

Project Administration Manual

Project Number: 48480-004
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April 2022

Nauru: Sustainable and Climate-Resilient Connectivity Project (Additional Financing)

ABBREVIATIONS

ADB	–	Asian Development Bank
CEMP	–	construction environmental management plan
COVID-19	–	coronavirus disease
CSC	–	construction supervision consultant
DOF	–	Department of Finance
EMP	–	environmental management plan
FMA	–	financial management assessment
GAP	–	Gender Action Plan
NMPA	–	Nauru Maritime and Port Authority
PAM	–	project administration manual
PMU	–	project management unit
QPR	–	quarterly progress reports
SPS	–	Safeguard Policy Statement 2009

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Department of Finance (DOF) of the Government of Nauru (the government) as the executing agency and the Nauru Maritime and Port Authority (NMPA) as the implementing agency are wholly responsible for the implementation of the project, as agreed jointly between the government and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation, including compliance by the executing and implementing agencies with their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

During grants negotiations, the government and ADB shall agree to the PAM and ensure consistency with the grants agreements. Such agreements shall be reflected in the minutes of the grants negotiations. In the event of any discrepancy or contradiction between the PAM and the Grants Agreements, the provisions of the Grants Agreements shall prevail.

After ADB Board approval of the project's Report and Recommendation of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

I. PROJECT DESCRIPTION

1. The Asian Development Bank (ADB) approved the ongoing project on 25 January 2018.¹ The ongoing project is: (i) constructing new port infrastructure, including a wharf, a berth pocket, a breakwater, port buildings, a container storage area, and port security facilities; (ii) supporting the government in setting up a revolving maintenance fund to be financed by port revenue and government budget allocations and used exclusively to fund the maintenance of the assets the project will provide; and (iii) supporting the government and the Nauru Maritime and Port Authority (NMPA) carry out port reforms under the ongoing associated technical assistance.

2. The project will provide an efficient, reliable, climate-resilient port for Nauru, which is almost dependent on maritime transport and its existing dilapidated and dangerous port facility for survival. The project will construct a wharf, berth pocket, breakwater, port buildings, container storage area, and port security facilities. It will help set up a dedicated government and port-revenue-finance asset maintenance fund and implement port authority reforms under the ongoing technical assistance.²

3. The aging port's small boat harbor and a failure-prone mooring system beyond the island's reef are critical to moving 95% of Nauru's international trade; the dilapidated port can no longer reliably meet the country's needs for fuel, medical supplies, food, and even water. Container and cargo handling, which must be undertaken in the open sea, is not safe, effective, or possible all year-round. Infrastructure breakdowns and a pattern of worsening weather and ocean conditions frequently close the port entirely, leading to frequent fuel, electricity, food, and water shortages for the 13,000 island residents. High risks and long delays at the port also drive-up shipping rates and, therefore the costs of basic necessities and staples. The new climate-proofed port will address these challenges by providing adequate sheltered shoreside berthing facilities and year-round operations for ships.

4. The additional financing provided by the proposed grant will help finance the cost overruns incurred in the construction of port infrastructure due to the global and local effects of the ongoing coronavirus disease (COVID-19) pandemic, as well as the costs of mitigating unanticipated environmental impacts on residential units adjacent to the port that require the temporary relocation of residents.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness Activities

Indicative Activities	Months			Responsible Agency
	May 21	Apr 22	May 22	
ADB retroactive financing actions	√			DOF, ADB
ADB Board approval			√	ADB
Grant signing			√	DOF, ADB
Government legal opinion provided			√	DOF
Grant effectiveness			√	DOF, ADB

¹ ADB. 2018. [Report and Recommendation of the President to the Board of Directors: Proposed Grant and Administration of Grants to Nauru for the Sustainable and Climate-Resilient Connectivity Project](#). Manila.

² ADB. 2015. [Technical Assistance to Nauru for the Nauru Port Development Project](#). Manila.

ADB = Asian Development Bank, DOF = Department of Finance.
Source: Asian Development Bank.

B. Overall Project Implementation Plan

5. The gantt chart records progress toward output delivery on a quarterly basis that is updated annually and submitted to ADB with contract and disbursement projections for the following year. The civil works are expected to be completed by 30 June 2023 and the grants' closing date is expected to be on 31 December 2024. The overall project implementation schedule is in Table 2.

Table 2: Project Implementation Schedule

Indicative Activities	2018				2019				2020				2021				2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Output 1: Climate-proofed port infrastructure constructed																												
1. Contract award and signing																												
2. Contractor mobilization and construction																												
3. Supervision consultant selection and contract signing																												
4. Consultant mobilization and construction supervision																												
Output 2: Sustainable operations and maintenance achieved																												
1. Revolving fund to cover O&M established																												
Output 3: Efficient port operations established																												
1. Reform legislation and tariff regulations																												
2. New business processes, O&M plan																												
3. Tools and software for restructured NMPA																												
4. Training for NMPA staff																												
5. Port operations by NMPA																												
6. Private sector port operator																												
Management Activities																												
Procurement plan key activities to procure contract packages																												
Consultant selection procedures																												
Environmental management plan key activities																												
Gender action plan key activities																												
Communication strategy key activities																												
Relocation of affected residents																												
ADB's periodic review																												
Midterm Review																												
Project completion report																												

ADB = Asian Development Bank, NMPA = Nauru Maritime and Port Authority, O&M = operations and maintenance, Q = quarter.
Source: Asian Development Bank.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

Table 3: Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Executing Agency Department of Finance	<ul style="list-style-type: none"> • Chair the Project Steering Committee meetings • Oversee implementation of the project by the NMPA • Timely provision of government's in-kind contribution to the project • Overall coordination
Oversight Body Project Steering Committee (PSC)	<ul style="list-style-type: none"> • Oversee project implementation • Monitor project progress • Resolve any obstacles or impediments to implementation
Implementing Agency Nauru Maritime and Port Authority (NMPA)	<ul style="list-style-type: none"> • Coordinate with the Asian Development Bank (ADB) for all project management activities including project review missions • Provide staff and other resources to the project management unit (PMU) • With the support of the PMU, manage and monitor project implementation activities, ensuring compliance with the government and ADB's requirements • Initiate steering committee meetings as necessary and at least quarterly • Review monthly progress reports that the PMU prepares and endorse to the executing agency and the PSC • Supervise PMU in providing government counterpart assistance to supervision consultants • With the support of PMU, coordinate with and support the PSC • Facilitate the coordination with government agencies needed to implement the project • Oversee reporting and monitoring of project performance, including preparation of monthly and quarterly project progress reports. • Oversee and approve for recommendation to higher authorities, contract administration matters in close coordination with PMU • Coordinate with PMU to prepare and submit to the Department of Finance and ADB the semi-annual safeguards monitoring reports
Project-Specific Management Body Project management unit	<ul style="list-style-type: none"> • Assist NMPA in project management • Monitor and evaluate project activities and outputs and report the findings to NMPA by monthly progress reports • Review and verify documents submitted by supervision consultants and the contractor • Review invoices and prepare payment certificates recommending payments to the contractor • Coordinate with the supervision consultants and other consultants • Provide day-to-day support for project management and contract administration activities • Lead project implementation activities and aim for timely execution of works • Lead implementation of safeguards and ensure compliance with safeguard policies • Facilitate communication with the local stakeholders • Consult with the public and disclose project information with ADB • Establish and maintain the project accounts • Coordinate with the Office of the Auditor General for audit of the project accounts • Operate and maintain PMU office
ADB Pacific Liaison and Coordination Office in Sydney, Australia	Facilitate implementation and review the progress on a regular basis

Source: Asian Development Bank.

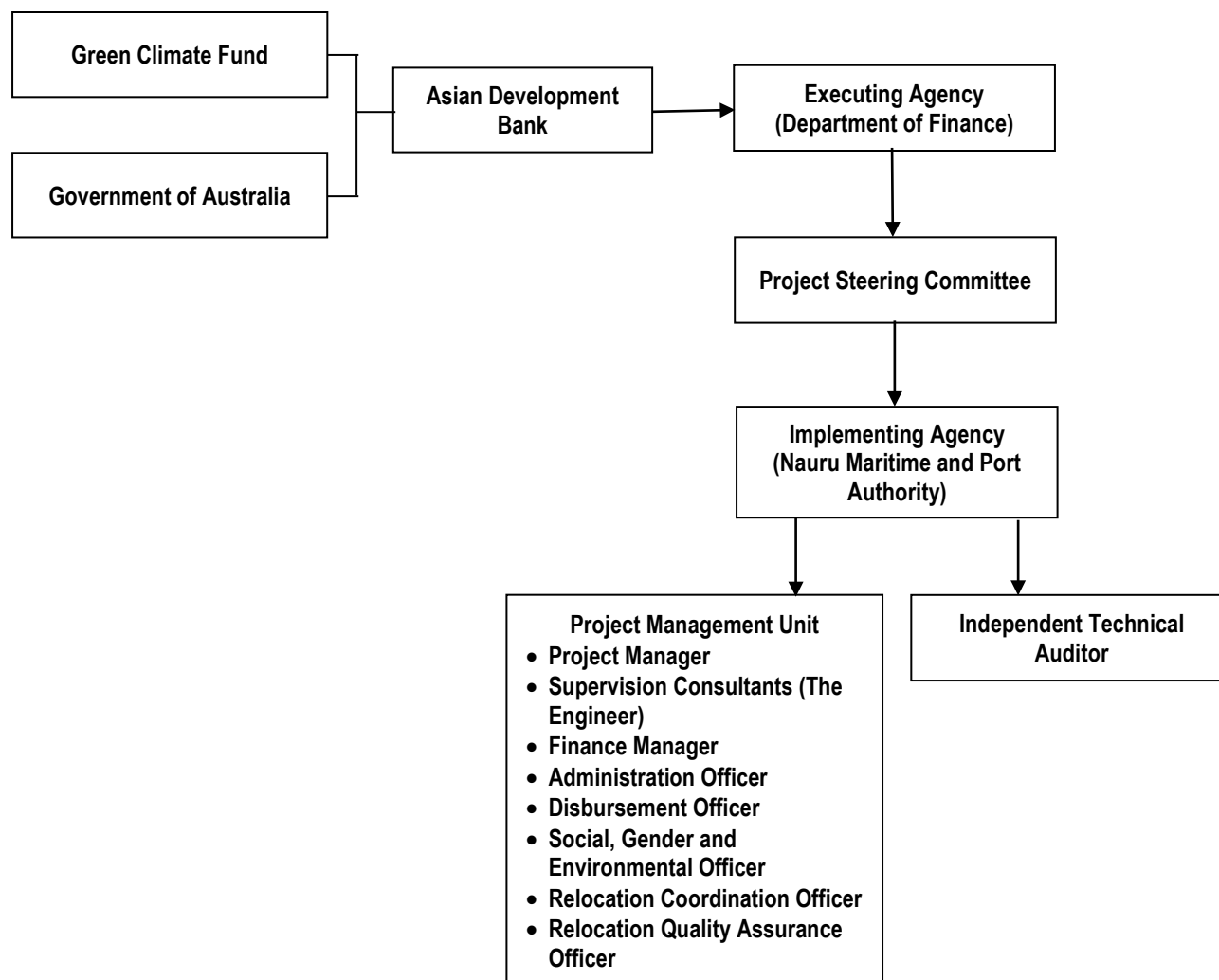
B. Key Persons Involved in Implementation

Executing Agency	Department of Finance Novena Itsimaera, Secretary of Finance Telephone: +674 557 3004 E-mail: Novena Itsimaera novenaii@gmail.com; naurufinance@gmail.com Government House Yaren, Republic of Nauru
ADB Pacific Department	Lotte Schou-Zibell, Regional Director Pacific Liaison and Coordination Office, Sydney Telephone: +61 2 8270 9444 E-mail: lschouzibell@adb.org
Mission Leader	Pivithuru Indrawansa Senior Project Officer (Infrastructure) Pacific Liaison and Coordination Office Telephone: +61 2 8270 9444 E-mail: pindrawansa@adb.org

C. Project Organization Structure

6. The Government of Nauru (the government) is the grant recipient. The executing agency is the Department of Finance (DOF) under the Ministry of Finance and Sustainable Development, and the implementing agency is NMPA. A project management unit (PMU) has been established under NMPA. The PMU will coordinate project implementation with support from ADB for certain delegated functions, including procurement of goods, works, and services under funding provided through the grants. The overall project structure is shown in Figure 1.

Figure 1 : Project Organization Structure



IV. COSTS AND FINANCING

7. The additional grant totaling \$15.0 million and an increase in government contribution of \$0.2 million to cover tax and duty exemptions, will increase the total investment by 19% to \$94.79 million (Table 4). For the additional financing, climate change mitigation is estimated at \$2.55 million and climate adaptation costs at \$12.45 million, 100% of which is financed by ADB. The cofinancing grants under the ongoing project will continue to finance expenditures related to civil works. The government has assured provision of any shortfall in the finances of the overall project and has provided \$17.50 million to cover \$7.70 million of the expenditure related to civil works, \$6.60 million for additional physical contingencies, and \$3.20 million of in-kind contributions. The disbursement arrangements for the ADB and ADB-administered cofinancing grants under the ongoing project, will be on cost sharing basis and front loaded against government financing for the civil works. The details of the cost estimates and the financing plan of the overall project are shown in Tables 4–10 under Sections C through F.

Table 4: Summary Cost Estimates
(\$ million)

Item	Current Amount ^a	Additional Financing ^b	Total
A. Base Cost^c			
1. Civil Works – Advance Payment	7.01	0.00	7.01
2. Civil Works – Offshore (USD Payment)	28.92	0.00	28.92
3. Civil Works – Offshore (AUD Payment)	15.40	0.00	15.40
4. Civil Works – Onshore (USD and AUD Payment)	12.25	0.00	12.25
5. Civil Works – Additional Costs	0.00	5.10	5.10
6. Consultant Services and Port Reforms	4.21	0.00	4.21
7. Consultant Services – Additional Costs	0.00	5.40	5.40
8. Temporary Relocation	0.00	1.94	1.94
Subtotal (A)	67.79	12.44	80.23
B. Recurrent Costs			
1. Salaries	0.36	0.10	0.46
2. Audit Fees	0.30	0.05	0.35
3. Taxes and Duties	0.75	0.05	0.80
4. Aggregate Supply	1.59	0.00	1.59
Subtotal (B)	3.00	0.20	3.20
C. Contingencies (Resource Buffer)^d	8.80	2.56	11.36
Total (A+B+C)	79.59	15.20	94.79

AUD = Australian dollar, USD = United States dollar.

^a Includes physical contingencies computed at 10% for civil works.

^b Includes government in-kind contributions for the taxes and duties of \$0.05 million provided through exemption, \$0.05 million for audit fees, and \$0.1 million for counterpart staff salaries.

^c Original project is in mid-2017 prices and additional financing is in November 2021 prices.

^d Includes physical contingencies over and above 10% to allow unforeseen construction costs not reasonably assessable. Also includes price contingencies and provision for exchange rate fluctuation.

Source: Asian Development Bank.

A. Cost Estimates Preparation and Revisions

8. The cost estimates for the civil works contract were prepared under ADB project design advance and based on the detailed engineering designs. The cost estimates for the temporary relocation were prepared by the NMPA supported by the project's supervision consultants. The cost estimates have been reviewed by the government.

B. Key Assumptions

9. The following key assumptions underpin the cost estimates and financing plan:

- (i) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 5: Escalation Rates for Price Contingency Calculation

Item	2021	2022	2023	2024	2025	Average
Domestic rate of price inflation	1.1%	2.0%	1.4%	1.9%	2.0%	1.68%
International	1.6%	1.7%	1.7%	1.8%	1.8%	1.72%

Source: Asian Development Bank.

- (ii) In-kind contributions were calculated based on rates provided by the government.

C. Detailed Cost Estimates by Expenditure Category

Table 6: Detailed Cost Estimates by Expenditure Category

Item	Foreign Exchange (\$ million)	Local Currency (\$ million)	Total Cost (\$ million)	% of Total Base Cost
A. Investment Costs^a				
1. Civil Works (Advance Payment)	7.01	0.00	7.01	8.40%
2. Civil Works – Offshore (USD Payments)	25.42	3.50	28.92	34.67%
3. Civil Works – Offshore (AUD Payments)	13.90	1.50	15.40	18.46%
4. Civil Works – Onshore (USD and AUD Payments)	9.55	2.70	12.25	14.69%
5. Civil Works – Additional Costs	5.10	0.00	5.10	6.11%
6. Consultant Services and Port Reforms	4.21	0.00	4.21	5.04%
7. Consultant Services – Additional Costs	5.40	0.00	5.40	6.47%
8. Temporary Relocation	1.94	0.00	1.94	2.33%
Subtotal (A)	72.53	7.70	80.23	96.16%
B. Recurrent Costs				
1. Salaries	0.00	0.46	0.46	0.55%
2. Audit Fees	0.00	0.35	0.35	0.42%
3. Taxes and Duties	0.00	0.80	0.80	0.96%
4. Aggregate Supply	0.00	1.59	1.59	1.91%
Subtotal (B)	0.00	3.20	3.20	3.84%
Total Base Cost (A+B)	72.53	10.90	83.43	100.00%
C. Contingencies (Resource Buffer)^b	4.76	6.60	11.36	13.62%
Total Project Cost (A+B+C)	77.29	17.50	94.79	113.62%

Note: Figures may not tally due to rounding.

AUD = Australian dollar, USD = United States dollar.

^a Includes physical contingencies computed at 10% for civil works.

^b Includes provision of 15% for foreign exchange costs and 2% for ADB administration fee applicable to the grant from the Government of Australia. ADB administration fee for GCF will be covered separately under the GCF's cofinancing arrangement; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate; includes additional 10% physical contingency for civil works includes 20% contingency for ADB additional financing grant to cover unforeseen COVID-19 related costs.

Source: Asian Development Bank.

D. Allocation and Withdrawal of Grants Proceeds

Table 7: Original Financing (ADB Grant)

Number	Item	Total Amount Allocated for ADB Financing Category (\$)	Basis for Withdrawal from the Grant Account
1	Civil works (Advance Payment)	2,375,000	33.91% of total expenditure claimed*
2	Civil works – Offshore (USD Payments)	1,741,000	6.85% of total expenditure claimed*
3	Civil works – Offshore (AUD Payments)	3,619,000	26.04% of total expenditure claimed*
4	Civil works – Onshore (USD & AUD Payments)	9,553,000	100% of total expenditure claimed*
5	Consultant Services and Port Reforms	4,012,000	100% of total expenditure claimed*
	Total	21,300,000	

* Exclusive of taxes and duties imposed within the territory of the recipient.

Table 8: Original Financing (Government of Australia Grant)

Number	Item	Total Amount Allocated for ADB Financing Category (\$)	Basis for Withdrawal from the Loan Account
1	Civil works (Advance Payment)	1,404,000	20.01% of total expenditure claimed*
2	Civil works – Offshore (AUD Payments)	10,279,000	73.96% of total expenditure claimed*
3	Civil works – Onshore (USD & AUD Payments)	195,000	100% of total expenditure claimed*
4	ADB's administration fees and other charges**	2,199,000	100% of total amount due
Total		14,077,000	

* Exclusive of taxes and duties imposed within the territory of the recipient.

** ADB's administration fees and other charges may be deducted pursuant to the cofinancing agreement.

Table 9: Original Financing (Green Climate Fund Grant)

Number	Item	Total Amount Allocated for ADB Financing Category (\$)	Basis for Withdrawal from the Loan Account
1	Civil works (Advance Payment)	3,227,000	46.08% of total expenditure claimed*
2	Civil works – Offshore (USD Payment)	23,683,000	93.15% of total expenditure claimed*
Total		26,910,000	

* Exclusive of taxes and duties imposed within the territory of the recipient.

Table 10: Additional Financing (ADB Grant)

Number	Item	Total Amount Allocated for ADB Financing Category (\$)	Basis for Withdrawal from the Grant Account
1	Civil works – Additional Costs	5,100,000	100% of total expenditure claimed*
2	Consultant Services – Additional Costs	5,400,000	100% of total expenditure claimed*
3	Temporary Relocation Activities	1,940,000	100% of total expenditure claimed*
4	Unallocated (Contingencies -Resource Buffer)	2,560,000	
Total		15,000,000	

* Exclusive of taxes and duties imposed within the territory of the recipient.

E. Detailed Cost Estimates by Financier

Table 11: Cost Estimates by Financier
(\$ million)

	ADF Grant	%	AUS Grant	%	GCF Grant	%	Govt of Nauru	%	ADF Grant AF	%	Total Cost	
A. Investment Costs^a												
1. Civil Works (Advance Payment) ^b	2.38	33.90%	1.40	20.04%	3.23	46.06%	0.00	0.00%	0.00	0.00%	7.01	
2. Civil Works – Offshore (USD Payments) ^b	1.74	6.02%	0.00	0.00%	23.68	81.88%	3.50	12.10%	0.00	0.00%	28.92	
3. Civil Works – Offshore (AUD Payments) ^b	3.62	23.50%	10.28	66.76%	0.00	0.00%	1.50	9.74%	0.00	0.00%	15.40	
4. Civil Works – Onshore (USD and AUD Payments) ^b	9.55	77.96%	0.00	0.00%	0.00	0.00%	2.70	22.04%	0.00	29.39%	12.25	
5. Civil Works – Additional Costs ^b	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	5.10	100.00%	5.10	
6. Consultant Services and Port Reforms	4.01	95.36%	0.20	4.64%	0.00	0.00%	0.00	0.00%	0.00	56.21%	4.21	
7. Consultant Services – Additional Costs	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	5.40	100.00%	5.40	
8. Temporary Relocation	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	1.94	100.00%	1.94	
Subtotal (A)	21.30	26.55%	11.88	14.81%	26.91	33.54%	7.70	9.60%	12.44	15.51%	80.23	
B. Recurrent Costs^c												
1. Salaries	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.46	100.00%	0.00	0.00%	0.46	
2. Audit Fees	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.35	100.00%	0.00	0.00%	0.35	
3. Taxes and Duties	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.80	100.00%	0.00	0.00%	0.80	
4. Aggregate Supply	0.00	0.00%	0.00	0.00%	0.00	0.00%	1.59	100.00%	0.00	0.00%	1.59	
Subtotal (B)	0.00	0.00%	0.00	0.00%	0.00	0.00%	3.20	100.00%	0.00	0.00%	3.20	
Total Base Cost (A+B)	21.30	25.53%	11.88	14.24%	26.91	32.25%	10.90	13.07%	12.44	14.91%	83.43	
C. Contingencies(Resource Buffer)^d	0.00	0.00%	2.20	19.36%	0.00	0.00%	6.60	58.10%	2.56	22.54%	11.36	
Total Project Cost (A+B+C)	21.30	22.47%	14.08	14.85%	26.91	28.39%	17.50	18.46%	15.00	15.83%	94.79	

Note: Numbers may not sum precisely because of rounding.

ADB = Asian Development Bank, ADF = Asian Development Fund, AF = Additional Financing, AUD = Australian dollar, AUS = Government of Australia, GCF = Green Climate Fund, USD = United States dollar.

^a Figures are at mid-2017 prices for civil works and at November 2021 prices for temporary relocation. The Government of Nauru will exempt the taxes and duties as its in-kind contribution to the project.

^b Includes physical contingencies computed at 10% for civil works. The disbursement of ADB financing and ADB-administered cofinancing will be on a cost-sharing basis and front-loaded against the government counterpart financing.

^c To be provided in-kind by the government.

^d Includes provision of 15% for foreign exchange costs and 2% for ADB administration fee applicable to the grant from the Government of Australia; ADB administration fee for GCF will be covered separately under the GCF cofinancing arrangement; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate; includes additional 10% physical contingency to allow unforeseen costs; includes 20% contingency for ADB additional financing grant to cover unforeseen COVID-19 related costs.

Source: Asian Development Bank.

F. Detailed Cost Estimates by Outputs

Table 12: Cost Estimates by Output
(\$ million)

Item	Total Cost	Output 1	
		Amount	% of Cost Category
A. Investment Costs^a			
1. Civil Works (Advance Payment) ^b	7.01	7.01	7.39%
2. Civil Works – Offshore (USD Payments) ^b	28.92	28.92	30.51%
3. Civil Works – Offshore (AUD Payments) ^b	15.40	15.40	16.24%
4. Civil Works – Onshore (USD and AUD Payments) ^b	12.25	12.25	12.93%
5. Civil Works –Additional Costs ^b	5.10	5.10	5.38%
6. Consultant Services and Port Reforms	4.21	4.21	4.44%
7. Civil Works – Additional Costs	5.40	5.40	5.70%
8. Temporary Relocation	1.94	1.94	2.05%
Subtotal (A)	80.23	80.23	84.64%
B. Recurrent Costs			
1. Salaries	0.46	0.46	0.49%
2. Audit Fees	0.30	0.35	0.37%
3. Taxes and Duties	0.85	0.80	0.84%
4. Aggregate Supply	1.59	1.59	1.68%
Subtotal (B)	3.20	3.20	3.38%
Total Base Cost	83.43	83.43	88.02%
C. Contingencies (Resource Buffer)^c	11.36	11.36	11.98%
Total Project Cost (A+B+C)	94.79	94.79	100.00%

Figures may not tally due to rounding.

AUD = Australian dollar, USD = United States dollar.

^a Original costs are at mid-2017 prices for civil works and at November 2021 prices for temporary relocation. The Government of Nauru will exempt the taxes and duties as its contribution to the project.

^b Includes physical contingencies computed at 10% for civil works.

^c Includes provision of 15% for foreign exchange costs and 2% for ADB administration fee applicable to the grant from the Government of Australia; ADB administration fee for GCF will be covered separately under the GCF cofinancing arrangement; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate; includes additional 10% physical contingency for civil works; includes 20% contingency for ADB additional financing grant to cover unforeseen COVID-19 related costs.

Source: Asian Development Bank estimates.

G. Detailed Cost Estimates by Year

Table 13: Cost Estimates by Year
(\$ million)

Item	Total Cost	2018	2019	2020	2021	2022	2023	2024
A. Investment Costs^a								
1. Civil Works (Advance Payment) ^b	7.01	3.73	3.27	0.00	0.00	0.00	0.00	0.00
2. Civil Works – Offshore (USD Payments) ^b	28.92	0.00	2.56	5.80	4.34	8.11	6.49	1.62
3. Civil Works – Offshore (AUD Payments) ^b	15.40	0.00	2.43	2.30	1.90	4.38	3.51	0.88
4. Civil Works – Onshore (USD and AUD Payments) ^b	12.25	0.00	2.63	0.00	0.28	4.67	3.74	0.93
5. Civil Works – Additional Costs ^b	5.10	0.00	0.00	0.00	0.00	2.55	2.04	0.51
6. Consultant Services and Port Reforms	4.21	0.00	0.84	1.30	1.59	0.24	0.19	0.05
7. Consultant Services – Additional Costs	5.40	0.00	0.00	0.00	0.00	2.69	2.15	0.54
8. Temporary Relocation	1.94	0.00	0.00	0.00	0.00	0.97	0.78	0.19
Subtotal (A)	80.23	3.73	11.74	9.41	8.11	23.62	18.90	4.72
B. Recurrent Costs								
1. Salaries	0.46	0.05	0.07	0.07	0.10	0.10	0.05	0.02
2. Audit Fees	0.35	0.03	0.04	0.06	0.07	0.07	0.04	0.01
3. Taxes and Duties	0.80	0.08	0.12	0.12	0.16	0.16	0.08	0.08
4. Aggregate Supply	1.59	0.16	0.24	0.24	0.32	0.32	0.16	0.15
Subtotal (B)	3.20	0.33	0.49	0.49	0.65	0.65	0.33	0.26
Total Base Cost	83.43	4.06	12.23	9.90	8.76	24.27	19.23	4.98
C. Contingencies(Resource Buffer)^c	11.36	1.14	1.71	1.71	2.28	2.28	1.14	1.09
Total Project Cost (A+B+C)	94.79	5.20	13.94	11.61	11.04	26.55	20.37	6.07
% Total Project Cost	100%	5.49%	14.71%	12.25%	11.64%	28.01%	21.49%	6.41%

Note: Figures may not tally due to rounding.

AUD = Australian dollar, USD = United States dollar.

^a Figures are at mid-2017 prices. The Government of Nauru will exempt the taxes and duties as its contribution to the project.

^b Includes physical contingencies computed at 10% for civil works.

^c Includes provision of 15% for foreign exchange costs and 2% for ADB administration fee applicable to the grant from the Government of Australia; ADB administration fee for GCF will be covered separately under the GCF cofinancing arrangement; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate; includes additional 10% physical contingency for civil works; includes 20% contingency for ADB additional financing grant to cover unforeseen COVID-19 related costs.

Source: Asian Development Bank.

H. Contract Awards and Disbursements S-Curve (Overall Project)

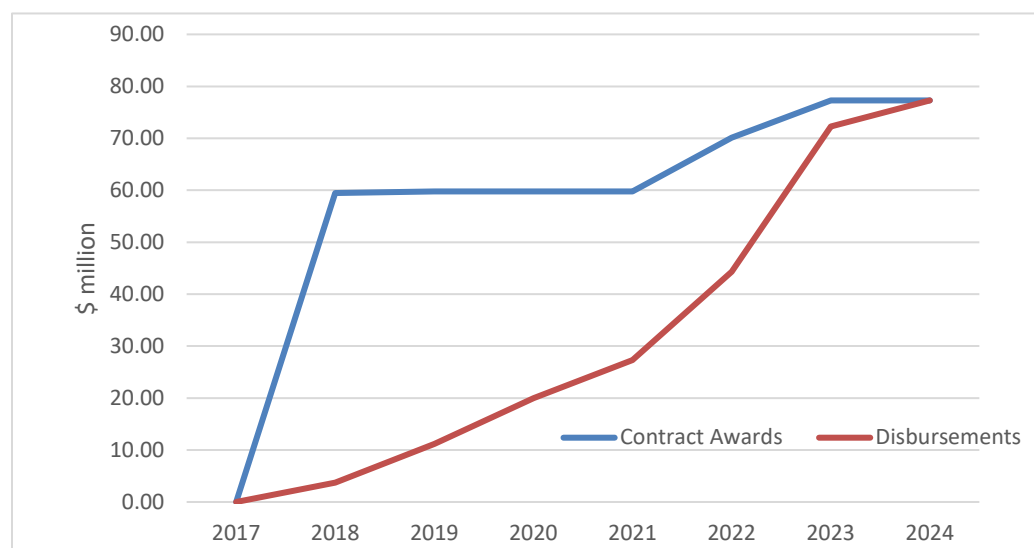


Table 14: Revised Projections for Contract Awards
(\$ million)

Year	Q1	Q2	Q3	Q4	Total
2017	0.00000	0.00000	0.00000	0.00000	0.00000
2018	0.00000	0.00000	0.00000	59.47181	59.47181
2019	0.00000	0.22998	0.09447	0.00000	0.32445
2020	0.00000	0.00000	0.00000	0.00003	0.00003
2021	0.00000	0.00000	0.00000	0.00000	0.00000
2022	0.00000	0.00000	5.20466	5.08746	10.29212
2023	0.00000	7.19858	0.00000	0.00000	7.19858
2024	0.00000	0.00000	0.00000	0.00000	0.00000
Total	0.00000	7.42856	5.29913	64.55931	77.28700

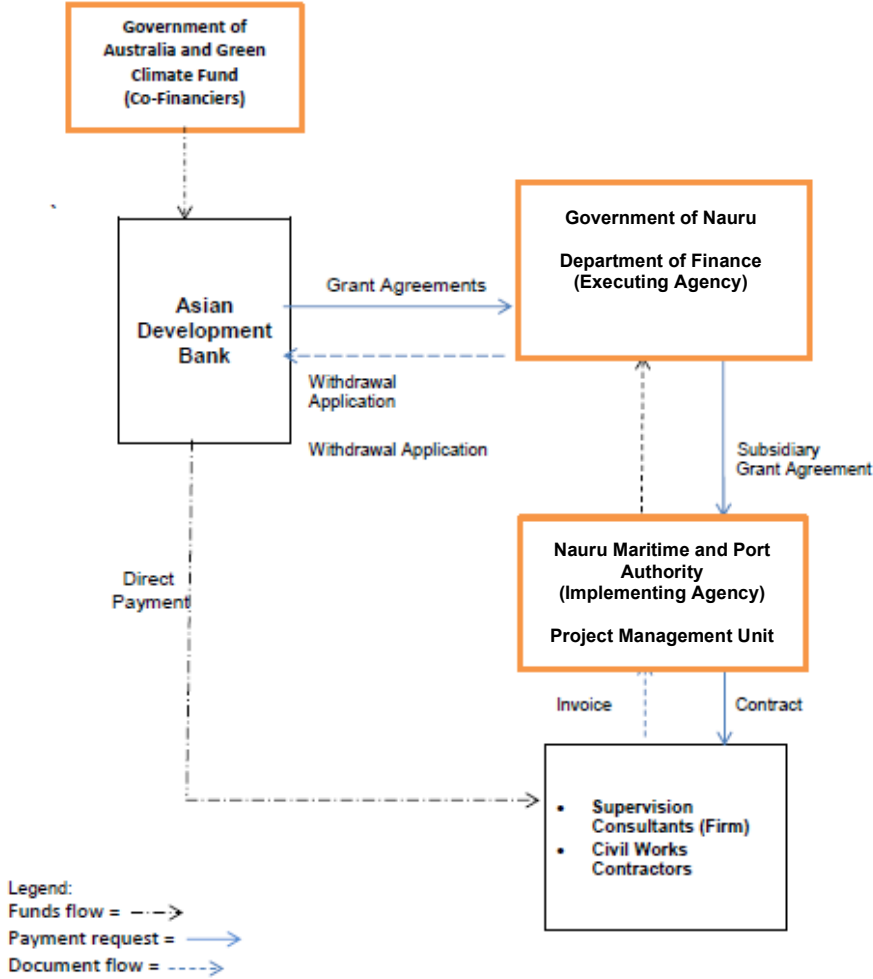
Source: Asian Development Bank.

Table 15: Revised Projections for Disbursement
(\$ million)

Year	Q1	Q2	Q3	Q4	Total
2017	0.00000	0.00000	0.00000	0.00000	0.00000
2018	0.00000	0.00000	0.00000	3.73073	3.73073
2019	3.27383	0.00000	1.84480	2.32042	7.43906
2020	0.00000	5.41760	1.80610	1.58204	8.80574
2021	0.00000	2.74309	0.55880	4.03231	7.33420
2022	3.00000	3.00000	4.00000	7.00000	17.00000
2023	7.00000	7.00000	7.00000	6.97727	27.97727
2024	2.00000	3.00000	0.00000	0.00000	5.00000
Total	15.27383	21.16069	15.20970	25.64277	77.28700

Source: Asian Development Bank.

I. Fund Flow Diagram



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

10. The update to the financial management assessment (FMA) was conducted in December 2021 in accordance with ADB’s Financial Management Technical Guidance Note (2015). The assessment for DOF under the Ministry of Finance and Sustainable Development as the executing agency primarily lies on the FMA assessment conducted for the Nauru Urban Development Project³ in May 2021. Consultations in December 2021 were only conducted with key staff of NMPA as the implementing agency, the executing agency was not consulted again. The FMA considered the capacity of the DOF and NMPA in terms of governance, staffing, budgeting, accounting and financial reporting, internal control, funds flow arrangement and internal and external auditing.

³ ADB. 2021. [Preparing the Nauru Sustainable Urban Development Project](#). Manila.

11. Key findings of the FMA are: (i) Nauru has faced significant public finance lapses in the past and is still dealing with several issues which led to audit qualifications on the whole of government financial statements; (ii) DOF actively addressed these issues with the assistance of development partners through improved public financial management, improved account reconciliation process and the improved monitoring of state-owned enterprises; (iii) absence of internal audit function at the DOF, although DOF is negotiating with an overseas firm for outsourcing; (iv) absence of an accounting procedures and policy manual at DOF which is in the process of being prepared.

12. The overall FM risk is rated as **substantial** due to the substantial risk rating for DOF and NMPA. DOF's inherent risks arise from the entity's (i) historical public finance related issues and control risks due to lack of internal audit at DOF, (ii) auditors' disclaimer of opinion, and (iii) absence of an accounting policy and procedures manual. NMPA's substantial risk rating arises from the authority's: (i) absence of internal audit function; (ii) inadequate asset management system, policies, and procedures; and (iii) financial management improvements and capacity building are necessary for the port's full operation at project completion. The executing agency and the implementing agency have agreed to implement an action plan as key measures to address the deficiencies. The financial management action plans for DOF and NMPA are provided in Table 16 and Table 17.

Table 16: Financial Management Action Plan for DOF

Weakness	Mitigation Actions	Responsibility	Timeframe
Lack of internal audit function	DOF is in the process of outsourcing its internal audit function	DOF	Prior to grant disbursement
Qualified opinion by AG for the whole of government financials	DOF to fully address issues and produce acceptable financials	DOF	Prior to end of first year of grant disbursement
Formal Accounting policy and procedures manual being prepared at DOF	Accounting policy and procedures manual to be prepared and updated annually thereafter	DOF	Prior to 2022 audit of grant accounts

AG = Auditor General, COVID-19 = coronavirus disease, DOF = Department of Finance.

Source: Asian Development Bank.

Table 17: Financial Management Action Plan for NMPA

Weakness	Mitigation Actions	Responsibility	Timeframe
Lack of internal audit function at NMPA	DOF is in the process of outsourcing its internal audit function and will expand services of internal auditor to cover SOEs and the project.	DOF	Prior to disbursement of additional grant financing
NMPA has a finance and commercial manager (bachelor's degree in commerce). All the finance staff have had no formal accounting degree; the finance manager has had 5 years of finance/accounting	Ensure that adequate staffing resources are available in the NMPA. FMIS training for finance officers/staff, including more extensive training on Xero as well as	NMPA	At midterm

experience in NMPA.	finance policies and procedures.		
Formal accounting policy and procedures manual prepared but not updated regularly	Accounting policy and procedures manual to be finalized and must be updated regularly thereafter	NMPA	Within 6 months of grant effectiveness of additional financing.
Dissemination of accounting and procedures manual not undertaken through rollout/training	Training and rollout on procedures and policies to relevant officers and staff		Prior to effectiveness of additional financing.
There may be implementation delays caused by the ongoing COVID-19 pandemic.	NMPA/PMU to prepare and monitor project implementation plan with respect to contract awards and disbursements, and costs incurred on a monthly basis	NMPA/PMU/Consultants	Within 6 months of grant effectiveness of additional financing

COVID-19 = coronavirus disease, DOF = Department of Finance, FMIS = financial management information system, NMPA = Nauru Maritime and Port Authority, PMU = project management unit, SOE = state-owned enterprise.
Source: Asian Development Bank.

B. Disbursement

1. Disbursement Arrangements for ADB and ADB-administered Cofinancing Funds

13. **Fund Flow Mechanism.** Loan and grant disbursement is a key element in the project cycle. ADB expects that proposed disbursement procedures and fund-flow mechanisms will be suitable for the project. Loan and grant proceeds from the ADB will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) and detailed arrangements agreed upon between the government and ADB).⁴ Project staff are encouraged to avail of the ADB training to help ensure efficient disbursement and fiduciary control. Payments for works, goods, and consulting services will be disbursed by ADB through direct payment procedures upon certification by NMPA and DOF. The construction supervision consultants will supervise the works for quality, certify the work done and recommend NMPA for payments. The PMU, through the DOF and NMPA, will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for counterpart funds, (iii) collecting supporting documents, and (iv) preparing and sending withdrawal applications that are to be submitted by NMPA and DOF to ADB.

14. Before the submission of the first withdrawal application, PMU should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is stipulated in the *Loan Disbursement Handbook* (2017, as amended from time to time). Individual payments below such amount should be paid by the DOF and subsequently claimed to ADB through

⁴ The handbook is available electronically from the ADB website (<http://www.adb.org/documents/loan-disbursement-handbook>).

reimbursement, unless otherwise accepted by ADB. PMU should ensure sufficient category and contract balances before requesting disbursements.

15. **Direct Payment.** The Direct Payment procedure is used under the project. The direct payment procedure is a disbursement procedure where the ADB at the Beneficiary's request, pays a designated beneficiary (e.g., supplier, contractor, or consultant) directly. Disbursements from the loan and grant proceeds will generally be by direct payment. NMPA will prepare the withdrawal applications with complete supporting documents and submit to ADB through DOF for processing of payments. All withdrawal applications are submitted through the Client Portal for Disbursements (<https://cpd.adb.org/ClientPortalInternal/wa>).

16. ADB Loan Disbursement Handbook (Chapter 9) reflects the requirements of direct payment procedure. A signed withdrawal application (Appendix 9A of Loan Disbursement Handbook) must be submitted to ADB together with the required supporting documents. A separate withdrawal application is required for each different currency. To prove the requested disbursement is for eligible project expenditures incurred, the supporting documents listed in the following table must be submitted to ADB together with the withdrawal applications. ADB will return withdrawal applications that do not meet the requirements. Additional supporting documents may be required depending on the transaction involved.

Table 18: List of Supporting Documentation for Project Expenditures

Payment for	Payment Type	Required Supporting Documents
Goods	Goods One time or installment payment	Supplier's invoice, or purchase order (indicating date, amount, and bank account details)
Services	Advance payment	Consultant's or service provider's invoice (indicating amount of advance payment and bank account details)
	Progress payment	Consultant's or service provider's invoice (indicating date, amount, and bank account details)
Civil Works	Advance payment	Contractor's invoice (indicating date, amount, and bank account details)
	Progress payment	Contractor's invoice and interim payment certificate or summary of work progress (indicating period covered, amount, and bank account details)
	Release of retention Money	Contractor's invoice (indicating date, amount, and bank account details) and unconditional bank guarantee (if required)

17. In addition, supporting documents summarized in the following table should be retained by the Beneficiary for annual audit of project financial statements and/or ADB's review. ADB reserves the right to request submission of such documents if deemed necessary.

Table 19: List of Supporting Documentation for annual audit of project financial statements

Payment for	Payment Type	Required Supporting Documents
Goods	Goods One time or	Bill of lading or delivery receipts, bank guarantee if

	installment payment	required under the contract, and other documents as required in the contract
Services	Advance payment	Contract terms and conditions which refer to payment of advance and progress payments, breakdown of amount due, and other documents as required in the contract
	Progress payment	
Civil Works	Advance payment	Contract terms and conditions which refer to payment of advance, bank guarantee if required under the contract, and other documents as required in the contract
	Progress payment	Breakdown of amount due and other documents as required in the contract
	Release of retention Money	Contract terms and conditions which refer to release of retention money, and other documents as required in the contract

2. Disbursement Arrangements for Counterpart Fund

18. Counterpart funds should be included and allocated in NMPA’s approved annual budget. The PMU will estimate the disbursements of counterpart funds for direct payment for the civil works contract and in-kind contribution for supply of aggregates and sand and counterpart staff, submission of project and NMPA audited financial statements, and the land lease. DOF and NMPA will ensure timely availability of counterpart funds during project implementation. All disbursements under government financing will be carried out in accordance with government financial regulations. The government will exempt import duties and taxes connected to the performance of the project. The import duties and taxes for which consultants and contractors will be exempted will include: (i) import duties on materials used for the project; (ii) import duties on plant, equipment, tools, machinery, and related spare parts to be used for the project; (iii) goods taxes levied on imported materials (goods) used for the project; and (iv) goods taxes levied on plant, equipment, tools, machinery, and related spare parts to be used for the project.

C. Accounting

19. The DOF, through the NMPA, will maintain or cause to be maintained separate books and records by funding source for all expenditures incurred on the project following the International Public-Sector Accounting Standards for cash-based accounting or national equivalent. The DOF, through the NMPA, will prepare consolidated project financial statements in accordance with the government’s accounting laws and regulations which are consistent with international accounting principles and practices.

D. Auditing and Public Disclosure

20. The DOF will ensure the detailed project financial statements are audited by an independent auditor acceptable to ADB in accordance with International Standards on Auditing or equivalent national standards adopted by the government. The DOF will submit the audited project financial statements together with the auditor’s opinion in English to ADB within six months from the end of the fiscal year.

21. The audited entity financial statements, together with the auditor’s report and management letter, will be submitted in English to ADB within one month after their approval by the relevant authority.

22. The audit report for the project financial statements will include a management letter and

auditor's opinions, which will cover: (i) whether or not the project financial statements present an accurate and fair view and are presented fairly, in all material respects and in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the grant were used only for the purpose(s) of the project; and (iii) whether the recipient or implementing agency was in compliance with the financial covenants contained in the legal agreements (where applicable).

23. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

24. The government, DOF, and NMPA have been made aware of ADB's approach to delayed submission and of the requirements for satisfactory and acceptable quality audited project financial statements.⁵ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the recipient) or that additional support be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

25. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Access to Information Policy 2018.⁶ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.⁷

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

26. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Guidelines (2015, as amended from time to time) and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. The recipient and the NMPA have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

⁵ ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

⁶ Access to Information Policy: <http://www.adb.org/documents/pcp-2018?ref=site/disclosure/publications>.

⁷ This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2018. *Access to Information Policy*. Paragraph 97(iv) and/or 97(v).

27. **Advance contracting.** The additional financing will not include any procurement or consultant recruitment. Under the ongoing project, the government procured a civil works contract, and recruited a supervision consultant contract following advance contracting procedures. The steps followed in advance contracting were: (i) invitation for bids, the issue of bidding documents, clarification of bidders' queries, the issue of addenda, and bid evaluation for civil works packages; and (ii) a request for expressions of interest, short-listing, the issue of a request for proposals, and bid evaluation for recruitment of consultants. The government also recruited independent technical auditor contract and will recruit competency training consultant contract under the ongoing project during implementation. The government has delegated the consultant recruitment to ADB.

28. **Retroactive financing.** Retroactive financing will be used for cost overruns under the ongoing civil works contract and for reimbursing the government for temporary relocation costs. Withdrawals from the grants' accounts may be made for reimbursement of these eligible expenditures incurred before grants effectiveness up to the equivalent of 20% of the grant amounts. These expenditures must not be incurred more than 12 months before the signing of the ADB and other cofinancing grants agreements.

B. Procurement of Goods, Works, and Consulting Services

29. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time).

30. International competitive bidding procedures will be used for civil works and supply contracts estimated to cost \$1 million or more.

31. 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.

32. All consultants and nongovernment organizations (NGOs) will be recruited per ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). As ADB's Asian Development Fund resources under the additional financing will be used with ADB-administered cofinancier resources under the ongoing project to jointly finance individual civil works and consultant contracts, Asian Development Fund resources may be used for procurement of such works and recruiting consultants in non-member countries of ADB.⁸ The supervision consultant contract, independent technical auditor contract, and two individual consultant contracts (deputy project manager and fisheries sector specialist) have already been recruited.

C. Procurement Plan

Project Name: Sustainable and Climate-Resilient Connectivity Project	
Project Number: 48480-004	Approval Number:
Country: Nauru	Executing Agency: Department of Finance
Project Procurement Classification:	Implementing Agency: Nauru Maritime and Port Authority
Procurement Risk: Low	
Project Financing Amount: \$94.79 million ADB Financing (original): \$21.30 million	Project Closing Date: 31 December 2024

⁸ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>.

ADB Financing (additional financing): \$15.00 million Cofinancing (ADB Administered): \$40.99 million Government of Nauru: \$17.50 million	
Date of First Procurement Plan: 25 January 2018	Date of this Procurement Plan: 15 March 2022

1. Methods, Thresholds, Review, and 18-Month Procurement Plan

a. Procurement and Consulting Methods and Thresholds

33. Except as the ADB may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
Open Competitive Bidding for Works ⁹	\$ 3,000,000 and above	
Consulting Services		
Method	Comments	
Quality- and cost-based selection (QCBS)	90:10 (Supervision Consultant firm)	
Direct Selection	Independent Technical Auditor Consultant Firm	
Direct Selection	Competency Training Consulting Firm	

b. Goods and Works Contracts Estimated to Cost \$3 Million or More

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

Package number	General Description	Estimated Value	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (Qtr/year)	Comments
None							

c. Consulting Services Contracts Estimated to Cost \$100,000 or More

35. The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package number	General Description	Estimated Value	Recruitment Method	Review (Prior/Post)	Advertisement Date (Qtr/year)	Type of Proposal	Comments
05	Competency training consultant-marine training	\$250,000	Direct Selection	Prior	Q2 2022	BTP	Assignment: International
06	Competency training	\$250,000	Direct Selection	Prior	Q2 2022	BTP	Assignment: International

⁹ ADB. 2013. [Blanket Waiver of Member Country Procurement Eligibility Restrictions in Cases of Cofinancing for Operations Financed from Asian Development Bank Resources](#). Manila.

	consultant – terminal equipment training						
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BTP = Biodata Technical Proposal, Q = quarter.

Source: Asian Development Bank.

d. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review (Prior / Post)	Bidding Procedure	Advertisement Date	Comments
None								

2. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Comments
None							

3. List of Awarded and On-going, and Completed Contracts

The following tables list the awarded and on-going contracts and completed contracts.

1. Awarded and On-going Contracts

Goods and Works							
Package Number	General Description	Estimated Value	Awarded Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
01	Civil Works	\$ 70,041,662	\$47,122,072	ICB	Q2 2018	31 Oct 2018	Contractor: CHEC Ltd (PRC) Contract signing date: 7 Dec 2018
Consulting Services							
Package Number	General Description	Estimated Value	Awarded Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
01	Construction Supervision Consultants	\$1.5 million	\$1.83 million	QCBS 90:10	Q1 2018	13 Jul 2018	Consultant: Cardno Emerging Markets (Australia) Pty

							Ltd Contract signing date: 3 Dec 2018
02	Independent Technical Auditor	\$200,000	\$190,000	Direct Selection	Q1 2019	29 Mar 2019	Consultant GHD Pty Ltd Contract signing date: 16 May 2019
03	Deputy Project Manager	\$100,000	\$94,468	Individual Consultant Selection	Q1 2019	20 Jun 2019	Consultant L.D. Itsimaera Contract signing date: 8 Jul 2019

2. Completed Contracts

Package Number	General Description	Estimated Value	Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Date of Completion	Comments
04	Fishing Sector Assessment	\$40,000	\$40,000	Individual Consultant Selection	Q1 2019	8 May 2019	15 Sep 2019	Consultant MARG Asia Pacific Contract signing date: 13 May 2019

4. Non-ADB Financing

The following table lists goods, works and consulting services contracts over the life of the project, financed from Non-ADB sources.

General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Comments
None				

D. Consultant's Terms of Reference

36. The outline terms of reference for the remaining consulting services for competency training are in Appendix 1.

VII. SAFEGUARDS

37. Safeguards due diligence has been undertaken in accordance with ADB's Safeguard Policy Statement 2009 (SPS).

38. **Environment.** The ongoing project is category B for environment because the impacts of the works will be site-specific, largely created during the construction period, and most of the foreseen environmental impacts can be readily mitigated or managed. The additional financing is category C for environment as it will not finance any change in scope and will cover costs overruns. The initial environmental examination prepared for the ongoing project noted that the port is located within the existing land parcel leased to the NMPA, which has already been highly modified and does not support any endemic, endangered, or significant terrestrial biodiversity. The project would not impact any terrestrial or marine conservation and/or

protected area; sites of cultural, customary, or heritage significance; or national or international endangered or protected species. The initial environmental examination and subsequent due diligence undertaken for components (such as the northern container yard, access road, fuel pipeline, bridge strengthening, and 24-hour work) as well concluded that the expected environmental impacts can be managed and mitigated with implementation of the updated environmental management plans (EMP). The contractor has prepared and is implementing their construction EMP (CEMP) and site-specific EMP based on the EMP and reflecting detailing their construction methodology and approach to the main construction elements, risk assessment and mitigation measures. An unexpected environmental impact required temporary relocation of some residents to avoid potential hazards associated with vibration effects on dilapidated buildings adjacent to the port site. The PMU and construction supervision consultant (CSC) is monitoring implementation of the CEMP and site-specific EMP, and reporting results through quarterly progress, and semi-annual safeguards monitoring reports.

39. Involuntary resettlement and indigenous peoples. The additional financing is category C for involuntary resettlement and Indigenous Peoples, as it will not finance any change in scope. During the implementation of the ongoing project, vibration and noise from the civil works activities resulted in unanticipated environmental impacts to damage the adjacent residential units that required mitigation. The government decided to implement a permanent relocation program for the 231 residents of the affected units. While this relocation program is voluntary, the government agreed to comply with SPS requirements in its planning and implementation. Accordingly, on 3 June 2021, the ongoing project was reclassified from category C to category A for involuntary resettlement. The government has relocated residents to temporary accommodation until the construction of permanent houses (financed under a separate government scheme) is completed and become available for affected families. The additional financing will reimburse costs incurred under the ongoing project to temporary relocate 211 affected people and safely demolish dilapidated housing units. The list of eligible expenses under the temporary relocation activities is in Appendix 3. The due diligence instruments, including a Relocation Plan covering the permanent relocation program and addendums covering the temporary relocation activities, have been reviewed, cleared, and disclosed on the ADB website. Under the ongoing project, the government is completing the negotiated process to lease the existing site vacated by the residents following national laws and set government rates. Under the ongoing project, an access road will be upgraded, and in anticipation has been recognized as a national road. The existing land is leased by the government from customary landowners, and lease agreements and payments will remain in place. Throughout the implementation of construction, relocation and leasing activities under the ongoing project, extensive consultations have been conducted with families affected by the project. Under the ongoing project, a third party has been engaged to observe and verify the process, particularly during the temporary relocation activities. Additional staff have been recruited within the PMU to support the implementation of the Relocation Plan and addendums. An international social specialist within the CSC provides support and despite travel restrictions has completed time in-country to build the capacity of the PMU and oversee safeguards implementation under the ongoing project. To ensure monitoring arrangements will be sustained during the period of the additional financing, the completion date for the ongoing project will be extended to 30 June 2024 to match the completion date for the additional financing. The grievance redress mechanism has been improved and grievances are being responded and resolved in a timely manner.

40. The ongoing project and additional financing are category C for Indigenous Peoples. The ongoing project and additional financing are not expected to target or impact distinct and vulnerable groups of Indigenous Peoples, as defined by ADB's safeguard policies.

Approximately 94% of its Nauruans are descendants of the original inhabitants.

41. **Prohibited investment activities.** Pursuant to ADB's SPS, ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS.

VIII. GENDER AND SOCIAL DIMENSIONS

42. A poverty, social and gender assessment has been undertaken. The project is categorized as effective gender mainstreaming and a Gender Action Plan (GAP) has been prepared.¹⁰ Women will be engaged by the project through consultation; participation; employment; capacity building and training; and awareness building about communicable diseases (including STIs, HIV/AIDS) and domestic violence. Women will be involved in community meetings and awareness events about the project before construction begins. If necessary, separate meetings will be organized to give women an opportunity to express their views about the project and its impacts. A social safeguard officer supported by an intermittent social and gender specialist will be engaged to implement and monitor the gender action plan. The updated GAP is in Table 20.

¹⁰ The project is by nature likely to directly improve women's access to social services, and/or economic and financial resources and opportunities, and/or basic rural and urban infrastructure, and/or enhancing voices and rights, which contribute to gender equality and women's empowerment.

Table 20: Revised Gender Action Plan

Components and Outputs	Performance Targets and Activities	Indicative Timeline	Primary Responsibility	Status update (October 2021)
<p>Output 1: Climate-proofed port infrastructure constructed.</p>	<ul style="list-style-type: none"> Prior to civil works and during implementation, community consultation and participation activities will aim for 30% women's involvement and consultations will be scheduled at a time when women can easily attend. 	<p>October 2017 and quarterly onwards</p>	<p>PSC</p>	<p>Status: <i>On track.</i> Prior to start of civil works: A community meeting was held in Location area on 30 March 2019. Total number of participants: 40 persons, of whom 21 (41% were women). During project implementation: A total of 26 community consultations were conducted during project implementation stage (construction phase), including 3 community consultations conducted during the reporting period (August to October 2021) with a total of 400 participants, of whom 252 (63%) were women.</p>
	<ul style="list-style-type: none"> 30% women in at least five training programs for port workers and community. 	<p>September 2017</p>	<p>PSC</p>	<p>Status: <i>Not yet started.</i> The training is to be primarily undertaken through contracted Competency Training under Port Reform element of the project, much of which is due after construction activity is at or near completion. No training has been conducted yet for community members. A separate training program will be conducted for community members. The schedule will still be finalized.</p>
	<ul style="list-style-type: none"> At least 20% of local skilled and unskilled workers recruited by the civil works contractor will be women. Women could be recruited in the service, hospitality, community liaison, administration, construction, and technical areas for culturally appropriate activities (baseline: no construction contract yet). 	<p>By mid-2019</p>	<p>Contractor</p>	<p>Status: <i>On track.</i> Since the construction commenced sometime in March 2019 up to this reporting period, the total number of local workers (skilled and unskilled) hired by Contractor was 17 (of which 11 or 65% were females).</p>

Components and Outputs	Performance Targets and Activities	Indicative Timeline	Primary Responsibility	Status update (October 2021)
	<ul style="list-style-type: none"> Contractor will comply with Nauru labor laws and practices as well as equal wages to men and women for work of equal value. Women's wages will be paid directly to them. 	Q2 2018 onwards	PMU, PSC, Contractor	<p>Status: <i>On track.</i> As of this reporting period, the Contractor has complied with the Nauru labor laws and practices. No reported case of violation of core labor standards has been reported by the local labor/workers. Local women and male workers working for the same type of jobs were provided with equal pay, and salary is paid directly to workers (male and female). The contractor pays wages to local workers (male and female) direct to them. The female workers affirmed that they are happy with the nature of job assigned to them, and their wages has been increased sometime in August 2019 (much higher than the salary provided in the previous quarter).</p>
	<ul style="list-style-type: none"> As per the environmental management plan, the Contractor will be required to provide safety gear and personal protective equipment to both male and female workers to ensure their safety on the job. 	Q4 2017–Q2 2023	PMU, CSC	<p>Status: <i>On track.</i> 100% of the workers (foreigners and Nauruans) male and female workers (skilled and unskilled working at camp site) are provided with safety gear and personal protective equipment.</p>
	<ul style="list-style-type: none"> Provide separate and sanitary toilet facilities, changing rooms and lockers, for men and women (baseline = 0). 	November 2017	Contractor	<p>Status: <i>On track.</i> The total number of separate and sanitary toilet facilities for men and women is 29. Of this number, 3 toilets are assigned for women staff/workers. The contractor has no plan yet to construct an additional female toilet given the reduction of the number of local unskilled female workers. Residence of the female workers is located walking distance to the project area. The existing number of female toilets is sufficient for the reduced number of female workers as of this time.</p>
	<ul style="list-style-type: none"> Implement training for all construction workers, regardless of nationality, on gender and social 	Q4 2017–Q1 2023	Contractor	<p>Status: <i>On track.</i> 607 people participated in all trainings conducted related to gender issues (e.g., HIV/AIDS/STIs) including COVID-19 prevention. A total of 81 women</p>

Components and Outputs	Performance Targets and Activities	Indicative Timeline	Primary Responsibility	Status update (October 2021)
	issues, as well as awareness training on the prevention of sexually transmitted diseases, HIV/AIDS, and gender-based violence.			workers (13%) have participated in 25 training programs conducted for the workers since the project commenced to this reporting period.
	<ul style="list-style-type: none"> Implement gender and social issues training, awareness training on the prevention of sexually transmitted diseases, HIV/AIDS, and gender-based violence in communities adjacent to the project. At least 30% of participants are to be women. 	Prior to and during port construction	Contractor	<p>Status: <i>Implementation affected by COVID-19 pandemic.</i></p> <p>One (1) training has been conducted with 16 including 6 women, or 38% of the total participants. No training on STI, HIV/AIDS awareness and prevention specifically for Location and Aiwo under the project from Q2 2020 to end of Q3 2021. Training will be conducted after the global pandemic situation becomes stable.</p>
	<ul style="list-style-type: none"> 100% of new women employed in the completed port will be trained in port safety (baseline: 2017: 3 women). 	Upon recruitment	PMU, service provider, contractor	Status: <i>Not yet due.</i>
	<ul style="list-style-type: none"> NMPA strengthens gender mainstreaming capacity by developing a gender strategy that includes strategy to recruit female staff at all levels, provide capacity building and training and instituting human resources policies that are gender responsive (baseline: no women recruitment strategy in place). 	By Q3 2018	PMU, service provider, contractor	Status: <i>no overall Gender strategy cited in GAP update (August–October 2021) but specific approaches, HR policies cited.</i>

Components and Outputs	Performance Targets and Activities	Indicative Timeline	Primary Responsibility	Status update (October 2021)
	<ul style="list-style-type: none"> 30% of PMU staff during construction are women by 2023. 	Q4 2017–Q2 2023	NMPA	Status: On track. Of the 5 filled positions, 3 (60%) are occupied by women, namely: Deputy Project Manager, HR Manager, and CLO.
Implementation Arrangements: The GAP will be implemented by the CSC and PMU in NMPA. The CSC will include two safeguard specialists (international and national consultants) who will cover community development and gender aspects also. The CSC specialists will be responsible for incorporating the GAP into project planning and implementation including supporting/assisting design (and if required, implementation) of awareness workshops and training, establishment and monitoring of sex-disaggregated data and indicators for project performance and monitoring. The PMU will report on progress of GAP activities in quarterly progress reports to ADB and the government. Other training providers, nongovernment organizations may be hired to implement different GAP activities under the guidance of the CSC specialists.				

ADB = Asian Development Bank, CLO = community liaison officer, COVID-19 = coronavirus disease, CSC = construction supervision consultant, GAP = gender action plan, HIV/AIDS/STI = human immunodeficiency virus/acquired immunodeficiency syndrome/sexually transmitted infections, HR = human resource, NMPA = Nauru Maritime and Port Authority, PMU = project management unit, PSC = project steering committee, Q = quarter.

Source: Asian Development Bank.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Revised Project Design and Monitoring Framework

Impact the Project is Aligned with Sustainability and quality of life of all Nauruans improved ^a			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
<p>Outcome Efficiency, reliability, and climate-resilience of Aiwo port improved</p>	<p>a. Port closure days reduced to 10 days per year by 2023 <u>by 2024</u> (2017 baseline: 90 days per year) (<u>OP 1.3.1</u>)</p> <p>b. Average container vessel time in port reduced to 3.7 days by 2023 <u>by 2024</u> (2017 baseline: 21 days) (<u>OP 1.3.1; OP 3.2.5</u>)</p>	<p>a.–b. PANMMPA annual reports</p>	<p>R: Future extreme climate change events that exceed projections could lead to unanticipated closure of the improved port.</p>
<p>Outputs 1. Climate-proofed port infrastructure constructed</p>	<p>1a. 170-meter-long climate-resilient wharf and breakwater constructed by 2022 <u>by 2023</u>. (2017 baseline: no wharf) (<u>OP 1.3.1; OP 3.2.5; OP 7.1.1</u>)</p> <p>1b. New port buildings (about 2,400 square meters) constructed by 2022 <u>by 2023</u>. (2017 baseline: all existing buildings that are unsafe to be demolished) (<u>OP 1.3.1; OP 3.2.5; OP 7.1.1</u>)</p> <p>1c. Container storage yard (about 10,000 m² completed by 2022 <u>by 2023</u> (2017 baseline: existing container yard, which is unsafe, to be demolished) (<u>OP 1.3.1; OP 3.2.5; OP 7.1.1</u>)</p> <p>1d. Targets for participation by women in the following achieved by 2022 <u>by 2023</u>: 30% in community consultation and participation activities, 20% in project committee, 20% in the number of skilled and unskilled laborers recruited by the civil works contractor, 30% in at least five training programs for port workers and community, and 30% for PMU staff during construction (2017 baseline: 0):</p> <p><u>1d.i. 20% of local skilled and unskilled workers recruited by the civil works contractor are women</u> (2017 baseline: 0) (<u>OP 2.1</u>)</p> <p><u>1d.ii. 30% of participants in at least five training programs for port workers and community are women</u></p>	<p>1a.–1d. Quarterly and annual PPMS reports of PMU</p>	<p>R: Cost overruns may occur if substantial hard materials and unexploded ordnance are found during construction.</p> <p>R: Cost overruns related to the ongoing COVID-19 pandemic may exceed the cost estimates provided in the additional financing.</p>

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
	(2017 baseline: 0) (OP 2.1.1)		
2. Sustainable operations and maintenance achieved	2a. A revolving fund to cover 3 years of O&M established and maintained thereafter by 2020 by 2023 (2017 baseline: 0) (OP 1.3.1)	2a. Bank statements	R: The government may lose interest in maintaining the fund.
3. Efficient port operations established	3a. Port reform legislation and tariff regulations approved by the Parliament by 2019 (2017 baseline: not approved) (OP 1.3.1; OP 6.1.1)	3a. Government gazette notification	R: The government and the PAN NMPA may lose interest in implementing proposed reforms.
	3b. PAN NMPA reorganization structure, business processes, O&M plan and tariff reforms 100% implemented by 2019 2024 (2017 baseline: 0%) (OP 1.3.1; OP 6.1.1; OP 6.1.3; OP 6.2.3)	3b.–3f. Quarterly and annual PPMS reports of PMU	R: Port operations are inefficient because of weak PAN NMPA capacity.
	3c. 400% of All new approved additional tools, and software commissioned; at least 5 new staff recruited by 2019 June 2024 (2017 baseline: 0) (OP 1.3.1)		
	3d.i. PAN gender strategy 100% developed, at least 1 female staff engaged at all levels, at least 1 capacity-building training program for each woman by 2019 (2017 baseline: 0 gender strategy, 3 female staff for entire PAN, 0 training programs) NMPA gender strategy developed by 2019 by June 2024 (2017 baseline: 0)		
	3d.ii. At least 1 female staff engaged at all levels by 2023 (2017 baseline: 0) (OP 2.1)		
	3e. Port operations and management outsourced to a private sector operator by 2022 June 2024 (2017 baseline: operations run by PAN NMPA) (OP 6.1.2)		
	3f. At least 5 new staff recruited for NMPA by June 2024 (2017 baseline: 0) (OP 1.3.1; OP 6.2.1)		
Key Activities with Milestones			
Output 1. Climate-proofed port infrastructure constructed.			
1.1. Implement and complete civil works (Q2-2020) by Q2 2023			
1.2. Design and implement HIV/AIDS prevention and awareness program (Q3-2018) by Q2 2023			
1.3. Design and implement ports safety awareness program (Q3-2018) by Q2 2023			
1.4. Implement environmental management plan (Q3-2018) by Q2 2023			
1.5. Recruit and award contract to construction supervision consultant (Q2-2018) by Q4 2018 (completed)			
1.6. Award civil works contract (Q2-2018) by Q4 2018 (completed)			
1.7. Design and implement communication plan (Q3-2018) by Q2 2023			
1.8. Establish and operationalize project performance monitoring system (Q3-2018) by Q2 2023			
Output 2. Sustainable operations and maintenance achieved.			
2.1. Revolving maintenance fund—first government contribution (Q2-2018) by Q2 2018 (completed)			

Key Activities with Milestones	
2.2.	Revolving maintenance fund—second government contribution (Q2 2019) by Q2 2019 (completed)
2.3.	Revolving maintenance fund—third government contribution (Q2 2020) by Q2 2020 (completed)
2.4.	Maintain new port assets (Q4 2022) by Q4 2024
Output 3. Efficient port operations established.	
3.1.	Parliament approves reform legislation and tariff regulations for PAN NMPA (Q4 2019) by Q1 2020 (completed)
3.2.	Recruit staff per revised organization structure, establish and implement new business processes, O&M plan and tariff structure (Q4 2019) by Q4 2020 (completed)
3.3.	Procure port equipment, tools and software for restructured PAN NMPA through financing sources outside the project (Q4 2019) by Q2 2024
3.4.	Implement training plan for PAN NMPA staff (Q4 2019) by Q4 2024
3.5.	Outsource port operations and management to private sector (Q1 2022) by Q1 2024
3.6.	Monitor effectiveness and efficiency of port operations and management by private sector (Q4 2022) by Q4 2024
Inputs	
ADB Grant: \$21.30 \$36.30 million (\$15.00 million additional)	
Government of Australia: \$14.08 million (\$0.00 million additional)	
Green Climate Fund: \$26.91 million (\$0.00 million additional)	
Government of Nauru: \$17.30 \$17.50 million (\$0.20 million additional)	
ADB Grant: \$3.00 million (Project Design Advance) ^b	
Government of Nauru: \$0.15 million	
Transaction TA (for Output 3) ^c	
ADB: \$2.40 million	
Government of Australia: \$2.61 million	

ADB = Asian Development Bank, COVID-19 = coronavirus disease, NMPA = Nauru Maritime Port Authority, O&M = operation and maintenance, OP = operational priority, PPMS = project performance monitoring system, PMU = project management unit, Q = quarter, R = risk, m² = square meter, TA = technical assistance.

^a Government of Nauru. 2005. *Nauru Sustainable Development Strategy 2005–2025*. Nauru.

^b ADB. 2015. *Project Design Advance: Nauru Port Development Project*. Manila.

^c ADB. 2015. *Technical Assistance to Nauru for the Nauru Port Development Project*. Manila; ADB (Pacific Department). 2017. TA 9009–NAU: Port Development Project (TRTA)—Request for Approval of Major Change in Scope and Implementation Arrangements, Extension of Completion Date, and Increase in Budget. Manila. Memorandum. 23 November (internal); ADB. (Pacific Department). 2020. TA 9009–NAU: Port Development Project—Request for Minor Change in Scope and Implementation Arrangements and Increase in TA Amount. Memorandum. 24 August (internal); and ADB. (Pacific Department). 2021. TA 9009–NAU: Port Development Project—Increase in TA Amount, Minor Change in Scope and Implementation Arrangements, and Extension of TA Completion Date. Memorandum. 23 November (internal).

Contribution to Strategy 2030 Operational Priorities:

In addition to the OP indicators tagged in the DMF, this operation will contribute results for:

OP 1.3: Poor and vulnerable people with improved standards of living

OP 3.2: People with strengthened climate and disaster resilience

OP 6.1: Entities with improved management functions and financial stability

OP 7.1: Cargo transported and energy transmitted across borders (\$)

Source: Asian Development Bank.

B. Monitoring

43. **Project performance monitoring.** The PMU prepares quarterly progress reports (QPR), including sex-disaggregated baseline data as required, for output and outcome indicators. The QPR provides information necessary to update ADB's project performance reporting system. Two review missions each year and QPR will include monitoring and reporting of environmental and social safeguards.¹¹

¹¹ Safeguards monitoring and status will be reported in the QPR and in stand-alone reports on a semi-annual basis.

44. **Compliance monitoring.** Compliance with the obligations of the government and NMPA will be (i) monitored in accordance with the legal agreements, (ii) summarized in the PMU quarterly progress reports, (iii) discussed during Project Steering Committee meetings, and (iv) reviewed during two review missions each year. The PMU, supported by the supervision consultants, will be responsible for monitoring compliance by and issuing corrective action requests to the government, consulting firms, and/or contractors when covenants are breached and will be responsible for keeping ADB informed of such events.

45. **Safeguards monitoring and reporting.** Environment and social safeguards are being monitored by the international and national specialists in the supervision consultants supporting the PMU, in accordance with the requirements of the safeguards documents under the ongoing project. To ensure monitoring arrangements will be sustained during the period of the additional financing, the completion date for the ongoing project will be extended to match the completion date for the additional financing. The specialists are providing regular safeguards updates, via meetings, and as part of the QPR. Based on those inputs, the PMU submits semi-annual safeguard monitoring reports to the government and ADB. ADB review missions monitor the project's overall safeguards compliance. The outline table of contents for semiannual monitoring reports is also contained in Appendix 2. Once accepted by ADB, the semiannual safeguards monitoring reports are publicly disclosed on the ADB website. Under the ongoing project, a third-party verifier has been engaged by the PMU to observe and verify that the resettlement related activities are implemented in accordance with resettlement planning documents, national laws and ADB's safeguards requirements.

46. **Gender and social dimensions monitoring.** The design and monitoring framework and the GAP include specific targets for participation by women in consultations, capacity building, employment, and other project-related areas. Project performance against these indicators will be monitored through the projects' monitoring and evaluation system. The QPR will include reporting of progress on all identified gender activities and on opportunities, challenges, and lessons learned related to integration of gender activities in the project. The GAP implementation monitoring matrix will be included in the quarterly project progress reports.

C. Evaluation

47. ADB will conduct reviews twice a year throughout implementation, as well as a midterm grant review. The reviews will monitor (i) project output quality, (ii) implementation arrangements, (iii) implementation progress, and (iv) disbursements. Within six months of physical completion of the project, the DOF will submit a project completion report to ADB. The DOF needs to submit audited project financial statements within six months after the close of each financial year and entity-level audited financial statements of NMPA within one month after their approval by the competent authority.

D. Reporting

48. DOF will provide ADB with the following: (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports that will include (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within six months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement, together with the auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

49. The NMPA, with support of PMU and supervision consultant, has prepared and updated a stakeholder communication strategy and this is disclosed on the ADB website. The strategy outlines that all communication will be in language suitable for the specific audience and will follow ADB's Access to Information Policy (2018).

X. ANTICORRUPTION POLICY

50. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.¹² All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed, -administered, or -supported activities and may not be awarded any contracts under the project.¹³

51. To support these efforts, relevant provisions are included in the grant agreement and the bidding documents for the project. Additionally, the government will: (i) comply with ADB's Anticorruption Policy (1998, as amended to date), and cooperate fully with any investigation by ADB and extend all necessary assistance, including providing access to all relevant books and records for the satisfactory completion of such investigation; (ii) ensure that relevant staff are trained in ADB's Anticorruption Policy; (iii) ensure that the audited annual project accounts under the project, project progress reports, and procurement activities are disclosed on relevant government entities; and (iv) allow and facilitate ADB's representatives to conduct spot and random checks on (a) flow of funds, and their use for the projects in accordance with the legal agreements; (b) work-in-progress; and (c) project implementation.

XI. ACCOUNTABILITY MECHANISM

52. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems through the project's grievance redress mechanism (GRM) or by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.¹⁴

¹² Anticorruption Policy: <https://www.adb.org/documents/anticorruption-policy>.

¹³ ADB's Office of Anticorruption and Integrity website: <https://www.adb.org/site/integrity/main>.

¹⁴ Accountability Mechanism: <https://www.adb.org/who-we-are/accountability-mechanism/main>.

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

53. Any changes to the PAM are recorded in the following table.

Date Changed	Section Changed	Changes Made
1.		
2.		

Terms of Reference

MARINE TRAINING

Sustainable and Climate-Resilient Connectivity Project

A. Background

1. The Government of Nauru has received grants from Asian Development Bank (ADB), the Government of Australia, and the Green Climate Fund for the Sustainable and Climate-Resilient Connectivity Project, formerly Nauru Port Development Project, (the project) for the construction of an international port at Aiwo and related improvements for Nauru Maritime and Port Authority (NMPA). Accordingly, portions of the proceeds from these grants will be used to finance a trainer to provide training for improving competency of NMPA employees. An international training provider will be engaged to provide this competency training delivery assignment under the project.

2. Nauru's Department of Finance, as the executing agency and the NMPA, as the implementing agency of the project requested ADB to select the consultant following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) using Consultant Qualification Selection procedures. and a lump sum contract will be signed between the government and the successful firm. The successful firm/training provider will be contracted directly by NMPA. The training provider consisting of internationally recognized and accredited trainers will report to Chief Executive Officer of NMPA, and Team Leader for Reform activity.

3. NMPA currently has 60 employees (about) covering various disciplines in port management supervision and operations. As part of the project, comprehensive reforms are in progress restructuring NMPA to improve its management, operational efficiency and effectiveness.

4. The training provider will prepare suitable training programs and course material for the employees and undertake training activities covering each module as outlined in the Scope of Services in these terms of reference. These training programs will facilitate improving skills of NMPA employees and at the end of the training programs employees will have a higher understanding of the employee's role within an international port.

B. Scope of the assignment

5. The training programs are to be delivered in Nauru and within 6 months or as otherwise agreed, with commencement expected by August 2022.

6. The successful firm (training provider) is required to prepare the course and related course materials in a Pacific Format with a need to be culturally adjusted to local conditions. All courses are to be delivered within the Port of Nauru. At the end of each course section, a skill assessment test shall be conducted to evaluate acquired skills and knowledge of each trainee.

7. The course structure and course materials shall be adjusted to suit local conditions and procedures within the established course schedules of the trainer. The venue of the training program to be Nauru. The details of the training program are in Table 1. At the end of the training program, the trainer will award each participant of the program an industry recognized Certificate of Competency for the courses completed.

Table 1 – Scope of Competency Training Program – Marine Operations

No	Course	Prerequisite	Duration of Course*	Number of Students	Recognition on Completion
1	Master 5 / Coxswain (Operation within Nauru Port Limits and to 3 NM offshore)	Sea time to be certified by the Harbour Master NMPA	10 days	6+5	Certificate of competency
2	Tug operations – Basic principles of operations and communications	Nil	5 days	6	Certificate of competency
3	Marine Engine Driver Grade 2 / Marine Engine Rating	Sea time to be certified by the Harbour Master NMPA	10 days	6	Certificate of competency
4	First Aid Advanced	Nil	3 days	3	Certificate of competency
5	STCW 95/2020 Basic safety Training – Personal survival techniques	Nil	3 days	6+5	Certificate of competency
6	STCW 95/2020 Basic safety Training – Firefighting and fire prevention	Nil	3 days	6+5	Certificate of competency
7	STCW 95/2020 Basic safety Training – Elementary first aid	Nil	3 days	6+5	Certificate of competency
8	STCW 95/2020 Basic safety Training – Person safety and personal responsibility	Nil	3 days	6+5	Certificate of competency
9	Radio Operator License (VHF Radio ship station)	English	1 days	6+5	Certificate of competency

TBA* - Duration to be advised by course provider.

NM = nautical miles, NMPA = Nauru Maritime and Port Authority, STCW = Standards of Training Certification and Watch keeping for Seafarers, VHF = very high frequency.

Source: Nauru Maritime and Port Authority.

8. The organization delivering the training should be a recognized (and a registered) training provider in the home country in which the training entity is based. Training organization based in Australia will be required to be registered as a Registered Training Organization (RTO) with the Australian Skills Quality Authority and be an experienced workplace training provider and be able to show a history of providing training for the courses and disciplines shown. Experience in providing vocational training in the Pacific Region is required. Training organizations outside Australia will need to provide a certificate of registration as a training provider from the country in which the training provider is registered. Applicants outside Australia will need to demonstrate that they have a history of providing vocational training (by submitting evidence of similar training) in the developing countries for the courses and disciplines shown.

C. Deliverables

9. The successful training provider is required to furnish reports indicated in Table 2, in the English language. Payments will be made on submission of each deliverable on the percentages as in the payment schedule.

Table 2: Deliverables

No	Outputs	Description	Period	Payment schedule
1	Inception Report	Confirm: 1. TOR and proposed individual trainers. 2. The methodology and work program 3. Resources and deliverable schedule	2 weeks after notice to proceed	10%
2	Course Materials	Course material for each training program included for each sub program	1 month after notice to proceed	5%
3	Mobilization	On commencing training in Nauru	On arrival in Nauru	15%
4	Progress Reports	A report at the end of each training module: 1. Date and time of the training program conducted, 2. Number of participants attended and successfully completed, 3. Trainers' evaluation of each participant on his/her level of skill at the beginning of the program and level of acquired skills at the end of the program, 4. Results of the skill assessment test after each course/subprogram and module, 5. Trainers' recommendation including further training needs	1 week after end of each training module	55%
5	Draft Final Report	Draft final report covering all the training programs conducted including: 1. Details as in the individual training program 2. Post completion skill assessment for each participant 3. Trainers' recommendation	1 month after end of each training module	10%
6	Final Report	Final report accommodating all comments from NMPA, ADB	2 weeks after receipt of consolidated comments from NMPA/ADB	5%

D. Proposal Preparation

10. The Proposal shall be prepared in accordance with the instructions given in the request for proposal.

11. The documents comprising the Proposal shall follow Biodata Technical Proposal submission and comprise the following:

- a) Power of Attorney to sign the Proposal
- b) Proof of Legal Status and Eligibility
- c) Technical Proposal Submission Form (including Statement of Undertaking if required under Data Sheet)

- d) Team Composition, Key Experts Inputs
- e) Work Schedule and Planning for Deliverables
- f) Personnel Schedule
- g) Attached Curriculum Vitae
- h) Consultant's Organization and Experience
- i) Description of the Approach, Methodology, and Work Plan for Performing the Assignment
- j) Comments or Suggestions on the Terms of Reference and Counterpart Staff and Facilities to be provided by the Client

12. The Proposal will be evaluated based on the evaluation criteria as declared in the request for proposal. The Proposal shall contain curriculum vitae of trainers who will deliver each training program. A team leader shall be assigned to coordinate training programs, logistics, training materials, skill assessments and oversee quality of the delivery of training programs. The Proposal shall also include detailed training plan with sequencing of the modules and sub training programs under each module. The RTO is allowed to propose alternate duration for each module to improve quality of training delivery. The RTO shall explain with justification any other related training components to be included in this training program to enhance acquired skills of the trainees. At the end of each training program or course, the trainer shall conduct a comprehensive skill assessment test to evaluate trainees' improved knowledge and acquired skills.

TERMINAL EQUIPMENT TRAINING

Sustainable and Climate-Resilient Connectivity Project

A. Background

1. The Government of Nauru has received grants from the Asian Development Bank (ADB), the Government of Australia, and the Green Climate Fund for the Sustainable and Climate-Resilient Connectivity Project, formerly Nauru Port Development Project, (the project) for the construction of an international port at Aiwo and related improvements for Nauru Maritime and Port Authority (NMPA). Accordingly, portions of the proceeds from these grants will be used to finance a trainer to provide training for improving competency of NMPA employees. An international training provider will be engaged to provide this competency training delivery assignment under the project.

2. Nauru's Department of Finance, as the executing agency, and the NMPA, as the implementing agency of the project, requested ADB to select the consultant following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) using Consultant Qualification Selection procedures. and a lump sum contract will be signed between the government and the successful firm. The successful firm/training provider will be contracted directly by NMPA. The training provider consisting of internationally recognized and accredited trainers will report to Chief Executive Officer of NMPA, and Team Leader for Reform activity.

3. NMPA currently has 60 employees (about) covering various disciplines in port management supervision and operations. As part of the project, comprehensive reforms are in progress restructuring NMPA to improve its management, operational efficiency and effectiveness.

4. The training provider will prepare suitable training programs and course material for the employees and undertake training activities covering each module as outlined in the Scope of Services in these terms of reference. These training programs will facilitate improving skills of NMPA employees and at the end of the training programs employees will have a higher understanding of the employee's role within an international port.

B. Scope of the assignment

5. The training programs are to be delivered in Nauru and within 6 months, or as otherwise agreed, with commencement expected by August 2022.

6. The successful firm (training provider) is required to prepare the course and related course materials in a Pacific Format with a need to be culturally adjusted to local conditions. All courses are to be delivered within the Port of Nauru. At the end of each course section a skill assessment test shall be conducted to evaluate acquired skills and knowledge of each trainee.

7. The course structure and course materials shall be adjusted to suit local conditions and procedures within the established course schedules of the trainer. The venue of the training program to be Nauru. The details of the training program are in Table 1. At the end of the training program, the trainer will award each participant of the program an industry recognized Certificate of Competency for the courses completed.

8. Prior to commencement of a course, the trainer shall conduct a 'VOC Assessment' of each trainee. A VOC is a method of determining the skill level of a person against defined competency standards in order to evaluate the person's ability to carry out the relevant activity or works. VOC helps ensure that an employer is meeting Work Health and Safety requirements (WHS). This assessment is to:
- Assist in the maintenance of work health and safety requirements
 - Manage the competency of employees
 - Be utilized as part of future pre-employment checks
9. As part of this assessment, the Trainer is required to:
- Review the organization policy and procedures to establish a benchmark
 - Review work documents and logbooks to determine the level of competency required
 - Perform on the job observation and checks for each staff member
 - Prepare an assessment report for each staff member for the records.

Table 1: Scope of Competency Training Program – Terminal Equipment Operations

No	Course	Prerequisite	Length of Course	No. of Students	Recognition on Completion
1	Forklift truck (FLT) driver training for trucks up to 9t WLL	VOC Assessment	4 days	10	Certificate of competency
2	Forklift truck (FLT) driver training for trucks from 9t to 36t WLL	VOC Assessment	5 days	6	Certificate of competency
3	Reach stacker driver training for equipment to 45t WLL	VOC Assessment	5 days	5	Certificate of competency
4	Dogman / hatch man training	VOC Assessment	6 days	5	Certificate of competency
5	Rigger training	VOC Assessment	6 days	5	Certificate of competency
6	FLT / Yard Spotter	VOC Assessment	2 days	19	Certificate of competency
7	Articulated Truck Driver	VOC Assessment	TBA	7	Certificate of competency
8	Luffing slewing crane driver	VOC Assessment	TBA	5	Certificate of competency
9	Toolbox meeting - Purpose and Procedure	nil	2 days	19	Certificate of competency

VOC – Verification of Competency - A VOC is a method of determining the skill level of a person against defined competency standards in order to evaluate the person's ability to carry out the relevant activity or works. VOC helps ensure that an employer is meeting Work Health and Safety requirements (WHS).

10. The organization delivering the training should be a recognized (and a registered) training provider in the home country in which the training entity is based. Training organization based in Australia will be required to be registered as a Registered Training Organization (RTO) with the Australian Skills Quality Authority and be an experienced workplace training provider and be able to show a history of providing training for the courses and disciplines shown. Experience in providing vocational training in the Pacific Region is required. Training organizations outside Australia will need to provide a certificate of registration as a training provider from the country in which the training provider is registered. Applicants outside Australia will need to demonstrate that they have a history of providing vocational training (by

submitting evidence of similar training) in the developing countries for the courses and disciplines shown.

C. Deliverables

11. The successful training provider is required to furnish reports indicated in Table 2, in the English language. Payments will be made on submission of each deliverable on the percentages as in the payment schedule.

Table 2: Deliverables

No	Outputs	Description	Period	Payment schedule
1	Inception Report	Confirm: 1. TOR and proposed individual trainers 2. The methodology and work program 3. Resources and deliverable schedule	2 weeks after notice to proceed	10%
2	Course Materials	Course material for each training program included for each sub program	1 month after notice to proceed	5%
3	Mobilization	On commencing training in Nauru	On arrival in Nauru	15%
4	Progress Reports	A report at the end of each training module: 1. Date and time of the training program conducted 2. Number of participants attended and successfully completed, 3. Trainers' evaluation of each participant on his/her level of skill at the beginning of the program and level of acquired skills at the end of the program, 4. Results of the skill assessment test after each course/subprogram and module 5. Trainers' recommendation including further training needs	1 week after end of each training module	55%
5	Draft Final Report	Draft final report covering all the training programs conducted including - 1. Details as in the individual training program 2. Post completion skill assessment for each participant 3. Trainers' recommendation	1 month after the end of each training module	10%
6	Final Report	Final report accommodating all comments from NMPA, ADB	2 weeks after receipt of consolidated comments from NMPA/ADB	5%

D. Proposal Preparation

12. The Proposal shall be prepared in accordance with the instructions given in the request for proposal.

13. The documents comprising the Proposal shall follow Biodata Technical Proposal submission and comprise the following:

- a) Power of Attorney to sign the Proposal

- b) Proof of Legal Status and Eligibility
- c) Technical Proposal Submission Form (including Statement of Undertaking if required under Data Sheet)
- d) Team Composition, Key Experts Inputs
- e) Work Schedule and Planning for Deliverables
- f) Personnel Schedule
- g) Attached Curriculum Vitae
- h) Consultant's Organization and Experience
- i) Description of the Approach, Methodology, and Work Plan for Performing the Assignment
- j) Comments or Suggestions on the Terms of Reference and Counterpart Staff and Facilities to be provided by the Client

14. The Proposal will be evaluated based on the evaluation criteria as declared in the request for proposal. The Proposal shall contain curriculum vitae of trainers who will deliver each training program. A team leader shall be assigned to coordinate training programs, logistics, training materials, skill assessments and oversee quality of the delivery of training programs. The Proposal shall also include detailed training plan with sequencing of the modules and sub training programs under each module. The RTO is allowed to propose alternate duration for each module with a view to improve the quality of the training delivery. The RTO shall explain with justification any other related training components to be included in this training program to enhance acquired skills of the trainees. At the end of each training program or course the trainer shall conduct a comprehensive skill assessment test to evaluate trainees' improved knowledge and acquired skills.

Safeguards Compliance Checklists and Outline Contents of Monitoring Reports

Heading/Section	Contents
Introduction	<p>Brief background on the project and subproject</p> <p>Institutional arrangements for project management and environmental management</p>
Monitoring Activities	<p>Who participated in the monitoring</p> <p>Methodology for monitoring (whether checklists prepared, etc.)</p> <p>When the monitoring was undertaken and what period it covers</p> <p>Summary of other monitoring undertaken in the period (i.e., from contractor's monthly reports and if any survey/sample monitoring undertaken)</p> <p>Main activities – observations/inspections, consultations, interviews with contractor staff, etc.</p>
Works in Progress	<p>Details of the works being undertaken, (with photographs)</p> <p>Include whether any environmental training/awareness has been provided to contractor staff in the period (what, by whom, etc.)</p>
Monitoring Results and Actions Required	<p>Whether works and measures comply with the approved EMP/CEMP and RP</p> <p>Should follow sequence of items identified in EMP/CEMP and RP and verify that all mitigation measures noted are being implemented</p> <p>Corrective actions cited (date to be resolved and person responsible on contractor team and verification by IA/PMU)</p>
Summary and Conclusions	<p>Summary of main findings</p> <p>Main issues identified and corrective actions noted</p> <p>Can include summary table which can be updated each period to track completion of actions required</p>
Attachments	<p>Monitoring checklist (based on items identified in the EMP/CEMP and RP) refer to Annex 1</p> <p>Additional photographs</p> <p>Additional information as required</p>

Annex 1. Checklist for Safeguard Supervision/Monitoring (Environment)

PARD Safeguards Implementation Checklist: Environment						
Date: _____						
PROJECT INFORMATION						
Loan/Grant No.:		Project Name:				
Approval Date:			Closing Date:		Cumulative Progress (%):	
Project Team Leader(s):					Implementing Agency	
1) Categorization (Original) A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> (additional financing, if any) A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> <i>(Please complete the following sections if the project has been categorized as A, B or FI)</i>						
2) Planning Documents: EARF <input type="checkbox"/> IEE/EIA <input type="checkbox"/> No. of IEE/EIA _____ EMP <input type="checkbox"/> IEE/EIA Disclosed and Posted on ADB Website: Yes <input type="checkbox"/> No <input type="checkbox"/> If no, actions? _____ EMP Finalized or Updated after Detailed Design: Yes <input type="checkbox"/> No <input type="checkbox"/> If no, actions? _____ CEMP submitted, reviewed and approved: Yes <input type="checkbox"/> No <input type="checkbox"/> If no, actions? _____ (Attach a list of subprojects and status if necessary.)						
3) Institutional Setup PIU/PMU Environment Staff Assigned: Yes <input type="checkbox"/> No <input type="checkbox"/> If no, actions? _____ If yes, Name: _____ Since: _____ / _____ (month) (year) Environmental Specialist/Consultant Mobilized: Yes <input type="checkbox"/> No <input type="checkbox"/> If no, actions? _____ If yes, National Specialist's Name: _____ Since: _____ / _____ (month) (year) If yes, International Specialist's Name: _____ Since: _____ / _____ Participation of Gov. Environment Agency/Division: Yes <input type="checkbox"/> No <input type="checkbox"/> If no, actions? _____ If yes, Name: _____ Since: _____ / _____ (month) (year) Grievance Redress Mechanism Established: Yes <input type="checkbox"/> No <input type="checkbox"/> If no, why? _____ Allocation of Government Budget: Yes <input type="checkbox"/> No <input type="checkbox"/> If no, actions? _____ If yes, amount\$: _____						
4) Monitoring and Reports Internal Monitoring System Established: Yes <input type="checkbox"/> No <input type="checkbox"/> If no, actions? _____ Compliance monitoring incorp. into Q Progress Reports: Yes <input type="checkbox"/> No <input type="checkbox"/> If no, actions? _____ External Monitor Engaged (if needed): Yes <input type="checkbox"/> No <input type="checkbox"/> If no, actions? _____ If yes, Name: _____ Since: _____ / _____ (month) (year) Monitoring Report Submitted to ADB: Yes <input type="checkbox"/> No <input type="checkbox"/> If no, actions? _____ If Yes, provide information below						
	Baseline Report	Report 1	Report 2	Report 3	Report 4	
Submission Date (m/yr)						
ADB Review Date (m/yr)						
Web-posting Date (m/yr)						
Name of ADB Reviewer						
5) Field Review with Participation of Safeguard Specialist/Officer/Staff Consultant Yes <input type="checkbox"/> No <input type="checkbox"/> If no, actions? _____ If Yes, provide information below _____						
Mission Date (m/yr)						
Type of mission:						
Participants (safeguard specialist/officer/staff consultants)						

Checklist for Safeguard Supervision/Monitoring (Resettlement)

Checklist for Safeguard Supervision: Involuntary Resettlement					
PROJECT INFORMATION					
Loan/Grant No.:	Project Name:				
Approval Date:	Closing Date:		Cumulative Progress (%):		
Project Team Leader(s):			Project Analyst:		
1) Resettlement Categorization					
(Original)		A	B	C	FI
(additional financing, if any)		A	B	C	FI
<i>(Please complete the following sections if the project has been categorized as A, B or FI involving land acquisition/resettlement issues)</i>					
2) Resettlement Planning					
Resettlement Planning Documents:	RF	RP	Number of RPs	ESMS	
RP Finalized or Updated after Detailed Design: (Attach a list of subprojects and status if necessary.)	Yes	No	If no, actions?		
Final/Updated RP Disclosed and Posted on ADB Website:	Yes	No	If no, actions?		
Compensation Rates Approved by the Government:	Yes	No	If no, actions?		
3) Institutional Setup for Resettlement					
PMU Resettlement Staff Assigned:	Yes	No	If no, actions?		
	If yes, Name:		Since:		/
			(month)	(year)	
Resettlement Specialist Consultant Mobilized:	Yes	No	If no, actions?		
	If yes, Name:		Since:		/
			(month)	(year)	
Grievance Redress Mechanism Established:	Yes	No	If no, why?		
Allocation of Government Budget:	Yes	No	If no, actions?		
	If yes, amount\$:				
4) Resettlement Monitoring and Reports					
Internal Monitoring System Established:	Yes	No	If no, actions?		
External Monitor Engaged (if needed):	Yes	No	If no, actions?		
	If yes, Name:		Since:		/
			(month)	(year)	
Monitoring Report Submitted to ADB:	Yes	No	If no, actions?		
	If Yes, provide information below				
	Baseline Report	Report 1	Report 2	Report 3	Report 4
Submission Date (m/yr)					
ADB Review Date (m/yr)					
Web-posting Date (m/yr)					
Name of ADB Reviewer					
5) Resettlement Field Review with Participation of Safeguard Specialist/Officer/Staff Consultant					
	Yes	No	If no, actions?		
	If Yes, provide information below				
Mission Date (m/yr)					
Type of mission					
Name of safeguard specialist/officer/staff consultants					

Eligible Expenses under Temporary Relocation

No	Potential Costs	ADB Reimbursement or Govt Responsibility	Supporting Documents to be submitted when reimbursing
1	Payment of leases	To be incurred by the government in advance and reimbursed through ADB financing later.	<ol style="list-style-type: none"> 1. Contract signed between EA/IA and landlord AND verified by Third-Party Validator, market rental rate. Should have the following information: <ol style="list-style-type: none"> a. Name of family household, unit, address (from Location area), number of tenants b. monthly rate c. duration of lease d. payment terms 2. Lessor's invoice 3. Receipt - indicate purpose of payment/title of document, date covering payment, address, date of payment
2	Costs for any additional assistance that are deemed needed to meet ADB policy, as detailed in the agreed Entitlement Matrix (this may be cash compensation, or payment of storage, or vehicle hire to assist in moving belongings)	<p>NMPA will incur the costs on in-kind basis. No reimbursement will be expected under ADB financing for in-kind costs.</p> <p>Refer to item 5 for reimbursable expenses.</p>	Not applicable
3	Costs to conduct consultations (venue, catering, etc.) to meet ADB policy	To be incurred by the government in advance and reimbursed through ADB financing later.	<ol style="list-style-type: none"> 1. Invoices 2. Receipts indicate purpose of payment/title of document, date covering payment, address, date of payment 3. Signed attendance list
4	Costs to repair damage to rental properties (as indicated by NMPA CEO as needed)	To be incurred by the government in advance and reimbursed through ADB financing later.	<ol style="list-style-type: none"> 1. Invoices 2. Receipt - indicate purpose of payment/title of document, date covering payment, address, date of payment 3. Should include the rental house address 4. Quotation of repair cost

No	Potential Costs	ADB Reimbursement or Govt Responsibility	Supporting Documents to be submitted when reimbursing
			5. List of repairs done
5	Costs incurred by the NMPA/implementing agency to engage additional staff/consultants to support implementation and monitoring of the temporary relocation (up to 5 additional staff – need prior approval by ADB)	To be incurred by the government in advance and reimbursed through ADB financing later.	<ol style="list-style-type: none"> 1. Copy of contract of engagement with terms of payment – remuneration, OPEs 2. Monthly Payment slip (proof of payment) 3. Timesheet 4. Claim invoice 5. Payment receipt/acknowledgement receipt with date of payment, amount paid <p>If accommodation is approved.</p> <ol style="list-style-type: none"> 1. Contract signed between EA/IA and landlord. Should have the following information: <ol style="list-style-type: none"> a. Name of expert b. monthly rate c. duration of lease d. payment terms 2. Landlord's invoice 3. Receipt - indicate purpose of payment/title of document, date covering payment, address, date of payment <p>If a vehicle is approved to be procured.</p> <ol style="list-style-type: none"> 1. 3 quotes for prior approval 2. Signed contract/Purchase order 3. Supplier's invoice 4. Proof of payment with date of payment and amount paid 5. Proof of delivery/acceptance
6	Costs to install fencing and signage around buildings once vacated	NMPA will incur the costs on in-kind basis. No reimbursement will be expected under ADB financing.	Not applicable
7	Costs to hire security to ensure people do not move into the vacated units and children do not play in the area	NMPA will incur the costs on in-kind basis. No reimbursement will be expected under ADB financing.	Not applicable
8	Costs to demolish the dilapidated buildings, including safe removal of asbestos	To be incurred by the government in advance and reimbursed through ADB financing later.	<ol style="list-style-type: none"> 1. 3 quotes for prior approval 2. Copy of Contract 3. Contractor's invoice

No	Potential Costs	ADB Reimbursement or Govt Responsibility	Supporting Documents to be submitted when reimbursing
			4. Payment receipt/acknowledgement receipt with date of payment, amount paid
9	Costs to engage a neutral third party and external monitor	To be incurred by the government in advance and reimbursed through ADB financing later.	<ol style="list-style-type: none"> 1. Copy of contract of engagement with terms of payment – remuneration, OPEs 2. TPV invoice 3. Payment receipt/acknowledgement receipt with date of payment, amount paid
10	Costs to provide a transport service for affected persons (engagement of driver and purchase/hire of vehicle) – <i>potential new aspect to address the impacts on families without means of transport – still to be discussed</i>	To be incurred by the government in advance and reimbursed through ADB financing later.	<ol style="list-style-type: none"> 1. 3 quotes for prior approval 2. Signed contract/Purchase order 3. Supplier's invoice 4. Proof of payment with date of payment and amount paid 5. Proof of delivery/acceptance <p>Running costs</p> <ol style="list-style-type: none"> 1. Invoice 2. Proof of payment with date of payment and amount paid <p>Driver</p> <ol style="list-style-type: none"> 1. Copy of contract of engagement 2. Invoice 3. Payment receipt/acknowledgement receipt with date of payment, amount paid