

# Progress Report

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Project Number: 53043-001  
Grant Number: 0713-KIR  
July 2021

## Republic of Kiribati: Outer Islands Transport Infrastructure Investment Project

**Quarterly Progress Report No. 2**  
**QPR for the reporting period 1 April 2021 to 30 June 2021**

Prepared by Outer Islands Implementation Unit  
Tarawa, Kiribati

For Ministry of Finance and Economic Development  
Ministry of Information, Communication, Transport and Tourism Development  
Ministry of Infrastructure and Sustainable Energy

This quarterly progress report is a document of the recipient. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

## **1. Executive Summary:**

There are a few issues that need close monitoring to ensure the KOITIIP project runs smoothly and completes within the anticipated timeframe. The issues are:

- a. Delays in Procurement activities especially with Component 1 which is the first and critical activity to start the Project. The advertisement for the Request for Expression of Interest, REOI, for the Hydrographic Survey and Mapping Exercise is being delayed now for more than six months. It was agreed in the Aide Memoire that the REOI should be advertised by June 15, 2021. At this stage, the Terms of Reference for the assignment has been reviewed by the WB and requires further improvements. The TOR must be approved by early August to avoid further delays to the Project.
- b. The engagement of Tion by MICTTD. Tion is not a permanent staff of the MICTTD despite trainings and workshops he has been attending on behalf of MICTTD Marine Division. The Marine Division's proposal to create the Hydrographic Surveyor position for Tion in 2020 was not successful hence the reason Tion is currently engaged on a temporary appointment. For job security reasons, Tion had applied for a permanent government position in the Ministry of Environment, Lands and Agriculture Development, MELAD. As a result, Tion is a single candidate to attend an interview for the position of the Chief Lands Surveyor at the MELAD. The interview is pending the arrival of the new Chief Justice who will conduct the swearing-in of Public Service Commissioners who will then conduct any government recruitment processes. Losing Tion will further delay Component 1 of the project as he is the only one in MICTTD who has the technical knowledge on the Hydrographic Surveying work.
- c. Opening the ADB Bank Account in Kiribati. The process in opening the bank account is another frustration from the Government of Kiribati side, especially KFSU. It already 6 months now and still the disbursement from the ADB side has not been possible due to this delay. OIIU staff has not received portions of the salaries from ADB due to this issue.

## Contents

1. Executive Summary:.....	1
2. Introduction.....	3
3. Procurement Activities .....	4
4. Contract Management.....	5
5. Environmental & Social Safeguards .....	6
6. Monitoring & Evaluation.....	6
7. Financial Management.....	6
8. Issues.....	7
9. Annex 1: Requirements of the Grant Agreement (Special Operations) - ADB.....	8
10. Annex 2: Requirements of Financing Agreement (IDA & GOK) - WB.....	10

# KIRIBATI OUTER ISLAND TRANSPORT INFRASTRUCTURE INVESTMENT PROJECT, KOITIIP

Quarterly Progress Report, Q2 2021

## **2. Introduction**

This report documents the progress of the Government of Kiribati (GoK) in executing the Kiribati Outer Island Transport Infrastructure Investment Project (KOITIIP). The Project is anticipated to take 6 years to complete, provided all the planned activities are on-track and potential and encountered issues are clearly identified and addressed as early as possible. Since KOITIIP is the first of ADB and WB projects to be implemented in the Kiribati outer islands, it is anticipated that there will be challenges. The challenges must be identified, discussed, and addressed as early as possible to minimize their impacts on the Project schedule and budget.

The first major issues identified in the KOITIIP preparatory documents is the lack of local capacity to carry out major Project activities, hence the reason for allocating some provisions for international consultancy work. However, engaging international consultants still requires the GOK concerned staff to follow requirements of the WB Procurement guidelines which often takes time to understand, especially for a GOK staff and local consultant who is completely new to the ADB and WB procedures. This requires close collaboration between GOK staff and ADB's and WB's representatives or technical experts.

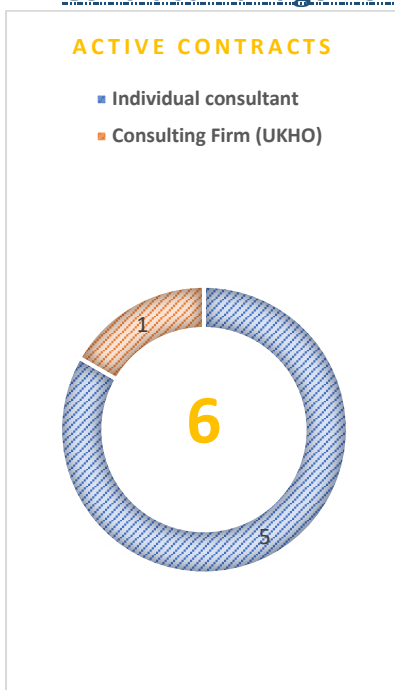
The second main issue is transportation between Tarawa and the selected outer islands for project implementation. This issue is not yet significant to the Project but need consideration in the planning process.

This report provides a review on all procurement activities, highlights issues and their impacts on the project and lastly it discusses proposed resolutions.

### 3. Procurement Activities

Activity	Planned recruitment/commencement	Unit	Actual/proposed recruitment/commencement date	Progress in Quarter 1, 2021	Progress in Quarter 2, 2021	Progress as end of second quarter 2021
<b>Completed Activities</b>						
Project Manager (OIIU)	Q1/2020	OIIU	26/02/2021	100%		The national PM has been recruited and he is the one producing this quarterly report!
KFSU Manager	Q1/2020	KFSU	Q1/2020	100%		These positions are currently supported by KOITIIP -KFSU positions are fully supported by WB.
KFSU Finance Manager	Q1/2020	KFSU	Q1/2020	100%		
KFSU Procurement Officer	Q1/2020	KFSU	Q1/2020	100%		
UKHO	Q1/2020	OIIU/MICTTD	02/12/2020	100%		Contract was signed between UKHO and GOK (MICTTD) on 02/12/2020. UKHO is now working closely with GOK to implement Component 1 of the Project
Social Safeguards Specialist	Q3/2020	KFSU	09/04/2021	100%		The officer is now sitting with the KFSU and ready to commence work
<b>Ongoing Procurement Activities</b>						
Activity	Planned recruitment/commencement	Unit	Actual/proposed recruitment/commencement date	Progress in Quarter 1, 2021	Progress in Quarter 2, 2021	Progress as end of second quarter 2021
Chief Technical Adviser	Q2/2020	OIIU	Q2/2021	60%	90%	The position was re-advertised as all of the shortlisted candidate from the initial public advertisement were engaged in other WB projects. The application closed on 9th July 2021 and there are 4 candidates. The evaluation will be conducted in the first week of August and hopefully by end of August 2021, the CTA will be joining the OIIU remotely.
Hydrographic Survey Services	Q2/2020	OIIU/MICTTD	Q3/2021	60%	70%	UKHO has provided the Hydrographic specification, Hydrographic Instructions, and the estimated budget for conducting the survey work and mapping exercise on the four islands. These documents form part of the bidding documents. The GOK has submitted the first draft of the TOR and WB has provided feedbacks. The GOK will be submitting the revised TOR on Friday 30th July to WB.
Safeguard Specialist (international)	Q1/2021	KFSU	Q3/2021	40%	95%	The successful candidate is currently negotiating the packages for the assignment. If the candidate accepts the Award of Contract, It is expected that by mid-August 2021, the Safeguard Specialist will be joining the KFSU team.
Engineering Consulting Firm (mentoring, audit, QA, design & supervision)	Q2/2020	OIIU/MISE	Q4/2021	10%	20%	MISE together with ADB and WB are currently discussing the TOR for this assignment work. It is expected that the TOR be finalised soon as the recruiting process takes 6 months at the least. MISE cannot commence work on the KOITIIP as it needs the technical assistance from the mentoring firm.
<b>Remaining Procurement Activities</b>						
Marine Sector Development Planning	Q4/2020		?	0%	0%	This activity will be discussed further with MICTTD, WB & ADB
Senior Engineer (OIIU)	Q3/2020		?	0%	0%	This position has been relocated to MISE Implementing Unit. MISE has to confirm the date in which this position is required
Environmental Specialist (OIIU)	Q3/2020	OIIU	Q2/2021	0%	0%	The successful candidate rejected the offer. Dr. Komeri who is currently the Social Safeguard expressed his interest for this position. The KFSU has been discussing the options for the direct transfer of Komeri to the Environmental Safeguards. The final advice from the WB procurement team is that Dr. Komeri will be directly selected to the Environment Safeguard. Formalising this way forward is what is currently been done by KFSU. Once this is done, the Social Safeguard position will be vacant and recruitment will be done again. Seeking advice from the WB and implementing the given advice is a delaying the recruitment.
Gender/Gender based violence Specialist (OIIU)	Q3/2020	OIIU	Q3/2021	0%	60%	The TOR for the position has been reviewed by WB. The TOR will be revised and resubmitted to the WB.
Community Liaison Officer (OIIU)	Q3/2020	OIIU	Q3/2021	0%	80%	Application closed on 9th July 2021 and the evaluation will be conducted in the first week of August. The Officer is expected to join the team by mid-August 2021.
Monitoring & Evaluation Officer	Q2/2020	OIIU	Q3/2021	0%	80%	Application closed on 9th July 2021 and the evaluation will be conducted in the first week of August. The Officer is expected to join the team by mid-August 2021.
Procurement Officer (International)	Q2/2021		Q3/2021	0%	0%	KFSU to commence procurement in August 2021
KFSU Procurement Officer (national)	Q2/2021	KFSU	Q3/2021	0%	50%	TOR has recently been approved by WB. REOI will be published in August 2021.
KFSU Finance Officers (2 nationals)	Q2/2021	KFSU	Q3/2021	0%	10%	TOR is currently being developed.
Hydrographic Position	Q3/2021	OIIU	Q3/2021	0%	80%	TOR completes and has been approved by WB. Contract negotiation will commence in first week of August 2021
<b>Goods, Works and Non consulting Services</b>						
Activity	Planned recruitment/commencement	Unit	Actual/proposed recruitment/commencement date	Progress in Quarter 1, 2021	Progress in Quarter 2, 2021	Progress as end of second quarter 2021
Design-built (ATONS and maritime works in Abaiang & Beru)	Q4/2021		?	0%	0%	.
Office equipments	Q3/2020	OIIU	Q1/2021	1%	20%	Equipments required by the OIIU PM have been purchased and these include: laptop computer & office program. The equipments for the OIIU officers will proceed in Q2/2021 prior to the signing of the Consultant contract.
KOITIIP & KFSU NEW OFFICE	Q3/2020	OIIU & KFSU	Q3/2021	10%	30%	MFED has delegated its current boardroom to become OIIU and KFSU office. The renovation plan is finalised by MISE before it is open for tendering. Paperwork from MFED regarding the delegation of office space for KOITIIP PMU needs to be collected and stored at PMU files.

## 4. Contract Management



UKHO CONTRACT	Output	Value in %	2021												Legend	
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
			w1w2w3w4	w1w2w3w4	w1w2w3w4	w1w2w3w4	w1w2w3w4	w1w2w3w4	w1w2w3w4	w1w2w3w4	w1w2w3w4	w1w2w3w4	w1w2w3w4	w1w2w3w4		
<b>Phase 1 Programme Preparation (10%)</b>		10%	<b>1ST QUARTER</b>													Planned
Development of Contract Documentation consisting of Specifications, Hydrographic Instruction and Tender Documentation		10%														Actual
			delay (approx 26 wks)													Delay
<b>Phase 2 Project Execution &amp; Management (51%)</b>		51%	<b>2ND QUARTER</b>													
Programme/Project Management - Invoiced at end of Phase 2 and delivery of data to GoK)		7%														
Tender Evaluation - Invoiced on completion of Contractor kick off meeting		5%														
			This activity is delaying dur to delay in Phase 1													
On Site Training - Invoiced on completion of onsite training		5%														
			potential delay due to boarder closure (Covid 19)													
Data Quality Checks during Acquisition (Client Representation) - Invoiced at Contractor demobilisation from site		20%														
			potential delay due to boarder closure (Covid 19)													
Tidal Analysis, Data Validation and Quality Control - Invoiced on completion of data validation and acceptance of data		14%														
			potential delay due to boarder closure (Covid 19)													
<b>Phase 3 - Production of Navigational Products (39%)</b>		39%														
Programme/Project Management - Invoiced on completion of ENC Products		5%														
ENC Compilation - Invoiced on completion and release of ENC Products		15%														
SNC Compilation - Invoiced on completion and release of SNC Products		10%														
Completion Report - Invoiced following training at UKHO and Supply of Completion Report		9%														

Number of Active Individual Consultant Contracts	Individual Consultants	Name	UNIT	Commencement date	Funding Support	Expenditure to date
5	OIIU PM	Paul Takabiri	OIIU	26-Feb-21	ADB/WB	Please refer to IFR prepared by KFSU
	KFSU Manager	Atanteora Beiatau	KFSU	Q4/2020	WB	
	KFSU Finance Manager	Tekiera Ruaia	KFSU	Q4/2020	WB	
	KFSU Procurement Officer	Temwaia Ereata	KFSU	Q4/2020	WB	
	KFSU Social Safeguard Officer	Dr. Komeri Onorio	KFSU	09-Mar-21	WB	

The number of active contracts remains as it was in Quarter 1. There was no new contract awarded in Quarter 2. However, there are 4 positions expected to be filled in the next quarter for OIIU and 3 for KFSU. The positions are:

- OIIU:
  - Gender/Gender
  - Community Liaison
  - Monitoring and Evaluation Officer
  - Hydrographic Surveyor
- KFSU:
  - 2 Finance Officers
  - Procurement Officer
  - Social Safeguard

Item	Agreed Actions from Mission	Agency Responsible	Action Date	Progress	Comments
1	OIIU, supported by KFSU, to send physical copies of the ESMF and RF to the selected outer islands	OIIU	ASAP	45%	The ESMF and RF have been shared to the Clerks on the selected outer islands via email. The physical copies are yet to be sent after the OIIU is fully equipped with a good color printer and binding machine. The existing printer at KFSU run out of donor for a very long time. Shortage of supplies has been experienced since the pandemic
2	KFSU, supported by OIIU, to operationalize GRM by establishing logging, tracking and report system, training responsible personnel and publicize information about the GRM in project areas	KFSU	Jun 30, 2021	0%	Trip to the outer islands is planned for September and October 2021. Preparatory work for the trip on how to implement the community consultation and establish proposed mechanisms mentioned in the project documents on the outer islands is one of the main focus for project team in the month of August
3	KFSU to prepare updated Stakeholder Engagement Plan to reflect KOITIIP's work plan Year 1 activities	KFSU	Jun 30, 2021	0%	
4	OIIU to add safeguards requirements such as instrument development and environmental license approvals into the Project Work Plan	OIIU	May 31, 2021	50%	Obtaining Environmental License has been added into the Project Work Plan. Please refer to Annex 2, Management Activities - 1.1
5	OIIU to develop an isolated worker procedure including safety at sea considerations and identify associated safety equipment (e.g emergency locator beacons, lifejackets etc)	OIIU	May 31, 2021	50%	KFSU Social Safeguard Officer has been working on the guidelines after his participation in the WB workshops pertinent to the development of the guideline. The Safeguard Officer is to meet with the Marine Division to review the guideline before it is finalised and sent to the WB for approval

- ## 6. Monitoring & Evaluation

UKHO CONTRACT Output		2021																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
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1. The border closure which resulted in the MICTTD staff who is responsible for drafting the bidding documents being stranded in Fiji
2. Delay in submitting the bidding documents to the WB for approval
3. The WB review process which took around 23 days to provide the first feedback to the submission.
4. OIIU, KFSU, MICTTD and even UKHO are new to WB procurement procedures.

## 7. Financial Management

Submission date: 30/07/2021

**8. Issues**

Issues	Impact on Project	Solution
Marine Division, OIIU and KFSU are not familiar with WB Procurement Procedures	Delay in the procurement activities	International Procurement Specialist to be recruited as soon as possible to provide quality checks and assist KFSU, MISE, MICTTD and OIIU in all procurement activities
PM is the only staff in the OIIU and he is carrying out all of the tasks required.	Delay to project activities	Recruit OIIU staff as soon as possible to ease the load of the PM so he can focus on critical activities of the Project. Community Liaison Officer, Monitoring and Evaluation Officer and Gender Specialist must commence work in August.
Delayed response from WB to submissions on STEP	Cause delays to project activities that need WB approval	Recruit a Procurement Specialist to ensure that all submission via STEP meet WB requirements so that they get approval in the initial review of the WB.
Internet	Affect access to STEP	The issue is from the main internet service provider.
Tion is not a permanent staff of Marine Division	Tion is the KOITIIP focal person from MICTTD. Losing him will create further delays to the Project.	The Project will engage Tion until a Government position for him is approved and available in 2022. On going meetings with PSO to ensure the position is included in the list of new positions for 2022.



**10. Annex 1: Requirements of the Grant Agreement (Special Operations) - ADB**

## Execution of Project: Financial Matters

Section	Description	Does it comply?
Article IV		
4.02	Maintain separate accounts and records for the project	
	Prepare annual financial statements for the Project in accordance with financial reporting standards acc	Yes – KFSU is still preparing these financial statements.
	Have financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable to ADB	Noted
	As part of each such audit, have the auditors prepare a report, which includes the auditors' opinions on the financial statements and the use of the Grant proceeds and a management letter, which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit	Noted
	Furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and manage letter.	Noted
Schedule 3		
2 (a)	The Procurement of Goods, Works and Services is carried out in accordance with the Procurement Framework	Yes
2 (b)	Goods, Works and Services shall be procured based on the detailed arrangements set forth in the Procurement Plan, including the procurement and selection methods, the type of bidding documents, and review requirements. The Recipient may modify the detailed arrangements set forth in the Procurement Plan only with the prior agreement of ADB, and such modifications must be set out in the updates to the Procurement Plan	Yes
2 (c)	All goods and Works procured and Services obtained do not violate or infringe any industrial property or intellectual property right or claim of any third party	Yes
	All contracts for the procurement of Goods, Works and Services contain appropriate representations, warranties and if appropriate indemnities from the contractor, supplier, consultant or service provider with respect to the matters referred to in this subparagraph.	Yes
3	The Recipient will not award any Works contract which involves environmental impacts until: the Recipient's Ministry of Environments, Lands and Agricultural Development has granted final approval of the respective ESIA and the Recipient has incorporated the relevant provisions from the respective ESMP into the Works contract	Noted and will be followed
4	The Recipient will not award any Works contract which involves involuntary resettlement impacts, until the Recipient has prepared and submitted to ADB the final Resettlement Plan for the Project site based on the Project's detailed design and obtained ADB's clearance of such Resettlement Plan.	Noted and will be followed in upcoming contracts
5	The Recipient shall ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Recipient relating to environment and requirements set forth in the respective ESIA and ESMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.	Noted
6	The Recipient shall ensure that all land and all rights-of-way required for the Project are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Recipient relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the Resettlement Framework; and (d) all measures and requirements set forth in the respective Resettlement Plan, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.	Noted
7.	Without limiting the application of the Involuntary Resettlement Safeguards, the Resettlement Framework or the respective Resettlement Plan, the Recipient shall ensure that no physical or economic displacement takes place in connection with the Project until: (a) compensation and other entitlements have been provided to affected people in accordance with the Resettlement Framework and the respective Resettlement Plan; (b) a comprehensive income and livelihood restoration program has been established in accordance with the Resettlement Framework and the respective Resettlement Plan	Noted
8	The Recipient shall ensure that the Project does not impact indigenous people within the meaning of the SPS. If due to unforeseen circumstances, the Project impacts indigenous people, the Recipient shall take all steps necessary or desirable to ensure that the Project complies with all applicable laws and regulations of the Recipient and with the SPS	Noted
9	The Recipient shall make available necessary budgetary and human resources to fully implement each ESMP, the Resettlement Framework and each Resettlement Plan	Noted
10	The Recipient shall ensure that all bidding documents and contracts for Works contain provisions that require contractors to:	
	a. Comply with the measures relevant to the contractor set forth in the respective ESIA, ESMP, Resettlement Plan (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set forth in a Safeguards Monitoring Report	Noted
	b. Make available a budget for all such environmental and social measures	Noted
	c. Provide the Recipient with a written notice of any unanticipated environmental, resettlement or indigenous people risks or impacts that arise during construction, implementation or operation of the Project that were not	Noted

	considered in the respective ESIA, ESMP, Resettlement Framework or Resettlement Plan	
	d. Adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction	Yes, conditional assessment report completed. Another conditional assessment will be conducted before construction commences
	e. Reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction	Noted
11	The Recipient shall do the following	
	a. Submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission	Noted
	b. If any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in any ESIA, EMP, Resettlement Framework or Resettlement Plan, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan	Noted
	c. Report any actual or potential breach of compliance with the measures and requirements set forth in any ESMP, Resettlement Framework or Resettlement Plan promptly after becoming aware of the breach.	Noted
13	The Recipient shall ensure that the core labour standards and the Recipient's applicable laws and regulations are complied with during Project implementation. The Recipient shall include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things	
	a. Comply with the Recipient's applicable labour law and regulations and incorporate workplace occupational safety norms	Noted
	b. Do not use child labor	Noted
	c. Do not discriminate workers in respect of employment and occupation	Noted
	d. Do not use forced labor	Noted
	e. Allow freedom of association and effectively recognize the right to collective bargaining	Noted
	f. Disseminate or engage appropriate service providers to disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the Project and to members of the local communities surrounding the Project area, particularly women.	Yes
14	The Recipient shall strictly monitor compliance with the requirements set forth in paragraph 13 above and provide ADB with regular reports.	Yes
15	The Recipient shall ensure that	
	a. The GAP is implemented in accordance with its terms	Yes
	b. The bidding documents and contracts that include relevant provisions for contractors to comply with the measures set forth in the GAP	Noted
	c. Adequate resources are allocated for implementation of the GAP	Noted
	d. Progress on implementation of the GAP including progress toward achieving key gender outcome and output targets, are regularly monitored, and reported to ADB	Noted
16	The Recipient shall make available through budgetary allocations or other means, all counterpart funds required for the timely and effective implementation of the Project including any funds required	
	a. Compensation costs for safeguard impacts	Noted
	b. Mitigation of unforeseen environmental and social impacts	Noted
	c. Any additional costs arising from design changes, financing gaps or construction or installation costs	Noted
17	The Recipient shall ensure the allocation and availability of a sufficient budget or subsidy, on an annual basis, for the operations and maintenance of Project Facilities and ensure that the Project facilities are included in an asset management information system established to account for the assets of the Recipient	Noted
18	The Recipient, the Project Executing Agency, and the implementing agencies shall:	
	a. Comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project	Noted
	b. Cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation	Noted
	c. The Recipient, the Project Executing Agency and the implementing agencies shall ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.	Noted

**11. Annex 2: Requirements of Financing Agreement (IDA & GOK) - WB**

Section/Part	Description	Progress/Does the Government comply?
<b>Schedule 1</b>		
<b>1</b>	<b>Safe Inter-Island Navigation- Carrying out activities to improve the safety of inter-island navigation including:</b>	
a	Conducting hydrographic surveys and preparing and publishing maritime charts	GOK is currently working closely with UKHO to finalize the bidding documents to select the contractor to conduct the survey/data acquisition. It is expected that the ROEI will be advertised in June.
b	Providing and installing tide gauges and current meters	Not yet
c	Providing contract management services to support activities under Part 1	Ongoing – OIIU and MICTTD are currently managing the Contract of UKHO. UKHO is to supervise the hydrographic survey and to convey the survey data in the maritime charts.
<b>2</b>	<b>Resilient Outer Island Access Infrastructure</b>	
<b>1</b>	<b>Improvement of Ship Safety Navigation</b>	
a	Designing and installing new aids to navigation and replacing existing ineffective aids to navigation in locations informed by the hydrographic surveys and maritime charts prepared under Part 1a of the Project	ATON specification has been produced in the preparation phase of the KOITIIP. The design and build contract will be discussed further with ADB and WB in Quarter 2 of 2021. This is another important task that needs to be confirmed before the actual start of the hydrographic survey.
b	Providing technical assistance to develop a system for maintenance of aids to navigation and preparing safeguard documents.	This activity will become part of the Contract for the Contractor who will design and build the ATON according to the Specification produced in the Preparation Phase of the Project.
<b>2</b>	<b>Rehabilitation of Island Access Infrastructure</b>	
	Carrying out activities to construct and rehabilitate infrastructure to improve maritime access to Selected Outer Islands, as informed by the hydrographic surveys and maritime charts under Part 1a of the Project including:	
a	Designing and constructing a new jetty, passenger terminal, concrete ramp and associated infrastructure on the Recipient's island of Abaiang; undertaking small scale dredging in Tebikeriki, on the Recipient's island of Beru; and constructing a passenger terminal and associated infrastructure, and upgrading the seawall on Recipient's island of Beru; including preparing site assessments and safeguards documents	The design and construction of the Jetty and dredging still await the recruitment of an independent contractor.
b	constructing small multipurpose maritime facilities on Recipient's islands of Nonouti and Tabiteuea South, including a boat ramp, shelter and aids to navigation workshop; preparing site assessments and safeguard documents; and providing associated small equipment	Not yet
c	providing technical assistance for the design, construction and maintenance activities under Part 2.2(b) of the Project, including conducting engineering studies, carrying out capacity development activities for the Recipient's staff, preparing safeguard documents, and conducting quality assurance audits.	This will form part of the Contractor Agreement for 2.2 (b)
<b>3</b>	<b>Rehabilitation of Lagoon Crossings</b>	
a	Rehabilitating and upgrading existing causeways identified and selected in accordance with the criteria and procedures specified in the <b>Project Operations Manual</b> to ensure climate resilient access to Selected Outer Islands, including preparing site assessments and preparing safeguard documents, and carrying out activities related to the maintenance of the causeways.	Not yet
b	Providing technical assistance for the design, construction, and maintenance activities under Part 2.3(a) of the Project, including conducting site investigations and engineering studies, carrying out supervision of works, conducting quality assurance audits, preparing safeguard documents, and carrying out capacity development activities for staff and personnel of the Ministry of Infrastructure and Sustainable Energy ("MISE").	Awaits the recruitment of MISE mentoring firm. MISE is still preparing the TOR for the mentoring firm. The TOR should be ready for advertising in July 2021.
<b>3</b>	<b>Strengthening the Enabling Environment</b>	
<b>1</b>	<b>Institutional Strengthen - Providing technical assistance to the Ministry of Information, Communications, Transport and Tourism Development ("MICTTD") and MISE to increase their capacity to implement the Project and manage transport infrastructure, including:</b>	
a	conducting assessments and studies, and training MICTTD staff on the development and management of a marine spatial database; and	Not yet – UKHO is now currently working with MICTTD on the development of bidding documents for the survey work. This is also part of the capacity building. Tion is the key person from MICTTD who is currently working with UKHO.
b	developing a MISE capacity investment plan and providing associated training, program licenses and software.	OIIU and KFSU are still waiting for the specification of the software. It is recommended that MISE purchases software or computer programs that the mentoring firm is familiar with or currently use in its everyday business.
<b>2</b>	<b>Operational Support for the Outer Island Implementation Unit</b>	
	Providing technical and operational assistance to the Outer Islands Implementation Unit ("OIIU") on Project management and implementation, including audits, training of Project staff and personnel, supporting overall supervision of the Project, providing small equipment, reporting, monitoring and	OIIU PM is currently paid under the fund dedicated for the support of the OIIU.



	evaluation, and safeguard monitoring; and supporting gender informed activities, including citizen engagement, outreach activities, and developing employment networks designed to increase women's participation and prevent gender-based violence.	
3	<b>Operational Support for the Kiribati Fiduciary Services Unit</b>	
	Strengthening capacity of the Kiribati Fiduciary Services Unit ("KFSU") in providing Project management and implementation support to this Project and other IBRD and/or Association financed or co-financed projects in the Recipient's territory, including audits, providing small equipment, training Project staff and personnel, reporting, and monitoring and evaluation.	All operational costs of the KFSU are funded under KOITIIP. It is a shame if KFSU does not put KOITIIP activity as priority number 1 in their everyday activity!
<b>Part 4 – Contingent Emergency Response</b>		
	Providing immediate response to an Eligible Crisis or Emergency, as needed.	
<b>SCHEDULE 2: PROJECT EXECUTION</b>		
<b>Section 1 IMPLEMENTATION ARRANGEMENT</b>		
A	<b>Institutional Arrangements</b>	
1	The Recipient shall maintain until the Closing Date, the Development Coordination Committee, with a mandate, composition and resources satisfactory to the Association, which shall be: (i) chaired by the Secretary to Cabinet (or their representative), and comprising, <i>inter alia</i> , the secretaries (or their representatives) of the Ministry of Finance and Economic Development ("MFED"), MISE, MICTTD, Ministry of Internal Affairs, Ministry for Women, Youth, Sports and Social Affairs, and Ministry of Environment, Lands and Agriculture Development, and other members as specified in the Project Operations Manual; and (ii) responsible for, <i>inter alia</i> , providing general oversight, coordination, strategic direction and guidance for the Project.	The DCC meets monthly, and the meeting is organized by the NEPO within MFED. Introducing KOITIIP in the DCC will be done in Q2 2021 with the assistance of the NEPO.
2	The Recipient shall, by no later than three (3) months after the Effective Date (or such later date which the Association has confirmed in writing is acceptable to the Association in its sole discretion), establish and thereafter maintain until the Closing Date, a Project Technical Taskforce, with a mandate, composition and resources satisfactory to the Association, which shall: (i) be chaired by the Project manager of the OIIU (or their representative), and comprising, <i>inter alia</i> , technical staff representatives from MISE, MICTTD, Ministry of Internal Affairs, Ministry of Environment, Lands and Agriculture Development, and key personnel from OIIU; and (ii) be responsible for, <i>inter alia</i> , providing technical oversight of the Project, preparing Annual Workplans and Budgets and ensuring that the Project meets its development objectives.	The first meeting of the Project Technical Taskforce, TTF, was in March 2021. The only member turning up were representatives from the Ministry of Women, Youth and Social Affairs. The next meeting is scheduled for 19 <sup>th</sup> May 2021. A Cabinet Paper will be prepared after the second meeting to seek Cabinet's endorsement about the establishment of the TTF.
3	The Recipient shall vest in MFED: (i) the overall responsibility for coordination and implementation of the Project; (ii) the responsibilities on implementation of Parts 3.2, 3.3 and 4 of the Project; and (iii) the responsibilities on Project management and fiduciary aspects of Project implementation, all in accordance with the provisions of this Agreement and the Project Operations Manual.	Done - KFSU was created within MFED by the KRRP and KOITIIP is currently maintaining that set up until now.
4	Without limitation to the generality of Section I.A.3 above, the Recipient shall, by no later than three (3) months after the Effective Date (or such later date which the Association has confirmed in writing is acceptable to the Association in its sole discretion), establish and thereafter maintain until the Closing Date, an OIIU within MFED, with a mandate, composition and resources satisfactory to the Association, which shall: (i) be responsible for, <i>inter alia</i> , carrying out day-to-day implementation of activities under Part 3.2 of the Project and Project management and fiduciary aspects of Project implementation, including safeguards compliance, and monitoring and evaluation, with support from KFSU on, <i>inter alia</i> , procurement and financial management; and (ii) unless otherwise agreed with the Association or specified in the Project Operations Manual, include at all times the following minimum staff and/or personnel, or be supported by such specialists from KFSU: (A) a Project manager; (B) a chief technical advisor; (C) a procurement specialist; (D) a social safeguards specialist; (E) an environmental safeguards specialist; (F) a gender or gender-based violence specialist; and (G) a community liaison specialist; each with terms of reference, qualifications and experience satisfactory to the Association.	OIIU has been established. The PM was engaged in 26 <sup>th</sup> February and the remaining positions are to be finalized before they are advertised.

5	Without limitation to the generality of Section I.A.3 above, the Recipient shall maintain until the Closing Date (or such other date which the Association has confirmed in writing is acceptable to the Association in its sole discretion), KFSU within MFED, with a mandate, composition and resources satisfactory to the Association, which shall: (i) be responsible for, <i>inter alia</i> , carrying out day-to-day implementation of activities under Part 3.3 of the Project, and supporting OIIU on fiduciary aspects of Project implementation, including procurement and financial management; and (ii) unless otherwise agreed with the Association or specified in the Project Operations Manual, include at all times the following minimum staff and/or personnel: (A) a procurement specialist; (B) a financial management specialist; and (C) a safeguards specialist; each with terms of reference, qualifications and experience satisfactory to the Association.	Done - KFSU was created within MFED by the KRRP and KOITIIP is currently maintaining that set up until now.
6	The Recipient shall vest the responsibilities on technical implementation of: (i) Parts 2.2(b), 2.2 (c) and 2.3 of the Project in MISE; and (ii) Part 3.1 of the Project jointly in MISE and MICTTD, all in accordance with the provisions of this Agreement, the Project Operations Manual and the MISE Implementation Manual.	Yes - the GOK is following this arrangement
7	The Recipient shall vest the responsibilities on technical implementation of: (i) Parts 2.2(b), 2.2 (c) and 2.3 of the Project in MISE; and (ii) Part 3.1 of the Project jointly in MISE and MICTTD, all in accordance with the provisions of this Agreement, the Project Operations Manual and the MISE Implementation Manual.	Yes - the GOK is following this arrangement
8	Without limitation to the generality of Section I.A.7 above, the Recipient shall, by no later than three (3) months after the Effective Date (or such later date which the Association has confirmed in writing is acceptable to the Association in its sole discretion), establish and thereafter maintain until the Closing Date, an MISE Implementation Unit within MISE, with a mandate, composition and resources satisfactory to the Association, which shall: (i) be responsible for, <i>inter alia</i> , carrying out day-to-day technical implementation of Parts 2.2(b) and 2.3(a) of the Project; and (ii) include at all times the following minimum staff and/or personnel: (A) a Project manager; and (B) a senior civil engineer; each with terms of reference, qualifications and experience satisfactory to the Association	Yes - the GOK is following this arrangement – MISE has drafted a Ministerial directive note regarding the establishment of the MISE-Implementing Unit
B	Project Operational Manual	The OIIU is currently preparing this document.
1	By not later than two (2) months after the Effective Date (or such later date which the Association has confirmed in writing is acceptable to the Association in its sole discretion), the Recipient shall:	
a	prepare a manual, in form and substance satisfactory to the Association, which shall set forth, <i>inter alia</i> , the following detailed arrangements and procedures for the implementation of the Project: (i) implementation arrangements, including the division of roles and responsibilities between the implementing ministries and their relevant units, the Island Councils, the <u>Development Coordination</u> Committee and the Project Technical Taskforce; (ii) procurement procedures and standard procurement documentation; (iii) reporting requirements, financial management procedures and audit procedures; (iv) Project performance indicators; (v) arrangement and procedures for environment and social safeguard management; (vi) monitoring and evaluation arrangements; (vii) the criteria and procedures for identifying any additional Selected Outer Islands and identifying and prioritizing investments under Part 2 of the Project; and (viii) any other administrative, financial, technical or organizational arrangements and procedures as may be necessary for the implementation of the Project and the achievement of its development objectives	
b	furnish to, and exchange views with the Association on such manual promptly upon its preparation; and	
c	adopt such manual as shall have been accepted by the Association (“Project Operations Manual”).	
2	The Recipient shall thereafter implement the Project in accordance with the Project Operations Manual, and except as the Association shall otherwise agree in writing, the Recipient shall not amend, suspend, abrogate, repeal or waive any provisions of the Project Operations Manual.	
3	In the event of any conflict between the provisions of the Project Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.	
C	MISE Implementation Manual	MISE is yet to draft this document
1	By not later than twelve (12) months after the Effective Date (or such later date which the Association has confirmed in writing is acceptable to the Association in its sole discretion), the Recipient shall:	
a	prepare a manual, in form and substance satisfactory to the Association, which shall set forth, <i>inter alia</i> , the following detailed arrangements and procedures for the implementation	

	of activities under Parts 2.2(b) and 2.3(a) of the Project: (i) implementation arrangements; (ii) procurement procedures and standard procurement documentation; (iii) reporting requirements, financial management procedures and audit procedures; (iv) arrangement and procedures for environment and social safeguard management, including gender and gender-based violence prevention and mitigation activities; (v) monitoring and evaluation arrangements; (vi) technical procedures and design specifications; and (vii) any other administrative, financial, technical and organizational arrangements and procedures as may be necessary for the implementation of Parts 2.2(b) and 2.3 (a) of the Project.	
b	furnish to, and exchange views with the Association on such manual promptly upon its preparation; and	
c	adopt such manual as shall have been accepted by the Association (“MISE Implementation Manual”).	
2	The Recipient shall thereafter implement Parts 2.2(b) and 2.3(a) of the Project in accordance with the MISE Implementation Manual, and except as the Association shall otherwise agree in writing, the Recipient shall not amend, suspend, abrogate, repeal or waive any provisions of the MISE Implementation Manual.	
3	In the event of any conflict between the provisions of the MISE Implementation Manual and those of this Agreement and/or the Project Operations Manual, the provisions of this Agreement and the Project Operations Manual shall prevail, in that order of priority.	
D	<b>Annual Work Plans and Budgets</b>	
1	The Recipient shall prepare and furnish to the Association, by not later than one (1) month after the Effective Date and June 30 of each subsequent year during the implementation of the Project (or such other interval or date as the Association  The Recipient shall prepare and furnish to the Association, by not later than one (1) month after the Effective Date and June 30 of each subsequent year during the implementation of the Project (or such other interval or date as the Association may agree), for the Association’s review and no-objection, an Annual Work Plan and Budget, which shall, <i>inter alia</i> : (a) list all activities (including Operating Costs and Trainings and Workshops) proposed to be included in the Project in the Recipient’s following fiscal year; (b) provide a budget for their financing (with a financial plan specifying all sources of financing including the Financing, the Co- financing and any other resources provided by the Recipient); and (c) describe the environmental and social safeguard measures taken or planned to be taken in accordance with the provisions of Section I.F of this Schedule 2.	The implementing agencies are currently working on their proposed activities and budget for the year 2022. This will be reviewed by the TTF before it is submitted to ADB & WB.
	The Recipient shall ensure that the Project is implemented in accordance with the Annual Work Plans and Budgets accepted by the Association for the Recipient’s respective fiscal year; provided, however, that in the event of any conflict between the Annual Work Plans and Budgets and the provisions of this Agreement, the provisions of this Agreement shall prevail.	
	The Recipient shall not make or allow to be made any change to the Annual Work Plans and Budgets, unless the Association has provided its prior no-objection thereof in writing.	
F	<b>SAFEGUARDS</b>	
1		
a	the Project is carried out with due regard to appropriate health, safety, social, and environmental practices and standards, and in accordance with the Safeguard Instruments;	The Project is recruiting Safeguards Officers to ensure that safeguard issues are addressed by the Project.
b	for each activity under the Project for which the Environmental and Social Management Framework (“ESMF”) and the Resettlement Framework (“RF”) provide for the preparation of an Environmental and Social Impact Assessment (“ESIA”), an Environmental and Social Management Plan (“ESMP”) and/or a Resettlement Action Plan (“RAP”):  proceed to have such ESIA, ESMP and/or RAP as appropriate: (A) prepared and disclosed in accordance with the ESMF and the RF, respectively; (B) consulted upon adequately with people affected by the Project as per the ESMF and the RF, respectively, and submitted to the Association for review and approval; and (C) thereafter adopted, prior to implementation of the activity; and  take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESIA, ESMP and/or RAP in a manner satisfactory to the Association; and	
c	all measures are taken to implement the RAPs in a manner and timeframe satisfactory to the Association. To this end, the Recipient shall ensure that:	



	<p>funds are made available to cover all the costs of implementing the RAPs;</p> <p>prior to carrying out activities which involve displacement, Affected Persons shall be compensated at full replacement cost, resettled and provided with assistance in accordance with the RAPs, as applicable; and</p> <p>the implementation, monitoring and evaluation of such RAPs is completed and reported in a manner satisfactory to the Association.</p>	
2	<p>The Recipient shall ensure that the MISE Implementation Manual, all bidding documents and contracts for civil works under the Project include the obligation of all implementing ministries, local labor, contractors, subcontractors, and supervising entities to: (a) comply with the relevant aspects of Safeguard Instruments; (b) adopt and implement measures to assess and manage the risks and impacts of labor influx and workers' camps; and (c) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures on environmental, social, health and safety, gender-based violence and violence against children; all as applicable to such civil works commissioned or carried out pursuant to said contracts.</p>	
3	<p>The Recipient shall ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable Safeguard Policies and EHS Guidelines</p>	
4	<p>The Recipient shall ensure that the Emergency Response Part does not include any activities and expenditures on the negative list set forth in the CERC ESMF; and</p> <p>if any activities under Emergency Response Part, would, pursuant to the CERC ESMF, require the preparation of a CERC ESMP, the Recipient shall ensure that: (i) no such activities shall be implemented unless and until such CERC ESMP is prepared, consulted upon, approved, adopted and disclosed in accordance with the provisions of the CERC ESMF; and (ii) thereafter such measures are taken as shall be necessary or appropriate to ensure compliance with the requirements of such CERC ESMP.</p>	
5	<p>Without limitation upon its other reporting obligations under this Agreement, the Recipient shall:</p> <ul style="list-style-type: none"> <li>(a) take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Reports, and promptly in a separate report whenever the Association may require or whenever the circumstances warrant, information on the status of compliance with the Safeguard Instruments, all such reports in form and substance acceptable to the Association, setting out, <i>inter alia</i>: (i) the status of implementation of the Safeguard Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the Safeguard Instruments; and (iii) corrective and preventive measures taken or required to be taken to address such conditions;</li> <li>(b) promptly furnish to the Association a copy of each progress report prepared and submitted by any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors; and</li> <li>(c) promptly notify the Association of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers.</li> </ul>	
6	<p>The Recipient shall maintain, throughout Project implementation, and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Recipient, to hear and determine fairly and in good faith all complaints</p>	

	raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Recipient.	
7	Except as the Association shall otherwise agree in writing, the Recipient shall ensure that none of the provisions of the Safeguard Instruments be abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail	
<b>SECTION II PROJECT MONITORING &amp; EVALUATION</b>		
1	The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.	Noted
2	<p>The Recipient shall carry out, jointly with the Association, not later than three (3) years after the Effective Date, or such other period as may be agreed with the Association, a mid-term review of the Project (“Mid-Term Review”) to assess the status of Project implementation, as measured against Project indicators acceptable to the Association, and compliance with the legal covenants included or referred to in this Agreement. Such review shall include an assessment of the following: (a) overall progress in implementation; (b) results of monitoring and evaluation activities; (c) progress on procurement and disbursement; (d) progress on implementation of safeguards measures; (e) implementation arrangements and Project staff turnover; and (f) the need to make any adjustments to the Project to improve performance. To this end, the Recipient shall:</p> <p>(i) prepare and furnish to the Association, at least one (1) month before the date of the Mid-Term Review, a report, in scope and detail satisfactory to the Association and integrating the results of the monitoring and evaluation activities performed pursuant to Section II.1 of this Schedule 2 and the General Conditions, on the progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof; and</p> <p>(ii) review, jointly with the Association, the report referred to in the preceding paragraph and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of such report and the Association’s views on the matter.</p>	Noted