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: Fiji
Project Status: Active
Project Type / Modality of Assistance: Grant
Source of Funding / Amount: Loan: Urban Water Supply and Wastewater Management Investment Program, Tranche 1

European Investment Bank
US$ 26.60 million
Loan 3512-Fij: Urban Water Supply and Wastewater Management Investment Program, Tranche 1
Ordinary capital resources
US$ 42.11 million

Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth
- Environmentally sustainable growth
- Governance and capacity development
- Knowledge solutions
- Partnerships
- Effective gender mainstreaming

Drivers of Change
- Water and other urban infrastructure and services - Urban water supply
- Country/Regional Strategy
- Linkage to Project Rationale and Strategic Agendas
- Gender Equity and Mainstreaming
- 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 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; (v) 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) improve accounts management of the corporate entity; (vii) study alternatives to reduce the long term energy consumption of the existing urban WWT system.

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) relieving 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 on site 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.

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 wastewater 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) improve accounts management of the corporate entity; (vii) study alternatives to reduce the long term energy consumption of the existing urban WWT system.

Gender Equity and Mainstreaming
- Effective gender mainstreaming

Impact
- Government's objective to improve access to a safe piped water supply system and an environmentally friendly sewerage system.

Description
- 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:
- 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 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; (v) 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) improve accounts management of the corporate entity; (vii) study alternatives to reduce the long term energy consumption of the existing urban WWT system.

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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 wastewater 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) improve accounts management of the corporate entity; (vii) study alternatives to reduce the long term energy consumption of the existing urban WWT system.

Project and Linkage to Country/Regional Strategy
- 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 (WWT) 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). 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 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.

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
The legal and project agreements have recently been declared effective, and consulting services recruitment has been initiated for CS01B (program implementation support services) and CS02B (supervision). Contracts are forecast for the consulting services as well as the key Rewa River Water Supply Scheme contracts to be awarded by Q4 2018.

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)
1. Contracts are not yet in place, and subject to them being awarded implementation is expected to commence in early 2019.
2. Tender documents are under preparation and are expected to form part of Tranche 2.
3. Consultancy contracts for capacity and program implementation is expected to be awarded by Q4 2018.

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; (iii) one ICB procurement of water supply equipment; and (ii) 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
Kristina Noel Katich

Responsible ADB Department
Pacific Department

Responsible ADB Division
Pacific Subregional Office in Suva, Fiji

Executing Agencies
Ministry of Economy
Level 5x Ro Lalabalavu House
370 Victoria Parade
Suva, Fiji

Timetable

Concept Clearance
-  
Fact Finding
-  
MRM
-  
Approval
20 Dec 2016

Last Review Mission
-  
Last PDS Update
29 Mar 2018

Loan 3512-FIJ
### Loan 6004-FIJ

#### Milestones

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#### Financing Plan

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