



Fiji: Urban Water Supply and Wastewater Management Investment Program, Tranche 1

Project Name	Urban Water Supply and Wastewater Management Investment Program, Tranche 1												
Project Number	49001-003												
Country / Economy	Fiji												
Project Status	Active												
Project Type / Modality of Assistance	Grant Loan												
Source of Funding / Amount	<table border="1"><tr><td colspan="2">Loan: Urban Water Supply and Wastewater Management Investment Program, Tranche 1</td></tr><tr><td>European Investment Bank</td><td>US\$ 26.60 million</td></tr><tr><td colspan="2">Grant 0531-FIJ: Urban Water Supply and Wastewater Management Investment Program, Tranche 1</td></tr><tr><td>Green Climate Fund</td><td>US\$ 31.04 million</td></tr><tr><td colspan="2">Loan 3512-FIJ: Urban Water Supply and Wastewater Management Investment Program, Tranche 1</td></tr><tr><td>Ordinary capital resources</td><td>US\$ 42.11 million</td></tr></table>	Loan: Urban Water Supply and Wastewater Management Investment Program, Tranche 1		European Investment Bank	US\$ 26.60 million	Grant 0531-FIJ: Urban Water Supply and Wastewater Management Investment Program, Tranche 1		Green Climate Fund	US\$ 31.04 million	Loan 3512-FIJ: Urban Water Supply and Wastewater Management Investment Program, Tranche 1		Ordinary capital resources	US\$ 42.11 million
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Ordinary capital resources	US\$ 42.11 million												
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth												
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Partnerships												
Sector / Subsector	Water and other urban infrastructure and services / Urban water supply												
Gender	Effective gender mainstreaming												
Description	<p>The impact of the proposed investment program will ensure future growth in the greater Suva area (GSA) is sustainable and will improve public health. The outcome will be improved access to sustainable water supply and sewerage services in the GSA. The investment program has three outputs:</p> <p>Output 1: Supply and access to safe water in the GSA improved. The investment will expand water supply by 40,000 m³ per day by constructing a new supply intake on the Rewa river with associated water treatment plant, pumping station, reservoir, and transmission main to connect to the existing system. Reliable and sustainable long term operations and maintenance practices will be enhanced through a DBO contracting arrangement. A catchment management plan will be developed to safeguard the water source and ensure long term sustainability. NRW reduction will be achieved by improving leak detection and repairs; replacing meters; and establishing district metering areas and pressure management systems. WAF will supply 200 liters per capital per day to 315,947 persons by 2023, ensuring continuous supply to 98% of the GSA population. The climate change component of Output 1 will include adaptation measures for building the new Rewa river scheme specifically moving the facility from 29 km to 49 km from the river mouth to avoid future climate change impacts embodied in projected rising sea levels and potential migration of the salt water wedge up the river.</p> <p>Output 2: Wastewater treatment and management capacity in the GSA increased. The wastewater network will be rehabilitated and expanded by: (i) upgrading 31 existing wastewater pumping stations; (ii) upgrading about 18 km of wastewater trunk mains to increase carrying capacity; (iii) relining 13 km of wastewater trunk mains; and (iv) extending the wastewater network to service an additional 15% of households (approximately 4,500 existing lots in backlog areas) currently using onsite septic tanks. Additionally, the WWT capacity at Kinoya will be expanded by 164% to cover approximately 277,000 person equivalent to treat wastewater from current and future households. By improving the network and expanding the WWT capacity, WAF will ensure that 60% of households in GSA will have access to a reticulated sewage collection system by 2023. The remaining households with individual septic units will be catered by a fecal sludge management system.</p> <p>Output 3: WAF management and sustainable service delivery capacity improved. Program management and capacity development support will be provided to: (i) support WAF in the implementation of water demand management, NRW reduction and the national liquid trade waste management programs; (ii) support the Department of Environment (DOE) developing the environmental regulatory framework for treated municipal wastewater discharge, sludge treatment and disposal practices and standards, and associated monitoring and enforcement; (iii) complete the corporatization of WAF; (iv) formulate water safety plans to protect the quantity and quality of water at all source intakes; (v) improve financial management; (vi) promote gender equity; and (vii) study alternatives to reduce the long term energy consumption of the existing urban WWT system.</p>												
Project Rationale and Linkage to Country/Regional Strategy	<p>Fiji has a population of approximately 868,000, of which 53% is urban. By 2030, it is estimated that two in three Fijians will be living in the country's urban centres. While poverty rates in Fiji are highest in rural areas, the rapid growth of peri-urban squatter settlements implies that the majority of poor people in Fiji now live in and around urban areas. Fiji's urban sector accounts for 60% of the country's gross domestic product, with the share of the GSA estimated at 40%. The GSA, which consists of Suva City the national capital as well as the towns of Lami, Nasinu, and Nausori and their surrounding peri-urban areas, accounts for 57% of Fiji's urban population. By 2023, the population of the GSA is expected to grow by 12.8%. Despite the economic importance of the country's cities and towns, investment in urban water supply and sewerage services has not kept pace with the demands of rapid urban growth. In the GSA, WAF's treated water production capacity is insufficient to meet customer demands and there is strong dependence on a single river source that is increasingly vulnerable to drought. To assimilate the forecast population growth, a significant increase in water supply production capacity is required in combination with measures to curb relatively high customer demands and reduce system leakages. Diversification of raw water sources and catchment protection are strategies to improve water security and mitigate the impacts of future climate change. Currently, 36% of urban households are connected to the sewerage system. The Kinoya wastewater treatment plant (WWTP) is under capacity and under-performs in terms of environmental compliance. In the unsewered areas, 60% of households in the GSA currently use on site sanitation systems (e.g. septic tanks). Due to prevailing shallow soil depths, high rainfall and lack of routine maintenance, overflows from septic tanks are a common occurrence which contributes to pollution to receiving waters and public health risks. The current extent of sewerage services coverage and limited wastewater treatment capacity are major constraints to further growth and urban development. The investments to be financed by the program are aligned to the National Development Plan 2016-2033 (medium-term water supply and sanitation sector development plan 2016-2021), WAF GSA Water and Wastewater Master Plan 2013-2033 and the WAF 2016 corporate plan (draft).</p> <p>Fiji's National Development Plan 2016-2033 is aligned to the Sustainable Development Goals, and has prioritized the improvement of water and sanitation services in Fiji's as a core pillar for inclusive economic development and growth. The government's strategy is to ensure the provision of safe drinking water and basic sanitation to every household in Fiji. In addition the National Development Plan acknowledges increased population growth, water consumption and climate change impacts as an impediment to efforts to achieving sustainable development.</p>												
Impact	Government's objective to improve access to a safe piped water supply system and an environmentally friendly sewerage system.												

Project Outcome	
Description of Outcome	Improved access to sustainable water supply and sewerage services
Progress Toward Outcome	Regular meetings are held between ADB and WAF at a technical level and ADB-Government level to identify bottlenecks and expedite the implementation of the Urban Water project. The second project review mission for the year was fielded in Nov/Dec 2022 and issues relating to project implementation were discussed. Progress of work on both civil works contracts have shown good implementation achievements from Nov 2021 (when national COVID restrictions were lifted) to now. As of December 2022, the overall progress (inclusive of design, procurement, and construction) was approximately 76.3% for the DBO contract, whilst the overall progress was at approximately 85.1% for the GM contract. Works under both the contracts are now projected to be completed by 27 May 2023 and likely commissioning of the new water intake and distribution mains by July 2023.
Implementation Progress	
Description of Project Outputs	Improved access to reliable and safe water supply in the GSA Wastewater treatment and management capacity in the GSA increased WAF management and sustainable service delivery capacity improved
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>WAF currently undertaking extensive consultations with Fiji Competition and Commerce Commission (FCCC) on new tariff structure. No updated Annual Report still to provide recent figures/ statistics on uncollected tariff rates. Despite the government's introduction in both 2020 and 2021 a lot of flexibilities for utility bills in view of the hardships people were facing due to COVID-19, uncollected tariff rate was at 5.4% as at June 2022. Program is designed. Implementation is underway. Demand Management Guidelines adopted July 2019, updated April 2022.</p> <p>WAF has completed consultation with the Fiji Competition and Commerce Commission (FCCC) on tariffs and penalties for trade waste policy. They now await the new rates to be gazetted before it can be implemented. As at September 2022 43% have complied.</p> <p>Progress on this initiative had stalled due to inability of the PMU to mobilize specific resources due to travel restrictions. Review completed with WAF's input. Discussions are ongoing with Department of Environment on site specific standards to be adopted.</p> <p>WAF's new women recruit for 2019 was 39.7% and for 2020 it was at 22.7%. For 2021 as at Q2 it was 25% and due to COVID lockdowns and restriction's most activities slowed down which resulted in a drop in women recruitment to 7% in Q4 2021. On a cumulative basis new women recruit as at Dec 2021 stands at 17.8%.</p> <p>Percentage of women participated in training was 29.29% in 2019; 29.61% 2020; 23.6% in 2021. On a cumulative basis as at Dec 2021 26.7% of WAF women staff participation in trainings.</p> <p>Figures for 2022 are yet to be provided.</p> <p>Progress of works was severely impacted by long stoppages due to COVID-19 lockdowns in 2020 and 2021. Good progress in works has been noted after the COVID-19 restrictions were eased in November 2021. As of December 2022, the overall progress (inclusive of design, procurement, and construction) was approximately 76.3% for the DBO contract, whilst the overall progress was at approximately 85.1% for the GM contract. Works under both the contracts are now projected to be completed by 27 May 2023. Hence, very likely the system will be commissioned by June/July 2023 and target indicators will be met thereafter.</p> <p>Previously reported NRW improvements were attributable to trainings held under the ADB Water Financing Partnership Facility RETA 6498: Knowledge and Innovation Support for ADB's Water Financing Program. The RETA financed an IWA Water Balance exercise and trainings.</p> <p>Commencement of NRW works under this Tranche 1 had been deferred after the initial bidding for the NRW reduction equipment was not successful. Rebidding was not done during the COVID period. Importance of commencing the NRW works was highlighted again in May 2022 project review mission. Repackaging of procurement lots was carried out and issued in September 2022. Bid evaluations are now being carried out for contract awards for NRW Equipment. NRW works will commence after the relevant equipment have been acquired. Achievement of indicator target will be delayed until NRW related works are completed. (Jan 23)</p> <p>This work will be done under Tranche 2. Tranche 2 is currently in ADB's 2023 funding pipeline. Government is also deferring taking a firm decision until the outputs of a EIB TA supporting due diligence work for Tranche 2 are delivered. The mobilization of the TA was delayed due to COVID-19. The TA finally managed to mobilize and start works in November 2021.</p> <p>pending progress on tranche 2.</p> <p>pending progress on tranche 2.</p> <p>pending progress on tranche 2.</p> <p>WASH activities under the project were delayed due to the inability to mobilize the relevant consultants in 2020 and 2021 due to international border restrictions and restrictive COVID-19 protocols. Nevertheless, some work on WASH has commenced for Fiji under a Regional TA-6551- Strengthening WASH Practices and Hygiene Behavioral Change in the Pacific. Fiji is a beneficiary of the Regional TA.</p>
Geographical Location	
Safeguard Categories	
Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C
Summary of Environmental and Social Aspects	
Environmental Aspects	Tranche 1 - Rewa River Water Supply Scheme IEE was approved subject to conditions by the Ministry of Environment on 13 June 2017 and amended on 2 August 2017. The outline CEMP was prepared by WAF in July 2017. The EA/IA are complying with the legal covenants and no actions are required to maintain compliance.
Involuntary Resettlement	The Resettlement Plan (RP) is undergoing review. The EA/IA are complying with the legal covenants, however RP approval is required before awarding civil works contracts.
Indigenous Peoples	Not applicable at this period. The EA/IA are complying with the legal covenants and no actions are required to maintain compliance.
Stakeholder Communication, Participation, and Consultation	
During Project Design	The preparation of the project due diligence under went public consultations and focused community group discussions. A public awareness campaign and community participation plan has been prepared.
During Project Implementation	Stakeholder discussions have been limited to affected parties at the Viria site, regulatory authorities and procurement workshops with relevant government stakeholders.
Business Opportunities	
Consulting Services	All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The terms of reference for consulting services are detailed in Appendix 1 of the Procurement Plan. Consulting firms will be engaged using the quality and cost based selection (QCBS) method with a standard quality: cost ratio of 80:20: Detailed Engineering Design Consultants with 149 person-months, Construction Supervision Consultants with 780 person-months.

Procurement The Investment Program will follow ADB's Procurement Guidelines (2015, as amended time to time) and tranche 1 loan includes: (i) four international competitive bids (ICBs) for water supply intake works in Rewa; (ii) one ICB procurement of water supply equipment; and (iii) recruitment of consulting services for the IPMU consultants Part B (Detailed Engineering Consultants, Construction Supervision Consultants, and Institutional effectiveness). An 18 month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C. Universal procurement will apply pursuant to an ADB Board blanket waiver of member country procurement eligibility restrictions where ordinary capital resources and a cofinancier's resources are used to jointly finance individual procurement package.

Responsible ADB Officer	Narayan, Vijay
Responsible ADB Department	Pacific Department
Responsible ADB Division	Pacific Subregional Office in Suva, Fiji
Executing Agencies	Ministry of Economy

Timetable	
Concept Clearance	-
Fact Finding	-
MRM	-
Approval	15 Nov 2016
Last Review Mission	-
Last PDS Update	22 Mar 2023

Grant 0531-FIJ

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
20 Dec 2016	16 Oct 2017	12 Jan 2018	31 Jan 2026	-	-

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	37.74	Cumulative Contract Awards			
ADB	0.00	24 Apr 2023	0.00	26.35	85%
Counterpart	6.70	Cumulative Disbursements			
Cofinancing	31.04	24 Apr 2023	0.00	18.32	59%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Satisfactory	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

Loan 3512-FIJ

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
20 Dec 2016	16 Oct 2017	12 Jan 2018	31 Jan 2026	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	42.11	Cumulative Contract Awards			
ADB	42.11	24 Apr 2023	28.90	0.00	69%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	24 Apr 2023	20.71	0.00	49%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Satisfactory	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

Loan 6004-FIJ

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
09 Dec 2015	22 Dec 2015	22 Dec 2015	15 Feb 2017	12 Jan 2018	12 Jan 2018

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	0.00	Cumulative Contract Awards			
ADB	0.00	24 Apr 2023	0.00	0.00	0%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	24 Apr 2023	0.00	0.00	0%

Project Page <https://www.adb.org/projects/49001-003/main>

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