterprises were particularly badly hit in Nadi and Ba, the former being the gateway for tourism in the Fiji Islands. Tourism growth, already under pressure because of the global financial and economic crises, is expected to be impeded. Similarly, damage to sugarcane will reduce the quantity of sugar for export, further constraining the economy.

3. An emergency response by the Government and nongovernment organizations (NGOs) (with widespread support from the international community) provided short-term food and shelter to more than 11,000 people. While many houses suffered flood damage, few were destroyed. Most people were able to return to their homes once the floods had abated. However, subsistence and market crops were extensively damaged and longer-term provision of food rations was needed, particularly in the rural areas where reliance on root crops for daily needs was high. Hardship in the rural areas was compounded by damage to rural roads, restricting access to markets and social services. The floods have had a disproportionate impact upon the poor and are exacerbating growth, poverty and social indicators in Fiji.

4. The Government requested the Asian Development Bank (ADB), which has long experience and ongoing projects in the infrastructure sector in the Fiji Islands, to prepare an emergency assistance project for reconstruction of damaged roads, bridges, water systems, and other public infrastructure.

B. Damage and Impact Assessment

5. The Government published its Consolidated Report on Flash Floods¹ on 17 February 2009, about 4 weeks after the disaster. The report brought together the damage and loss assessments of all Government agencies. The report estimated rehabilitation and reconstruction costs for public infrastructure (and including assets belonging to the Fiji Electricity Authority, Fiji Telecom, and the Fiji Sugar Corporation) to be about \$41 million. Damage and consequential losses were not separately estimated in the report, though needs of \$36 million were identified for consideration by development partners. Of this amount, \$9 million is for proposed river dredging work, which is longer-term development, rather than a requirement for emergency rehabilitation of essential infrastructure. The assessment did not include private sector losses.

¹ Office of the Prime Minister. 2009. *Consolidated Report on Flash Floods. 8–16 January 2009*. Suva.

Business losses in the commercial centers were considerable with shops submerged for several days. The economic cost, public and private, of the flooding is estimated to be about \$180 million—equivalent to 5.3% of gross domestic product (GDP).² The damage to essential infrastructure and to productive sectors such as tourism, and sugar and other crops was substantial.

6. The extra demands on the budget over the rest of the year could result in a budget deficit for 2009 exceeding 4% of GDP, above the projected deficit of 3% of GDP. General government debt as a ratio to GDP, which was 48% at the end of 2008, down from 50.3% in 2007, could reach or surpass 2007 levels.

C. Impact on Specific Sectors

1. Infrastructure

7. **Roads.** The estimated cost of repairing damage to the national road infrastructure is \$16 million. Secondary and rural roads suffered damage to many culverts, stream and river crossings, because of flood flows well in excess of the designed capacity. Drainage structures were scoured, the road embankments were washed away. Numerous landslides occurred, blocking roads and access to rural communities. Gravel running surfaces were also washed away, rendering additional sections of road impassable. Major bridges escaped serious damage, though some road approaches were washed away. Major highways also suffered some damage from landslides, and also from loss of the bitumen sealed surface and consequent damage to the road base. Estimates of damage are based on restoring damaged roads to good condition. However, poor maintenance and inadequate original construction have contributed to the extent of the damage.

8. **Water and Sanitation.** Water supplies to the main towns in the western division (Nadi, Ba, and Sigatoka) were severely disrupted by damage to intake facilities and transmission pipelines cut by washouts. Rural water supply systems were also damaged. Sewerage systems were similarly disrupted with major damage to pipelines occurring in Sigatoka because of the collapse of the sugar tramway bridge carrying the pipeline from the town to the treatment plant. Preliminary estimates (footnote 1) put the cost of repairs at \$6.4 million including for the cost of delivering water to consumers by tanker, pending emergency repairs to the pipelines. However, these costs were found on review to be overstated, even though the impact of disrupted services was severe.

9. **Utilities.** Power supply disruptions were extensive across all three flood-affected divisions. The Government estimates the repair costs for damage to the power network and substations at \$1.4 million. Telecommunications infrastructure suffered damage estimated at \$0.6 million.

10. **Transport.** Airports were closed during the rainfall and flooding, affecting international and domestic routes. However, the airport infrastructure did not suffer any damage.

² International Monetary Fund. 2009. Use of Fund Resources – Request for Emergency Assistance. Washington (March) (Draft).

2. Commerce Sector

11. **Tourism.** The industry incurred losses because of the early departure of tourists in the country at the time of the flooding and a reduction in tourist arrivals in the aftermath. Losses are likely to have continued in the ensuing period because of the extensive publicity given to the floods overseas. Estimated losses in tourism alone because of the decline in arrivals are \$40 million (annual earnings from tourism in 2008 was an estimated \$437 million). This decline has also affected tourism operators, restaurants, shops, and their suppliers. There was little impact on hotel infrastructure.

12. **Business.** The Nadi Chamber of Commerce has estimated losses to local business of up to \$93 million. Only the largest businesses have flood insurance. This protection is not available to middle and small businesses, which have suffered substantial trade and stock losses. Many have lacked the capacity to restock, and have closed down or are looking at doing so as their stock depletes or leases expire. Many have ceased paying rent since the flood, either with or without the concurrence of the landlord.

13. Market vendors and hawkers suffered substantial economic losses because of their inability to trade for the duration of the flood and the subsequent cleanup stage (about 3 weeks), in addition to the loss of produce and goods, and difficulties in sourcing new stock.

3. Agriculture Sector

14. **Sugar.** The sugar industry suffered damage to crops, mill infrastructure, and tram and road infrastructure, as well as loss of soil nutrients. The preliminary estimate of loss to the cane crop is 69,000 tons (annual production is about 2.8 million tons) valued at \$6.2 million. The loss will result from the destruction of standing cane washed away by torrents, but also because of lower sugar content as a consequence of prolonged inundation. Damage was also caused to sugar-related infrastructure, including access roads, railways, and associated bridges. In Sigatoka, a major bridge dedicated to carrying a sugarcane tramway was destroyed. With a replacement cost of \$4.0 million, and declining cane production from the areas served, the bridge will not be replaced and future cane harvest will be transported to the mill by road. The Rarawai sugar mill in Ba, inundated by more than 3 meters of water over several days, suffered significant damage. The cost of repairing damage to this and other sugar infrastructure is estimated to be \$4.7 million.

15. **Other Crops.** Root crop staples such as cassava, taro, and sweet potato are intolerant to flooding and were badly damaged in flooded and poorly drained areas. This led to food shortages in the villages, and scarcity and high prices in the markets for 3 months following the floods. Nascent export crops, particularly pawpaw, suffered considerable damage with several plantations being totally destroyed. The Ministry of Agriculture and Primary Industries (MAPI) assessed losses to crops other than sugar to be \$4.2 million.³ Of this amount, \$3.4 million comprised losses to crops intended for export. About 2,900 hectares of crops were seriously damaged in the Western and Central divisions, and the livelihoods of about 23,000 farmers were affected, either through crop loss or loss of access to markets.

³ Ministry of Agriculture and Primary Industries and Primary Industries. 2009. *Flood Damage Report*. Suva.

16. **Livestock.** Damage to livestock is estimated at \$4 million. About 75% of dairy farms experienced loss of pasture, reducing dairy production considerably. Poultry farmers experienced extensive losses in the western division.

17. **Agriculture Infrastructure.** Flood damage to agricultural drainage and sea defenses, including flood gates is estimated at \$1.5 million.

4. Social Sector

18. **Health.** Additional costs were associated with the vector control measures taken to address the immediate public health risks associated with the damage to water and sanitation infrastructure. Some health facilities incurred minor damage estimated at \$0.4 million.

19. **Education.** Floods affected 22% of all primary schools and 32% of all secondary schools, covering 19,000 students. Classroom blocks, dormitories, dining halls, school gardens, furniture, books, and teaching equipment and materials were damaged. Physical damage was estimated at \$0.8 million. Many schools were used as evacuation centers during the flooding and in the immediate aftermath. The start of the school year was postponed by 1 week.

D. Social Impact and Effects on Poverty

1. Social Impacts

20. Floods directly affected more than 146,000 people in the Western and Central divisions, and about 90,000 people in Northern Division.

21. **Loss of Life.** Twelve people lost their lives as a result of the floods. Nine people drowned, two people died in landslides, and one person died at an evacuation center.

22. **Displacement.** One of the major social impacts was displacement. For most affected people, the displacement was temporary. Evacuation centers were established for the duration of the flood. Evacuations started on 11 January 2009. At the peak of the flood on 16 January, 11,458 people had been evacuated to 169 evacuation centers. By 23 January, the number of evacuees had declined to 1,191 in 27 centers. When another flood peak hit Central Division on 30 January, an additional center was opened to 101 new evacuees. These numbers are likely to be a significant underestimate of the actual number of people who had to flee their homes as many took refuge with family or friends.

23. **Housing.** Floods destroyed 164 houses and partly damaged 1,677 other houses in Western Division. The total value of housing loss and damage is estimated at \$0.9 million.

24. **Economic Loss.** The loss of household items and personal belongings, clothes, and records and documents was significant. Many lost all they had. Food gardens were washed away, resulting in immediate hardship for households relying on their own produce for their food supply, and in economic loss for those relying the sale of surplus produce. The immediate rise in price for basic foods had an impact not only on people in the flood-affected areas but across the Fiji Islands.

25. **Quality of Life.** In the immediate aftermath and in the longer-term recovery phase people experienced life with no water or interrupted water supply, and poor sanitation,

Impassable and damaged roads made access to markets and services difficult. All who experienced the floods suffered some degree of stress.

2. Impact on Poverty

26. Poverty has been increasing gradually in the Fiji Islands since 1990 across all households, both Fijian and Indian, and in urban and rural areas.⁴ The average incidence of basic needs poverty for all households was estimated at 29.7% in 2006, up from 25% in 1990; and for the population at 34.4% in 2006, up from 25.5% in 1990. Urban poverty is greater in households living in settlement and Housing Authority areas, where 36% of people live below the poverty line. In rural areas, 38% of people are estimated to live in poverty. Thus, it is reasonable to assume that at least one-third of the 236,000 people directly affected by the floods were living in poverty and would have had little or no capacity to withstand the shock.

27. The floods have worsened the situation of those already living below the poverty line. The floods have also likely increased the vulnerability to poverty for those previously above the poverty line. Food price increases after the flood would have had the biggest impact on the poor, who are most likely to rely on subsistence gardens for their own consumption. About 54% of low-income Fijian families provide a substantial proportion (more than 40%) of their own food. During the flood and immediate afterward, those directly affected by the flood were not able to engage in any economic activity for some weeks.

E. Macroeconomic Impact

28. As the economic impact of the floods is concurrent with the impact of the global downturn, separation of the effects is difficult, particularly for tourism. However, the International Monetary Fund, in its assessment for the purpose of considering a request for Emergency Assistance for National Disasters (ENDA), has assessed the economic cost of the flooding, public and private, to be around \$180 million (5.3% of GDP). The direct impact on foreign exchange revenue includes losses in sugar exports and tourism receipts plus additional food imports to meet food shortages. In addition, stock losses and damaged infrastructure will be replaced, further increasing import costs.

29. The fiscal impact of the floods is expected to be mostly in the form of additional expenditure on relief and reconstruction. This will be realized mainly by reorienting spending, but some revenue will be lost. To finance the extra spending, the authorities have re-prioritized expenditures as much as possible from within the existing budget, including deferring salary and wage increases and using part of the 2009 capital expenditure budget. Because of slower growth, especially in the tourist industry, tax revenues are expected to decline relative to the budget estimates. Therefore, the overall budget deficit is likely to be slightly above 4% of GDP, which is higher than projected in the 2009 budget, provided that appropriate actions are taken to limit the negative effects.

F. Government's Response

30. The response and relief phases were generally well managed through the National Disaster Management Office. Warnings issued by the Nadi Meteorological Office on 7 January 2009 triggered activation of the national Emergency Operations Centre and divisional operations centers. A state of natural disaster was declared on 11 January 2009, when it

⁴ United Nations Development Programme (UNDP). 2006. *Estimation of Basic Needs Poverty Lines and Incidence of Poverty in Fiji*. Suva.

became apparent that widespread damage was occurring as a result of the continuous rain, and that local authorities could not respond effectively because of disruption of access and communications. To safeguard properties, 12-hour curfews were imposed in Sigatoka, Ba, and Nadi townships. The operations centers coordinated the establishment of evacuation centers, search and rescue operations, supply of emergency rations, and subsequently the orderly return of evacuees to their homes.

31. A national task force was established under the chairmanship of the permanent secretary of provincial development. It was responsible for obtaining and assessing information, and coordinating the response. Members of the task force included representatives of all relevant government agencies and civil society. The division commissioners undertook field assessments to provide the detailed information needed for managing the immediate response and to start planning for rehabilitation.

32. Food rations were distributed in two phases. The first phase, which began on 8 January 2009, provided food to persons gathering in the evacuation centers and continued until 22 January 2009. The second phase started on 23 January 2009 and provided targeted assistance to flood-affected persons, including small-scale subsistence farmers who had lost their crops. Ration packs, based on family size, included rice, flour, dhal, milk, sugar, cooking oil, and canned fish. The cost of the distribution program was estimated to be \$3.3 million per month. Numerous NGOs provided considerable assistance in distributing food and clothing. The Government's distribution program is planned to continue for up to 3 months.

33. The Government, through the Ministry of Works, Transport and Public Utilities (MWTPU), began repairs to transport and water and sanitation infrastructure as soon as conditions permitted. Considerable effort was expended to remove landslides blocking roads, repair washed out road sections, and restore safe but basic access. On the main sealed road network, particularly in and around Nadi, resources were diverted from an ongoing road rehabilitation contract to repair washed out and heavily potholed sections of sealed road to promote rapid recovery of the town and its function as a tourist center. Water was taken by water tanker to areas with disrupted supplies, and a system of communal water tanks was established to provide potable water. Simultaneously, access roads to reservoirs and pumping stations were reopened and repairs made to washed out pipelines where possible. However, the majority of the repairs only restored the service, and additional work will be required in most cases to effect permanent repairs.

34. MAPI embarked upon an immediate program of distributing planting materials and seeds. This program seems to have been remarkably successful; the area of land under crops after the floods now exceeds that in place before. A factor may be that the supply of planting materials was free, stimulating greater interest in "backyard" farming in the urban areas as well as by those normally engaged in farming. The latter group generally would be totally reliant on sales of vegetables for cash income and compelled to use their best efforts to normalize their production. Fortunately, stocks of planting materials in other parts of the country escaped damage. As part of its future preparedness approach, MAPI will maintain stocks at diverse locations, maximizing the chances that a successful replanting program such as this can be repeated. MAPI intends to continue expanding agricultural production for export and for substitution of imports, and to mitigate risks arising from natural disasters by maximizing the geographical distribution of the production centers. Over reliance on particular locations such as the Sigatoka valley is one of the lessons emerging from this disaster.

G. Development Partners' Response

35. The Government, development partners, regional governments, NGOs, and the private sector provided immediate assistance in response to the disaster. Donations in cash were channeled through the Prime Minister's Relief Fund (a standing account maintained on a permanent basis to receive donations for emergency relief), the Red Cross, United Nations agencies, or directly to NGOs engaged in the emergency response. Donations in kind, including food and nonfood items, water, water tanks, shelter, medical care, and logistics support, were also received. About \$1.3 million was donated to the Prime Minister's Fund with about \$2.7 million for direct assistance from the donor or through an NGO.

36. The Government of Australia and the European Union coordinated closely to provide support in the education sector, including rehabilitation of 66 schools. The European Union resources were allocated from an ongoing project. The Government of New Zealand donated NZ\$1 million for immediate relief and is considering allocating an additional \$2 million for medium-term rehabilitation. Assistance by development partners and NGOs is in Appendix 2.

37. Under a collaborative response to the disaster, the World Bank will finance and manage jointly identified and evaluated TA for Disaster Risk Management. The TA project will develop and implement strategic management of flood risks with a long-term integrated perspective. Support will be provided to promote an enabling environment for reforms, leading to policies on risk reduction and proactive institutional arrangements within an integrated flood risk management framework. Components of the TA will include (i) flood risk assessment and evaluation of risk reduction measures, (ii) strengthening of flood forecasting and early warning systems, and (iii) institutional reform for flood management.

H. ADB's Response

38. The Government requested an emergency assistance loan from ADB on 30 January 2009. Staff from the ADB South Pacific Subregional Office in Suva met with Government officials and other development partners to prepare a coordinated response to the disaster. With its long-term involvement in transport, and water and sanitation infrastructure in the Fiji Islands, ADB agreed to take the lead in preparing a project for the rehabilitation and repair of affected infrastructure.

39. ADB has provided assistance to the land transport sector under the Second and Third Road Upgrading (Sector) projects.⁵ ADB's assistance has included support for institutional and policy change to improve efficiency, governance, and accountability within the land transport agencies, as well as for rehabilitation and upgrading of the roads. ADB is providing technical assistance (TA) for the preparation of a land transport master plan, and undertaking preparatory work for a fourth road upgrading project, the timing of which will be subject to ADB's reengagement approach in the Fiji Islands.⁶

40. ADB's approach to reengagement with Fiji Islands following the political crisis in 2006 has two stages. In the first stage, ADB continued operations ongoing as of December 2006, as it ascertained that the interim government (i) effectively controlled the country, (ii) recognized

⁵ ADB. 1992. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Fiji Islands for the Second Road Upgrading Project*. Manila; and ADB. 1997. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of the Fiji Islands for Third Road Upgrading Project*. Manila.

⁶ ADB. 2007. *Fiji Islands: Reengagement Approach*. Manila.

the country's international obligations, (iii) was willing and able to assume all of its predecessor's obligations to ADB, (iv) ensured the continued implementation of ongoing projects and programs, and (v) authorized a representative to make withdrawals. Stage two of reengagement—preparation of a new country partnership strategy and approval of new operations—requires that five conditions prevail.⁷ Management considers these have yet to be met in full. The emergency assistance loan will be provided on an exceptional basis.

41. Processing has been delayed beyond the 12 weeks normally required for an emergency loan because of the evolving political situation, the lack of a current ADB country strategy, government capacity constraints, and the need for extensive consultations with key development partners. Development of an interim operational strategy was commenced in parallel with processing of the loan. However its preparation has been similarly delayed by the need for further consultations with development partners and delays in the International Monetary Fund's Article IV mission until October 2009. Waiver of the requirement for an interim operational strategy as part of the processing of an emergency assistance⁸ loan is being sought.

42. ADB undertook a detailed review of the Government's damage and needs assessment (footnote 1) jointly with the World Bank with a view to a collaborative response and with emphasis on verification of the priority needs and the cost of restoring infrastructure during the recovery phase. As the emerging needs for infrastructure were relatively modest, it was agreed that the World Bank would focus on needs for TA with disaster risk management being identified as a priority. A detailed review of the Government's expenditures associated with infrastructure recovery during the transition phase was also carried out.

I. Lessons for Disaster Management

43. The National Disaster Management Office facilitated a number of debriefing meetings at the district level and national level, and with development partners and NGOs. Identified deficiencies in the emergency response were:

- (i) **Coordination between the Government and NGOs.** Some NGOs worked alone and on their own priorities, resulting in some duplication of the relief effort. Closer cooperation for disaster planning is required to ensure better coordination.
- (ii) **Coordination with the private sector.** The private sector provided considerable support during the emergency response, including for the delivery of drinking water and transportation of relief assistance. However, delays were incurred while arrangements were made. A plan should be developed with private sector donors to ensure more rapid mobilization of resources.
- (iii) **Targeting of relief for affected persons.** Current arrangements do not allow for distribution of Government-funded relief supplies to squatters, who are among the most vulnerable after natural disasters. Procedures for assisting such people need to be reviewed.
- (iv) **Financial assistance for affected persons.** Many small and medium-sized businesses suffered losses because of the floods. Many people needed short-

⁷ The conditions are: (i) whether a new loan would expose ADB to additional legal or political risks, (ii) whether the de facto government is in effective control of the country and enjoys a reasonable degree of stability and public acceptance, (iii) whether the de facto government generally recognizes the country's existing international obligations, (iv) the number of countries (particularly ADB member countries and neighboring countries) that have recognized the de facto government or dealt with it as the government of the country, and (v) the attitude of other international organizations towards the de facto government.

⁸ ADB. 2004. *Disaster and Emergency Assistance Policy*. Manila.

term financial assistance to replace damaged stock, replant crops, pay school fees, etc. Local financial institutions, including the Fiji National Provident Fund, the Fiji Development Bank, the Housing Authority, and the commercial banks, need to develop policies and guidelines for small-scale emergency assistance loans to individuals to be prepared for such disasters.

- (v) **Risk-based approach for integrated water resource management.** Damage to property could be reduced through an integrated approach to disaster risk management. The South Pacific Applied Geoscience Commission estimated the average annual loss in the Fiji Islands from 1975 to 2005 was \$11 million. A risk-based approach to disaster management is needed to supplement the current reactive approach.

J. Rationale for the Project

44. Equitable economic growth and improvement in social and health indicators depend on maintaining the rural economy—a need made more urgent by the disaster. The damage to the transport network constrains the movement of people and goods. It is a disincentive to productive rural activity, and an impediment to the recovery and growth of tourism. While basic access has been restored, the disaster has degraded the infrastructure, rendering it more vulnerable to repeated damage (along with the accompanying economic and social dislocation) from less severe weather events. Better transportation infrastructure and services, which would restore access to domestic and international markets for agricultural products, are essential to rehabilitating rural economies in the affected areas. Therefore, the focus on restoring rural accessibility will reduce poverty.

45. The disaster is also evidence of increased vulnerability to changes in climatic conditions. Climate change is expected to increase extreme weather, and to cause the sea level to rise. Roads, bridges, and wharves require better environmental protection and higher construction standards to withstand potential future natural events. The Project will be designed to withstand the increased likelihood of such effects within the expected life of rehabilitated infrastructure. An ADB publication describes methodology for incorporation of climate proofing and "building back better," and this will be followed to the extent feasible.⁹

III. THE PROPOSED PROJECT

46. Consistent with its *Disaster and Emergency Assistance Policy* (2004), ADB's response to the floods will focus on the short-term rehabilitation of the damaged infrastructure. It will incorporate flexible implementation provisions to allow ADB to respond effectively to changing conditions, and it will support activities that anticipate and mitigate the impacts of future floods. The recommended package for emergency assistance comprises an emergency assistance loan to the Fiji Islands to meet the entire cost of rehabilitating road infrastructure and agricultural drainage schemes, and to contribute to the cost of rehabilitating water supply systems.

A. Impact and Outcome

47. The impact will be reduced economic losses and social disruption from extreme weather in the future. The outcome will be the restoration of economic and social activities in affected areas to pre-disaster levels. The rehabilitation of damaged roads is expected to restore

⁹ ADB. 2005. *Climate Proofing: A Risk Based Approach to Adaptation*. Pacific Studies Series. Manila.

accessibility to rural areas and allow a resumption of economic activities and social services. Restoration of water facilities will safeguard public health. The design and monitoring framework is in Appendix 1.

B. Components and Outputs

48. The Project will be implemented using a sector approach. Each subproject will be prioritized and selected in accordance with the process and eligibility criteria in Appendix 3. A systematic and consultative approach will be established for subproject appraisal, covering (i) social, economic, and environmental evaluation; (ii) design; (iii) procurement; (iv) implementation; and (v) monitoring. Each subproject feasibility study will provide sufficient evidence of its eligibility under the agreed criteria, and will be in the detail and quality required to enable ADB to assess the viability and suitability of the subproject. Implementation will incorporate HIV/AIDS awareness and prevention and general health and safety activities.

49. **Component A: Repairs in the Emergency Response Phase.** The Project will finance eligible expenditures incurred during the immediate post-disaster period to restore basic, safe access. Activities included clearing of landslides and debris, reinstatement of washed-out approaches to bridges and wet crossings, and temporary road pavement repairs.

50. **Component B: Civil Works.** The Project will finance the following civil works:

- (i) rehabilitation of about 8 kilometers (km) of main sealed highway, restoring the bituminous sealed surface and including upgrading of the pavement structure as required for a design life of 20 years;
- (ii) repairs to landslips on major roads, incorporating appropriate geotechnical investigation and design recommendations;
- (iii) rehabilitation of secondary roads, including re-gravelling of about 50 km of unsealed roads, reconstruction of 30 culverts, and reconstruction or lengthening of washed-out wet crossings.
- (iv) miscellaneous repairs to water supplies; and
- (v) repairs to agricultural drainage schemes: MAPI's Land and Water Resource Management Division (LWRM) has prepared a detailed plan for rehabilitation of flood-damaged drainage schemes in all three divisions (Western, Central, and Northern); and works will be undertaken to (a) clear waterways, (b) repair damaged seawalls and dykes, (c) repair and protect scoured drains and culverts, and (d) repair floodgates (Supplementary Appendix A).

51. **Component C: Consulting Services.** The Project will finance consulting services for Project coordination, design and supervision of implementation, and for strengthening the Environmental Management Unit (EMU) of the MWTPU. Recent emergency assistance loans in the Pacific have suffered long delays in disbursement of funds due in large part to capacity constraints in design, contracting, and supervision. Rapid disbursement is only possible if design and supervision are effectively carried out in a timely manner. Contracting expertise to ensure this happens is a sound investment.

52. Designs will enhance resilience against extreme weather by incorporating appropriate climate proofing measures, including large critical drainage structures and providing scour protection for bridges and wet crossings. A "build back better" approach will be adopted that will ensure appropriate engineering design standards are met as a minimum requirement, and the opportunity will be taken to provide significantly more robust replacement structures.

C. Special Features

53. The Project has no special features. It is specifically designed to be uncomplicated and flexible to allow speedy execution. This need is a lesson emerging from recent emergency assistance projects in the Pacific, where major delays in implementation have largely negated the rationale for an emergency assistance response.

D. Project Investment Plan

54. The Project is estimated to cost \$19.99 million, including taxes and duties of \$4.50 million. The costs of the components are summarized in Table 1. A detailed cost estimate is in Appendix 4.

Table 1: Project Investment Plan
(\$ million)

Item	Amount ^a
A. Base Cost^b	
1. Civil works	16.22
2. Consulting services	1.43
Subtotal (A)	17.65
B. Contingencies^c	
1. Physical contingency	0.88
2. Price contingency	0.88
Subtotal (B)	1.76
C. Financing Charges During Implementation^d	
1. Interest during construction	0.54
2. Commitment charges	0.03
Subtotal (C)	0.57
Total (A+B+C)^e	19.99

^a Includes taxes and duties of \$4.50 million.

^b In mid-2009 prices.

^c Physical and price contingencies computed at 5% for civil works and for consulting services.

^d Includes interest and commitment charges. Interest during construction has been computed at the 5-year forward London interbank offered rate plus an effective contractual spread of 20 basis points.

^e Totals may not add due to rounding.

Sources: Asian Development Bank and Government of the Fiji Islands estimates.

E. Financing Plan

55. The Government has requested a loan of \$17.56 million from ADB's ordinary capital resources. As provided for in ADB's *Disaster and Emergency Assistance Policy*, the loan will have a 32-year term, including a grace period of 8 years, an interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility, a commitment charge of 0.15% per year, and such other terms and conditions set forth in the draft Loan Agreement. The Government has provided ADB with (i) the reasons for its decision to borrow under ADB's LIBOR-based lending facility on the basis of these terms and conditions, and (ii) an undertaking that these choices were its own independent decision and not made in reliance on any communication or advice from ADB.

Table 2: Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank	17.56	87.80
Government of the Fiji islands	2.43	12.20
Total	19.99	100.00

Source: Asian Development Bank estimates.

56. ADB will finance 87.8% of the total project cost, including taxes and duties, and the Government will fund the balance (12.2%). Country cost-sharing and financing parameters have been approved in July 2009. ADB may finance up to 99% of the project cost with higher percentages being provided for non-income-earning projects with strong evidence of commitment and that address binding constraints to growth and development. Consideration has been given to the amount of taxes and duties, and these do not constitute an excessive share of project costs.

F. Implementation Arrangements

1. Project Management

57. The EA for the Project will be the Ministry of National Planning (MNP). The MNP will be supported by a Project Coordinator financed by the ADB loan. The Project will be implemented by the MWTPU for the roads and water supply components and by the LWRM for the agricultural drainage scheme rehabilitation components. As the EA, MNP, will be responsible for the overall execution of the Project and will coordinate with the MWTPU and LWRM. A project steering committee will be established, comprising representatives from the MNP, the Ministry of Finance, the permanent secretary for MWTPU, the divisional commissioners, the director of the LWRM, the director of national roads, the director of water supply, and the divisional engineers (as required). The steering committee will oversee and monitor all aspects of project implementation including (i) policy guidance and coordination, (ii) subproject selection, (iii) project progress reports and other project documentation, and (iv) audited accounts and financial statements.

58. A project management team (PMT), housed within MWTPU will be responsible for day to day implementation and will coordinate the Project related activities of both the MWTPU and LWRM, and report to the EA accordingly. The PMT will be headed by the director of national roads. The PMT will (i) conduct subproject assessments, design, and supervision; (ii) manage tendering processes; (iii) manage contracts; (iv) prepare withdrawal applications; (v) prepare project progress reports and a project completion report; (vi) maintain project accounts for auditing; (vii) monitor the Project's socioeconomic and environmental impacts; and (viii) complete related project management activities, as necessary to implement the Project successfully and comply with ADB policies and guidelines. The PMT will be supported by consultants that will be financed from the loan.

59. A project procurement audit¹⁰ of MWPTU in connection with its administration of the ongoing Third Road Upgrading (Sector) Project found critical deficiencies in documenting project expenditures, particularly for force account works. The audit report urged MWTPU to strengthen the project management unit for future ADB project administration and management.

¹⁰ Office of the Auditor General, ADB. 2006. *2006 Annual Report: Appendix 4: Project Procurement-Related Audit for Loan 1530-FIJ: Third Road Upgrading Sector Project*. Manila.

Improvements were made after the audit, including the establishment of separate financial records for the Project. The improvements were verified during project review missions, and informally during an audit of ADB South Pacific Subregional Office.¹¹ A qualified project accountant, financed by the ADB loan will support the financial management of the Project.

2. Implementation Period

60. The Project will be implemented over 24 months. Consultants will be recruited under advance procurement. Services for feasibility studies, detailed design, and bidding documents will be procured by September 2009. Services for project management and construction supervision will be procured by November 2009. Preparatory activities for all works (excluding repairs to landslips) will be completed by November 2009, and initial contract awards will be made in December 2009. Rehabilitation activities will be physically completed by August 2011. The loan is scheduled to close by 29 February 2012. The implementation schedule is in Appendix 5.

3. Procurement

61. Standard ADB operational policies, including those on procurement and consulting services, financial management, and disbursement, should be liberally interpreted to ensure speedy and effective rehabilitation.¹² This will include relaxing international competitive bidding (ICB) requirements to avail of faster project preparation and procurement procedures applicable to national competitive bidding (NCB). Procurement under the Project, including packages financed by ADB and the Government, will follow ADB's *Procurement Guidelines* (2007, as amended from time to time). Civil works will be divided into packages to be procured using ICB, NCB, or shopping procedures as appropriate. The civil works contracts to be procured consist of a series of low-value works (less than \$2 million). These contracts will be of limited interest to foreign contractors and suppliers, and local production and construction facilities are available, offering prices below the international market.¹³ These contracts will be procured by NCB. ICB may be used for procuring rehabilitation of the main sealed highway and for landslide repairs if the estimated value (after detailed design) of these packages exceeds \$2 million. Procurement will use ADB's standard bidding documents. Shopping will be used for procuring low-value (less than \$100,000), readily available, off-the-shelf goods, or simple civil works of low value. The first draft version of the NCB procurement documents will be submitted to ADB for review to ensure consistency with ADB's *Procurement Guidelines*. Draft bidding documents for ICB will be subject to prior review by ADB. Technical and financial qualifications of contractors will be reviewed in conjunction with the review of the bid proposals. Contractors may be awarded more than one contract package based on the least-cost combination of contracts and the capacity of the contractor. The procurement plan is in Appendix 6.

4. Consulting Services

62. Although the PMT will be fully integrated with MWTPU and LWRM professional and technical staff, the PMT needs to be supplemented with additional technical support because of the volume and schedule of existing activities and both agency's limited technical staff

¹¹ A team from the Office of the Auditor General visited the EA on 9 June 2009 and reviewed records and record-keeping systems, and concluded that the recommendations of the 2006 audit had been satisfactorily implemented.

¹² ADB. 2004. Operations Manual. OM Section D7/OP: Operational Procedures. Disaster and Emergency Assistance. Manila; and ADB. 2006. Procurement Guidelines. Manila (para. 3.18).

¹³ While not designed as a response to the global financial crisis, such local contracting will have a useful economic stimulus effect.

resources. Consulting services will be required for (i) Project coordination and support for the MNP, (ii) engineering design and preparation of bidding documents, (iii) construction supervision, and (iii) project management and for strengthening MWTPU's EMU. The Project will fund about 42.5 person-months of international consulting services and 82 person-months of national consulting services. The international consultants will include (i) a project manager (20 person-months), (ii) a senior works inspector (15 person-months), (iii) a geotechnical specialist (4 person-months), (iv) a drainage and wet-crossing specialist (3 person-months), and (v) a financial management specialist (0.5 person months). The national consultants will comprise (i) a project coordinator (24 person-months), (ii) a project accountant (18 person-months), (iii) a works inspector (18 person-months), (iv) an environment specialist (18 person-months), and (v) a drafts person (4 person-months). Consultants for design and supervision services, and for environmental monitoring will be supervised by the director of national roads. The MWTPU will also provide support for the Project, including laboratory and field testing and surveys during design and construction. The consultants will train MWTPU and LWRM personnel in construction supervision, and the trained staff will assist the team in supervising the project works.

63. Consultants will be recruited in accordance with the ADB *Guidelines on the Use of Consultants* (2007 as amended from time to time). For the first phase, a firm will be recruited to assist with the preparation of the subproject proposals, detailed designs, and contract bidding documents. The consultants qualification selection method will be used because recruitment time is critical. In parallel, a firm will be recruited for project management and construction supervision using the quality- and cost-based selection method, and a biodata technical proposal. Consultants recruited under the consultants qualification selection will be mobilized in September 2009; those recruited under the quality- and cost-based selection method will be mobilized in November 2009. A Project coordinator and a national environmental specialist will be recruited under the individual consultant selection method and will be mobilized during the first phase for the whole of the assignment. The outline terms of reference are in Appendix 7.

5. Advance Procurement

64. Permanent repairs to damaged infrastructure should begin as soon as possible. ADB has approved advance action for the procurement of goods and services, and for recruitment of consultants. Advance action covers invitation of bids, bidding, bid evaluation, and contract award. The advance action will be reviewed to ensure that it conforms to ADB's *Procurement Guidelines*, and social and environmental safeguards. In particular, LWRM has initiated procurement of 10 contracts for emergency repairs to agricultural drainage schemes ranging in estimated cost from \$15,000 to \$400,000. The Government has been advised that approval of the advance action does not commit ADB to provide financing for the Project.

6. Retroactive Financing

65. The Project provides for retroactive financing of emergency repairs to infrastructure. ADB management has agreed to provide retroactive financing for a maximum 30% of the total loan amount for eligible expenditures incurred before the effectiveness of the loan agreement but not earlier than 11 January 2009 or 12 months before the date of the loan agreement, whichever is the later. Retroactive financing will be permitted (i) if specifically agreed in the loan agreement and pursuant to the terms of such agreement, and (ii) the works are procured in accordance with ADB's *Procurement Guidelines*.

7. Anticorruption Policy

66. ADB's *Anticorruption Policy* (1998, as amended to date) was explained to and discussed with the Government and EA. Consistent with its commitment to good governance, accountability, and transparency, ADB reserves the right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive, or coercive practices relating to the Project. To support these efforts, relevant provisions of ADB's *Anticorruption Policy* are included in the loan regulations and the bidding documents for the Project. In particular, all contracts financed by ADB in connection with the Project shall include provisions specifying the right of ADB to audit and examine the records and accounts of the EA and all contractors, suppliers, consultants, and other service providers as they relate to the Project. A project website will be established and used to disclose the audited project financial accounts, project progress, and procurement activities.

8. Disbursement Arrangements

67. The loan will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2007, as amended from time to time). The disbursement procedures will include direct payments and reimbursements. Direct payments will be encouraged for most civil works and consulting services.

9. Accounting, Auditing, and Reporting

68. **Reports.** The EA will submit to ADB quarterly progress reports on preconstruction activities and construction of civil works, including (i) physical and financial progress, (ii) status of land acquisition and resettlement (if required), (iii) environmental management, (iv) public communication campaigns, and (v) other activities essential to project implementation. To facilitate performance monitoring and post-project review, the Government has agreed to provide ADB, within 3 months of physical completion of the Project, a completion report that will cover implementation details, costs and benefits, and any other information that ADB might require.

69. **Accounts and Audits.** The EA will maintain separate records and accounts that will identify the goods and services financed from the loan, the expenditures incurred for the Project, and the use of counterpart funds. The project accounts will be established and maintained in accordance with sound accounting principles and practices, and financial reports will be prepared in accordance with international financial reporting standards. Auditors acceptable to ADB shall be used to audit the accounts and annual financial statements annually. The audit reports will include an auditor's opinion on the use of the loan proceeds and compliance with the financial covenants in the Loan Agreement. The Government will provide ADB with the annual audited financial statements, audited project accounts, audit reports, management letters, and other related statements no later than 6 months after the end of each fiscal year throughout the implementation period. A special audit focusing on governance and financial accountability will be carried out on completion of the Project.

10. Project Performance Monitoring and Evaluation

70. The EA will establish a project performance and monitoring system within 3 months of loan effectiveness, using the targets and indicators in the design and monitoring framework. These indicators will be refined and monitored during project implementation. The PMT will

monitor and evaluate the Project's progress annually, and provide a final report within 6 months of the end of the contract period.

11. Project Review

71. ADB and the Government will undertake regular review missions about every 6 months. Reviews will evaluate the scope, implementation arrangements, and other relevant aspects of the Project (including administrative, organizational, technical, environmental, social, poverty reduction, resettlement, economic, and financial aspects) that might affect project performance, viability, and achievement of scheduled targets. The Project will be administered by the ADB South Pacific Subregional Office in Suva. In addition to the formal reviews every 6 months, ADB staff will provide constant support and oversight.

IV. PROJECT BENEFITS, IMPACTS, ASSUMPTIONS, AND RISKS

72. The Project will directly benefit the rural population in affected areas, many of whom are poor, by restoring access to economic opportunities and social services and safeguarding public health. Government agencies and private sector companies that use the transport network to deliver products and services will benefit similarly.

A. Economic Impacts

73. Rehabilitation of roads and bridges, drainage schemes, and water supplies is essential to restoration of economic activities—including agricultural exports from the affected areas and access for tourism. Thus, it will improve the prospects for economic growth and poverty reduction. In the affected areas, efficient and effective transport infrastructure is essential for access to economic opportunities and social services by rural people who are disproportionately poor and disadvantaged. Damage to the transport network is restricting the delivery of food, fuel, and building materials necessary for the recovery. The rehabilitation program will mitigate the potentially extended negative impacts of the disaster and enable the country to recover after only a temporary setback.

74. Project activities will be widely scattered with graduated improvements to existing road infrastructure. Project activities will be technically sound, cost-effective, and represent a least-cost alternative with appropriate adjustments for climate-resistant design. Quick and simple economic evaluations of subprojects will be carried out using methods appropriate to the context. Narrative evaluations, addressing each of the subproject selection criteria (Appendix 3) will be required to demonstrate that subprojects are economically justifiable and will be used to prioritize subprojects.

B. Poverty Reduction Impact

75. The Project will support the country's efforts to reduce poverty by reinstating access to local and provincial markets for agricultural products, thereby restoring income-generation opportunities. The Project also will reduce poverty by offering direct employment on the Project. During implementation, jobs will be created in construction and maintenance for civil works. The summary poverty reduction and social strategy is in Appendix 8.

C. Social Impact

76. The Project will restore safe access to social services and safe water for rural communities. Positive social impacts include restoration of good access to education facilities, which will help maintain school enrollment and retention rates, and restoration of access to health services, which will promote more frequent use and facilitate rapid care during medical emergencies. The poor will benefit from the restoration of access to markets for the sale of vegetables from home gardens. Women in particular are commonly engaged in vegetable gardening to provide domestic food supply and supplementary income from the sale of excess produce. Other social benefits include restoration of access to administrative and service centers, including communication facilities.

77. The rehabilitation subprojects are not expected to require resettlement or land acquisition, as all works are expected to be undertaken on existing facilities within existing rights-of-way. If changes in conditions require land acquisition or resettlement for civil works, the Government will inform ADB and prepare a resettlement plan according to relevant laws and regulations, the resettlement framework in Appendix 9, and ADB guidelines. The subproject selection process will include community consultations involving women.

78. Native Fijians, who comprise the majority of the population, are the indigenous people of the Fiji Islands. For the indigenous population, the rehabilitation subprojects will improve access to health, education, livelihood, and social services. The Project is not expected to have a differential impact on indigenous peoples.

D. Environmental Impacts

79. The Project is classified environmental category B, in accordance with ADB's *Environment Policy* (2002) and *Environmental Assessment Guidelines* (2003). Field surveys of sample subprojects were conducted to help assess the environmental impacts of the Project. All activities are expected to be confined to existing locations and rights-of-way, and neither land acquisition nor resettlement should be required. A summary initial environmental examination incorporating an environmental management and monitoring plan (EMMP) has been prepared (Supplementary Appendix B). Two sample initial environmental examinations (IEEs) for sample subprojects are in Supplementary Appendix C. Environmental assessment and review procedures (EARP) are in Supplementary Appendix D. ADB's assessment procedure is aligned with the environmental impact assessment requirements of the Environmental Management Act, 2005.

80. The Project will be designed to withstand the increased likelihood of future disasters and natural hazards, taking into account that Fiji is also routinely susceptible to geophysical hazards (e.g., dry landslide, earthquake, and tsunami). The design process will take an "all hazards" approach and will include an analysis of alternatives for construction that will be reviewed for potential environmental impacts and enhanced sustainability.

81. Subproject environmental selection criteria will ensure that the Project will not permanently harm any ecologically or culturally sensitive areas, and that all negative impacts identified will be avoided or mitigated through the design. The construction of better drainage structures, stabilization of slopes through bioengineering, and other measures undertaken by the Project will have long-term benefits for the environment. Short-term impacts will be unavoidable during construction. These might include noise, dust, and other temporary impacts such as loss of vegetation because of earth moving; and minor sedimentation of waterways and

the coastal environment near the shore. These impacts will be addressed, and methods specified in the EMMP will mitigate them.

82. Each subproject will be subject to an IEE, which will include a detailed, site-specific EMMP prepared by the PMT. The EMMP will specify the required mitigation measures and monitoring activities to ensure their effectiveness. The EARP will guide the environmental management of the sector project and preparation of the environmental assessments of the subprojects.

E. Project Risks and Mitigation

83. **Technical Risks.** Weak capacity within the MWTPU could lead to implementation problems. Underestimation of resource allocation and improper construction methods and equipment might cause delays and increase costs. Limited availability of aggregates in some areas could pose difficulties. The project design will mitigate these risks by (i) providing additional resources through an integrated PMT to manage the Project; (ii) incorporating provisions in tender documents for evidence of satisfactory past performance by contractors in similar conditions; (iii) requiring a minimum level for provision of physical plant at mobilization, detailed quantification of engineering risks, and adequate contingencies for unforeseen items; (iv) strengthening the MWTPU's EMU; and (v) holding community consultations in advance, with Government support, on access to resources.

84. **Environmental Risks.** Civil works, including material acquisition, could create negative impacts on the environment. The high rainfall climate, ecologically sensitive coastal and forested landscapes, and high level of biodiversity and endemism provide a large potential for environmental impacts. However, activities will be undertaken within the confines of the existing facilities. The Project will not disturb major habitats, most activities will be in areas previously used for similar infrastructure, and an environmental management plan will be put in place for each set of subprojects. Adherence to best engineering practices during rehabilitation, and strict enforcement of the EMMP, will avoid or adequately mitigate all of the rehabilitation-related impacts. The risks of a greater frequency or severity of natural events caused by climate change are increasing. The risks to rehabilitated infrastructure are mitigated by using higher engineering standards for construction. All reports on the Project's environmental performance will be disclosed to the public through the project website.

85. **Land and Material Acquisition Risks.** Landowners and rural populations are expected to welcome the rehabilitation activities because of the social and economic benefits. Risks relate principally to gaining access to construction materials including sand, gravel, and rocks. Practices for consultation and compensation are well established in the Fiji Islands, and strict adherence to these practices will mitigate the risks of delays.

86. **Governance Risks.** Civil works and consulting contracts are subject to risks of inappropriate procurement and potentially corrupt practices. The Government has well-documented procedures that require all contracts to be procured through a tender board. All procedures are publicly advertised.

87. An analysis of the project risks shows the potential adverse social and environmental impacts are not significant and can be mitigated. Cost and implementation risks will be managed through the proposed approach to contractor selection, contract conditions, financial incentives, and penalties for delayed implementation. The risks are manageable and do not constitute barriers to successful project implementation.

V. ASSURANCES

88. In addition to the standard assurances, the Government has given the following assurances, which are incorporated in the legal documents:

- (i) **Subproject selection.** Prior to the detailed design of any subproject, the Government shall obtain ADB's concurrence on the inclusion of the subproject for financing under the Project, based on the appraisal and selection criteria agreed between the Government and ADB.
- (ii) **Land acquisition and resettlement.** The Government shall ensure that (a) all the subprojects are screened for resettlement impacts and those subprojects with impacts have resettlement plans prepared and approved in accordance with the resettlement framework; (b) all resettlement plans are implemented in accordance with their terms; (c) all land and rights-of-way required by the Project are made available in a timely manner; (d) the provisions of the resettlement plan, including compensation and entitlements for affected persons, will be implemented in accordance with all applicable government laws and regulations, the resettlement framework and ADB's *Involuntary Resettlement Policy* (1995); (e) counterpart funds for land acquisition and resettlement activities are provided in a timely manner; (f) any obligations in excess of the resettlement plan budget estimate are met; and (g) the affected persons will be at least as well off as they would have been in the absence of the Project. In the case where a resettlement plan is required, the Government, through the EA, shall ensure that no construction activities begin until ADB has reviewed and approved such resettlement plan.
- (iii) **Environment.** Government shall ensure that (a) the Project is carried out in accordance with applicable laws and regulations and ADB's *Environment Policy*; (b) no subproject civil works contracts will be awarded until Government and ADB have cleared the IEE of the relevant Subproject in accordance with the EARP; (c) if revisions are made to the EARP, no civil works contracts will be awarded until ADB has cleared the revised EARP endorsed by the Borrower; and (d) the Government and ADB-cleared mitigation and monitoring measures prescribed for each subproject are integrated into relevant bidding documents and civil works contracts.
- (iv) **Gender and employment.** The Government shall (a) encourage project contractors to employ women in rehabilitation and labor-intensive maintenance; (b) provide equal pay to men and women for work of equal type, in accordance with national laws and international treaty obligations; (c) provide safe working conditions for male and female workers; and (d) ensure that project contractors comply with applicable labor laws and abstain from child labor. Specific provisions to this effect shall be included in the bidding documents.
- (v) **Health risks.** The Government, through the EA, shall ensure that all civil works contractors engaged under the Project participate in an HIV/AIDS prevention program to be funded under the Project in construction campsites. In addition, the EA shall ensure that information on the risk of transmission of HIV/AIDS and other sexually transmitted diseases is disseminated to local communities in

coordination with national agencies working on the issue. The EA shall also include specific provisions to this effect in civil works contracts and strictly monitor compliance.

- (vi) **Project performance monitoring and evaluation.** Within 3 months of the loan effectiveness date, the Government, through the EA, shall finalize and adopt a project performance and monitoring system acceptable to ADB, based on indicators in the design and monitoring framework and following procedures agreed between the Government and ADB. The EA shall monitor the indicators according to the agreed framework on a quarterly basis to determine the efficiency and effectiveness of the Project, and shall provide to ADB monitoring reports from the commencement of project implementation until completion.
- (vii) **Anticorruption measures.** The Government shall (a) undertake necessary measures to create and sustain a corruption-free environment; (b) ensure that its anticorruption laws and regulations and ADB's *Anticorruption Policy* are strictly enforced and are being complied with during project implementation, and that relevant provisions of ADB's *Anticorruption Policy* are included in all bidding documents for the Project; (c) facilitate ADB's exercise of its right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive, or coercive practices relating to the Project; (d) ensure that the EA conducts periodic inspections on the contractors' activities related to fund withdrawals and settlements; and (e) ensure that all contracts financed by ADB in connection with the Project include provisions specifying the right of ADB to audit and examine the records and accounts of the EA and all contractors, suppliers, consultants, and other service providers as they relate to the Project.

VI. RECOMMENDATION

89. I am satisfied that the proposed loan would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve

- (i) a waiver of (a) the 12-week period, and (b) the interim operational strategy required for processing of disaster and emergency assistance, and
- (ii) the loan of \$17,560,000 to the Republic of the Fiji Islands for the Emergency Flood Recovery (Sector) Project from ADB's ordinary capital resources, with interest to be determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; a term of 32 years, including a grace period of 8 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft Loan Agreement presented to the Board.

Haruhiko Kuroda
President

14 August 2009

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and/or Indicators^a	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
Impact Reduced economic losses and social disruption from future extreme weather events.	Less damage to infrastructure from future extreme weather events	Future damage and loss assessments Environmental monitoring reports	Assumption Vulnerable infrastructure is maintained Risk Even more extreme events occur
Outcome Economic and social activities in affected areas restored to pre-disaster levels.	Road transport services operate at pre-disaster levels on rehabilitated roads Water supplies operate at pre-disaster levels Agricultural production in the areas of the rehabilitated drainage schemes at pre-disaster levels	DNR traffic counts Water Authority data Ministry of Agriculture and Primary Industries data Household income and expenditure surveys	Risk Political instability and global economic crisis suppress economic activity
Outputs 1. Road infrastructure rehabilitated and climate-proofed	About 8 km of main sealed highway rehabilitated About 50 km of secondary roads re-graveled About 8 major landslips stabilized About 30 culverts reconstructed About 10 wet crossings upgraded	DNR road condition and field surveys Project progress and completion reports	Assumptions Government commitment to flood risk management framework Capacity of national construction industry sufficient for timely implementation Support from roads, agricultural drainage, and water supply agencies with project implementation Risks Increased implementation costs because of increases in the cost of fuel, oil, and bitumen
2. Agricultural drainage schemes rehabilitated and climate-proofed	About 40 agricultural drainage schemes restored	Project progress and completion reports Condition reports by Land and Water Management Division of the Ministry of Agriculture and Primary Industries	Diversion of Government resources to ineffective physical flood mitigation infrastructure design and construction Extreme climatic or geophysical events during construction
3. Water supply intake structures repaired and climate-proofed	About 2 water intake structures repaired	Project progress and completion reports	

<p>Activities with Milestones Project preparation 1.1. Recruitment of design consultants by September 2009 under advance action 1.2. Recruitment of construction supervision consultants by November 2009 under advance action</p> <p>Activities with Milestones Project preparation 1.2. Subproject proposals approved by November 2009 1.3. Bids received for agricultural drainage scheme contracts by August 2009 under advance action 1.3. Design and bid documentation for road rehabilitation works by November 2009 1.4. Design and bid documentation for water supply rehabilitation work by November 2009 1.5. Design and bid documentation for major landslide stabilization work by February 2010</p> <p>Project implementation 2.1. Agricultural drainage schemes rehabilitated and climate-proofed by March 2010 2.2. Road infrastructure rehabilitated and climate-proofed by August 2011 2.3. Water supply intake structures repaired and climate-proofed by December 2010</p>	<p>Inputs ADB \$17.56 million Government \$2.43 million Cofinancing Others</p>
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DNR = Department of National Roads.

^a Values for indicators to be determined during project implementation and included in the project performance monitoring system.

FLOOD RESPONSE BY THE GOVERNMENT OF THE FIJI ISLANDS, DEVELOPMENT PARTNERS, AND NONGOVERNMENT ORGANIZATIONS

1. The Government of the Fiji Islands declared a state of disaster emergency and activated the National Disaster Management Plan on 11 January 2009.
2. The immediate response included the following:
 - (i) establishment of evacuation centers;
 - (ii) rescue activities;
 - (iii) distribution of emergency ration packs;
 - (iv) initial restoration works to maintain basic water and sewerage works (F\$1,847,728); and
 - (v) water carting to affected consumers.
3. The intermediate response included the following:
 - (i) damage assessments;
 - (ii) distribution of additional ration packs (F\$3,175,264);
 - (iii) supply and refilling of rain tanks, bailing of sewage wastes and safe disposal, and backup power supply for pump stations and treatment plants;
 - (iv) rehabilitation to open all roads to traffic and restore access to schools, hospitals, and other essential services (F\$10.8 million sourced from reallocation of Department of National Roads 2009 budget allocation);
 - (v) crop rehabilitation of 30% of damaged crop areas (450 hectares of 1,504 total);
 - (vi) distribution of vegetable seeds and sweet potato cuttings;
 - (vii) distribution of 130.5 tons of dairy feeds (F\$43,000) to 45 dairy farmers in Central Division;
 - (viii) distribution of veterinary medicines;
 - (ix) drainage works survey;
 - (x) repairs to schools;
 - (xi) public health response included mobilization of rapid assessment teams to assess damage and provide initial community education, and coordination of vector control;
 - (xii) housing assessment by the Housing Authority and Public Rental Board; and
 - (xiii) divisional commissioners given access to Ministry of Defense Interdepartmental Clearance account to effect payment of all procurement for response and relief operations.
4. The response to the private sector included the following:
 - (i) Reserve Bank established a F\$20 million fund to provide soft loans to flood-affected businesses, comprising loans at up to 6% of terms of 6 months, extendable to 3 years;
 - (ii) the Government authorized delayed payments of value-added tax of 3 months; and
 - (iii) the Government authorized delayed payment of wage increases.

Table A2: Development Partners' Assistance

Development Partners'	Amount	Target	Recipient
AusAID	A\$3 million	Emergency relief, agriculture restoration, health and education rehabilitation	Fiji Islands Red Cross, UNICEF, Government of the Fiji Islands
European Union	F\$2.036 million €250,000	Rehabilitation of schools, rehabilitation of water and sanitation infrastructure	Government of the Fiji Islands UNICEF
India	F\$185,000	Flood relief	Prime Minister's (PM) Relief Fund
Kiribati	F\$59,524	Flood relief	PM's Relief Fund
Korea, Republic of	F\$90,000	Public health	Government of the Fiji Islands—DISMAC
NZAID	NZ\$0.6 million NZ\$3 million (under consideration)	Emergency relief, social services, flood mitigation activities infrastructure	Fiji Red Cross and/or Government of the Fiji Islands—DISMAC
Papua New Guinea	F\$1 million	Flood relief	PM's Relief Fund
China, People's Republic of	F\$50,000	Flood relief	PM's Relief Fund
Tonga	T\$100,000	Flood relief	PM's Relief Fund
Tuvalu	F\$12,238	Flood relief	PM's Relief Fund
UNDP	F\$175,000	Flood relief	Government of the Fiji Islands—DISMAC
USAID	\$50,000	Emergency relief	Fiji Islands Red Cross
Vanuatu	F\$31,752	Flood relief	PM's Relief Fund

AusAID = Australian Agency for International Development, DISMAC = disaster management committee, NZAID = New Zealand Agency for International Development, PM = Prime Minister, UNDP = United Nations Development Programme, UNICEF = United Nations Children's Fund, USAID = United States Agency for International Development.

Source: Ministry of National Planning, Government of the Fiji Islands.

SUBPROJECT ELIGIBILITY CRITERIA

A. Project Components

1. The Fiji Islands Emergency Flood Recovery (Sector) Project will rehabilitate essential infrastructure that was damaged by heavy rains and severe flooding in January 2009. The Project will be implemented via a sector approach. Each subproject will be prioritized and selected in accordance with the process and eligibility criteria set forth in this appendix. A systematic and consultative approach will be established for subproject appraisal, covering (i) social, economic, and environmental evaluation; (ii) design; (iii) procurement; (iv) implementation; and (v) monitoring. Each subproject feasibility study will provide sufficient evidence of its eligibility under the agreed-upon criteria, and will be in accordance with the detail and quality required to enable the Asian Development Bank (ADB) to assess the viability and suitability of the subproject.

2. **Component A: Repairs in the Emergency Response Phase.** The Project will finance eligible expenditures incurred during the immediate post-disaster period to restore basic, safe access. Activities included clearing of landslides and debris, reinstatement of washed-out approaches to bridges and wet crossings, and temporary road pavement repairs.

3. **Component B: Civil Works.** The Project will finance the following civil works:

- (i) rehabilitation of about 8 kilometers (km) of main sealed highway, restoring the bituminous sealed surface and upgrading the pavement structure, as required for a design life of 20 years;
- (ii) repairs to landslips on major roads incorporating appropriate geotechnical investigation and design recommendations;
- (iii) rehabilitation of secondary roads including re-graveling of about 50 km of unsealed roads, reconstruction of 30 culverts, and reconstruction or lengthening of washed out wet crossings;
- (iv) miscellaneous repairs to water supplies; and
- (v) repairs to agricultural drainage schemes.

4. Rehabilitation subprojects will be subject to investigation and design criteria, though a range of engineering solutions will be considered. Assessments will include analysis of least-cost alternatives, including full life cycle costs, potential environmental impact, and sustainability to natural hazards.

B. Subproject Eligibility Criteria

5. Subprojects will meet the following general eligibility criteria:

- (i) The subprojects will rehabilitate infrastructure with high importance based on their contributions to the objectives of the development policy objectives as set out in the Government's Sustainable Economic and Empowerment Development Strategy 2008–2010. They will focus on rehabilitation of efficient and cost-effective infrastructure, which will facilitate economic and social development and private sector investment. General eligibility criteria to be met are one or more of
 - (a) improved accessibility to social services for poor and rural households, including schools, health facilities, and Government extension services;
 - (b) restored opportunities for employment and income generation for poor and rural households; and

- (c) contribution to economic growth and poverty reduction for poor and rural households.
6. Subprojects will be assessed for their contribution to
- (i) potential for restoration of agricultural production;
 - (ii) potential for restoration of exports of agricultural products;
 - (iii) potential for restoration of tourism;
 - (iv) employment of local communities and contractors for maintenance and small-scale works;
 - (v) potential for income generation for poor female headed households and other vulnerable groups;
 - (vi) restoration of incomes, particularly among poor and rural households; and
 - (vii) contribution to economic growth.
7. Environmental screening will be conducted for all subprojects in accordance with ADB's *Environmental Assessment Guidelines* (2003). In selecting subproject sites, including extraction sites for materials to be imported to construction sites, the following environmental criteria will be used for the first level of screening. If any of these criteria are found applicable to the site, then the subproject will require the production and approval of an environmental impact assessment following the procedures and requirements of an environmental category A project according to ADB's environmental guidelines:
- (i) sites in or adjacent to areas classified as ecologically sensitive;
 - (ii) requirement for major realignment of an existing road or complete relocation of an existing wet crossing or drainage structure that may cause significant environmental impacts;
 - (iii) significant adverse impacts on natural/primary forest or near-shore marine environments such as reefs, mangroves, or other sensitive coastal areas;
 - (iv) permanent negative effect on a known rare or endangered species; and
 - (v) permanent damage to irreplaceable cultural relics and archaeological sites.
8. Screening for land acquisition and resettlement impacts will be conducted for all subprojects. Any subproject that would entail involuntary resettlement, according to ADB's *Involuntary Resettlement Policy* (1995), will require production of a resettlement plan according to relevant laws and regulations, the resettlement framework, and ADB guidelines.¹

¹ "Involuntary resettlement" addresses social and economic impacts that are permanent or temporary and are caused by (i) acquisition of land and other fixed assets, (ii) by change in the use of land, or (iii) restrictions imposed on land as a result of an ADB operation. An "affected person" is one who experiences such impacts. The term affected person includes any people, households, firms, or private institutions who, on account of changes that result from the Project will have their (i) standard of living adversely affected; (ii) right, title, or interest in any house, land (including residential, commercial, agricultural, forest, and/or grazing land), water resources, or any other moveable or fixed assets acquired, possessed, restricted, or otherwise adversely affected, in full or in part, permanently or temporarily; and/or (iii) business, occupation, place of work or residence, or habitat adversely affected, with or without displacement.

C. Subproject Assessment Process

9. A long list of potential subprojects will be identified and prioritized based on assessments of (i) existing facilities and levels of usage, including the number of potential beneficiaries; and (ii) positive and negative economic, social, and environmental impacts. Subprojects will be restricted to facilities damaged in the disaster. Communities will be consulted in the preparation of the long list. These consultations will involve broad representation from the community and must include women.

10. The Executing Agency, assisted by the project management team, will prepare an assessment report for each subproject proposed for detailed design and preparation of bidding documents. Each subproject assessment will include (i) a technical feasibility assessment; including detailed cost estimates; (ii) a narrative assessment of economic impact; and (iii) an initial environmental examination and a full environmental impact assessment if warranted, in accordance with the environmental assessment and review procedures. Each component of the assessment will confirm acceptable ratings against the criteria, or recommend further work to complete the assessment.

11. The project steering committee will review and endorse the subprojects that meet all the eligibility criteria. Before the detailed design of any subproject, and its inclusion for financing under the Project, proposed subprojects are subject to approval by ADB.

12. The contracts for repairs to agricultural drainage schemes, and described in the agreed upon procurement plan, are deemed to be approved by ADB and eligible for financing from the loan proceeds provided that such contracts include provisions for environmental management during implementation. This will include enforceable environmental management and monitoring plans acceptable to ADB.

DETAILED COST ESTIMATES

Table A4: Detailed Cost Estimate by Financier
(\$ million)

Item	Cost	Financing			
		ADB Amount	% of Cost Category	Govt Amount	% of Cost Category
A. Base Cost					
1. Civil Works					
a. Emergency response costs	0.96	0.84	87.5	0.12	12.5
b. Major road rehabilitation	2.80	2.45	87.5	0.35	12.5
c. Landslips (major roads)	3.36	2.94	87.5	0.42	12.5
d. Secondary road rehabilitation	6.72	5.88	87.5	0.84	12.5
e. Water supplies	1.06	0.92	87.5	0.13	12.5
f. Agricultural drainage scheme repairs	1.32	1.16	87.5	0.17	12.5
2. Consulting services					
a. Design	0.33	0.29	87.5	0.04	12.5
b. Supervision and project management	0.88	0.77	87.5	0.11	12.5
c. Project coordinator, environment specialist	0.22	0.19	87.5	0.03	12.5
	Subtotal (A)	17.65	15.44	2.21	12.5
B. Contingencies					
1. a. Physical	0.88	0.77		0.11	
b. Price contingencies	0.88	0.77		0.11	
	Subtotal (B)	1.77	1.54	0.23	
C. Financing Charges during Implementation					
1. a. Interest during construction	0.54	0.54	100	0.00	0.00
b. Commitment charges	0.03	0.03	100	0.00	0.00
	Subtotal (C)	0.57	0.57	0.00	
	Total	19.99	17.56	2.43	

ADB = Asian Development Bank, Govt = government.
Source: ADB estimates.

PROCUREMENT PLAN

Basic Data

Project Name: Flood Sector Project	Loan Number: To be determined
Loan Amount: \$17.56 million	Executing Agency: Ministry of National Planning
Date of first Procurement Plan: To be determined	Date of this Procurement Plan: 30 July 2009

A. Process Thresholds, Review, and 18-Month Procurement Plan

1. Project Procurement Thresholds

1. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works	
Method	Threshold
International Competitive Bidding (ICB) for Works	\$3,000,000
ICB for Goods	\$500,000
National Competitive Bidding (NCB) Works	Less than \$3,000,000
NCB Goods	Less than \$500,000
Shopping for Works	Less than \$100,000
Shopping for Goods	Less than \$100,000

ICB = international competitive bidding, NCB = national competitive bidding.

2. ADB Prior or Post Review

2. Except as ADB may otherwise agree, the following prior or post-review requirements apply to the procurement and consultant recruitment methods used for the Project.

Procurement of Goods and Works		
Procurement Method	Prior or Post	Comments
ICB Works	Prior	
ICB Goods	Prior	
NCB for Works	Prior	The first procurement action under NCB will be subject to prior review. Subsequent contracts will be post review provided the standard bidding documents and methodology are not changed.
NCB for Goods	Prior	The first procurement action under NCB will be subject to prior review. Subsequent contracts will be post review provided the standard bidding documents and methodology are not changed.
Shopping for Works	Post	
Shopping for Goods	Post	
Recruitment of Consulting Firms		
Consultant's Qualification Selection (CQS)	Prior	This procedure will be used for expedited selection of consultants to support detailed project preparation. In view of the need to expedite recruitment to respond to the emergency, usual cost parameters for this type of procurement will be flexibly interpreted in line with ADB's <i>Disaster and Emergency Assistance Policy</i> (2004).

		The Executing Agency will (i) prepare the terms of reference, (ii) request amplified expressions of interest and information on the consultants' experience and competence relevant to the assignment, (iii) establish a shortlist of at least three firms, and (iv) select the firm with the most appropriate qualifications and references based on the Expression of Interest. The selected firm will be asked to submit a combined technical and financial proposal and then be invited to negotiate a contract. If negotiations fail, the Executing Agency will start negotiations with the next ranked firm until an agreement is reached.
Quality- and Cost-Based Selection (QCBS)	Prior	This procedure will be used to select a consulting firm for project management and construction supervision. A biodata proposal method will be used.
Individual Consultant	Prior	This procedure will be used to select a Project Coordinator and an Environment and Social Specialist.

CQS = consultant's qualification selection, ICB = international competitive bidding, NCB = national competitive bidding, QCBS = quality- and cost-based selection.

3. Goods and Works Contracts Estimated to Cost More Than \$1 Million

3. The following table lists goods and works contracts for which procurement is either ongoing or expected to start within the next 18 months.

General Description	Contract Value	Procurement Method	Prequalification of Bidders	Advertisement Date	Comments
Rehabilitation of main roads in northwest Viti Levu	\$3,000,000	ICB	No	December 2009	
Stabilization of landslides on major roads	\$3,000,000	ICB	No	February 2010	
Rehabilitation of rural roads (contract 1)	\$1,500,000	NCB	No	November 2009	
Rehabilitation of rural roads (contract 2)	\$1,000,000	NCB	No	December 2009	
Rehabilitation of rural roads (contract 3)	\$1,000,000	NCB	No	January 2010	
Miscellaneous contracts for rehabilitation of agricultural drainage schemes	Less than \$500,000 With a total value of \$1.4 million	NCB	No	June 2009	Bid evaluation to be submitted for ADB review prior to award

ICB = international competitive bidding, NCB = national competitive bidding.

B. Project Procurement Plan

4. Indicative List of Packages Required Under the Project

4. The following table provides an indicative list of all procurement (goods, works, and consulting services) over the life of the Project. Contracts financed by the Borrower and others should also be indicated, with an appropriate notation in the comments section.

General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Domestic Preference Applicable	Comments
Goods				No	
Works	\$11,900,000	20	ICB and/or NCB shopping	No	Start 4th quarter 2009 and 1st quarter 2010
	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Type of Proposal	Comments
Consulting Services	\$1,430,000	4	CQS, QCBS and individual consultant	Biodata	Award subject to ADB prior review. 1 No. CQS, 1 No. QCBS and 2 No. Individual consultant

CQS = consultant's qualification selection, ICB = international competitive bidding, NCB = national competitive bidding, QCBS = quality- and cost-based selection.

TERMS OF REFERENCE FOR CONSULTING SERVICES

A. Introduction

1. The Government of the Fiji Islands will establish a project management team (PMT) to assist with the implementation of the Flood Sector Project. The PMT will include individuals recruited from firms of consultants experienced in the design and construction of transport infrastructure and water supplies, and individual national consultants for project coordination and for monitoring and management of environmental impacts. Consultants will be recruited in accordance with the *Guidelines on the Use of Consultants* (2007, as amended from time to time) of the Asian Development Bank (ADB). Given the emergency nature of the Project, consultants to support the detailed design for the Project (phase 1) will be recruited using consultant's qualification selection. Consultants to support project management and construction supervision (phase 2) will be recruited using quality- and cost-based selection with biodata proposals. The Ministry of National Planning (MNP) will recruit a project coordinator and the Ministry of Works Transport and Public Utilities (MWTPU) will recruit a national environmental specialist using government procedures for individual consultant selection acceptable to ADB.

2. The PMT will include personnel from the Department of National Roads (DNR) and the Land and Water Resource Management Division of the Ministry of Agriculture and Primary Industries (LWRM) on a part-time basis. The DNR will provide technical support for geotechnical investigations and topographical survey. LWRM will design and implement all projects for repairs of agricultural drainage schemes using their own resources, but will report and coordinate their activities closely with the PMT to ensure that implementation is in accordance with procedures stipulated in the Loan Agreement with ADB.

3. The Executing Agency will be the MNP. The Implementing Agency will be Ministry of Works, Transport and Public Utilities (MWTPU) for the roads and water components of the Project and LWRM for the agricultural drainage scheme rehabilitation. The project management team will be under the direction of the director of national roads. The Project will be guided by a project steering committee (PSC), chaired by the permanent secretary of the Ministry of National Planning. The PMT will be located in the offices in Suva, Lautoka, or Labasa, as required.

4. The following personnel will be recruited from consulting firms:

- (i) **Phase 1.** Personnel will comprise a project manager and team leader, a specialist in culvert and Irish crossing design, a geotechnical engineering specialist, a financial management specialist, and a draftsman (national).
- (ii) **Phase 2.** Personnel will comprise a project manager and team leader, a senior works inspector, a national works inspector and a project accountant.

A project coordinator and an environment and local liaison specialist will support phase 1 and 2, and be recruited separately.

B. Scope of Work

5. In phase 1, the PMT will be responsible for (i) detailed design of subprojects (including documentation for subproject approval by ADB) and preparation of bid documents; (ii) obtaining necessary approvals, incorporating environmental and social safeguards into the bidding documents, and establishing monitoring methods; (iii) managing the bidding process, including

evaluation of tenders and presentation of recommendations to the tender board; and (iv) establishing financial management and monitoring systems. In phase 2, the PMT will be responsible for (i) contract administration and supervision of construction, including (a) keeping records; (b) preparing withdrawal applications; (c) preparing project progress reports, socioeconomic and environmental impact monitoring reports, and a project completion report; (d) maintaining project accounts for auditing; (e) reporting on the implementation of any loan covenants; and (f) building the capacity of an environmental management unit (EMU) of the MWTPU to carry out the environmental management and monitoring associated with the Project.

6. Terms of reference for personnel to be provided for phase 1 by a consulting firm follow.

1. Project Manager—Design Phase (international, 2 person-months)

7. The project manager shall be a professionally qualified civil engineer with at least 15 years experience, of which a minimum of 5 years should have been spent on the design and management of infrastructure projects funded by a multilateral financing agency and at least 5 years experience related to the administration of Fédération International des Ingenieurs-conseils (FIDIC) construction contracts. The duties of the project manager will include the following tasks:

- (i) Support the PSC in all matters relating to the Project, including the provision of services as the secretariat and all related tasks.
- (ii) Provide overall management and leadership to the PMT and advice to the PSC during the project preparatory phase.
- (iii) Take responsibility for project implementation with reference to the relevant ADB guidelines, covenants, and special conditions.
- (iv) Facilitate coordination and cooperation between the Project and any other bilateral or multilateral agencies.
- (v) Assist with the identification and contract packaging of components for the Project, including preparation of subproject proposals.
- (vi) Prepare project budget, implementation schedules, and their periodic updates; and prepare project payment and disbursement forecasts.
- (vii) Prepare a project inception report and a design phase completion report and any other reports required by the Project in a format acceptable to the ADB and the PSC.
- (viii) Prepare bidding documents for procurement of works and services that will be funded under the Project.
- (ix) Assist with the evaluation and make recommendations for all procurement activities funded by the loan.
- (x) Ensure that environmental management plans and other social and environmental safeguards are prepared and are incorporated in the bidding documents.
- (xi) Facilitate ADB's review missions.

2. Geotechnical Engineer (international, 4 person-months)

8. The geotechnical engineer will be a degree-qualified civil engineer or engineering geologist with at least 15 years of postgraduate experience in geotechnical engineering. The geotechnical engineer must be able to demonstrate previous experience in providing engineering solutions for stabilization of slopes in steep volcanic terrain in tropical climatic conditions. The duties of the geotechnical engineer will include the following tasks:

- (i) Review existing technical data, geological MAPIs, studies, and reports on major landslips in the Fiji Islands, particularly those relating to slips that were initiated by the January 2009 rain.
- (ii) Undertake site inspections, and develop and manage the implementation of a program of site investigation (including procurement of drilling services, if required). The site investigations will include those needed for the design of pavement rehabilitation, as well as the restoration of unstable slopes.
- (iii) Prepare any bidding documents that are required for the procurement of site investigation activities.
- (iv) Supervise the site investigation activities and interpret the results to establish provisional proposals for improvement works to unstable slopes to be carried out under the loan, and prepare feasibility studies for these works. The feasibility studies shall include a review of the possible methods for stabilizing slopes, including biological and structural technologies; preliminary design; cost estimates; and economic justification.
- (v) In collaboration with the project manager and others, prepare detailed designs for approved components, including slope stability, pavement design, bridge foundations; and develop technical specifications.
- (vi) During construction, provide technical advice to the construction phase project manager and contracts engineer on any geotechnical issues that may arise.
- (vii) Provide general advice and guidance to the DNR on matters relating to good practice when dealing with slope stability.

3. Irish Crossing and Culvert Design Specialist (international, 3 person-months)

9. The Irish crossing design specialist shall be a degree-qualified civil engineer with at least 15 years experience in bridge engineering and hydrology, which should include significant experience on the design of vented ford-type structures. The duties will include the following tasks:

- (i) Conduct site inspections and site investigation of structures damaged in the January 2009 floods.
- (ii) Prepare a report on the damage and the repairs undertaken to date, identifying a future program of work to enhance the resilience of the crossings to future floods. Make recommendations regarding replacement of existing structures where considered necessary, lengthening of existing structures, improvements to aprons, and armoring of approach embankments.
- (iii) Prepare detailed designs for specific recommendations and standard detail drawings for commonly required remedial work.
- (iv) Assist the project manager in preparing bidding documents for the works program, including preparing technical specifications for the construction of river crossings.

4. Financial Management Specialist (international, 0.5 person-months)

10. The financial management specialist shall be a professionally qualified accountant with at least 10 years experience. The specialist shall be thoroughly familiar with the financial management, monitoring and audit requirements of ADB. The duties will include the following tasks:

- (i) Prepare a financial management and monitoring manual for use by the project management team, ensuring that proposed systems conform fully with ADB's and the Government's requirements for financial management of the project.
- (ii) Prepare templates in Microsoft Excel for maintenance of disaggregated and aggregated project accounts.
- (iii) Prepare templates for preparation of loan withdrawal applications.
- (iv) Conduct a financial management seminar for implementing agency personnel to familiarize them with the financial management requirements of the project.

11. Terms of reference for personnel to be provided by a consulting firm for phase 2 follow:

5. Project Manager—Construction Phase (international, 18 person-months)

12. The project manager shall be a professionally qualified civil engineer with at least 15 years experience, of which a minimum of 5 years should have been spent on the management of infrastructure projects funded by a multilateral financing agency and at least 5 years experience related to the administration of FIDIC construction contracts. The duties of the project manager will include the following tasks:

- (i) Support the PSC in all matters relating to the Project.
- (ii) Provide overall management and leadership to the PMT and advice to the PSC during the construction phase.
- (iii) Take responsibility for project implementation with reference to the relevant ADB guidelines and any loan covenants and special conditions.
- (iv) Help to identify and package suitable components for the Project that meet the selection criteria.
- (v) Prepare the project budget, implementation schedules, and their periodic updates; and prepare quarterly payment and disbursement requirement forecasts.
- (vi) Prepare monthly progress reports and any other reports required by the Project in a format acceptable to ADB and the PSC.
- (vii) Assist with the evaluation and make recommendations for all procurement activities funded by the loan.
- (viii) Assist with the preparation and checking of all bidding documents for procurement of works and services that will be funded under the Project.
- (ix) Act as the engineer for all FIDIC contracts, including approving and certifying all eligible contract payments.
- (x) Ensure preparation and implementation of environmental management plans and other social and environmental safeguards.
- (xi) Arrange tender for the annual audit and facilitate the activities of the auditors.
- (xii) Facilitate ADB's review missions.

6. Senior Works Inspector (international, 15 person-months)

13. The senior works inspector shall be highly experienced in the supervision of construction of civil engineering works, particularly roads, bridges, and water supply infrastructure. The person must have at least 20 years experience and should preferably be qualified with a diploma in civil engineering. The inspector should be able to accept responsibility for delegated authority from the FIDIC engineer, including the authority to issue site instructions. The duties will include the following tasks:

- (i) Conduct initial training of a group of DNR technical assistants in site supervision activities before contracts are awarded, and a subsequent one-on-one training on-site during the execution of the works.
- (ii) Oversee all construction activities to ensure that work is carried out in accordance with the contract.
- (iii) Carry out, or make arrangements for others to carry out, any testing to ensure that works meet the requirements of the contracts.
- (iv) Attend site progress meetings and represent the engineer using delegated authority when the engineer is not able to attend.
- (v) Issue site instructions and agree on measurements for quantities.
- (vi) Check and verify all site records and ensure that there are comprehensive records of site conditions, site activities, and measurements.
- (vii) Assist the project manager in preparing payment certificates and reports.

7. Works Inspector (national, 18 person-months)

14. The works inspector shall be highly experienced in the supervision of construction of civil engineering works, particularly roads, bridges, and water supply infrastructure. The person must have at least 12 years experience and should preferably be qualified with a diploma in civil engineering. The duties will include, but not necessarily be restricted, to the following tasks:

- (i) Under the direction of the senior works inspector, oversee delegated construction activities to ensure that work is carried out in accordance with the contract.
- (ii) Carry out, or make arrangements for others to carry out, any testing to ensure that works meet the requirements of the contracts.
- (iii) Make measurements of work quantities for contractor payment purposes.
- (iv) Check and verify all site records and ensure that there are comprehensive records of site conditions, site activities, and measurements.
- (v) Assist the project manager in preparing payment certificates and reports.

8. Project Accountant (national, 18 person-months)

15. The project accountant will be degree qualified and have at least 10 years experience of which at least three should have been in a position of responsibility, preferably related to the financial management of a project. The project accountant shall be responsible for the financial management and administration of all activities procured under the loan, including the payments for consultancy and construction contracts. Duties will include, but not necessarily be restricted to, the following tasks:

- (i) Assist the project manager with all financial and administrative tasks related to administration and implementation of the project, including financial and administrative management of accounts, consultant and counterpart contracts, and civil works.
- (ii) Develop and implement cost accounting systems and bookkeeping to facilitate preparation of the required project reports.
- (iii) Ensure that all project-related financial records are accurate, complete, and up-to-date at all times, including the safeguard of all original source documents.
- (iv) Assist the project manager to prepare regular cost, commitment, and forecast reports as required by the PSC or the ADB.

- (v) Confirm all eligible expenditures for payment, in accordance with internationally accepted practices, the selection criteria, the ADB's *Guidelines on Procurement*, and the conditions of the loan agreement.
- (vi) Assist with the evaluation of all tenders and procurement action under the loan.
- (vii) Assist and advise on processes for obtaining all necessary approvals for submission of contracts and payments to contracts from the PSC, the Public Works Tender Board, and ADB.
- (viii) Process payments, on all components under the Project as required under the disbursement guidelines of ADB.
- (ix) Prepare loan withdrawal applications as necessary.
- (x) Prepare detailed annual financial statements and a final statement.
- (xi) Assist the project coordinator to procure services for the annual audit and facilitating the activities of the auditors.
- (xii) Assist ADB's review missions, as necessary.

16. The following individual consultants will be recruited:

9. Project Coordinator (national, 24 person-months)

17. The project coordinator will have a relevant university degree, or extensive relevant experience in similar position, including at least 10 years experience in the implementation and management of projects, preferably involving construction of social infrastructure. The duties of the project coordinator, who will be accommodated in the MNP, will include the following:

- (i) Report to the permanent secretary of the MNP, assume responsibility for overall coordination of the Project.
- (ii) As secretary for the project steering committee, ensure that meetings are properly convened and minutes kept, and subproject proposals are considered and forwarded for ADB's approval in a timely and efficient manner.
- (iii) Act as focal point for contact with ADB on all matters relating to Project implementation.
- (iv) Facilitate coordination and cooperation between the Project and any other stakeholders, bilateral or multilateral agencies.
- (v) Ensure that Project implementation complies with the relevant ADB guidelines and any loan covenants and special conditions and Government procedures.
- (vi) Ensure that regular progress and other reports (including bid evaluation reports) are provided to ADB and to the Government.
- (vii) Ensure that Project accounts are maintained.
- (viii) Verify and certify payments for consulting services procured under the contract.
- (ix) Coordinate the procurement activities under the Project, with particular reference to ensuring that procedures for tender and award comply with Government procedures and those of the ADB where applicable.
- (x) Other tasks consistent with the overall management of the Project.

10. Environment and Local Liaison Specialist (national, 18 person-months)

18. The environment and liaison specialist will have a relevant university degree and shall have at least five years post-graduate experience of environmental assessment and monitoring. The duties will include the following:

- (i) Prepare an initial environmental examination for all subprojects, including site specific environmental monitoring and management plans.
- (ii) Integrate mitigation measures presented in the initial environmental examination into bidding documents and ensure provisions are made for contractors to include their approach for mitigation in their bidding documents.
- (iii) Advise bid evaluation teams on contractor proposals for mitigation measures identified in the bidding documents.
- (iv) Provide guidance to contractors after being awarded contracts for preparing environmental management plans that include implementation, monitoring, and reporting of their mitigation measures.
- (v) Conduct site visit spot-checks of contractors operations and review contractor's regular monitoring reports.
- (vi) Monitor compliance with environmental management plans, and ensure compliance with environmental assurances under the Project.
- (vii) Build the capacity of Environmental Management Unit of the MWTPU to carry out items (v), (vi), (ix), (x), and (xi).
- (viii) Facilitate participation of Government counterparts in ongoing capacity building activities to ensure skills transfer for improved sustainability of designs.
- (ix) Prepare community consultation plans for each subproject, undertake consultations, and report feedback as part of each subproject assessment and progress report.
- (x) Arrange and assist the project management team with initial and ongoing public consultations for subproject feasibility assessment and implementation of civil works.
- (xi) Assist with socioeconomic monitoring and preparation of reports.

11. Draftsperson (national, 4 person-months)

19. The draftsperson shall be qualified with a relevant diploma from a recognized institution (Fiji Institute of Technology or similar) and shall be experienced in the preparation of construction drawings using computer aided drafting. The drafts-person will prepare construction drawings under the direction of the design phase engineers.

C. Reporting

20. The consultants will support the PSC and the project coordinator with reporting requirements, including:

- (i) inception report, within 4 weeks of start of the Project (design phase PMT);
- (ii) subproject proposals (design phase PMT);
- (iii) quarterly progress reports in ADB format, submitted within 10 working days of the end of the quarter (construction phase PMT);
- (iv) draft final report and draft project completion report in ADB format (construction phase PMT); and
- (v) final report and final project completion report 1 month after receiving the comments on the draft final report from the Government and ADB.

D. Cost Estimates

21. The total cost of implementation assistance will be the equivalent of \$1.43 million, financed by the loan proceeds, as shown in Table A7.

Table A7: Cost Estimates
(\$ '000)

Item	Phase 1	Phase 2	Individual Consultants	Total Cost
A. Remuneration and Per Diem				
1. International Consultants	209.40	652.50		861.90
2. National Consultants	14.00	127.00	202.00	343.00
B. International and Local Travel				
1. International	20.00	15.00		35.00
2. Local	10.00	47.00	8.00	65.00
C. Reports and Communication	10.00	10.00		20.00
D. Administration and Support Costs	10.00	25.00		35.00
E. Geotechnical investigation	45.00			45.00
F. Contingencies	11.60	6.50	7.00	25.10
Total	330.00	883.00	217.00	1,430.00

Source: Asian Development Bank estimates.

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country and Project Title: Fiji Islands: Emergency Flood Recovery (Sector) Project
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Lending/Financing
Modality:

Project Loan

Department/
Division:

Pacific Department/ South Pacific Subregional Office

I. POVERTY ANALYSIS AND STRATEGY

A. Link to the National Poverty Reduction Strategy and Country Partnership Strategy

The Project supports the Fiji Islands' poverty reduction objective of ensuring that all categories of the poor are able to meet their basic needs, with a specific objective of reducing the proportion of the population below the poverty line from 34.4% to 24%, as set out in the Fiji Islands Sustainable Economic and Empowerment Development Strategy 2008–2010.^a There is no country partnership strategy for the Fiji Islands.

B. Poverty Analysis Targeting Classification: General intervention

1. Key Issues

The Project will directly benefit the rural population in affected areas, many of whom are poor. The Project will contribute to the country's efforts to reduce poverty by reinstating people's access to local and provincial markets for agricultural products, thereby restoring income-generation opportunities, and by safeguarding public health.

2. Design Features

The Project will involve activities spread throughout a large part of the country, which will bring benefits to many communities. The subproject eligibility criteria include assessment of the subproject's contribution to employment of local communities and contractors for maintenance and small-scale works, and to the restoration of incomes among poor and rural households.

C. Poverty Impact Analysis for Policy-Based Lending

Not applicable.

II. SOCIAL ANALYSIS AND STRATEGY

A. Findings of Social Analysis

The floods directly affected more than 200,000 people, with a total loss of life of 12. Temporary displacement during and immediately after the flooding was extensive—164 houses were destroyed and an additional 1,677 houses were damaged in Western Division. The total value of housing loss and damage is estimated at \$0.9 million. The loss of household items and personal belongings, clothes, and records and documents was significant. Many lost all they had. Food gardens were washed away, resulting in immediate hardship for households relying on their own produce for their food supply, and in economic loss for those relying on selling surplus produce. The immediate rise in the price of basic foods had an impact not only on people in the flood-affected areas, but across the Fiji Islands. In the immediate aftermath and in the longer-term recovery phase, people experienced life with no water or interrupted water supply, poor sanitation, and impassable and damaged roads, making access to markets and services difficult. All who experienced the floods would have suffered some degree of stress.

It can be assumed that at least one-third of the flood-affected population was living in poverty and would have had little or no capacity to withstand the economic shock of the flood. The floods probably have worsened the situation of those already living below the poverty line. The floods have likely increased the vulnerability to poverty for those previously above the poverty line. Food price increases after the flood would have had the most severe impact on the poor, who are most likely to rely on subsistence gardens for their own consumption. About 54% of low-income Fijian families provide a substantial proportion (more than 40%) of their own food. During the flood and immediately after, those directly affected by the flood were not able to engage in any economic activity for some weeks.

B. Consultation and Participation

1. Provide a summary of the consultation and participation process during the project preparation. A damage and needs assessment was carried out jointly with officials of the World Bank. Consultations were held with the Government, including the ministries of Finance and National Planning, Works, Transport and Public Utilities, Agriculture, Health, Education, and Local Government. Consultations were held with development partners, relevant United Nations organizations, the South Pacific Applied Geoscience Commission and Non-Government organizations. In the field, consultations were held with the business community, farmers organizations and town councils.

2. What level of consultation and participation (C&P) is envisaged during the project implementation and monitoring?
 Information sharing Consultation Collaborative decision making Empowerment

3. Was a C&P plan prepared? Yes No

No C&P plan was prepared as the Project was prepared under the ADB's *Disaster and Emergency Assistance Policy* (2004), which allows abbreviated procedures for project preparation in the interest of urgent response.

C. Gender and Development

1. **Key Issues.** According to analysis of data from the 2002–2003 household income and expenditure survey, households head by women are more likely to be among the poorest households. Further, a disproportionate number of children live in poor households headed by women. Households headed by women account for 12.7% of all households; in the lowest two deciles of average household income per capita, they account for 15.9% and 14.5%, respectively. In terms of population, 10.8% of the total population live in households headed by women and 2.9% of all children live in such households. However, in the lowest two deciles of average household income per capita, households headed by women account for 16.9% and 14.1%, respectively. Of the children living in households headed by women, 20.4% and 17.9% respectively are in the two lowest income deciles.

In the flooded areas, vegetable and market gardens suffered considerable damage, and markets were closed for several weeks. Road damage prevented access to markets for varying periods of time after the waters receded. Root crop staples, such as cassava, taro, and sweet potato, are intolerant to flooding and were badly damaged in flooded and poorly drained areas. This led to food shortages in the villages, and scarcity and high prices in the markets, for 3 months following the floods. Women grow vegetables for subsistence and sale at local markets. On vegetable farms, women work with their families in the fields. Particularly in poor and disadvantaged households, women work as laborers for other farmers. The Project will restore accessibility to markets and jobs for women.

2. **Key Actions.** Measures included in the design to promote gender equality and women's empowerment—access to and use of relevant services, resources, assets, or opportunities and participation in decision-making process:

Gender plan Other actions/measures No action/measure

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Significant/Limited/ No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
Involuntary Resettlement	No impact is expected as all works are expected to be undertaken on existing facilities within existing rights-of-way.	If changes in conditions require land acquisition or resettlement for civil works the Government will inform ADB and prepare a resettlement plan.	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> No Action
Indigenous Peoples	No impact	For the indigenous population of native Fijians the Project is not expected to have a differential impact. The rehabilitation subprojects of the Project will improve access to health, education, and social services for the indigenous population.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> No Action

Issue	Significant/Limited/ No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
Labor <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Core labor standards	Limited impact	<p>Civil works will be procured using national competitive bidding. Local labor will be used during construction and maintenance.</p> <p>The Government shall: (i) encourage project contractors to employ women in rehabilitation and labor-intensive maintenance; (ii) provide equal pay to men and women for work of equal type, in accordance with national laws and international treaty obligations; (iii) provide safe working conditions for male and female workers; and (iv) ensure that project contractors comply with applicable labor laws and abstain from child labor.</p>	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action
Affordability	No impact.	<p>Local communities are not being asked to pay for the use of the infrastructure improvements.</p> <p>Access to goods and services will improve for all groups and the benefits will be divided equally among all groups.</p>	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action
Other Risks and/or Vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others(conflict, political instability, etc)	Limited impact.	<p>The Government, through the Executing Agency (EA), shall ensure that all civil works contractors engaged under the Project participate in an HIV/AIDS prevention program to be funded under the Project in construction campsites. In addition, the EA shall ensure that information on the risk of transmission of HIV/AIDS and other sexually transmitted diseases is disseminated to local communities in coordination with national agencies working on the issue. The EA shall also include specific provisions to this effect in civil works contracts and strictly monitor compliance.</p>	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action

IV. MONITORING AND EVALUATION

Are social indicators included in the design and monitoring framework to facilitate monitoring of social development activities and/or social impacts during project implementation? Yes No
Household income and expenditure survey data will be monitored.

^a Ministry of Finance, National Planning & Sugar Industry. 2007. *Sustainable Economic and Empowerment Development Strategy (2008–2010)*. Suva, Fiji Islands.

RESETTLEMENT FRAMEWORK

A. Project Background and Description

1. Description of Project

1. The Asian Development Bank (ADB) and the Government of the Fiji Islands have agreed on an emergency assistance loan to support infrastructure rehabilitation required following flooding in January 2009, the worst flooding in the country's.

2. The impact of the Project will be reduced economic losses and social disruption from future extreme weather. The outcome will be the restoration of economic and social activities in affected areas to pre-disaster levels. The rehabilitation of damaged roads is expected to restore accessibility to rural areas and allow a resumption of economic activities and social services. Restoration of water facilities will safeguard public health.

2. Project Components

3. **Component A: Repairs in the Emergency Response Phase.** The Project will finance eligible expenditures incurred during the immediate post-disaster period to restore basic, safe access. Activities included clearing of landslides and debris, reinstatement of washed-out approaches to bridges and wet crossings, and temporary road pavement repairs.

4. **Component B: Civil works.** The Project will finance the following civil works:

- (i) Rehabilitation of about 8 kilometers (km) of main sealed highway, restoring the bituminous sealed surface and upgrading the pavement structure, as required for a design life of 20 years.
- (ii) Repairs to landslips on major roads incorporating appropriate geotechnical investigation and design recommendations.
- (iii) Rehabilitation of secondary roads, including re-graveling of about 50 km of unsealed roads, reconstruction of 30 culverts, and reconstruction or lengthening of washed-out wet crossings. Designs will enhance resilience against extreme weather by incorporating appropriate climate proofing measures, including large critical drainage structures and provision of scour protection for bridges and wet crossings.
- (iv) Miscellaneous repairs to water supplies.
- (v) Repairs to agricultural drainage schemes. The Land and Water Resource Management Division has prepared a detailed plan for rehabilitation of flood-damaged drainage schemes in all three divisions (Western, Central, and Northern). Works will be undertaken to (a) clear waterways, (b) repair damaged seawalls and dykes, (c) repair and protect scoured drains and culverts, and (d) repair floodgates. The plan is in Supplementary Appendix A.

5. **Component C: Consulting services.** The Project will finance consulting services for design and supervision of implementation, and for strengthening the Environmental Management Unit (EMU) of Ministry of Works, Transport and Public Utilities (MWTPU).

3. Purpose of the Resettlement Framework

6. This resettlement framework has been prepared to guide resettlement planning for the project and to ensure that the resettlement impacts of all subprojects are identified, mitigated,

and compensated in accordance with acts and policy of the Government and ADB's *Involuntary Resettlement Policy* (1995). The resettlement framework provides

- (i) a brief description of the overall Project, the purpose of the resettlement framework and plans, and the likely scope of the resettlement effects of subprojects;
- (ii) the policy and legal framework of the Government and ADB with regard to land acquisition and involuntary resettlement, and a brief review of resettlement experiences in the Fiji Islands;
- (iii) the resettlement and compensation principles and entitlements to be applied to all subprojects under the Project;
- (iv) an outline of procedures to be followed for the preparation and implementation of resettlement plans; and
- (v) institutional, administrative, resourcing, and financing arrangements for preparation, approval, implementation, monitoring, and evaluation of resettlement plans.

7. The resettlement framework will be distributed (translated into Fijian and Hindi by the executing authority¹ if required) to the affected communities, central and local agencies, companies and agencies contracted to carry out design and works of the subprojects, and any other individuals responsible for aspects of subproject preparation and implementation.² The framework will also be disclosed on the ADB resettlement website immediately upon ADB Board approval. The resettlement framework should be read in conjunction with ADB's *Handbook on Resettlement: A Guide to Good Practice*,³ and the relevant Government acts and guidelines.

4. Land Acquisition, Potential Impacts, and Types of Losses

8. The rehabilitation subprojects are not expected to require resettlement or land acquisition, as all works will be undertaken on existing facilities within existing rights-of-way. If changes in conditions require land acquisition or resettlement for civil works, the Government will inform ADB and prepare a resettlement plan according to relevant laws and regulations, this resettlement framework, and ADB guidelines.

9. Eligible subprojects will be identified for upgrading and rehabilitation using the following criteria: (i) the subproject feasibility studies reflect need and high development priority of the Government; (ii) the minimum economic rate of return will be 12%; (iii) the proposed civil works will not have any significant adverse effect on the environment; (iv) the proposed civil works will not have any significant⁴ resettlement impact; and (v) land acquisition and resettlement plans (if needed), and environmental mitigation plans, will be prepared and other social issues addressed with action plans in accordance with ADB guidelines and the frameworks approved for the Project, including this framework.

10. Land acquisition and resettlement impacts are not likely to occur as a result of the Project. However, if conditions change, the most likely impacts are associated with the upgrading of the damaged structures from their pre-flood state so they can withstand the

¹ The executing authority is the Ministry of National Planning.

² Project approval will include Government and ADB approval of a number of key project documents prepared during the term of the project management team, including the finalized resettlement framework.

³ ADB. 1998. *Handbook on Resettlement: A Guide to Good Practice*. Manila.

⁴ In ADB terminology "significant" means 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating).

increased likelihood of future disasters and natural hazards. These upgrades may require that acquisition of margins on the borders of the existing sites. If the acquisition of land is necessary, the entitlement matrix in section D of this framework sets out the compensation for such losses to affected persons. Compensation will relate to matters such as physical relocation of secondary structures, unanticipated loss of structures or other loss due to unforeseen impacts, and the loss of crops and trees. All physical relocation and the destruction of primary structures can and will be avoided.

11. All known grave sites in the subproject areas will be avoided. If graves are discovered, the Project will ensure that relocation processes are acceptable to any relatives and to local communities. The Department of National Roads has established acceptable protocols for the relocation of graves. These procedures were used for the Third Road Upgrading (Sector) Project (FRUP III)⁵ and will continue to be applied.

12. No subprojects that might be classed as requiring significant resettlement or the destruction of primary structures will be funded, and an assurance in this regard will be incorporated into the Loan Agreement.

B. Objectives of Resettlement Plans

13. ADB's resettlement policy states that if the screening or social assessment determines that people will experience resettlement impacts a resettlement plan is required.⁶ It needs to be a time-bound action plan with appropriate budget provisions, and should be incorporated as an integral part of project design.⁷ Involuntary resettlers are people of any age, skill level, or socioeconomic circumstance who have been requested to give up land or assets for a project. Under ADB policy, these people require assistance to reestablish their home and/or livelihoods.

14. The policy requires that a plan be prepared that sets out all of the compensation and rehabilitation support to be provided to any person, family, or household that, because of the execution of the project, would have his, her or their

- (i) standard of living adversely affected;
- (ii) right, title, or interest in any house, or interest in or right to use any land (including premises, agricultural and grazing land, commercial properties, tenancy, or right in annual or perennial crops and trees, or any other fixed or moveable assets) acquired or possessed, temporarily or permanently;
- (iii) income-earning opportunities, business, occupation, work, or place of residence or habitat adversely affected temporarily or permanently; or
- (iv) social and cultural activities and relationships adversely affected.

15. The objective of the resettlement plan is to provide a strategy for providing project-affected persons with (i) compensation for lost land; (ii) replacements for lost secondary

⁵ ADB. 1997. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and Technical Assistance Grant to the Republic of the Fiji Islands for the Third Road Upgrading (Sector) Project*. Manila.

⁶ As established in a number of documents including ADB's *Involuntary Resettlement Policy* (1995); ADB. 1998. *Handbook on Resettlement: A Guide to Good Practice*. Manila; ADB. 2003. *Operations Manual*. OM Section F2/OP & F2/BP. Manila; and ADB. 2003. *Gender Checklist; Resettlement*. Manila.

⁷ Resettlement refers to partial and total land acquisition or restriction of access to land or resources as well as the more significant impacts of relocation or displacement of population.

structures;⁸ and (iii) restoration of income levels and/or living standards through a compensation and rehabilitation package (e.g., subsistence allowance; agricultural extension services, and farm inputs to increase productivity on remaining land; and assistance in establishing a new business). Business assistance might include access to credit, site selection, labor arrangements, training in a related or new skill, and a training allowance. The objective is to ensure that affected persons are not left in a position where they are worse off with the project than without it. Thus, in accordance with ADB policy, resettlement plans—either full or short, depending on the magnitude of impacts—will be prepared for all subprojects that require land acquisition or create resettlement impacts.

C. Land Acquisition and Resettlement Policy Framework

1. A Brief Review of Land Acquisition Laws

16. About 90% of land in the Fiji Islands is owned by native Fijians and is termed native land. Of the remainder, about 8% is freehold and the Government owns the balance of 2%. Of the native land, nearly 64% is non-reserve and 34% is reserve land.⁹

17. Native land is communally owned and cannot be bought or sold. The Native Land Trust Board (NLTB) is the statutory body with the responsibility to administer, develop, and manage this land on behalf of its owners and for their benefit.¹⁰ The NLTB identifies the land required for use by traditional Fijian communities and makes the remainder available for leasing. The NLTB, not the owners, issues the legally binding leases, which can be for agricultural, commercial, industrial, or other uses.

18. All farmers of native land are either tenants or landowners farming with the permission of their own landowning clan. Some of these may have formalized their status by leasing the land, and have become tenants. Other tenant farmers will be either Fijians from other islands or parts of Viti Levu, or Indo Fijians. No distinction is made regarding race or community membership.

19. The Agricultural Landlord and Tenant Act (ALTA) governs all agricultural leases of more than 1 hectare (ha) and the relations between landlords and agricultural tenants.¹¹ Minimum 30-year and maximum 99-year leases are allowed with no right of renewal. In practice, most leases are for 30 years. In the event of non-renewal, the tenant must vacate the land after a grace period.

20. The maximum annual rental is 6% of the unimproved capital value. In theory, the rental rate is reviewed every 5 years. The tenant can claim compensation for all development and improvements of the property with claims determined by the Agricultural Tribunal. However, tenants can be compensated only for improvements if the NTLB has granted prior approval for these improvements. In practice, lease rental rates are on a fixed schedule under the ALTA, and it has not been updated since 1997. The NLTB has introduced a lump sum payment to induce

⁸ All primary structures can and will be avoided. Primary structures are considered to be buildings used as residences, shops or buildings for community purposes (schools, clinics, churches, mosques or temples) and those used as principal places of work. Secondary structures are considered to be sheds, animal pens, out-houses, fences, etc.

⁹ Reserve land, is land not leased, but reserved by Mataqali and/or Government for future use. Ward, R.Gerard and Elizabeth Kingdon. 1995. Land Custom and Practice in the South Pacific. In *Land, Law and Custom: Diverging Realities in Fiji*. Cambridge: Cambridge University Press.

¹⁰ Laws of Fiji, Chapter 134, Native Land Trust.

¹¹ Laws of Fiji, Chapter 270.

landowners to lease their land for an additional 30 years, but this “new lease consideration” has been applied discriminatively, only to Indo-Fijian and not to Fijian farmers.¹²

21. The ALTA can be amended only by a two-thirds majority in both upper and lower houses of Parliament. However, the requirement for tenants to vacate land once the fixed lease and grace period have expired causes both social and economic hardship. With this in mind, the NTLB has proposed an alternative lease arrangement, envisaging a 50-year rolling lease with provision for a review after 25-years to consider a further 25-year extension. Thus, the tenant farmer would be given a minimum 25 years notice of non-renewal. A market-based rental system, as agreed to by the landlord and tenant (rather than imposed by legislation) and linked to the productivity of the land might also be introduced. Fair-market-oriented reviews could then also be based on the system agreed on by the landlord and tenant.

22. Land acquisition in the Fiji Islands is made under the State Acquisition of Lands Act¹³ (SALA) Under the act, all types of land can be acquired for public purposes. The law provides that in cases of land acquired for public purposes, legal titleholders have a right to compensation. The law also provides for the right of landowners to legal proceedings for solving disputes and grievances. The customary rights of indigenous peoples without formal title are also protected.

23. The SALA guarantees cash compensation to those with recognized legal rights or interests in land. Compensation is paid at market values effective from the date at which notice of the state’s intention to acquire the land is given. However, structures are compensated only at book or depreciated values. Compensation covers land, crops and trees, damage to portions of land not acquired (if any), changes in use and restrictions on use of any portions not acquired—and any reasonable expenses associated with necessary changes of residence or places of business.

24. In some areas, however, local market prices and the prices overseas investors are willing to pay differ significantly. For example, in Taveuni and around Savusavu, for roads constructed under the FRUPIII, the affected freehold landowners requested about F\$200,000 per ha price—the current price obtained from overseas investors. The Department of Lands and Survey (DLS), applying local market prices, assessed the market value at F\$15,000 per ha. With the expected growth in demand from overseas investors, new values in certain areas need to be recognized. These new values would derive from recent sales prices to overseas investors.

25. SALA and its regulations also do not require compensation payments to affected persons who have no recognized legal right or interest in the land. Compensation is required only on a depreciated or book value basis for structures. Therefore, informal sharecroppers and squatters are not entitled to any kind of compensation. People without titles are not entitled to compensation for land. However, to comply fully with ADB’s resettlement policy, all people without titles who are affected by the project will be entitled to compensation for loss of structures, crops, trees, or incomes they derive from land, regardless of whether they have formal title to the land. Adequate provisions for such have been included in the entitlement matrix.

¹² ADB. 2005. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of the Fiji Islands for Alternative Livelihoods Development Project*. Manila (March, pages 29–30).

¹³ Originally the Crown Acquisition of Lands Act, 1940, it was subsequently amended by ordinance Nos. 24 of 1940, 11 of 1942, 15 of 1943, 9 of 1955; orders of January 1967 and October 1970; and Act of Parliament (Act No. 1 of 1998). Laws of Fiji, Chapter 135.

26. In addition, SALA does not provide relocation sites or assistance for the rehabilitation of adversely affected people. Since an express objective of the Project is to minimize, if not avoid, the need for physical relocation, the development of resettlement sites will not be needed under the Project. The law also does not provide for any special mitigation measures for vulnerable groups or the poorest section of the adversely affected. The entitlement matrix includes provisions to ensure that vulnerable and disadvantaged people are given opportunities to improve their living standards.

27. However, the SALA does not prevent the Government from providing assistance to people adversely affected by the Project, including those having no legal title or interest in land. In FRUP III, for example, the Government agreed to ensure that Public Works Department would fully comply with the Government's existing policies and procedures for compulsory land acquisition established in SALA; and also with ADB's resettlement policy, which covered compensation for holders without titles and various other kinds of assistance.

2. ADB's *Involuntary Resettlement Policy* Requirements

28. ADB's *Involuntary Resettlement Policy* addresses both (i) social and economic impacts, permanent or temporary, caused by acquisition of land and other fixed assets; and (ii) changes in the use of land or restrictions imposed on land as a result of an ADB operation. An affected person is one who experiences such impacts. The objectives of the policy are (i) to avoid involuntary resettlement wherever feasible; (ii) to minimize resettlement where population displacement is unavoidable by choosing alternative viable project options; and (iii) where involuntary resettlement is unavoidable, to ensure that affected people receive assistance, preferably under the project, so that they will be at least as well off as they would have been without the project.

29. Where involuntary resettlement is unavoidable, the policy is designed to include any resulting losses in project budgets. Therefore, ADB's policy calls for minimum land acquisition to minimize or eliminate the need for any involuntary resettlement. In determining compensation when resettlement is unavoidable, ADB policy insists on replacement value of lost assets.¹⁴ While such principles can be used to value structures, it is difficult to apply these principles to land, crops, and trees. However, current market prices as collated by the Lands Registry can be applied to land, and the schedules of rates for crops and trees as regularly published by the Ministry of Agriculture and Primary Industries.

30. Another principle of ADB's policy is to cover all categories of adversely affected persons irrespective of their legal status.

31. ADB policy to avoid and/or minimize resettlement is focused on (i) consultation with the potentially impacted people during project planning and implementation, including disclosure of resettlement plans and other project-related information; (ii) payment of compensation for acquired assets at market or replacement values; (iii) compensation and resettlement assistance to all categories of affected people, including those without titles such as informal dwellers and squatters, or encroachers; (iv) special provision of assistance for vulnerable groups, such as families headed by women, ethnic minorities, indigenous groups and tribes (particularly for the latter); (v) adequate provision for income restoration and generation; and (vi) a rehabilitation program. This is to be achieved by the implementation of a time-bound

¹⁴ ADB. 2003. *Operations Manual*. OM Section F2/BP: Involuntary Resettlement. Manila.

resettlement plan in accordance with ADB's *Handbook of Resettlement: A Guide to Good Practice*.

32. ADB policy also seeks to protect sites of historical and archaeological importance, environmental habitats (e.g., bird sanctuary, flora and fauna, parks), places of worship, and graveyards. Therefore, project planners will design the Project to avoid such places.

33. For reference purposes, a summary of the comparison of Government and ADB Policy on Resettlement Issues is provided as Table A9.1.

Table A9.1: Summary Description of Government and ADB Policy on Resettlement Issues

Government Policy	ADB Policy	Comment
Land compensation at market prices for those with legal rights or interests. ^a	Compensation at market prices for those with legal rights or interests, and to squatters and encroachers. The policy states, "the absence of formal legal title to land by some affected groups should not be a bar to compensation" and "rehabilitation assistance (if there are problems in paying compensation without legal title) would include replacement housing and replacement land, with title for squatters and encroachers who depend on agricultural production for their livelihood."	Compensation is negotiated by the Department of Lands and Survey as per the values effective on the date at which notice of the state's intention to acquire the land is given. ^b Establishing market prices can be difficult sometimes in areas where foreigners are now also keen to buy. In cases where a negotiated compensation cannot be agreed, the matter will be referred to the Supreme Court. ^c
Compensation is paid: 75% at the time landowners consent to agree to formal acquisition; acquisition procedures are completed upon completion of construction and a review of the exact area of land to be acquired.	100% paid on acquisition, which should be before construction starts.	Fiji Islands law does not prevent the payment of compensation to squatters and encroachers by MWTPU or others. The Government system has the advantage of allowing adjustments during construction to account for remedying cut slope instability, minor cut widening to obtain suitable fill material, etc. While there have been instances in past ADB projects in the Fiji Islands where formal advance acquisition would have prevented delay, the majority of delays in rural areas have been minor and illegal since the landowner will usually have given consent in writing before construction starts. Relative to the size and scope of work accomplished under previous projects, costs and delays arising from land acquisition issues have been minor. If completion of land acquisition procedures before contract award was insisted upon, considerable delays would be introduced. The DLS lacks capacity.
Structures Compensation at book-value, i.e., depreciated value. ^d Informal sharecroppers, squatters, or encroachers are not entitled to any form of compensation.	Compensation at replacement value.	Fiji Islands law does not prevent top-up compensation or payments to informal sharecroppers, squatters, or encroachers by the DNR or others.
Crops Compensation rates are based on	Compensation rates are based on	Compensation rates are published by the

Government Policy	ADB Policy	Comment
lost “net economic benefit” and are given to all with legal titles or interests.	lost “net economic benefit” and are given to all with legal titles or interests, and to squatters and encroachers.	Ministry of Agriculture and Primary Industries—the last gazetting is believed to have been about 6 years ago and may no longer be appropriate. Those aggrieved by any decision in this regard have redress to the Supreme Court. ^e
Restoration of Livelihoods		Fiji Islands law does not prevent top-up compensation by MWTPU or others.
No provision	Required	No person will lose their livelihood as a result of any subprojects. Only marginal strips with average width 3 meters will be required.
Special Provision for Vulnerable Groups or those in Hardship		
None	Required	No persons from those in vulnerable groups will be adversely affected as a result of any subprojects.

ADB = Asian Development Bank, DLS = Department of Land and Surveys, DNR = Department of Road, MWTPU = Ministry of Works, Transport and Public Utilities.

^a. Compensation is also provided for: (i) severance damage to remaining land, injurious affection to real and personal property (this refers mainly to changes in use and restrictions on use; and (ii) any reasonable expenses for any necessary change of residence or place of business.

^b. State Acquisition of Lands Act, para 12 (a) (i).

^c. State Acquisition of Lands Act, para 7 (3).

^d. Source: Munro Leys, Fiji Legal Firm.

^e. State Acquisition of Lands Act, para 12 (a) (ii).

Source: Government of the Fiji Islands.

3. Project Land Acquisition and Resettlement Policy

34. The basic resettlement principles proposed for the project are:

- (i) Involuntary resettlement and loss of primary structures can and will be avoided.
- (ii) Loss of secondary structures, other assets, and incomes will be avoided or minimized by exploring all viable options.
- (iii) All affected persons are entitled to compensation for all lost and affected assets, incomes, and business assets at replacement cost and will be provided with rehabilitation measures sufficient to assist them in improving or at least maintaining their pre-project living standards, incomes, and productive capacity.¹⁵
- (iv) Lack of legal rights to the assets lost or adversely affected will not bar affected persons from entitlement to such compensation and rehabilitation measures.¹⁶

¹⁵ Where people are significantly affected by the loss of assets, incomes and employment, compensation solely for lost assets may not be adequate to restore their economic and social base. Such people will be entitled to rehabilitation assistance for restoring livelihoods, incomes and living standards.

¹⁶ People without legal rights are referred to as “non-titled” in the *Operations Manual*, and include those who have no recognizable rights or claims to the land that they are occupying and/or using. Restoration measures must be determined in consultation with affected communities, including “those people who might not be formally recognized in national legislation.”

- (v) If changes in conditions require land acquisition or resettlement for one of the subprojects, preparation of resettlement plans and their implementation will be carried out with participation and consultation of all affected people.
- (vi) Compensation for affected assets will be provided at replacement cost.¹⁷
- (vii) An implementation schedule and budget for resettlement planning (including socioeconomic survey and/or census) and implementation will be incorporated into any subproject that reveals a need for resettlement, and will be incorporated into the overall Project.
- (viii) Agreements on compensation must be completed before land or other assets are taken over by a subproject.
- (ix) Compensation for vulnerable households will aim to improve their livelihood rather than merely reestablishing their levels of poverty or marginalization, and will be carried out with respect for their cultural values and needs.

35. An assurance will be attached to the Loan Agreement requiring the Government to comply with the provisions of (i) the SALA, (ii) ADB's *Involuntary Resettlement Policy*, and (iii) provisions and entitlements set out in this resettlement framework.

36. The additional compensation required under ADB's *Handbook on Resettlement: A Guide to Good Practice*¹⁸ and not otherwise paid will be (i) the compensation to people who do not hold titles such as squatters and sharecroppers, (ii) the compensation for any loss of livelihood, and (iii) full replacement value for secondary structures. This additional compensation, as and when required, will be paid from a resettlement budget and will be administered by a resettlement liaison officer (RLO) that will be established within the Ministry of Works, Transport and Public Utilities (MWTPU). The RLO will be set up before project implementation if a need for resettlement emerges. In addition, a provision for unanticipated lost structures of various types should be included in this budget in case there are unforeseen impacts in any subproject. For the same reason, a provision for the general a category of "unanticipated impact" should also be included. These categories of compensation are included in the entitlement matrix in section D.

37. The MWTPU and the Land and Water Resource Management Division in the Ministry of Agriculture and Primary Industries will not be able to take possession of land until the price negotiation is complete, and will not be able to take possession of leased land without the consent of the lessees.

38. The standard DLS procedure (which will be followed during the Project) is to prepare initial valuations using local market prices, and data in this regard is obtained from the Land Registrar's office. Finally determined prices, nonetheless, come about through negotiation. For land, 75% of the finally agreed price is paid in advance pending completion of the measurement

¹⁷ Replacement cost means the replacement of lost assets and income. For land, it means the cost of buying or leasing replacement land with equal productive value and potential near the lost land plus the cost of preparing the land to levels similar to those of the affected land and cost of registration and taxes. For structure, it means current market value of building materials and labor without deduction for depreciation and/or any materials salvaged. For crops and trees, it means current market value based on economic production, age, and type. Where national law does not meet the standard for providing replacement cost, it will be supplemented as necessary. In the absence of functioning markets, a compensation structure is required that enables affected people to restore their livelihoods to levels at least equivalent to those maintained at the time of dispossession, displacement, or restricted access.

¹⁸ ADB. 1998. *Handbook on Resettlement: A Guide to Good Practice*. Manila.

process, which occurs after construction is finished. Owners and lessees will be compensated for lost income, standing crops, and other losses during construction also at the time of final measurement and at rates set by the Department of Agriculture.¹⁹ These procedures have advantages in the Fiji Islands (para. 42) and will be continued.

39. Under current Government provisions, 100% of the value of structures (but only the depreciated book value) is paid at the same time as the initial 75% for land. Secondary structures (if any), which are the only types of structure that will be affected, will be compensated at replacement cost without depreciation or deduction for any salvaged materials.

40. For project resettlement issues, the only relevant differences between the Fiji Islands Government and ADB policy concern (i) the payment of 75% rather than 100% of agreed compensation for land before work begins, (ii) the non-completion of any final transfer of the land to Government until the work is complete, (iii) the depreciated value paid on structures, and (iv) the lack of compensation provided to squatters. The Government system, with regard to points (i) and (ii), has the advantage of allowing easy adjustments during construction to account for remedying cut slope instability, minor cut widening to obtain suitable fill material, and so forth.²⁰ It was successful during FRUP III and should continue. Other policy differences will be resolved by the assurance referred to in para. 36.

41. This land acquisition and resettlement framework has been prepared based on the following legal and policy requirements: (i) SALA of the Fiji Islands, (ii) ADB's *Operations Manual: Bank Policies (BP): Involuntary Resettlement (F2/BP)* and *Operational Procedures (OP): Involuntary Resettlement (F2/OP)*, (iii) ADB's *Handbook on Resettlement: A Guide to Good Practice*, and (iv) the information included in this document.

D. Entitlement Matrix

42. An entitlement matrix has been prepared to cover all anticipated potential impacts and losses that could be created by the Project.

43. Potential losses include loss of different categories of land: residential, agricultural, commercial and forest land; crops; trees; structures; and incomes. A summary of losses and entitlements is provided in Table A9.2.

Table A9.2: Summary of Losses and Entitlements

Types of Losses	Entitlements
Loss of Land	
All land temporarily affected (less than 1 year)	For owner, rent for 1 year, land restored to pre-project condition. All other users compensated for lost income opportunities during lease of land to Project.
House plots—permanent loss	For owners, full title to replacement land as a priority, or cash compensation at replacement cost at current market value.

¹⁹ In general, efforts are made to minimize crop losses. Farmers will often be allowed to harvest their crops at the proper time before the land is taken.

²⁰ Delays because of the Government system are rare, though occasionally, formal advance acquisition would have prevented a delay. On previous projects, the majority of delays in rural areas have been minor (and illegal as the landowner will have given consent to the purchase in writing). If completion of land acquisition procedures before contract award is insisted upon, more delays could occur. Human resource capacity is lacking within the DLS.

Types of Losses	Entitlements
	For tenants and occupants without titles, compensation for structures and assistance with location of suitable alternative land if required.
Agricultural and other—permanent loss	For owners, full title to replacement land as a priority, or cash compensation at replacement cost at current market value. For tenants, sharecroppers, and occupants without titles, compensation for crops, trees, or structures according to agreements, and assistance with location of suitable alternative land if required.
Severe effects (10 % or more loss of productive land)	Livelihood restoration grant and transition allowance.
Loss of Structures	
Secondary structures	Compensation in cash or kind at full replacement cost with no deduction for depreciation or salvaged materials, depending on actual losses.
Unanticipated other structures (various types)	Compensation in cash or kind at full replacement cost with no deduction for depreciation or salvaged materials, depending on actual losses.
Crop and Tree Loss	
Standing crop and plantation	Cash compensation at market price for loss of crops and plantation.
Trees (fruit and timber)	Compensation based on the type and age of the tree to be determined using Ministry of Agriculture and Primary Industries schedule of rates and with right of appeal in cases where such do not reflect market prices and acceptance or agreement cannot be reached.
Support Measures and Allowances	
Special allowance (poor and vulnerable affected persons)	An allowance to improve the livelihoods of the most disadvantaged and vulnerable.
Unanticipated Other Impacts	
To be considered depending on the nature of the impact at the time	Compensation in cash or kind at full replacement cost with no deduction for depreciation or salvaged materials, depending on actual losses.

Sources: Asian Development Bank and Government of the Fiji Islands.

44. The general entitlement matrix will apply to all subprojects. Entitlements and compensation will be based on those identified during the inventory of losses or detailed measurement survey (DMS) by taking into consideration their specific project impacts. The general entitlement matrix for the project is provided in Table A9.3.

Table A9.3: General Entitlement Matrix

Types of Loss	Application	Definition of Affected Persons	Entitlement	Implementation Issues
1. Temporarily affected agricultural, commercial, unused, and fallow land and	Land used for spoil as offices, yards, or construction camps, etc.	Legal owners, lessees, and affected persons having traditional rights identified	Project assistance as applicable	Project to pay benefits as applicable

Types of Loss	Application	Definition of Affected Persons	Entitlement	Implementation Issues
house plots 2. Permanently affected agricultural, residential, commercial, unused, and fallow land	Land on the project right of way (ROW)	during the census Legal owners, lessees, and affected persons having traditional rights identified during the census	Compensation under State Acquisition of Lands Act (SALA) and project assistance as applicable	Department of Land and Surveys (DLS) to pay legal compensation only to legal owners, lessees; project management to pay other benefits as applicable
3. Loss of trees, crops, perennials	Standing crops, trees on the ROW	Legal owners, lessees, and affected persons having traditional rights	Compensation under SALA and project assistance as applicable	DLS and/or Department of National Roads (DNR) to pay compensation only to legal owners, lessees; project management to pay other benefits as applicable
4. Loss of traditional use rights	Loss of community used land	Affected communities and groups	Replacement of common property resources as appropriate or cash compensation if not possible	Project to pay compensation
5. Loss of community properties and resources	Land and other resources (e.g., land, water, access to social services) on the ROW	Affected communities and groups	Replacement of common property resources as appropriate or cash if not possible	Restoration of community property resources as per SALA provisions and resettlement plan
6. Loss of income and livelihood	Land and access to income-generating resources associated with the land.	Landowners, lessees, squatters, and sharecroppers	Project assisted compensation for income loss as applicable	Project to pay for indirect losses and income restoration program for vulnerable groups
7. Temporary losses as a result of negative environmental impacts during project construction	Loss of crops	Legal owners, lessees and affected persons having traditional rights	Project assisted compensation for income loss as applicable	Project to pay for losses
8. Loss of secondary structures	Structures on the ROW	Legal owners, lessees, and affected persons having traditional rights identified during the census	Compensation under SALA and project assistance as applicable	DLS to pay compensation only to legal owners, lessees; project management to pay other benefits as applicable
9. Unanticipated loss of other structures (various types)	Structures on the ROW	Legal owners, lessees, and affected persons having traditional rights identified during the census	Compensation under SALA and project assistance as applicable	DLS to pay compensation only to legal owners, lessees; project management to pay other benefits as applicable
10. Unanticipated	All other matters	Legal owners,	Compensation under	DLS to pay

Types of Loss	Application	Definition of Affected Persons	Entitlement	Implementation Issues
other losses		lessees, and affected persons having traditional rights identified during the census	SALA and project assistance as applicable	compensation only to legal owners, lessees; project management to pay other benefits as applicable

Sources: Asian Development Bank and Government of the Fiji Islands.

45. The resettlement plans will identify the types and magnitudes of losses, persons, and/or organizations entitled to compensation and the value of their entitlements, institutional arrangements for payments (including grievance redress), mechanisms for the implementation of the plan, and mechanisms for monitoring and evaluation, both internal and external, by project management. Budget estimates will be made to meet the costs involved in the preparation and implementation of the resettlement plan. In addition, the plans will include an entitlement matrix showing losses, entitled persons, and their entitlements and implementation issues.

46. The subprojects are not expected to require resettlement or land acquisition, as all works will be undertaken on existing facilities within existing rights-of-way. If during the detailed design of the subprojects or during the DMS it is determined that land acquisition or resettlement will be necessary, the PMT will inform ADB and prepare a resettlement plan according to relevant laws and regulations, this resettlement framework, and ADB guidelines.

E. Public Consultation and Disclosure

47. Information dissemination to, consultation with, and participation of affected persons and involved agencies maintain transparency of the Project, reduce potential conflicts, minimize the risk of project delays, and enable the Project to design the resettlement and the rehabilitation program as a comprehensive development program to suit the needs and priorities of the affected persons. The actions that need to be undertaken for inclusive participation in resettlement planning are as follows:

- (i) identification of stakeholders who will be involved in resettlement planning and implementation (affected persons, local officials, local communities at resettlement sites as required, project authorities, elected officials, approving and implementing agencies, and nongovernment organizations);
- (ii) dissemination of information (including project entitlements) and identification of appropriate mechanisms for feedback and facilitating the consultation process; and
- (iii) identification of a grievance redress mechanism and procedure.

1. Consultation during Plan Preparation and Implementation

48. During the initial resettlement plan preparation, a socioeconomic survey, key informant interviews, and informal meetings with severely affected persons and stakeholders will be carried out. Where possible, this process will begin with a meeting with the village and settlement leaders adjacent to the areas where the civil works are to be carried out as well as along any feeder roads to the civil works areas. These meetings will provide subproject background and relevant details. Meetings will then be held with officers from the NLTB before any other public meetings, one-on-one interviews with affected persons, or the start of any inventory of losses.

49. In updating of the plans (based on the detailed design), further consultation, a local census, a DMS, and participation will be undertaken by the Project Management Team to ensure that information on the overall Project and the subprojects' objectives, implementation schedule, resettlement and land acquisition, eligibility, and compensation issues are properly understood and accepted by the affected communities. The DMS will be undertaken in collaboration with the affected persons. The cutoff date for entitlement eligibility shall be the date of commencement of the census in regard to the final resettlement plan.

50. Following mobilization of the project supervision consultant, and if detailed subproject design confirms that land acquisition and/or resettlement will be necessary, a resettlement workshop will be held for the land acquisition officers (assigned staff of MWTPU) and other staff of government departments or agencies that have a role in land acquisition and resettlement. The workshop will include seminars and participant exercises on the following topics: (i) the overall Project, (ii) Government and updated ADB policy and procedures on land acquisition, (iii) the project resettlement framework, (iv) likely project impacts and the entitlements that flow from them, (v) establishment of compensation rates, (vi) proposed resettlement strategies, (vii) preparation of resettlement plans, (viii) budget and costs, (ix) tentative implementation schedule, (x) implementation of the plan, and (xi) monitoring. The workshop will include question and answer sessions to allow participants to share their experiences with resettlement on other projects.

51. Detailed consultations individually and/or in small groups with severely affected women who head households and other vulnerable households will be carried out to determine their specific requirements and preferences for rehabilitation assistance. To facilitate this effort, the following will be undertaken:

- (i) Separate consultations will be held with women and vulnerable groups to encourage their participation in resettlement planning and implementation.
- (ii) Consultations with women and vulnerable groups will take into consideration the following issues: (a) timing of consultations to accord with people's daily and seasonal responsibilities and availability; and (b) communications methods appropriate to people's literacy levels and/or local languages.

2. Information Disclosure

52. If land acquisition or resettlement is necessary, a series of meetings will be held with the affected persons, DLS, NLTB, district officers, village chiefs, and other relevant agencies. These meetings will ensure that the affected persons and stakeholders of the affected areas fully understand the details of the resettlement plan, compensation, and rehabilitation measures applicable to the Project. These meetings will convey the following information:

- (i) brief description of the Project and subproject,
- (ii) types of impacts expected,
- (iii) basic compensation policy and entitlements,
- (iv) outline of livelihood restoration measures,
- (v) consultation and participation opportunities for affected persons and their community,
- (vi) implementation schedule, and
- (vii) who to contact for additional information.

53. If land acquisition or resettlement is necessary, the resettlement plan and implementation schedule will also be posted in affected districts and project offices. These postings will be updated whenever adjustments to the plans are made. These activities will continue throughout the implementation of the subproject. In addition, press releases to newspapers and the electronic media will be made the consultation process starts.

54. ADB's disclosure requirements also mean that the framework will be disclosed to affected persons before appraisal, and that the framework and plans prepared for any subproject roads will be available on ADB's website once they have been approved or endorsed. The complete resettlement framework and plans, including all appendixes prepared for the core subprojects, will be made available at district offices or any local project offices before appraisal.

55. The resettlement plans for the subprojects and any subsequent revisions to the plans prepared after detailed design will also be disclosed to affected persons (including DMS, detailed asset valuations, entitlements, special provisions, grievance procedures, timing of payments, and implementation schedule) before submission to ADB for review and approval.

56. In line with ADB's *Public Communications Policy* (2005), ADB will upload the resettlement framework and plans on the ADB resettlement website as follows:

- (i) the draft resettlement plan and framework before appraisal,
- (ii) the final resettlement plan upon receipt of the final resettlement plan, and
- (iii) the revised resettlement plan upon receipt of a revised resettlement plan.

3. Grievance Redress Mechanisms

57. Care shall be taken to prevent grievances rather than going through a redress system, and grievances will be minimized through careful subproject design and implementation by (i) ensuring full and frank participation and consultation with affected persons; (ii) establishing rapport between the community and MWTPU through its project management unit; (iii) and ensuring frequent interactions, transparency, and monitoring.

58. A grievance mechanism will be established that will allow affected persons to appeal any disagreeable decisions or practices arising from compensation for land and other assets, or to settle any general subproject-related disputes. Affected persons will be made fully aware of their rights and the procedures for making a grievance, whether verbally or in writing, during consultation. The Project has the potential for two types of grievances: grievances related to land acquisition and resettlement requirements; and grievances related to compensation or entitlement.

59. A grievance redress committee (GRC) will be established, chaired by the MWTPU public relations officer. It will include a valuation officer from the DLS, and community leaders or representatives of affected persons. The GRC will also include women and representatives of NLTB and Mataqali,²¹ as relevant, to reflect the composition of affected persons and beneficiaries.

60. The GRC will deal with complaints relating to apportionment of compensation among joint owners, relocation issues, and unaddressed losses. It will not be empowered to challenge

²¹ A clan is a group of people united by kinship and descent, which is defined by actual or perceived descent from a common ancestor.

the legal entitlements of affected persons. Further, it will refrain from making decisions relating to design or engineering matters, or on any compensation matters that are pending before the courts.

61. In the first instance, attempts will be made to settle the issues at the village level through consultation and involvement of the project resettlement specialists (and nongovernment organizations and mediators or facilitators) as required. Complaints that cannot be addressed at this level may be presented to the GRC.

62. Affected persons will be exempted from all administrative and legal fees associated with resolving the grievance pursuant to the grievance redress procedure, except for cases filed in court by affected persons.

F. Procedure for Subproject Resettlement Plan and Budget

63. During project implementation, the MWTPU will be responsible for sending to the DLS a plan showing any land to be acquired for the purpose of the Project. The DLS will then be responsible for the acquisition of this land. It will prepare the detailed land acquisition plans, identify landowners, and undertake negotiations to reach an agreement on values. In the case of native land, the DLS will send the proposal to the NLTB, which will negotiate on behalf of the native landowners. However, the Mataqali owning the land will have to accept or reject the NLTB recommendations. Land acquisition will be made in accordance with the provisions of the SALA. Thus, compensation will cover (i) land²² at fair market value; (ii) crops and trees; (iii) secondary structures at replacement value; (iv) squatters and sharecroppers; (v) any other damage caused during execution, if any; and (vi) any imposed changes in, or restrictions on, use of remaining land following acquisition. In each case, compensation will be divided in a fair and equitable manner between lessee and lessor depending on present annual payments, the length of the lease left to run, and the anticipated lease renewal premium.

64. Any subproject resettlement plans will be based on this resettlement framework and the entitlement matrix (Table A9.3).

65. Resettlement budgets will be prepared for each subproject that has resettlement needs. These budgets will be based on the amounts of compensation required to cover all losses and impacts, including (i) the costs of acquiring required land at market prices; (ii) compensation for lost crops and trees based on replacement and/or market values; (iii) lost income from the temporary use of land for spoil; (iv) loss of traditional use rights and community properties and resources, compensated by replacement of similar common property resources or as cash compensation if the former is not possible; and (v) temporary losses as a result of environmental impacts (for example, losses to crops from increased dust). Administration costs will add about 20% to total costs. For physical contingencies, 10% has been allowed.

66. Budgets will be shown as the per unit costs required to cover replacement of all losses.

G. Organizational Arrangements and Institutional Responsibility

67. The following are key organizations involved in the resettlement and compensation process:

²² Land can be only acquired if it is intended to be made for public purposes. However, if some parcels become economically unviable because they are separated from the original body and small, consideration should also be given to their purchase.

- (i) The MWTPU, which is the EA, will have overall control. The MWTPU responsibilities are (a) identification of affected areas under their authority, (b) community liaison, (c) budgetary provision, (d) administration of the PMU and its RLO;
- (ii) The DLS will be responsible for (a) initial valuations, (b) identification of owners and leaseholders, and (c) negotiations with landowners.
- (iii) The NLTB represents and negotiates on behalf of the Mataqali landowners, signs agreements on their behalf, and is responsible for securing the agreement of 75% of Mataqali members before making such agreements.

68. The EA will forward outline plans to the DLS, which will negotiate and, with the DNR, pay compensation. The NLTB will negotiate on behalf of the native landowners.

69. Resettlement and compensation following ADB's *Involuntary Resettlement Policy* will be a new experience for project managers in the Fiji Islands. Therefore, it is important that officers in the DLS and EA are trained in ADB requirements, and subproject-specific tailored management procedures are implemented as soon as possible if a need for resettlement is identified during subproject design. An RLO will be established within MWTPU, which will ensure that compensation is paid as required under ADB policy. A top-up resettlement budget will be made available to the RLO to provide the additional compensation (if any) required by ADB's *Operations Manual*, *Involuntary Resettlement: Bank Policy (OM, F2/BP)* and *Involuntary Resettlement: Operational Procedures (OM, F2/OP)*.

70. To expedite the acquisition process, continuous and early dialogue will be instituted between the land acquisition authorities and the owners. Only when consents of the owners, lessees, or other occupiers have been obtained and the initial payments have been made will the land be turned over to the subprojects.

H. Monitoring and Evaluation

71. Monitoring will

- (i) verify that project activities have been effectively completed with respect to quantity, quality, and timeliness; and
- (ii) assess whether and how well these activities are achieving the stated goals and purpose of the Project.

72. Regular monitoring of the resettlement plan implementation will be conducted internally by the implementing agencies (EA, DLS and NLTB), as well as externally by an independent monitoring organization, hired by the EA (para. 77). In carrying out all activities related to monitoring, evaluation, and supervision, consideration will be given to gender issues in all of the above, in accordance with the *ADB Policy on Gender and Development*, the *Gender Checklist*, and the *Involuntary Resettlement Policy*.

1. Internal Monitoring

73. Internal monitoring of the implementation of subproject resettlement plans will be the responsibility of the implementing agencies, with the assistance of the project consultants. The implementing agencies will oversee the progress in resettlement preparation and implementation through regular progress reports.

74. The following indicators will be monitored regularly:

- (i) payment of compensation to affected persons in various categories, according to the compensation policy described in the resettlement plan, with no discrimination according to gender, membership of ethnic group, or any other factor;
- (ii) delivery of technical assistance, relocation, payment of subsistence, and moving allowances (if appropriate);
- (iii) delivery of income restoration and social support entitlements (if appropriate);
- (iv) public information dissemination and consultation procedures;
- (v) adherence to grievance procedures and outstanding issues requiring management's attention, and equality of access;
- (vi) attention given to the priorities of affected persons regarding the options offered; and
- (vii) coordination and completion of resettlement activities and award of civil works contracts.

75. The MWTPU will maintain a database of resettlement monitoring information regarding the Project, and will update it every month. Assisted by the project consultants, the MWTPU will submit to the ADB a monitoring report²³ every 3 months on the progress of implementation of the resettlement plan. The internal monitoring reports will cover the following issues:

- (i) the number of affected persons by category of impact per component, and the status of compensation payment, relocation, and income restoration for each category;
- (ii) the amount of funds allocated for operations or for compensation, and the amount of funds disbursed for each;
- (iii) the eventual outcome of complaints and grievances, and any outstanding issues requiring management or ADB's assistance;
- (iv) implementation problems; and
- (v) revised actual resettlement implementation schedule.

2. External Monitoring

76. The general objective of the external monitoring is to provide an independent periodic review (every 6 months) and assessment of (i) the achievement of resettlement objectives; (ii) the changes in living standards and livelihoods; (iii) the restoration of the economic and social base of the affected people; (iv) the effectiveness, impact, and sustainability of entitlements; (v) the need for further mitigation measures, if any; and (vi) strategic lessons for future policy formulation and planning.

77. In accordance with ADB requirements for consultant procurement, the MWTPU will hire an organization to handle independent monitoring and evaluation of resettlement plan implementation. The independent monitoring organization (IMO) will be specialized in social sciences and experienced in resettlement monitoring. The IMO will start its work as soon as the updated resettlement plan has been approved.

78. The IMO will monitor and evaluate the following indicators:

²³ As part of the DNR's regular quarterly progress report to ADB.

- (i) payment of compensation;
- (ii) coordination of resettlement activities with construction schedule, and provision for technical assistance for house construction;
- (iii) provision of allowances to all entitled affected persons;
- (iv) facilitation of access to the socioeconomic support program and income restoration program, where relevant, according to the policies of the Project;
- (v) public consultation and awareness of compensation policy;
- (vi) restoration of productive activities;
- (vii) the level of satisfaction of affected persons with various aspects of the resettlement plan; and
- (viii) trends in living standards.

79. The IMO will conduct an evaluation of the resettlement process and its impact between 6 and 12 months after completion of all resettlement activities, using the same survey questionnaire and sample used during the monitoring activities.

I. Implementation Schedule

80. The implementation of resettlement and related activities will take place after the project supervision consultant has been mobilized. The consultant will work closely with and assist the DNR in all resettlement and related activities.

81. Civil works contractors will be issued a notice of possession of site for any section of construction works only when the MWTPU has (i) satisfactorily completed compensation payments, in accordance with the approved relevant resettlement plan for that subproject; and (ii) ensured that the rehabilitation assistance is in place and the area required for civil works is free of all encumbrances.

82. The plan implementation schedule (Table A9.4) envisages a sequence of activities. Some steps will overlap in their timing, and some will be repeated throughout the project schedule.

Table A9.4: Implementation Schedule

Activities	Timing
Mobilize project design consultant including resettlement specialist	Month 1
Establish grievance committees	Month 1
Begin internal monitoring program (including monthly reporting)	Month 1
Distribute entitlement framework to affected persons and communities	Month 2
Consultation with local officials, affected persons, and concerned groups or departments	Month 2
Continue consultation, information dissemination, participation programs, and grievance resolutions	Ongoing
Begin detailed site survey and design of subproject	Month 2
Contract and mobilize independent monitoring organization	Month 3
Conduct updated detailed measurement survey (based on detailed design)	Month 4
Finalize list of entitled persons, replacement cost survey, and compensation rates	Month 4–5
Begin external monitoring program (baseline)	Month 5 & 6
Submit updated plan to EA and ADB	Month 6
EA and ADB approval of updated plan	Month 6
Prepare and distribute copies of updated and approved resettlement plan	Month 6

Activities	Timing
Disclose approved resettlement plan on ADB's website	Month 6
Develop resettlement site	Months 6–12
Submit to local authorities for all clearances	Month 7(ongoing)
Effect compensation payments and implement land transfer procedures	Month 9 (ongoing)
Ensure appropriate advance evacuation notification (notice to clear construction area)	Month 9 (ongoing)
Issue notice of possession of sites	Month 10 (ongoing)
Submit external monitoring report (on plan implementation) to ADB	Month 11

ADB = Asian Development Bank, EA = executing agency.

Source: ADB estimates.