

**ASIAN DEVELOPMENT BANK**

**COUNTRY STRATEGY AND PROGRAM UPDATE  
2005–2007**

**REPUBLIC OF THE FIJI ISLANDS**

**August 2004**

## **CURRENCY EQUIVALENTS**

(as of 25 June 2004)

Currency Unit	–	Fiji dollar (F\$)
F\$1.00	=	US\$0.56010
US\$1.00	=	F\$1.78540

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
CSA	–	commercial statutory authority
CSP	–	country and strategy program
EU	–	European Union
GCC	–	government commercial company
GDP	–	gross domestic product
ICT	–	information and communications technology
MDG	–	Millennium Development Goal
PDMC	–	Pacific developing member country
PSD	–	private sector development
SDP	–	strategic development plan
TA	–	technical assistance

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## **I. COUNTRY STRATEGY**

1. The overall strategy of the Asian Development Bank (ADB) for the Fiji Islands is to promote economic growth and improve the quality of life. This is fully consistent with the Government's strategic development plan (SDP) for 2003–2005, which seeks to reduce poverty by providing income earning opportunities through close government-private sector partnership. The SDP is currently being revised to reflect the evolving development situation and priorities of the country. During 2005–2007, ADB will focus on public investment in productive physical infrastructure in key sectors; strengthen the associated policy, institutional capacity, and regulatory frameworks; and support increased private sector participation and competition in public enterprises. Targeted poverty reduction assistance will focus on vulnerable and less endowed communities. The sector focus includes transportation and communications; energy; agriculture and natural resources; water supply, sanitation and waste management; and finance. The country strategy and program update (CSPU) has strong country ownership and is well aligned with the SDP and the Millennium Development Goals (MDGs). A summary statement of strategy is in Appendix 1.

## **II. CURRENT DEVELOPMENT TRENDS AND ISSUES**

### **A. Recent Political and Social Developments**

2. The political situation in the Fiji Islands has generally improved from that of the previous years. Efforts to form a constitutional government are ongoing. To date, the two major political parties, the ruling Soqosoqo Duavata ni Lewenivanua (SDL) and Fiji Labour Party (FLP) have not reached an agreement on the composition of the multiparty cabinet. In July 2004, the Supreme Court ruled that both parties were wrong in their interpretation of the constitution relating to multiparty Cabinet composition, and urged both parties to work together to resolve the issue. In the meantime, the SDL and FLP leaders have engaged in confidence-building meetings to resolve remaining key issues and some notable progress has been made, especially on land tenure and sugar industry restructuring. To heal the divisions and to restore trust between communities, various initiatives by community organizations, including the Great Council of Chiefs, are also ongoing. The recent death of Ratu Sir Kamisese Mara, the Fiji Islands' first Prime Minister and former President, a leader respected by all communities, has further helped bring various communities closer than before. Recently, based on the considerable progress made toward restoring democracy, the Commonwealth Ministerial Action Group removed the Fiji Islands from the Commonwealth's watch list. Early resolution of the remaining multiparty Cabinet composition issues between SDL and FLP is crucial for restoring much-needed private sector confidence and accelerating various proposed structural reforms for economic growth and social development.

### **B. Economic Assessment and Outlook**

3. The Fiji Islands' economy expanded for the third year in succession in 2003. Gross domestic product (GDP) growth accelerated to 5.0%, from 4.1% in 2002, mainly due to buoyant consumer spending and an increase in tourist arrivals (Appendix 2, Table A2.2). In 2004, growth is projected to be 4.5–5.0%. Although inflation rose to 3.2% in April 2004, it is expected to remain at around 3.0% in 2004, compared with 4.1% in 2003. Higher oil prices might exert some upward inflationary pressure in 2004. The fiscal stance continued to be expansionary, and in 2003, the budget deficit increased to 6.1% from 5.6% of GDP in 2002. The increase was mainly due to the additional appropriation needed to deal with the impact of the 2003 cyclone, and a delay in planned government asset sales. For 2004, the fiscal deficit target is 3.5%, but this

seems ambitious. In 2003, central government debt was 48.9% of GDP (97.0% is domestic debt) compared with 47.7% in 2002. The ratio of external debt service to exports was about 2.5% in 2003. Foreign reserves improved from F\$672 million in 2003 to F\$752 million by end-April 2004, sufficient to cover 5 months of imports.

4. Recently, the Reserve Bank of Fiji noted that investment spending is rising, reflecting investor confidence, but it is still below the required level. To achieve the Government's medium-term target of 5% annual growth, the investment rate needs to be around 30%. The current rate of investment is only around 14% of GDP compared with about 21% in the late 1970s. To encourage private sector investment, the Government is committed to increase its share of capital expenditure to 30% from the current 14%. To sustain growth, substantial investment in productive infrastructure is crucial. In the medium term, the Government's investment target is 25% of GDP, which is about F\$400 million of annual investment.

5. To enhance medium-term growth prospects, the Government has restated its commitment to continue with structural reforms, particularly the land, public enterprise, civil service, labor, and financial reforms. Sugar industry restructuring will be implemented in phases from July 2004. There are indications that the long-standing land tenure issues will be resolved within the framework of the Native Land Trust Act, which potentially allows agricultural leases of 50 years compared with the current nonrenewable agricultural leases of 30 years. To improve public service efficiency and accountability, from January 2004, the Government has introduced a merit-based public service contract for heads of departments. A Public Financial Management Bill to accelerate financial reforms, and an Industrial Relations Bill for better collective bargaining and dispute settlement are being finalized. Institutional reforms are also in progress in key sectors. Generally, progress in structural reforms has been slow due to lack of political commitment and institutional capability.

### **C. Implications for Country Strategy and Program**

6. The Government has made considerable progress in accelerating growth and restoring political harmony, but there is much more to be done. The Fiji Islands faces enormous challenges: (i) increasing levels of poverty (5% live in absolute poverty, and another 20% live below the poverty line) and urban migration; (ii) vulnerability to frequent natural disasters; (iii) heavy dependence on the sugar industry for employment and income; (iv) shortage of skilled human resources due to "brain drain;" and (v) poor infrastructure and high utilities costs. The Government and ADB agree that the key issues need to be addressed to increase growth beyond the current 4–5% rate. The absence of sizeable foreign investments in key sectors suggests the need to accelerate structural reforms. ADB will continue to help the Fiji Islands create an enabling environment for private sector development by improving governance. A highly focused medium-term ADB technical assistance (TA) and lending program will help boost private sector confidence and foreign investment. The current CSPU aims to support and address these challenges. A full CSP will be undertaken in 2005 jointly with the Government.

## **III. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM**

### **A. Progress in Poverty Reduction**

7. Compared with many other Pacific developing member countries (PDMCs), the Fiji Islands has made considerable progress in achieving the MDGs, and is close to achieving targets in education, health, and gender-related goals. (The MDG targets and progress toward them are in Appendix 2, Table A2.1.) Literacy rates are high, with the latest estimates of adult

literacy (age 15 and over) reported at 93.2% and youth literacy (age 15–24) at 99.3%. Universal primary education for boys and girls has been achieved, though the quality of education and retention rates remain a problem, particularly in the outer islands. Infant and child mortality rates have decreased and are low. Gender disparities in primary and secondary enrollments have almost been eliminated. However, only about 50% of the population has access to safe water and proper sanitation. Access to sanitation is 75% for urban areas, and only 12% for rural areas.

8. In its 2003 *Human Development Report*, the United Nations Development Programme ranked the Fiji Islands 81<sup>st</sup> of 175 countries in the human development index compared with 72<sup>nd</sup> in 2002, 41<sup>st</sup> among 94 countries in the human poverty index, and 67<sup>th</sup> among 144 countries in the gender development index in 2003, down from 65<sup>th</sup> in 2002 (Appendix 2, Table A2.3). The women-to-men parity index was estimated at 105% for life expectancy, 95.8% for the adult literacy rate, and 97.4% for the combined gross enrollment ratio. Women constitute 35% of the labor force, and are mainly in lower-skilled jobs. In 2005, to enhance gender balance, ADB will support a TA for Women's Action Plan II.

9. The unstable political and socioeconomic situation has led to a significant increase in hardship and poverty. New pockets of poverty are emerging in urban squatter settlements and rural areas. The preliminary findings of the 2002 participatory assessment of hardship<sup>1</sup> suggest that the proportion of the population whose incomes are below the poverty line may have increased from the 25% recorded in 1990/91, however, this can only be verified once the full results of the Household Income and Expenditure Survey are analyzed and released in late 2004. The poor expressed concern over governance issues, declining standards in the delivery of basic services, lack of economic opportunity, especially for those being displaced in the sugar industry and the urban unemployed. The main priorities of the poor, as identified during the 2002 participatory assessment of hardship, were access to jobs and income opportunities, as well as improved service delivery and infrastructure, particularly safe drinking water. To address poverty better, a poverty partnership was finalized and signed between the Government and ADB in 2003. The recently approved (December 2003) Suva-Nausori Water Supply and Sewerage Project will provide safe drinking water to the poor in urban areas around Suva-Nausori. The proposed Alternative Livelihoods Development Project (proposed for Board consideration in late 2004) will significantly address poverty, especially in the western and northern regions. ADB will continue to prepare and implement projects to reduce poverty.

## **B. Progress in the Country Strategy and Program Focus Areas**

### **1. Good Governance**

10. Political and economic instability in the past has been directly linked to poor governance. The Government's SDP recognizes that good governance is key to efficient delivery of services and private sector confidence, and overall poverty reduction. There are concerns over corruption and misuse of public funds, which have affected public confidence and investment. ADB's strategy emphasizes the need to improve institutional capacity to reduce inefficiency within the bureaucracy. Efforts to strengthen governance<sup>2</sup> through improved financial accountability and greater transparency (including faster and more accurate disclosure of

<sup>1</sup> ADB. 2002. *Preparation of National Poverty Reduction Strategies in Pacific Developing Member Countries*. Manila.

<sup>2</sup> ADB. 2002. *Preparing a Pacific Governance Strategy*. Manila; ADB. 2002. *Fostering Demand for Good Governance*. Manila.

information) at all levels of government are being pursued through public sector reforms. ADB will support the strengthening of the key government departments to improve capability and capacity to provide efficient delivery of services and strengthen property rights.<sup>3</sup> In 2003, ADB provided advisory TAs for Strengthening Public Sector Financial Governance in drafting and implementing a revised Public Finance Management Act, and for Public Sector Banking and Cash Management to improve the Government's cash-flow management. ADB will also incorporate in its programs and projects performance indicators and roadmaps to monitor governance progress in meeting MDG targets, and institutional and financial accountabilities. In 2005, ADB will help in expediting public sector reforms, and establish an efficient audit system that will harmonize with the new Public Finance Management Act.

## 2. Private Sector Development

11. Private sector development (PSD) will be critical for the economy in achieving sustained GDP growth and employment generation. The Government's medium-term priority is to achieve 5% annual growth by raising the investment rate to 25% of GDP. The International Monetary Fund, however, estimates that an investment rate of 30% of GDP would be needed to sustain 5% growth. Despite marked political and economic improvement, private sector investment is still low, at 14% of GDP. The Government recognizes the need for greater private investment for GDP growth, and to attract it, political and macroeconomic stability, structural reform implementation, substantial infrastructure investment, and better incentives to investors are crucial. In April 2004, the Government introduced a Foreign Investment Amendment Bill to clarify and amend clauses in the current Foreign Investment Act 1999, and it is expected that the bill will provide a positive environment for foreign investors. The Fiji Islands Revenue and Customs Authority is reviewing the current incentive package in line with global market changes. The Fiscal Review Committee is also currently reviewing the overall taxation system in the country. Against a backdrop of low private sector investment, government investment in commercial companies (GCCs) and commercial statutory authorities (CSAs) continues to grow. Net equity in GCCs and CSAs grew from F\$499 million in 2001 to F\$746 million in 2002. The financial performance of the GCCs and CSAs has been poor and returns on equity have remained below 1%, and are below the cost of borrowing.

12. The Government needs to vigorously review, strengthen, and implement PSD-conducive policies, including structural reforms. The Government must also establish a clear strategy to divest its ownership in key commercial enterprises. In April 2004, during the Pacific Forum Summit in New Zealand, the Fiji Islands endorsed the Pacific Plan to enhance international economic and trade cooperation among smaller PDMCs. Consistent and focused effort by funding agencies, to a large extent, can play a major role in PSD, especially in infrastructure, governance, and trade issues. ADB will ensure that its PSD strategy and operations continue to support government initiatives to develop and implement the legal, regulatory, and institutional frameworks that will enhance and sustain private sector activities, including information and communications technology (ICT).<sup>4</sup> The Government requested support for further capital

<sup>3</sup> ADB. 2002. *Strengthening Debt Management*. Manila; ADB. 2000. *Preparation of the Medium-Term Development Plan*. Manila; ADB. 2002. *Supporting Economic Management and Development Policies*. Manila.

<sup>4</sup> ADB. 2002. *Private Sector Development Strategy for the Pacific*. Manila; ADB. 1996. *Capital Market Development Authority*. Manila; ADB. 2003. *Implementation of the Information and Communication Technology Strategy*. Manila; ADB. 2003. *Preparing a Pro-Poor Subregional E-Government Project for Providing Basic Service Delivery to Remote Communities in the Pacific*. Manila; ADB. 2003. *Preparing the Civil Aviation and Airports Improvement Project*. Manila; ADB. 2003. *Swimming Against the Tide, An Assessment of the Private Sector in the Pacific*. Manila.

market development through strengthening of the Fiji stock exchange and bond market, which are critical to PSD and to attaining the annual investment target.

### **3. Economic Growth**

13. The Fiji Islands has the capacity to grow faster and create jobs more rapidly, but the economy has yet to perform to its potential. For the past 20 years, the country has grown at an average of only 2.3%, well below that of most developing member countries. Public and private investment has been low, GDP per capita has been almost stagnant for several years, and the quality of life has deteriorated. The poor growth is attributed to the past political instability that resulted in lack of investor confidence and large migration of skilled workers. The Fiji Islands needs to attract more private investment to diversify its economy to improve its sluggish growth. However, due to high infrastructure, utilities and labor costs, and land tenure issues, private sector investment has been low. As a result, poverty, unemployment, and crime have increased. There is a need for urgent investment in key sectors to stimulate the economy to create employment and address growing poverty. Recently, there have been signs of improvement, but much will depend on the early resolution of pending constitutional and land tenure issues, and progress in the structural reforms.

### **4. Key Sector Focus**

#### **a. Infrastructure Development**

14. The chronic lack of investment in physical infrastructure development has an impact on the growth targets. Thus, investment in productive infrastructure is critical for accelerating economic growth. The Government requested ADB support for infrastructural rehabilitation, and ADB assistance under the CSPU will aim to increase support for physical infrastructure development through public-private partnerships in transport, power, water supply and sewerage, and ICT. For augmenting public-private partnerships and improving the access and affordability of services to the poor by concerned agencies, institutional reforms (involving various regulatory issues) and cost recovery need to be addressed.<sup>5</sup>

15. In the transport sector, the Government intends to expedite road development to improve connectivity by addressing road upgrading, safety, and sector reforms. The Government also indicated that build-operate-transfer legislation would be in place soon to ensure that it would be able to secure the most effective funding options for the country's transport sector development, particularly in airports, ports, and roads. Preliminary work will be initiated through savings from TA 2850-FIJ: *Road Sector Reform and Safety Improvement*. The separation of the road functions of the present Public Works Department, and the creation of a separate Department of National Roads will proceed this year. In the aviation subsector, the Government's policy is for capital investment to support growth and wider geographic distribution of infrastructure for tourism development. The two international airports at Nadi and Nausori and several domestic airports are currently facing capacity bottlenecks, and the government-owned Airports Fiji Ltd. is planning to address these through a major long-term airports upgrading program.<sup>6</sup> Although mobilization of private-sector investments will be

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<sup>5</sup> ADB. 1999. *Port Asset Management Improvement*. Manila; ADB. 2003. *Preparing the Civil Aviation and Airports Improvement Project*. Manila.

<sup>6</sup> ADB. 2003. *Preparing the Civil Aviation and Airports Improvement Project*. Manila.



important, the current institutional environment<sup>7</sup> requires detailed review and streamlining to improve flexibility and facilitate greater private sector involvement. In particular, the legislative environment for joint ventures, build-operate-transfer-type projects, and privatization involving GCCs requires review and updating. These investment modalities are currently undergoing an extensive consultation process involving a wide spectrum of stakeholders including relevant ministries, agencies, and potential investors. The ongoing project preparatory TA (footnote 6) will identify modalities for potential investment opportunities for airports improvements in the country.

16. In the energy sector, the Government's rural electrification program seeks to reduce demand for fuel wood and imported fuels. With 60% of the population living in rural areas, affordable electricity will improve the standard of living and stimulate growth. A project preparatory TA<sup>8</sup> is under implementation for improving access to electricity in rural areas. The Fiji Electricity Authority (FEA) is currently exploring financing options to increase its power generating capacity over the medium term. As part of the SDP, outer islands development is in need of capital investment for infrastructure upgrading and modernization to support expansion of rural production and increased tourism. Small wharves, domestic airstrips, rural roads, and other basic facilities are facing capacity constraints. Urban development is another government priority. ADB has provided TA 3243: *Urban Sector Study* to review the status of urban services and policies. So far, a national urban policy has been finalized. ICT also has the potential to play a vital role to promote more efficient and cost-effective services. For 2005–2007, the ADB program will support key public sector investments, capacity building, and institutional reforms in infrastructure development. Project preparatory TAs for Road Upgrading in 2004, Urban Sector Development for 2005, and Rural and Outer Islands Development for 2006 have been programmed. ADB is also supporting ICT development through various TAs.

## **b. Agriculture and Natural Resources**

17. About 30% of GDP and 70% of exports can be attributed to agriculture and natural resources activities. Sugar remains of fundamental importance and occupies 50% of arable land, employs 13% of the labor force, contributes directly 9% of GDP, and generates about 30% of exports. Several constraints are prominent in the future of the sugar industry, including uncertainty over renewal of expired land leases,<sup>9</sup> an inefficient pricing system, outdated and inefficient mills, and the imminent phasing out of sugar price support by the European Union (EU). Currently, nonsugar crops contribute only about 8% of GDP, and about 11% of agricultural exports. To identify alternatives to sugar, a comprehensive review of the agriculture sector was undertaken by ADB in 1995.<sup>10</sup> The study concluded that the country's competitive advantage lies in the export of high-value products to niche markets and in traditional food production.

18. Fisheries and forestry are the other two important natural resource sectors that contribute about 4.9% and 2.5% of GDP, respectively. The hardwood plantations, including mahogany, have enormous value-adding potential of up to F\$200 million annually. However, in 2003, timber exports totaled only F\$33 million, about 20% lower than in 2002. Major constraints facing the sector include lack of proper infrastructure, inadequate skilled personnel, poor timber

<sup>7</sup> Involving Airports Fiji Ltd., Air Terminal Services, the Civil Aviation Authority of the Fiji Islands, and a three-way reporting and regulatory relationship with the ministries of Finance and National Planning, Public Enterprises and Public Sector Reform, and Transport and Civil Aviation.

<sup>8</sup> ADB. 2002. *Preparing the Rural Electrification Project*. Manila.

<sup>9</sup> According to the Native Land Trust Board Taskforce Report (1996), 13,112 leases will expire between 1997 and 2026, covering 89% of the total area under lease.

<sup>10</sup> ADB. 1995. *Agriculture Sector Study*. Manila.

utilization, and the inability to sustain quality and quantity for domestic and export markets. The Fiji Hardwood Corporation has launched some immediate strategies, including seeking strategic partners to promote the development of the industry. Such development requires updating the forest inventory, since the last review was in 1969. Fisheries, with about 1.3 million square kilometers in the country's exclusive economic zone, have good potential for further development. In 2003, total export earnings were F\$85 million, about 6% lower than in 2002. Major constraints include a lack of related infrastructure, such as fishing wharves, and electricity for refrigeration and processing in rural areas. The Government is keen to promote fisheries and forest sectors to generate employment opportunities in rural areas, and to provide food security for isolated communities in the outer islands. Such initiatives will also help to reduce poverty and to permit all communities to participate in overall economic development.

19. ADB's lending program for 2004 includes an Alternative Livelihoods Development Project for diversification out of the sugar industry. To address the current sugar industry problems, including land tenure issues, ADB has provided ongoing advisory TAs to support the restructuring of the sugar industry.<sup>11</sup> ADB will also provide an advisory TA for a Fisheries Sector Review in 2004. For 2006, the Government requested a project preparatory TA for a Rural and Outer Islands Development Project (earlier known as the Ecotourism and Outer Islands Infrastructure Development Project).

### c. Environment

20. The Fiji Islands' environment is increasingly fragile, due to a range of natural and developmental pressures, and is highly vulnerable to extreme climatic conditions. The outer islands and atolls are particularly sensitive to these extreme climate and weather occurrences. Additionally, current global and regional climatic scenarios indicate increased cyclonic activity, drought, and flooding. Future climate shifts may exacerbate existing conditions and will entail increased social and economic costs.

21. An expanding tourism industry, cultivation on steep lands, and poor solid and liquid waste and water sanitation management have increased environmental concerns. The Fiji Islands' capability and capacity to respond effectively to these environmental risks are currently limited. The recently enacted Sustainable Development Act<sup>12</sup> (renamed the Environmental Management Act) will help strengthen compliance and regulatory effectiveness. However, there is a need to mainstream and plan for response strategies for addressing these climatic events by better coordination of resources and skills to mitigate potential environmental risks.

22. Currently, ADB is implementing two regional TAs<sup>13</sup> which will benefit the Fiji Islands through information exchange, dissemination, and capacity strengthening. Further, ADB will seek grant financing from the Global Environment Facility for its proposed Rural and Outer Islands Development Project in 2007. Better environment management is also being supported through TA 4270-FIJ: *Capacity Building in Water and Sewerage Services* (attached to the Suva-Nausori Water Supply and Sewerage Project) to strengthen environmental regulations and pretreatment of industrial discharges.

<sup>11</sup> ADB. 2000. *Capacity Building of the Native Land Trust Board in Preparing Land Mapping and Establishing Boundaries*. Manila; ADB. 2002. *Intermediation of Sugar Sector Restructuring*. Manila.

<sup>12</sup> ADB. 1994. *Environmental Awareness, Legislation and Database*. Manila.

<sup>13</sup> ADB. 2002. *Formulation of the Pacific Region Environmental Strategy 2004-2008*. Manila; ADB. 2002. *Climate Change Adaptation Program for the Pacific*. Manila.

### **C. Highlights in Coordination of External Funding and Partnership Arrangements**

23. The Fiji Islands is one of the lowest recipients of official development assistance on per capita basis in the South Pacific. In 2003, funding agencies provided F\$61 million of grants, and a similar amount is expected in 2004. The key development partners include Australia, People's Republic of China, Japan, New Zealand, the EU, and United Nations agencies. The EU and ADB have developed a strong partnership in the agriculture sector, particularly in the sugar industry reforms, and with the International Monetary Fund, United Nations Development Programme, and Australian Agency for International Development, in support of the Pacific Financial Technical Assistance Centre. Effective aid coordination and a unified approach to various reforms among funding agencies are important to minimize duplication and transaction costs, and above all, facilitate better use of development assistance. To ensure selectivity of sectors and to avoid duplication of effort, ADB will, as far as possible, instill better local ownership of its assistance program; widely consult stakeholders in economic, thematic, and sector work and in project and TA preparation and implementation; and coordinate assistance with other development partners. ADB is committed to helping Asian and Pacific developing member countries, including the Fiji Islands, achieve MDGs by 2015. ADB has begun actions to improve development effectiveness by implementing the ADB reform agenda to manage better for development results. ADB is building a strong partnership with the Government, other development partners, private sector, and civil society (including nongovernment organizations). With the establishment of the South Pacific Subregional Office (SPSO) in Suva in June 2004, partnerships and collaboration with all stakeholders will be further strengthened.

## **IV. PORTFOLIO MANAGEMENT ISSUES**

### **A. Portfolio Performance**

24. Since 1970, ADB has approved 15 loans to the Fiji Islands, amounting to \$217.3 million as of 31 December 2003. These include three loans for road upgrading, two for ports development, three for the energy sector, three for agriculture and natural resources, two for development banks, one for low-income housing development, and one for water supply and sewerage. Currently, two loans are under implementation: the Third Road Upgrading Project (FRUP III) for \$40.0 million, approved in August 1997; and the Ports Development Project for \$16.8 million, approved in March 2002 (Appendix 2, Table A2.10). The Suva-Nausori Water Supply and Sewerage Project for \$47.0 million was approved in December 2003, signed in August 2004, and is expected to become effective in September 2004. There are some significant delays in the implementation of the final international competitive bidding contract under FRUP III, and the Government has taken action to address the issue. The SPSO is expected to substantially improve ADB's portfolio performance, including matters relating to implementation delays, covenant compliance, and disbursements.

25. Since 1970, 72 grant-funded TAs have been approved, totaling \$23.1 million. As of July 2004, 12 TAs were ongoing, including capacity building and corporatization of water supply services, implementation of the urban sector strategy, intermediation of sugar sector restructuring, supporting economic management and development policies, implementation of an ICT strategy, strengthening of public sector financial governance, and strengthening of public sector banking and cash management. Implementation of ongoing loans and TAs is satisfactory.

## **B. Performance Monitoring and Evaluation**

26. To improve results on the ground, ADB will monitor the national poverty reduction goals, including MDGs, by establishing clear key macroeconomic and portfolio performance indicators, and an effective monitoring mechanism that will be audited during various ADB reviews. ADB will also liaise with other development partners to harmonize results indicators to minimize duplication. With the prospect of a strong lending pipeline over the period 2005–2007, a full CSP will be prepared in 2005 with identified performance indicators for monitoring and evaluation.

## **V. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS**

### **A. Proposed Lending Level**

27. The 2004 program was confirmed with the Government. Based on the current processing timetable, the proposed Alternative Livelihoods Development Project will be processed for Board consideration in 2004 (Appendix 5, Table A5.1). The proposed Rural Electrification Project, the Airports Rehabilitation and Upgrading Project, and the Fourth Road Upgrading Project (FRUP IV) will be processed for approval in 2005. The proposed average lending program for 2005–2007 is estimated at about \$40 million annually (Appendix 2, Table A2.11). Since the Fiji Islands is an ordinary capital resources borrower, commercial cofinancing and guarantee opportunities, and grants for poverty intervention and environmental protection will also be explored. The lending level is commensurate with the country's sound macroeconomic fundamentals, absorptive capacity, and project implementation capabilities. In preparing the CSP, the focus will be selectivity of sectors to achieve economic growth and poverty reduction goals.

### **B. Nonlending Program**

28. The nonlending assistance is focused, and covers project preparatory as well as advisory capacity-building TAs, and economic, thematic, and sector work. The confirmed TA program for 2004 includes one project preparatory TA for FRUP IV, and three advisory TAs for Strengthening Commercial Agricultural Development, Fisheries Sector Review, and Strengthening Public Sector Banking and Cash Management. An annual TA program of about \$1.5 million is proposed for 2005–2007 (Appendix 2, Table A2.12).

### **C. Summary of Changes to Lending and Nonlending Program**

29. There are some minor changes to the lending program. The proposed Alternative Livelihoods Development Project has been deferred to 2004 from 2003. The proposed Rural Electrification Project, the Airports Rehabilitation and Upgrading Project, and the FRUP IV will be processed for approval in 2005; the proposed Urban Sector Development Project is planned for 2006; and the Rural and Outer Islands Development Project has been moved to 2007.

30. There are also some minor changes to the sequencing of nonlending assistance. The following are planned: in 2004, one project preparatory TA for FRUP IV, and three advisory TAs, including one standby TA; in 2005, one project preparatory TA for Urban Sector Development, and five advisory TAs; and, in 2006, one project preparatory TA for Rural and Outer Islands Development and three advisory TAs.

31. For reference, the 2004 Assistance Program is provided in Appendix 5.

## SUMMARY STATEMENT OF STRATEGY

<b>Long-Term Goal:</b> Raise living standards, especially among the poor			
<b>Objectives</b>	To support increased public investments in productive physical infrastructure development in key sectors for stimulating economic growth and poverty reduction	To strengthen the associated policy, institutional and regulatory frameworks, including setting appropriate tariffs and revenue collections to instill good governance and accountability	To support increased private sector participation and competition in key sectors by creating enabling conditions for private sector, and public-private partnership development
<b>Strategic Focus</b>	<ul style="list-style-type: none"> <li>• Improve the quality of public infrastructure through greater private sector participation in construction, operation, and maintenance</li> <li>• Rehabilitate the major infrastructure system in the main and outer islands</li> <li>• Help raise productivity of small enterprises through improved technology, access to medium- and long-term credit, and information on markets</li> <li>• Improve participation of poor, female, and disadvantaged groups in economic activities</li> </ul>	<ul style="list-style-type: none"> <li>• Support structural reforms</li> <li>• Support capacity building in central and local agencies for implementing associated policies, improve basic service delivery quality including utilities</li> <li>• Improve financial accountability in key ministries</li> </ul>	<ul style="list-style-type: none"> <li>• Support improved business environment in areas of taxation, regulations and licensing, including strengthening of financial infrastructure, etc.</li> <li>• Remove constraints related to land, credit, communication, and other factors</li> <li>• Promote public-private partnership participation for infrastructure and agricultural development</li> <li>• Support diversification to high value added crops/products, expanding competitive niche industries</li> </ul>
<b>Ongoing or Proposed Loan</b>	<ul style="list-style-type: none"> <li>• Third Road Upgrading (1997)</li> <li>• Fiji Ports Development (2002)</li> <li>• Suva Nausori Water Supply and Sewerage (2003)</li> <li>• Alternative Livelihoods (2004)</li> <li>• Rural Electrification (2005)</li> <li>• Fourth Road Upgrading (2005)</li> <li>• Airports Rehabilitation and Upgrading (2005)</li> <li>• Urban Sector Development (2006)</li> <li>• Rural and Outer Islands Development (2007)</li> </ul>	<ul style="list-style-type: none"> <li>• Third Road Upgrading (1997)</li> <li>• Fiji Ports Development (2002)</li> <li>• Suva-Nausori Water Supply and Sewerage (2003)</li> <li>• Fourth Road Upgrading (2005)</li> <li>• Urban Sector Development (2006)</li> </ul>	<ul style="list-style-type: none"> <li>• Fiji Ports Development (2002)</li> <li>• Suva-Nausori Water Supply and Sewerage (2003)</li> <li>• Alternative Livelihoods (2004)</li> <li>• Airports Rehabilitation and Upgrading (2005)</li> <li>• Fourth Road Upgrading (2005)</li> <li>• Urban Sector Development (2006)</li> </ul>
<b>Ongoing or Proposed TAs</b>	<ul style="list-style-type: none"> <li>• Rural Electrification (2002)-PPTA</li> <li>• Civil Aviation and Airports Improvement (2003)-PPTA</li> <li>• Fourth Road Upgrading (2004) -PPTA</li> <li>• Urban Sector Development (2005)-PPTA</li> <li>• Rural and Outer Islands Development (2006)-PPTA</li> <li>• Fisheries Development (2007)-PPTA</li> </ul>	<ul style="list-style-type: none"> <li>• Intermediation of Sugar Sector Rest'ing (2002)</li> <li>• Supporting Econ. Mgmt. and Devt Policies (2002)</li> <li>• Capacity Building in Water &amp; Sewerage Service (2003)</li> <li>• Strengthening Public Sector Financial Governance (2003)</li> <li>• Public Sector Banking and Cash Management (2004)</li> <li>• Women's Plan of Action-Phase II (2005)</li> <li>• Development Planning &amp; Implementation (2005)</li> <li>• Impl. of an Efficient Audit System (2005)</li> </ul>	<ul style="list-style-type: none"> <li>• Urban Sector Strategy (1999)</li> <li>• Port Asset Management Improvement (2002)</li> <li>• Implementation of ICT Strategy (2003)</li> <li>• Strengthening Public Sector Banking and Cash Management (2004)</li> <li>• Commercial and Agricultural Development (2004)</li> <li>• Fisheries Sector Review (2004)</li> <li>• Strengthening Fiji's Stock Exchange (2005)</li> <li>• Leadership Enhancement &amp; Advancement Project (2005)</li> </ul>

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<b>Other Assistance (RETAs ongoing)</b>	<ul style="list-style-type: none"> <li>• Prep. of Nat'l Poverty Reduction Strategies in PDMCs (2002)</li> <li>• Strengthening Poverty Analysis and Strategies in the Pacific (2003)</li> <li>• Making Resource Allocation Pro-Poor and Participatory in the Pacific (2004)</li> </ul>	<ul style="list-style-type: none"> <li>• Private Sector Devt Strategy for the Pacific (2002)</li> <li>• Pacific Financial Technical Assistance Centre (2004)</li> </ul>	<ul style="list-style-type: none"> <li>• Preparing a Pro-poor Subregional E-Government Project for the Pacific (2003)</li> <li>• Civil Society Participation in Budget Formulation in the Pacific (2003)</li> </ul>
<b>Target Outcomes</b>	<ul style="list-style-type: none"> <li>• Poverty assessment prepared in 2003</li> <li>• Increased economic activities in alternative non-sugar high-valued enterprises and livelihoods</li> <li>• Enhanced participation of the poor in development, thus creating employment and income</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient and accountable central and local agencies</li> <li>• Efficient civil service capable of providing quality service</li> <li>• Efficient water supply and sewerage agency</li> <li>• Corporatized and privatized government-owned enterprises</li> <li>• Restructured sugar industry</li> </ul>	<ul style="list-style-type: none"> <li>• Improved power supply in rural areas</li> <li>• Improved road and outer island infrastructure</li> <li>• Better airports to accelerate tourism and interisland development</li> <li>• Increased income and employment opportunities in agriculture, tourism, manufacturing, and ICT.</li> </ul>

ICT = information and communications technology, PDMC = Pacific developing member country, PPTA = program or project preparatory technical assistance, RETA = regional technical assistance.

**COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE**  
**Table A2.1: Progress Toward the Millenium Development Goals and Targets**

Goals and Targets	1990	1995	Latest Year	
<b>Goal 1. Eradicate Extreme Poverty and Hunger</b>				
<b>Target 1: Reduce incidence of extreme poverty by half from 1990 to 2015</b>				
1. Proportion of population below \$1 per day (PPP-values) (%)	25.0	—	30.0	(2002)
2. Poverty gap ratio	0.32	—	—	
3. Share of poorest quintile in national consumption (%)	5.1 <sup>a</sup>	—	5.4 <sup>b</sup>	(2002)
<b>Target 2: Reduce the proportion of people who suffer from hunger by half from 1990 to 2015</b>				
4. Prevalence of child malnutrition (% of children under 5)	7.9 <sup>c,d</sup> (1993)	—	8.0	(1997)
5. Proportion of population below minimum level of dietary energy consumption (%)	6.0	—	—	(1990/91)
<b>Goal 2. Achieve Universal Primary Education</b>				
<b>Target 3: Attain 100% primary school enrolment by 2015</b>				
6. Net primary enrolment ratio: (%)				
Total	100.0 <sup>e</sup>	—	99.3 <sup>d</sup>	(1998/99)
Male	100.0 <sup>e</sup>	—	99.3 <sup>d</sup>	
Female	100.0 <sup>e</sup>	—	99.3 <sup>d</sup>	
7. Proportion of pupils starting Grade 1 who reach Grade 5	—	—	—	
8. Literacy rate of 15–24 year olds (%)	97.8 <sup>d,f</sup>	98.6 <sup>d,f</sup>	99.3 <sup>d,f</sup>	(2003)
Male	98.1 <sup>d,f</sup>	98.7 <sup>d,f</sup>	99.3 <sup>d,f</sup>	
Female	97.6 <sup>d,f</sup>	98.5 <sup>d,f</sup>	99.3 <sup>d,f</sup>	
<b>Goal 3. Promote Gender Equality and Empower Women</b>				
<b>Target 4: Eliminate gender disparities in primary and secondary education by 2005 and to all levels of education no later than 2015</b>				
9. Ratio of girls to boys in:				
Primary education	1.00 <sup>g</sup>	0.99 <sup>g</sup>	0.99 <sup>g</sup>	(1998)
Secondary education	0.97 <sup>g</sup>	1.01 <sup>g</sup>	0.95 <sup>g</sup>	(1998)
10. Ratio of young literate females to males (age group 15–24)	1.0 <sup>d,f</sup>	1.0 <sup>d,f</sup>	1.0 <sup>d,f</sup>	(2003)
11. Share of women in wage employment in the non-agricultural sector	29.9 <sup>d</sup>	30.2 <sup>d</sup>	37.8 <sup>d</sup>	(2001)
12. Proportion of seats held by women in national parliament	—	4.0 <sup>d</sup> (1997)	6.0 <sup>d</sup>	(2003)
<b>Goal 4. Reduce Child Mortality</b>				
<b>Target 5: Reduce infant and child mortality by two-thirds from 1990 to 2015</b>				
13. Under-5 mortality rate (per '000 live births)	31.0 <sup>d,h</sup>	25.0 <sup>c,d</sup>	21.0 <sup>d</sup>	(2002)
14. Infant mortality rate (per '000 live births)	25.0 <sup>d,h</sup>	21.0 <sup>c,d</sup>	17.0 <sup>d</sup>	(2002)
15. Proportion of 1 year old children immunized against measles	84.0 <sup>c,d</sup>	94.0 <sup>c,d</sup>	88.0 <sup>d</sup>	(2002)
<b>Goal 5. Improve Maternal Health</b>				
<b>Target 6: Reduce maternal mortality rate by three-quarters between 1990 and 2015</b>				
16. Maternal mortality ratio (per 100,000 live births)	27.0	20.0 <sup>d,h</sup>	29.0	(2001)
17. Births attended by skilled health staff (% of live births)	98.0	99.0 <sup>i</sup> (1998)	100.0 <sup>d,h</sup>	(1995-2002)

*Continued on next page*

Table A2.1—Continued

Goals and Targets	1990	1995	Latest Year	
<b>Goal 6. Combat HIV/AIDS, Malaria and Other Diseases</b>				
<b>Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS</b>				
18. HIV prevalence rate among: (%)				
15–24 year old pregnant women	—	—	—	
Adult rate (aged 15–49)	—	0.07 <sup>j</sup>	0.1 <sup>j</sup>	(2001)
		(1999)		
19. Contraceptive prevalence rate (% of women aged 15–49)	31.0	38.0	44.0	(2001)
	(1993)	(1995)		
		40.5 <sup>i</sup>		
		(1998)		
20. Number of children orphaned by HIV/AIDS	0.0	0.0	≤ 100 <sup>j</sup>	(1999)
<b>Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases</b>				
21. Malaria:				
Prevalence rate (per 100,000 people)				
Death rate (per 100,000 people)	—	—	—	
22. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures	—	—	7.0 <sup>d,h</sup>	(2000)
23. Tuberculosis (TB):				
Prevalence rate (per 100,000 people)	—	21.0 <sup>k</sup>	23.0 <sup>h</sup>	(2001)
		(1998)		
Death rate (per 100,000 people)	—	—	6.0 <sup>h</sup>	(2001)
24. Proportion of TB cases:				
Detected under DOTS (%)	—	—	—	
Cured under DOTS (%)	—	51.0 <sup>d</sup>	59.0 <sup>d,h</sup>	(2001)
	90.0 <sup>d</sup>	86.0 <sup>d</sup>	86.0 <sup>d</sup>	(2001)
	(1994)			
<b>Goal 7. Ensure Environmental Sustainability</b>				
<b>Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources</b>				
25. Forest area (% of total land area)	45.5 <sup>d</sup>		44.6 <sup>d,i</sup>	(2000)
26. Nationally protected areas (% of total land area)	0.3 <sup>g</sup>	1.0 <sup>g</sup>	1.4 <sup>m</sup>	(2003)
	(1985)			
27. GDP per unit of energy use (PPP \$ per kg oil equivalent)	—	—	—	
28. Carbon dioxide emissions (per capita metric tons)	1.1 <sup>d</sup>	1.0 <sup>d</sup>	0.9 <sup>d</sup>	(1999)
<b>Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water</b>				
29. Access to an improved water source (% of population)				
Total		(1997 data)		
Urban	—	85.0 <sup>i</sup>	47.0 <sup>n</sup>	(2000)
Rural	96.0 <sup>n</sup>	90.0 <sup>i</sup>	43.0 <sup>n</sup>	
<b>Target 11: By 2010, to have achieved a significant improvement in the lives of at least 100 million slum dwellers</b>	69.0 <sup>n</sup>	80.0 <sup>i</sup>	51.0 <sup>n</sup>	
30. Access to improved sanitation (% of population)				
Total		(1997 data)		
Urban		85.0 <sup>i</sup>	43.0 <sup>n</sup>	(2000)
Rural	91.0 <sup>n</sup>	90.0 <sup>i</sup>	75.0 <sup>n</sup>	
31. Access to secure tenure (% of population) <sup>o</sup>	65.0 <sup>n</sup>	80.0 <sup>i</sup>	12.0 <sup>n</sup>	
	50.0	50.0	50.0	(2002)

Continued on next page



**Table A2.1—Continued**

— = no data available; DOTS = directly observed treatment, short course; GDP = gross domestic product; kg = kilogram; PPP\$ = purchasing power parity in United States dollar.

Sources: Unless otherwise specified, data are from the ADB. 2002. *Technical Assistance for the Preparation of National Poverty Reduction Strategies in Pacific Developing Member Countries*. Manila (Discussion Paper on Assessment of Hardship and Poverty, June 2003). Figures from the report are primarily based on the 1990–1991 household income and expenditure survey (HIES), 2002 Urban HIES and the 1996 census.

<sup>a</sup> UNDP/Government of Fiji. 1996. *Fiji Poverty Study*

<sup>b</sup> Fiji Islands Bureau of Statistics (FIBS). 2003. *Urban Household Income and Expenditure Survey 2002–2003, Provisional Results*.

<sup>c</sup> WHO/UNICEF. End-Decade Databases 2002. Available: <http://childinfo.org>; WHO/UNICEF. 2001. *Fiji: Review of National Immunization Coverage 1980–1999*.

<sup>d</sup> United Nations Statistics Division (UNSD). 2003. *Millennium Indicator Database*. Available: <http://millenniumindicators.un.org>

<sup>e</sup> United Nations Educational, Scientific and Cultural Organization (UNESCO), World Education Indicators (Country Tables as shown in Appendix III of World Education Report 2000). Available: <http://www.unesco.org/education>

<sup>f</sup> UNESCO, Institute for Statistics. Available: <http://portal.unesco.org/uais>

<sup>g</sup> ADB. 2002, 2003. *Key Indicators*.

<sup>h</sup> UNDP. 2003. *Human Development Report*; UNDP. 1999. *Pacific Human Development Report*.

<sup>i</sup> WHO, Regional Office for the Western Pacific, Country Health Profiles 2001 Revision. Available: <http://wpro.who.int>

<sup>j</sup> Joint United Nations Programme on HIV/AIDS (UNAIDS)/WHO, Epidemiological Fact Sheets, 2000 & 2002 Updates.

<sup>k</sup> South Pacific Regional Environmental Programme (SPREP), Action Strategy for Nature Conservation in the Pacific Islands Region (1999–2002).

<sup>l</sup> World Bank, The Little Green Data Book 2003.

<sup>m</sup> World Resources Institute (WRI), Earth Trends 2003. Available: <http://earthtrends.wri.org>

<sup>n</sup> WHO/UNICEF, Joint Monitoring Programme for Water Supply and Sanitation, Coverage Estimates 1980–2000 (Sept-01); WHO/UNICEF/Water Supply and Sanitation Collaborative Council, Global Water Supply and Sanitation Assessment 2000 Report.

<sup>o</sup> Eighty percent of all land is owned by the traditional indigenous Fijian landowners and is inalienable. Indo-Fijians and other races making up approximately 50% of population either own freehold land or lease from landowners. Frequently they do not have security of tenure.

Table A2.2: Country Economic Indicators

Item	Fiscal Year <sup>a</sup>				
	1999	2000	2001	2002	2003
<b>A. Income and Growth</b>					
1. GDP per Capita (\$, current market prices)	2727.8	2658.5	2841.0	2946.5	2850.1
2. GDP Growth (% , in constant 1995 prices)	9.2	(2.8)	2.7	4.3	4.8
Agriculture	13.5	(1.2)	(5.8)	4.3	0.6
Industry	9.8	(7.4)	7.7	(0.0)	6.8
Services	7.7	(1.8)	3.3	6.5	5.4
<b>B. Saving and Investment</b> (current market prices)					
	(percent of GDP <sup>b</sup> )				
1. Gross Domestic Investment	14.2	11.5	13.7	14.4	14.2
2. Gross Domestic Saving	19.5	16.2	18.5	—	—
<b>C. Money and Inflation</b>					
	(annual percent change)				
1. Consumer Price Index <sup>a</sup>	2.0	1.1	4.3	0.8	4.2
2. Total Liquidity (M2)	14.2	(2.1)	(3.1)	7.9	25.2
<b>D. Government Finance</b>					
	(percent of GDP <sup>b</sup> )				
1. Total Revenue and Grants <sup>b</sup>	28.1	25.9	23.9	26.2	24.7
2. Total Expenditure and Onlending	33.6	32.4	33.4	34.7	33.4
3. Overall Fiscal Surplus (Deficit) <sup>c</sup>	(0.3)	(3.2)	(6.6)	(5.6)	(6.4)
<b>E. Balance of Payments</b>					
1. Merchandise Trade Balance (% of GDP) <sup>d</sup>	(13.8)	(11.1)	(10.9)	(15.0)	(17.8)
2. Current Account Balance (% of GDP) <sup>b</sup>	(3.9)	(5.8)	(3.3)	(3.4)	(10.2)
3. Merchandise Export (\$) Growth (annual % change)	25.8	(0.2)	(8.8)	0.7	24.0
4. Merchandise Import (\$) Growth (annual % change)	27.3	(8.8)	(6.9)	(14.2)	41.1
<b>F. External Payments Indicators</b>					
1. Gross Official Reserves (\$ million, end of period)	419.9	421.6	371.6	338.81	384.5
- in months of imports	4.2	4.6	4.3	3.6	3.0
2. External Debt Service (% of exports of goods and services)	3.2	2.9	2.0	1.9	1.7
3. Total External Debt (% of GDP) <sup>e</sup>	14.0	15.1	13.8	12.7	11.1
<b>G. Memorandum Items</b>					
1. GDP (current market prices, billion local currency)	3.7	3.5	3.8	4.0	4.4
2. Exchange Rate (F\$/US dollar, annual average)	2.0	2.1	2.3	2.2	1.9
3. Population (million)	0.806	0.810	0.815	0.826	0.820

— = no data available, GDP = gross domestic product.

<sup>a</sup> Period average.

<sup>b</sup> Excludes asset sales.

<sup>c</sup> Includes asset sales.

<sup>d</sup> In percent of GDP at current market prices.

<sup>e</sup> External debt outstanding includes Government, statutory bodies, and private sector external debt. Fiscal year ends 31 December.

Sources: Economic and Fiscal Update: Supplement to the Budget Address, various years; Reserve Bank of Fiji; Fiji Bureau of Statistics, and Asian Development Bank estimates.

Table A2.3: Country Poverty Indicators

Item	1990	1995	Latest Year	
<b>1. Development Progress Indices</b>				
Human Development Index (HDI)				
Pacific HDI	—	0.652 (1994)	0.667	(1998)
PDMC Rank (out of 12 PDMCs)	—	3	2	
Global HDI	0.717	0.739	0.754	(2001)
Rank (out of 175 countries)	—	—	81	
Human Poverty Index (HPI)				
Pacific HPI	—	—	8.5	(1998)
PDMC Rank (out of 12 PDMCs)	—	—	4	
Global HPI	—	—	21.3	(2001)
Rank (out of 94 developing countries)	—	—	41	
Composite Vulnerability Index	—	—	8.888	(1998)
PDMC Rank (out of 7 PDMCs)	—	—	3	
Gender-Related Development Index	—	—	0.743	(2001)
Global Rank (out of 144 countries)	—	—	67	
<b>2. Poverty Indicators</b>				
Headcount Index				
(i) % of <b>population</b> below basic needs poverty line				
Total	25.5	—	—	
Urban	27.6	—	—	
Rural Settlement	26.2	—	—	
Rural Village	22.4	—	—	
(ii) % of <b>households</b> below basic needs poverty line				
Total	25.0	—	—	
Urban	24.0	—	30.0	(2002)
Rural Settlement	28.0	—	—	
Rural Village	22.0	—	—	
Poverty Severity Index (%)	—	—	—	
<b>3. Inequality Indicators</b>				
Gini Coefficient, based on:				
Household Income	0.46	—	0.42	(2002)
Per Capita Income	0.49	—	—	
Household Income				
H20	50.1	—	48.7	(2002)
L20	5.1	—	5.4	(2002)
Income Ratio (H20/L20)	9.8	—	9.0	(2002)

— = no data available; H20 = highest income quintile group; H20/L20 = ratio of share in total income of the highest income quintile group to the lowest income quintile group; HIES = household income and expenditure survey; L20 = lowest income quintile group; PDMC = Pacific developing member country.

Sources: ADB. 2002. *Technical Assistance for the Preparation of National Poverty Reduction Strategies in Pacific Developing Member Countries*. Manila (Discussion Paper on Assessment of Hardship and Poverty, June 2003); Fiji Islands Bureau of Statistics (FIBS), Urban Household Income and Expenditure Survey 2002-03, Provisional Results (Dec-03); United Nations Development Programme (UNDP)/Government of Fiji, *Fiji Poverty Study* (1996); UNDP, *Human Development Report 2003*; UNDP, *Pacific Human Development Report* (1994, 1999).

Table A2.4: Country Social Indicators

Item	1990	1995	Latest Year
<b>1. Demographic Indicators</b>			
Total Population ('000)	737.0	768.0	831.6 <sup>a</sup> (2003 est.)
Annual Population Growth Rate (% change)	0.7	1.1	0.7
Dependency Ratio (% of dependents to working age)	69.0 <sup>b</sup>	62.6	57.0 <sup>b</sup> (2002 est.)
		(1996)	
Total Fertility Rate (births per woman)	3.4 <sup>b</sup>	3.3	2.9 <sup>b</sup> (2002 est.)
		(1996)	
Ave. Household Size	5.0	5.2	—
		(1996)	
Urban	—	5.3	4.7 (2002)
		(1996)	
Rural	—	5.0	—
		(1996)	
<b>2. Health</b>			
Life Expectancy at Birth (years)	66.9	66.6	67.3 <sup>b</sup> (2002 est.)
	(1986)	(1996)	
Male	64.8	64.5	64.6 <sup>b</sup> (2002 est.)
	(1986)	(1996)	
Female	69.0	68.7	70.3 <sup>b</sup> (2002 est.)
	(1986)	(1996)	
Population with Access to Health Services (%)	98.0 <sup>c</sup>	100.0 <sup>c</sup>	—
	(1993)	(1995-97)	
Population per Doctor	3,234	2,636 <sup>c</sup>	4,029 (1999)
		(1995-97)	
Government Expenditure on Health			
As % of Total Government Spending	8.1	8.3	8.6 (2002)
	(1992)		
As % of GDP	2.4	2.4	2.7 (2002)
	(1992)		
<b>3. Education</b>			
Adult Literacy Rate (%)	88.6 <sup>d</sup>	91.0 <sup>d</sup>	93.2 <sup>c</sup> (2001)
Male	91.6 <sup>d</sup>	93.5 <sup>d</sup>	95.2 <sup>c</sup> (2001)
Female	85.5 <sup>d</sup>	88.5 <sup>d</sup>	91.2 <sup>c</sup> (2001)
Combined Gross School Enrollment Ratio	—	81.3 <sup>c</sup>	85.0 (2001)
		(1996)	
Male	—	80.0 <sup>c</sup>	—
		(1996)	
Female	—	83.0 <sup>c</sup>	—
		(1996)	
Gross Primary Enrollment (% of aged 5-14 years)	126.0 <sup>d</sup>	—	110.4 <sup>d</sup> (1998/99)
Male	126.0 <sup>d</sup>	—	110.8 <sup>d</sup> (1998/99)
Female	126.0 <sup>d</sup>	90.0 <sup>c</sup>	110.0 <sup>d</sup> (1998/99)
		(1996)	
Gross Secondary Enrollment (% of aged 15-19 years)	56.0 <sup>d</sup>	36.0 <sup>c</sup>	—
		(1996)	
Male	—	37.0 <sup>c</sup>	—
		(1996)	
Female	—	35.0 <sup>c</sup>	—
		(1996)	
Student-Teacher Ratio (no. of students per teacher)			
Primary	34.0 <sup>d</sup>	28.5	28.0 (2002)
		(1997)	
Secondary	18.0 <sup>d</sup>	19.9	16.0 (2002)
		(1997)	
Government Expenditure on Education			
As % of Total Government Spending	16.9	16.3	17.1 (2002)
	(1992)		
As % of GDP	4.3	4.7	5.3 (2002)

Continued on next page

**Table A2.4—Continued**

— = no data available; GDP = gross domestic product.

Sources: Unless otherwise specified, data are from the (i) ADB. 2002. *Technical Assistance for the Preparation of National Poverty Reduction Strategies in Pacific Developing Member Countries*. Manila (Discussion Paper on Assessment of Hardship and Poverty, June 2003); and (ii) Fiji Islands Bureau of Statistics (FIBS), with web site at <http://www.spc.int/prism/Country/FJ/stats>. Figures from these reports are primarily based on the 1990–1991 household income and expenditure survey (HIES), 2002 Urban HIES and various censuses (1986 and 1996). Population figures and growth estimates were taken from the Asian Development Outlook (ADO) 2004 Pacific population database.

<sup>a</sup> Secretariat of the Pacific Community (SPC). Oceania Population 2003 poster.

<sup>b</sup> World Health Organization (WHO), *The World Health Report* (2001, 2002, 2003).

<sup>c</sup> United Nations Development Programme (UNDP), *Human Development Report 2003*; UNDP, *Pacific Human Development Report* (1994, 1999).

<sup>d</sup> United Nations Educational, Scientific and Cultural Organization (UNESCO), Institute for Statistics Available: <http://www.uis.unesco.org>; UNESCO, *World Education Indicators (Country Tables as shown in Appendix III of World Education Report 2000)*; Available: <http://www.unesco.org/education>.

Table A2.5: Country Environment Indicators

Item	1990	Latest Year
<b>1. Energy Efficiency of Emissions</b>		
Traditional Fuel Use (% of total energy use)	45.0	50.0 (1996)
<b>2. Water Pollution</b>	(1980)	
Water Bodies Exceeding Contact Recreation Standards		
Biological Oxygen Demand (BOD)		
Chemical Oxygen Demand (COD)	—	—
<b>3. Air Pollution</b>	—	—
Carbon Dioxide (CO <sub>2</sub> ) Emissions		
Total ('000 metric tons)		
Per unit of GDP (kg/PPP\$ GDP)	813.9	725.9 (1999)
Combined Gross School Enrollment Ratio	0.2	0.2 (1999)
	(1996)	
Sulphur Dioxide (SO <sub>2</sub> ) Emissions		
Total ('000 metric tons)		
<b>4. Land Use and Deforestation</b>	—	3.0 (1995)
Total Land Area (km <sup>2</sup> )		
Average Annual Deforestation Area (remaining km <sup>2</sup> )	18,333	18,333 (2003)
	8,700	8,150 (2000)
% change <sup>a</sup>	(1991/92)	
	-0.2	0.2 (1990-2000)
Arable Land (% of total land)	(1980/90)	
	10.0	
Cropland, Permanent (% of total land)	(1993)	
	4.0	25.0 (2000)
Pastures, Permanent (% of total land)	(1993)	
	10.0	
Population, Density, Rural (people per km <sup>2</sup> )	(1993)	
	207.0	205.0 (2001)
	(1996)	
<b>5. Biodiversity and Protected Areas</b>		
Nationally Protected Area(s)		
Area (km <sup>2</sup> )		
Number	—	255.8 (2003)
Mammals (number of threatened species)	—	31 (2003)
	4	5 (2002)
Birds (number of threatened species)	(1996)	
	9	12 (2002)
Higher Plants (number of threatened species)	(1996)	
Reptiles (number of threatened species)	—	65 (2002)
Amphibians (number of threatened species)	—	6 (2002)
<b>6. Urban Areas</b>	—	1 (2002)
Urban Population		
Total ('000)		
	276.8	393.9 (2002 est.)
% of total population	(1986)	
	38.7	48.3 (2002 est.)
Per Capita Water Use (liters/day)	(1986)	
Wastewater Treated (%)	—	—
Solid Waste Generated per Capita (kg/day)	—	—
	—	—

— = no data available; GDP = gross domestic product; kg = kilogram; km<sup>2</sup> = square kilometer; PPP\$ = purchasing power parity in US dollars.

<sup>a</sup> A positive number indicates a loss of forest area, a negative number a gain.

Sources: ADB. 2002. *Technical Assistance for the Preparation of National Poverty Reduction Strategies in Pacific Developing Member Countries*. Manila (Discussion Paper on Assessment of Hardship and Poverty, June 2003); ADB, *Republic of the Fiji Islands 1999 Economic Report*; Central Intelligence Agency (CIA), *The World Factbook (2001-2003)* (<http://cia.gov>); Secretariat of the Pacific Community (SPC), *Oceania Population 2000 & 2003*; United Nations Development Programme (UNDP), *Human Development Report (2000-2003)*; United Nations Statistics

Continued on next page

**Table A2.5—Continued**

Division (UNSD), Millennium Indicator Database (2003) (<http://millenniumindicators.un.org>); World Bank, *The Little Green Data Book* (2000-2003); World Resources Institute (WRI), *Earth Trends 2003* (<http://earthtrends.wri.org>).

**Table A2.6: Development Coordination Matrix**

Sector/Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
A. Agriculture and Natural Resources	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Review the Fisheries Development - ADTA</li> <li>• Alternative Livelihoods - PPTA</li> <li>• Intermediation in Sugar Sector - ADTA</li> </ul> <p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• Outer Island Agriculture Development - PPTA</li> <li>• Montreal Protocol Ozone Depleting Substance, \$.03 m (UNEP)</li> <li>• Management of Persistent Organic Pollutants, \$0.3 m (GEF/UNEP)</li> <li>• International Waters Programme, \$0.1 m (GEF)</li> <li>• Capacity Building for the Development of Adaption Measures in PDMCs, \$0.15 m (Canada Fund)</li> </ul>	<ul style="list-style-type: none"> <li>• Forage Based Dairy Project, \$0.4 m (FAO)</li> <li>• Cyclone Ami Rehabilitation Program, \$0.2 m (FAO)</li> <li>• Small Rural Community Development, \$1.6 m (JICA)</li> <li>• Adolescents Development Program on Life Skills addressing employment as part of 2003–2007 yrs program \$22 m (UNICEF)</li> <li>• Landowner Educational Training (ITTO), \$0.17 m</li> </ul>
B. Energy	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Rural Electrification - PPTA</li> </ul>	
C. Law, Economic Management and Public Policy	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Strengthening Governance including the Financial Management Act – ADTA</li> <li>• Implementation of ICT Strategy [e-government] (AusAID)</li> <li>• Supporting Econ. Mgmt Development Policies - ADTA</li> <li>• Public Sector Banking and Cash Management - ADTA</li> </ul> <p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• Implementation of an Efficient Audit System - ADTA</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening parliament (UNDP)</li> <li>• Human Rights Commission, \$0.1 m (NZAid)</li> <li>• Legal Aid commission (NZAid)</li> <li>• Public Awareness Program, \$0.3 m, (EU)</li> <li>• Regional support to USP (NZAid)</li> <li>• USP ICT 3 specialists (JICA)</li> <li>• Pacific Technical Advisory Facility, \$0.2 m (AusAID)</li> <li>• Institutional Strengthening of Fiji Inland Revenue and Customs Authority, \$0.3 m (AusAID)</li> </ul>
D. Transportation and Communication	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Civil Aviation and Airports Improvement Project – PPTA</li> <li>• FRUP III - Loan</li> <li>• Ports Development Project – Loan</li> </ul>	<ul style="list-style-type: none"> <li>• Rewa Bridge, \$7.4 m (EU)</li> <li>• Kinoya Sewerage Outfall Development \$2.3 m (EU)</li> <li>• Nawusu Bridge \$1.1 m (China)</li> <li>• Nadi Water Supply \$16.0 m (Japan)</li> <li>• Bua and Noroi Renewable Energy \$0.4 m (UN)</li> </ul>

*Continued on next page*



**Table A2.6—Continued**

Sector/Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
	<p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• Road Upgrading (FRUP IV) - PPTA</li> <li>• Urban Sector Development – PPTA</li> <li>• Rural and Outer Islands Development - PPTA</li> <li>• Civil Aviation and Airports Improvement Project - PPTA</li> </ul>	<ul style="list-style-type: none"> <li>• USP New Information Center, \$1.71 m (Japan)</li> <li>• Naboro Land Oil Project, \$0.5 m (EU)</li> </ul>
E. Water Supply, Sanitation and Waste Management	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Suva-Nausori Water Supply and Sanitation - Loan</li> <li>• Capacity Building in Water Supply &amp; Sewerage (p/b) - ADTA</li> </ul>	

ADB = Asian Development Bank, ADTA = advisory technical assistance, AusAID = Australian Agency for International Development, EU = European Union, FAO = Food and Agriculture Organization, FRUP = fourth road upgrading project, GEF = Global Environment Facility, ICT = information and communications technology, ITTO = International Tropical Timber Organization, JICA = Japan International Cooperation Agency, NZAid = New Zealand Agency for International Development, PDMC = Pacific developing member country, PPTA = project preparatory technical assistance, UN = United Nations, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, UNICEF = United Nations Children's Fund, USP = University of the South Pacific.

**Table A2.7: Portfolio Indicators—Amounts and Ratings**  
(public sector loans, as of 31 December 2003)

Sector	Net Loan Amount		Total		Rating <sup>a</sup>											
	(\$ million)	(%)	(no.)	(%)	Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		Potential Problem <sup>b</sup>		At Risk <sup>c</sup>	
					(no.)	(%)	(no.)	(%)	(no.)	(%)	(no.)	(%)	(no.)	(%)	(no.)	(%)
Agriculture and Natural Resources	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Energy	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Finance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Industry and Trade	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Multisector	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Water Supply, Sanitation and Waste Management	47.0	45.3	1	33.3	—	—	1	100.0	—	—	—	—	—	—	—	—
Transportation and Communications	56.8	54.7	2	66.7	—	—	2	100.0	—	—	—	—	—	—	—	—
<b>Total</b>	<b>103.8</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	—	—	<b>3</b>	<b>100.0</b>	—	—	—	—	—	—	—	—

— = no data available, no. = number.

<sup>a</sup> One rating for implementation progress and development objectives, based on the lower rating of either.

<sup>b</sup> Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>c</sup> A loan is "at risk" if it is rated as partly satisfactory, as unsatisfactory, or as a potential problem.

Sources: Asian Development Bank estimates.

**Table A2.8: Portfolio Indicators—Disbursements and Net Transfers of Resources**  
(public sector loans, as of 31 December 2003)

<b>Disbursements and Transfers</b>	<b>OCR</b>	<b>ADF</b>	<b>Total</b>
Disbursements <sup>a</sup>			
Total Funds Available for Withdrawal (\$ mn)	56.8	0.0	56.8
Disbursed Amount (\$m, cumulative)	23.5	0.0	23.5
Percentage Disbursed (disbursed amt/total available)	41.3	0.0	41.3
Disbursements (\$m, latest year)	8.8	0.0	8.8
Disbursement Ratio (%) <sup>b</sup>	20.9	0.0	20.9
Net Transfer of Resources (\$ mn)			
1999	(5.4)	0.0	(5.4)
2000	(2.9)	0.0	(2.9)
2001	(2.7)	0.0	(2.7)
2002	(3.0)	0.0	(3.0)
2003	0.9	0.0	0.9

ADF = Asian Development Fund, OCR = ordinary capital resources.

<sup>a</sup> Includes ongoing loans and loans with disbursements in 2003.

<sup>b</sup> Ratio of disbursements during the year over the undisbursed net loan balance at the beginning of the year less cancellations during the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

Sources: Asian Development Bank estimates.

**Table A2.9: Portfolio Indicators—Evaluation Rating by Sector**  
(as of 31 January 2004)

	GS/HS/S		PS		US		Total	
	No.	%	No.	%	No.	%	No.	%
Agriculture & Natural Resources	0	0.0	2	66.7	1	33.3	3	100.0
Energy	3	100.0	0	0.0	0	0.0	3	100.0
Industry & Trade	0	0.0	0	0.0	0	0.0	0	0.0
Transportation & Communications	2	100.0	0	0.0	0	0.0	2	100.0
Water Supply, Sanitation and Waster Management	0	0.0	0	0.0	1	100.0	1	100.0
Finance	1	100.0	0	0.0	0	0.0	1	100.0
Multisector	0	0.0	0	0.0	0	0.0	0	0.0
Others	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>6</b>	<b>60.0</b>	<b>2</b>	<b>20.0</b>	<b>2</b>	<b>20.0</b>	<b>10</b>	<b>100.0</b>

GS = generally successful, HS = highly successful, PS = partly successful, S = successful, US = unsuccessful.

Source: Asian Development Bank Postevaluation Information System.

**Table A2.10: Portfolio Implementation Status**

(public sector loans, as of 31 December 2003)

No.	Sector	Loan No.	Title	Net Loan Amount		Approval Date	Effectivity Date	Closing Date		Progress (%) completed)	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem <sup>a</sup>	At Risk <sup>b</sup>
				OCR (\$ million)	ADF (\$ million)			Original	Revised				IP	DO		
1	WS	2055	Suva-Nausori Water Supply & Sewerage Project	47.0		18 Dec 03		30 Jun 09		0	0.0	0.0	S	S	No	No
2	TC	1530	Third Road Upgrading (Sector) Project	40.0		26 Aug 97	15 Jan 98	30 Jun 04	31 Dec 05	65	37.8	22.3	S	S	No	No
3	TC	1902	Fiji Ports Development Project	16.8		05 Mar 02	03 Sep 02	30 Jun 06		25	6.3	1.1	S	S	No	No
<b>Total</b>				<b>103.8</b>							<b>44.2</b>	<b>23.5</b>				

ADF = Asian Development Fund, DO = development objectives, IP = implementation progress, no. = number, OCR = ordinary capital resources, S = satisfactory, TC = transportation and communications, WS = water supply, sanitation and waste management.

<sup>a</sup> "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>b</sup> A loan is considered "at risk" if it is rated as "PS" or "U" in either implementation progress or development objectives, or if it is a potential problem loan.

**Table A2.11: Assistance Pipeline for Lending Products, 2005–2007**

Sector Project/Program Name	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)			Cofi- nancing	
					ADB		Gov't.		
					OCR	ADF			Total
<b>2005 Loans</b>									
<b>Energy</b>									
Rural Electrification	ECO	PAHQ	2002	16.0	10.0	0.0	10.0	6.0	TBD
<b>Transportation and Communication</b>									
Airports Rehabilitation and Upgrading	ECO/PSD	PAHQ	2003	50.0	32.0	0.0	32.0	18.0	TBD
Road Upgrading (FRUP IV)	ECO/PSD	PAHQ	2004	40.0	26.0	0.0	26.0	14.0	TBD
<b>Total</b>				<b>106.0</b>	<b>68.0</b>	<b>0.0</b>	<b>68.0</b>	<b>38.0</b>	<b>TBD</b>
<b>2006 Loans</b>									
<b>Multisector</b>									
Urban Sector Development	PSD/ISD	PAHQ	2005	35.0	22.0	0.0	22.0	13.0	TBD
<b>Total</b>				<b>35.0</b>	<b>22.0</b>	<b>0.0</b>	<b>22.0</b>	<b>13.0</b>	<b>TBD</b>
<b>2007 Loans</b>									
<b>Multisector</b>									
Rural and Outer Islands Development	ECO/PSD	PAHQ	2006	40.0	26.0	0.0	26.0	14.0	TBD
<b>Total</b>				<b>40.0</b>	<b>26.0</b>	<b>0.0</b>	<b>26.0</b>	<b>14.0</b>	<b>TBD</b>

ADB = Asian Development Bank, ADF = Asian Development Fund, ECO = sustainable economic growth, FRUP = Fourth Road Upgrading Project, ISD = inclusive social development, OCR = ordinary capital resources, PAHQ = Pacific Operations Division, PSD = private sector development, TBD = to be determined.

<sup>a</sup> Government - \$9.7 m, Fiji Development Bank - \$12.2 m, and Others - \$5.9 m.

Source: Asian Development Bank estimates.

Table A2.12: Assistance Pipeline for Nonlending Products and Services, 2005–2007

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>2005</b>							
<b>Multisector</b>							
Urban Sector Development	PAHQ	PP	TASF	500.0	—	—	500.0
<b>Finance</b>							
Strengthening Fiji's Stock Exchange	PAHQ	ID	TASF	150.0	—	—	150.0
<b>Law, Economic Management and Public Policy</b>							
Women's Action Plan II	PAHQ	ID	TASF	150.0	—	—	150.0
Strengthening Development Planning & Implementation	PAHQ	ID	TASF	300.0	—	—	300.0
Implementation of an Efficient Audit System	PAHQ	ID	TASF	250.0	—	—	250.0
Leadership Enhancement & Advancement Project (LEAP)	PAHQ	ID	TASF	150.0	—	—	150.0
<b>Subtotal</b>				<b>1,500.0</b>	—	—	<b>1,500.0</b>
<b>2006</b>							
<b>Multisector</b>							
Rural and Outer Islands Development	PAHQ	PP	TASF	500.0	—	—	500.0
<b>Law, Economic Management and Public Policy</b>							
Implementation of Public Enterprise Reforms	PAHQ	ID	TASF	300.0	—	—	300.0
Strengthening Local Government Systems	PAHQ	ID	TASF	400.0	—	—	400.0
<b>Transportation and Communication</b>							
Strengthening Aviation Sector Performance	PAHQ	ID	TASF	300.0	—	—	300.0
<b>Subtotal</b>				<b>1,500.0</b>	—	—	<b>1,500.0</b>
<b>2007</b>							
<b>Agriculture and Natural Resources</b>							
Fisheries Development	PAHQ	PP	TASF	550.0	—	—	550.0
<b>Law, Economic Management and Public Policy</b>							
Support for Private Sector Development	PAHQ	ID	TASF	450.0	—	—	450.0
<b>Subtotal</b>				<b>1,000.0</b>	—	—	<b>1,000.0</b>
<b>Total</b>				<b>5,295.0</b>	—	—	<b>5,295.0</b>

— = no data available, ADB = Asian Development Bank, ID = institutional development, PAHQ = Pacific Operations Division, PP = project preparatory, TA = technical assistance, TASF = technical assistance special fund.

Source: Asian Development Bank staff estimates.

**CONCEPT PAPERS FOR LENDING PRODUCTS, 2005**

This appendix contains the concept papers for projected lending products for 2005.

- (i) Table A3.1 Rural Electrification
- (ii) Table A3.2 Airports Rehabilitation and Upgrading
- (iii) Table A3.3 Road Upgrading



### Table A3.1: Rural Electrification Concept Paper

**Date:** August 2004

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Project loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector development program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project preparatory</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other than project preparatory</p> <p style="margin-left: 40px;"><input type="checkbox"/> Economic, thematic, and sector work</p> <p style="margin-left: 40px;"><input type="checkbox"/> Institutional development</p> <p style="margin-left: 40px;"><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Renewable energy generation</p> <p>b. For project preparatory and lending, classification</p> <p style="margin-left: 20px;"><input type="checkbox"/> Core poverty intervention</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Poverty intervention</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other</p> <p>c. Key thematic area</p> <p>Themes:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><input checked="" type="checkbox"/> Sustainable economic growth</td> <td style="width: 50%;"><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Pacific Department</p>								
<p><b>5. Responsible ADB officer:</b> Luigi Bodda</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Bringing electricity to rural areas, especially poor villages, is key to promoting rural development. More than 50% of rural households lack access to electricity. The Government accords high priority to rural electrification and is guided by the Rural Electrification Policy (1993). The Government is reviewing the Energy Regulatory Framework.</p> <p><b>b. Goal and purpose:</b> The Project goal and purpose are to improve living standards and economic conditions by increasing the supply of rural electricity through: (i) extending the existing grid distribution system in rural areas nearby to existing networks, and (ii) providing support to the implementation of renewable energy-based rural electrification in remote areas.</p> <p><b>c. Components and outputs:</b> The Project components and outputs include: (i) extension of the 11 kV and low voltage distribution power systems with associated substations into additional rural areas; (ii) installation of 3,200 household solar home systems in rural areas of Viti Levu and Vanua Levu; (iii) provision of consulting</p>								

services to assist the Department of Energy (DOE) and the Fiji Electricity Authority (FEA) in project implementation, supervision, consumer awareness and capacity building activities; and (iv) support for detailed feasibility study and design of 3 village minihydro schemes.

**d. Expected results and deliverables:** (i) Provision of electricity by grid extensions to more than 7,000 new customers by 2010, (ii) 1000 pilot/demonstrative stand alone PV systems provided to households in Viti Levu and Vanua Levu by 2007, and (iii) DOE and FEA implementation capacity and donor resources obtained to meet government rural electrification targets by 2008.

**e. Social or environmental issues or concerns:** The major social and environmental impacts of the Project are concentrated in the construction period, when resettlement, soil disruption and some noise pollution may occur. However, these impacts will be mitigated and compensated by contractual requirements for good construction practices following the appropriate *ADB Guidelines*.

**f. Plans for disseminating results/deliverables:** The consultant reports and the minutes of the tripartite meeting will be circulated to the main stakeholders.

**7. Proposed executing/implementing agency or agencies:** Department of Energy (DOE) / Fiji Electricity Authority (FEA)

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The local community that will benefit from the Project will be involved to guarantee proper operation and maintenance of the new generation capacity. All stakeholders will be fully consulted.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: **2002**
- b. Expected date of submission for approval
  - Lending: **2005**
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory):
- c. Period and duration of assistance
  - Lending:
  - Nonlending:

**10. Financing Plan**

- a. For lending
  - Ordinary capital resources: \$10 million
  - Asian Development Fund: \$
  - Other: \$

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$ million)
ADB Financing	10.0
Government Financing	6.0
Other Financing	
<b>Total Cost</b>	<b>16.0</b>

Source: ADB estimates.

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget: \$
  - Grant TA funds
  - Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

<b>Source</b>	<b>Amount (\$)</b>
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program.

**Table A3.2: Airports Rehabilitation and Upgrading  
Concept Paper**

**Date:** August 2004

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transportation and Communication Subsector: Civil Aviation</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input checked="" type="checkbox"/> Poverty intervention</p> <p>    <input type="checkbox"/> Other</p> <p>c. Key thematic area(s)</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Pacific Department</p>								
<p><b>5. Responsible ADB officer:</b> Robert Guild</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Air transport is vital for economic development and connecting the Fiji Islands to the outside world. Tourism, the biggest foreign exchange earner, depends upon efficient international and local flights into the Fiji Islands at all times of the year, and with adequate night landing facilities. The international airports in Nadi and Suva need urgent rehabilitation and upgrading to eliminate impending capacity constraints and meet future tourist arrivals. Current international passenger movements are about 1 million per year and domestic movements about 500,000 per year. Nadi is also a hub in the Pacific for international flights, with potential for further strengthening as a regional hub.</p> <p><b>b. Goal and purpose:</b> To provide efficient airport and terminal facilities to international airlines and passengers. To maintain a high level of safety in the aviation system and to promote efficiency in aviation services to be able to compete with other regional airports in the region.</p> <p><b>c. Components and outputs:</b> Support for upgrading existing runways and aprons for bigger planes, rehabilitating airport navigational facilities, expansion and upgrading of terminals, and institutional development</p>								

of the Ministry of Transport and Civil Aviation, Airports Fiji Ltd, and the Civil Aviation Authority of the Fiji Islands.

**d. Expected results and deliverables:** Provide efficient and competitive landing and terminal facilities to international airlines and passengers. Upgrade domestic airports to meet operational and safety requirements. Promote private sector participation in airport operations.

**e. Social or environmental issues or concerns:** Major airport construction will be considered Category A for environmental impact assessment. There is a possibility of minor resettlement requirements depending on expansion designs.

**f. Plans for disseminating results/deliverables:** International consultants' inputs will be required for feasibility studies.

**7. Proposed executing/implementing agency or agencies:** Airports Fiji Limited will be the Executing Agency. Ministry of Transport and Civil Aviation will chair the Project Steering Committee.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** A Project Steering Committee, including representatives of all relevant ministries, aviation and tourism operators, and private sector stakeholders will guide the project.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: **2002**

b. Expected date of submission for approval  
 Lending: **2005**  
 Nonlending (project preparatory):  
 Nonlending (other than project preparatory):

c. Period and duration of assistance  
 Lending:  
 Nonlending:

**10. Financing Plan**

- a. For lending  
 Ordinary capital resources: \$32 million  
 Asian Development Fund: \$  
 Other: \$

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$) million
ADB Financing	32.0
Government Financing	18.0
Other Financing	
<b>Total Cost</b>	<b>50.0</b>

Source: ADB estimates.

- b. For nonlending  
 No resources required, other than ADB staff  
 ADB's administrative budget: \$  
 Grant TA funds  
 Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program.

**Table A3.3: Road Upgrading (FRUP IV)  
Concept Paper**

**Date:** August 2004

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transportation and Communication Subsector: Roads and highways</p> <p>b. For project preparatory and lending, classification</p> <p>    <input checked="" type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>    <input type="checkbox"/> Other</p> <p>c. Key thematic area</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input checked="" type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Pacific Department</p>								
<p><b>5. Responsible ADB officer:</b> Ray Cahoon</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Specifically, the Government, since the mid-1980s, has been selectively borrowing to upgrade its road infrastructure to support its economic development. In doing so, it has been unable to meet the increasing demands on the road transport infrastructure. The proposed Project will assist in stimulating economic recovery by reducing transport sector constraints on economic development and by improving economic returns on the transport infrastructure. It will continue to support the Government's program to improve the national road network and management of roads, improving access to rural areas.</p> <p><b>b. Goal and purpose:</b> The purpose of the TA will be to prepare a feasibility study for a comprehensive road sector improvement and maintenance program based on the Government's Public Sector Reform Program and National Transport Sector Plan. This program will cover all aspects of road sector operations in Fiji, including the need for new infrastructure. It will address the engineering, construction, management administration, finance and safety aspects of land transport, including an assessment of new opportunities and sector reform to support</p>								

long-term sector objectives.

**c. Components and outputs:**

The proposed TA will be divided into five parts:

(i) **Policy Review of the Road Transport Sector:** A comprehensive review of the current policy framework including regulations, institutions, and overall sector performance. The study will cover the activities of the Department of Transport and Civil Aviation (DOT), the Transport Planning Unit (TPU), Public Works Department (PWD) and the Land Transport Authority (LTA), and other Government and private sector agencies in the provision and regulation of transport sector services. The study will also review the road safety program and consider inter-modal linkages (including the current shipping franchise scheme) in the light of the need to improve the rural-urban transport network.

(ii) **Feasibility and Design of Infrastructure Investments and Improvements:** A review of the achievements to date under FRUP III, and a feasibility study of infrastructure improvements, including rehabilitation and upgrading activities proposed under FRUP IV. This will comprise a review of the technical, financial, economic, social and environmental aspects of these improvements.

(iii) **Road Transport Sector Management:** A comprehensive review of the achievements of the institutional reforms in the transport sector progressively introduced under FRUP III and FRUP III, including an in-depth assessment of the successes to date. The study will identify improvements and changes required to fully implement the required sector policies and reforms. This will include a review of the operation of the Department of National Roads (DNR, as recently devolved from PWD) and its proposed transition to the Road Transport Authority (RTA), the LTA, the TPU and the formation of the Road Fund. The study will specifically review the opportunities for sustainable financing of the road transport sector, and the arrangements for outsourcing of service delivery to the private sector.

(iv) **Public-Private Partnerships for Provision of Transport Infrastructure and Services:** A study of options for the proposed investment program, including an assessment of the availability of grants, concessional and private-sector financing from ADB and other sources, including commercial co-financing and support through ADB's credit enhancement and risk guarantee schemes. The study will also review the opportunity to promote build-operate-transfer (BOT) and build-own-operate (BOO) projects in Fiji, and recommend appropriate changes to the legal and institutional framework to implement such projects.

(v) **Investment Program Preparation:** Preparation of a feasibility study for the proposed Fourth Road Upgrading Program (FRUP IV), for possible financing by ADB and other cofinanciers. The feasibility study, prepared in accordance with the appropriate ADB guidelines, will cover the technical, financial, economic, social and environmental aspects of the investment program, determine appropriate procurement and implementation arrangements, and adequately address ADB's concerns in the cross-cutting issues of poverty reduction, gender and good governance.

**d. Expected results and deliverables:** The expected results of the investment program will be an improved and expanded, sustainably funded road transport network, managed within an appropriate policy, regulatory and institutional framework, designed to meet the present and future development needs of the Fiji Islands.

**e. Social or environmental issues or concerns (if any):** Initial social assessments for many proposed improvements were carried out under FRUP III. These will be reviewed at feasibility stage, and supplemented with additional studies where necessary. An initial environmental examination will be conducted for all the proposed investments during the feasibility study, and detailed environmental management plans will be prepared for each subproject prior to construction, with environmental issues covered in the contract documents. A code of environment practice developed under FRUP III will continue to be enforced during design and implementation.

**f. Plans for disseminating results/deliverables:** As an integral part of the development program, an effective education and road safety awareness campaign will be conducted in the news media, and on TV and radio. The program will work closely with police and traffic enforcement agencies, and road safety campaigns will be carried out when roads are opened to traffic. Training and capacity building will be conducted for transport service providers and operators to improve their ability to participate in the new policy environment.

**7. Proposed executing/implementing agency or agencies:** Ministry of Works and Energy, working in close

cooperation with the Ministry of Transport and Civil Aviation.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

Transport sector stakeholders comprising government and non-government beneficiaries have been consulted under the project and TA steering committees for FRUP III, which will be utilized for the development of FRUP IV. As under FRUP III, beneficiaries will be extensively consulted under each subproject, and their concerns addressed during the design and implementation phases.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: **2003**
- b. Expected date of submission for approval  
 Lending: **2005**  
 Nonlending (project preparatory):  
 Nonlending (other than project preparatory):
- c. Period and duration of assistance  
 Lending: **5 years**  
 Nonlending:

**10. Financing Plan**

- a. For lending
- Ordinary capital resources: \$26 million
- Asian Development Fund: \$
- Other: \$

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$) million
ADB Financing	26.0
Government Financing	14.0
Other Financing	
<b>Total Cost</b>	<b>40.0</b>

Source: ADB estimates.

- b. For nonlending
- No resources required, other than ADB staff
- ADB's administrative budget: \$
- Grant TA funds
- Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program.



## **CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES, 2005**

This appendix contains the concept papers for projected nonlending products and services.

- (i) Table A4.1 Urban Sector Development
- (ii) Table A4.2 Strengthening Fiji's Stock Exchange
- (iii) Table A4.3 Women's Action Plan II
- (iv) Table A4.4 Strengthening Development Planning and Implementation
- (v) Table A4.5 Implementation of an Efficient Audit System
- (vi) Table A4.6 Leadership Enhancement & Advancement Project (LEAP)

### Table A4.1: Urban Sector Development Concept Paper

Date: March 2003

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Multisector Subsector(s): Roads and highways, Renewable energy generation</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic area(s)</p> <p>Theme:</p> <table> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input checked="" type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Pacific Department</p>								
<p><b>5. Responsible ADB officer:</b> Nancy Convard</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The project is directly linked to ADB's key strategy for the country: supporting the Government's policy for increased public investment in essential physical infrastructure development in key sectors including transport, rural energy, urban development, tourism, agriculture and natural resources management, and information and communication technology (ICT) development.</p> <p><b>b. Goal and purpose:</b> The overall goal of the project is to support integrated urban development and address need for urban infrastructure, including environmental infrastructure and housing, that has resulted from increased population pressures in urban centers. A particular focus on improving the delivery of urban services to the poor and vulnerable, e.g. those in the new urban and peri-urban areas is intended.</p> <p><b>c. Components and outputs:</b> Improved living conditions are a key anticipated outcome. Specific components and outputs will be determined through further dialogue with the Government and other stakeholders.</p> <p><b>d. Expected results and deliverables:</b> The TA is expected to produce a project design that will promote</p>								

integrated urban development and has the support of all stakeholders and is suitable for ADB funding.

**e. Social or environmental issues or concerns:** Environmental quality improvements are an intended outcome of the project. Participatory planning and community dialogue will ensure social development needs are also addressed.

**f. Plans for disseminating results/deliverables:** Project Reports (Inception/Interim/Final)

**7. Proposed executing/implementing agency or agencies:** TBD

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The 2003 CPM met with numerous government officials, representatives of the private sector, NGOs, regional agencies, and other development partners and as a result of these consultation agreed on the inclusion of a broad integrated urban development project.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: **2003**
- b. Expected date of submission for approval
  - Lending: **2006**
  - Nonlending (project preparatory): **2005**
  - Nonlending (other than project preparatory):
- c. Period and duration of assistance
  - Lending:
  - Nonlending: **12 months**

**10. Financing Plan**

- a. For lending
  - Ordinary capital resources: \$
  - Asian Development Fund: \$
  - Other: \$

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget: \$
  - Grant TA funds, \$500,000
  - Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	500,000
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source: ADB estimates.

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A4.2: Strengthening Fiji's Stock Exchange  
Concept Paper**

**Date:** March 2003

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Finance Subsector: Capital Markets and Funds</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic area(s)</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Pacific Department</p>								
<p><b>5. Responsible ADB officer:</b> Adam Bruun</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The TA is directly linked to ADB's country strategy to support private sector development and governance.</p> <p><b>b. Goal and purpose:</b> The objective of the TA is to support the development of an effective capital market development including an effective stock exchange in Fiji. The TA will help strengthen the capital market development, and regulatory functions for ensuring public and investor confidence.</p> <p><b>c. Components and outputs:</b> The TA will provide advisors to strengthen legal aspects of securities markets, stock exchange operations, public awareness, and staff training.</p> <p><b>d. Expected results and deliverables:</b> The TA is expected to ensure the efficient management and operations of the Fiji stock exchange.</p> <p><b>e. Social or environmental issues or concerns:</b> None</p>								

<p><b>f. Plans for disseminating results/deliverables:</b> Workshops/seminars/reports</p>																								
<p><b>7. Proposed executing/implementing agency or agencies:</b> Capital Market Development Authority</p>																								
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> The private sector and the civil society will benefit from an effective stock exchange operations in Fiji.</p>																								
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: <b>2003</b></p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): <b>2005</b></p> <p>c. Period and duration of assistance Lending: Nonlending: <b>12 months</b></p>																								
<p><b>10. Financing Plan</b></p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources: \$  <input type="checkbox"/> Asian Development Fund: \$  <input type="checkbox"/> Other: {specify} \$</p> <p>If cofinancing is required, indicate amount and sources sought: \$____, from _____.                  If known, provide cost estimates and financing arrangements.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr style="border-top: 1px solid black; border-bottom: 1px solid black;"> <th style="text-align: left; width: 70%;"><b>Source</b></th> <th style="text-align: right;"><b>Amount (\$)</b></th> </tr> </thead> <tbody> <tr> <td>ADB Financing</td> <td></td> </tr> <tr> <td>Government Financing</td> <td></td> </tr> <tr> <td>Other Financing</td> <td></td> </tr> <tr style="border-bottom: 1px solid black;"> <td style="text-align: left;"><b>Total Cost</b></td> <td></td> </tr> <tr> <td colspan="2">Source:</td> </tr> </tbody> </table> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget: \$  <input checked="" type="checkbox"/> Grant TA funds, \$150,000  <input type="checkbox"/> Other:</p> <p>If cofinancing is required, indicate amount and sources sought: \$____, from _____.                  If known, provide cost estimates and financing arrangements.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr style="border-top: 1px solid black; border-bottom: 1px solid black;"> <th style="text-align: left; width: 70%;"><b>Source</b></th> <th style="text-align: right;"><b>Amount (\$)</b></th> </tr> </thead> <tbody> <tr> <td>ADB Financing</td> <td style="text-align: right;">150,000</td> </tr> <tr> <td>Government Financing</td> <td></td> </tr> <tr> <td>Other Financing</td> <td></td> </tr> <tr style="border-bottom: 1px solid black;"> <td style="text-align: left;"><b>Total Cost</b></td> <td></td> </tr> <tr> <td colspan="2">Source: ADB estimates.</td> </tr> </tbody> </table>	<b>Source</b>	<b>Amount (\$)</b>	ADB Financing		Government Financing		Other Financing		<b>Total Cost</b>		Source:		<b>Source</b>	<b>Amount (\$)</b>	ADB Financing	150,000	Government Financing		Other Financing		<b>Total Cost</b>		Source: ADB estimates.	
<b>Source</b>	<b>Amount (\$)</b>																							
ADB Financing																								
Government Financing																								
Other Financing																								
<b>Total Cost</b>																								
Source:																								
<b>Source</b>	<b>Amount (\$)</b>																							
ADB Financing	150,000																							
Government Financing																								
Other Financing																								
<b>Total Cost</b>																								
Source: ADB estimates.																								

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A4.3: Women's Action Plan II  
Concept Paper**

**Date:** July 2004

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, Economic Management and Public Policy Subsector: National Government Administration</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic area</p> <p>Themes:</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Pacific Department</p>								
<p><b>5. Responsible ADB officer:</b> Sophia Ho</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The TA is directly linked to ADB's country strategy to support gender and development.</p> <p><b>b. Goal and purpose:</b> The goal of the TA is to promote gender equality through developing and strengthening government processes, programs and activities to be gender responsive. The broad objective of the TA is to assist Government with implementation of the Women's Action Plan with particular emphasis on assisting the Ministry of Women, Social Welfare and Poverty Alleviation to mainstream gender concerns into sectoral policies and programs in accordance with the Women's Action Plan. As this is a Phase 2 TA project, the main purpose is to assist MOW with implementation of the gender audit (prepared under Phase 1 of the TA) recommendations, particularly the strategies outlined in the <i>Strategic Plans for Institutionalizing Gender Mainstreaming</i> into the Ministry of Agriculture, Sugar and Land Resettlement (MASLR), and the Ministry of Health (MoH). The plans set out clear strategies, objectives, rationale and steps to increase gender responsiveness in policies and programs of the two sector ministries.</p>								

**c. Components and outputs:** MASLR and MoH will be assisted with developing gender-sensitive corporate plans and to implement recommendations made for incorporating gender issues in organizational processes, policies and programs under each key result/performance areas of the ministries. The activities will essentially focus in 3 areas:

- (i) assisting Ministry of Women, Social Welfare and Poverty Alleviation to build ownership and commitment for gender mainstreaming amongst senior management in the two sector ministries;
- (ii) assisting MASLR and MoH with implementation of the *Strategic Plans for Institutionalizing Gender Mainstreaming*; and
- (iii) capacity building of sectoral planning units and gender focal points in the two ministries to utilize the Gender and Development framework.

**d. Expected results and deliverables:** Improve women participation in decision making.

**e. Social or environmental issues or concerns:** None

**f. Plans for disseminating results/deliverables:** Studies/workshops/seminars

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**7. Proposed executing/implementing agency or agencies:** Ministry of Women, Social Welfare and Poverty Alleviation

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**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Participatory process was used for conceptualizing the TA.

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**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: **2004**
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory): **2005**
- c. Period and duration of assistance
  - Lending:
  - Nonlending: **12 months**

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**10. Financing Plan**

- a. For lending
  - Ordinary capital resources: \$
  - Asian Development Fund: \$
  - Other: {specify} \$

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:
- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget: \$
  - Grant TA funds, \$150,000
  - Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	150,000
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source: ADB estimates.

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A4.4: Strengthening Development Planning and Implementation  
Concept Paper**

**Date:** July 2004

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, Economic Management and Public Policy Subsector: National Government Administration</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input checked="" type="checkbox"/> Other</p> <p>c. Key thematic area</p> <p>Themes:</p> <table> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input checked="" type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Pacific Department</p>								
<p><b>5. Responsible ADB officer:</b> Sophia Ho</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> As part of ADB efforts to help support the implementation of the Government's Strategic Development Plan, which is being revised to reflect the evolving development opportunities and constraints, capabilities to plan, implement, monitor and evaluate development impacts of various development activities needs to commensurate with the challenges and requirements of the priorities and objectives in improving the quality of life for all in the country.</p> <p><b>b. Goal and purpose:</b> The TA will aim to strengthen the economic policy and development unit of key ministries in agreeing on a common platform and criteria in planning and implementing development activities.</p> <p><b>c. Components and outputs:</b> To implement result-based planning and management in developing investment programs particularly in translating the long-term objectives into medium-term and short-term identifiable targets and benchmarks for monitoring and evaluation.</p> <p><b>d. Expected results and deliverables:</b> A set of identified and monitorable targets and benchmarks with timelines in implementing the SDP in coordination with all funding agencies.</p>								



**e. Social or environmental issues or concerns:** Social and environmental issues and concerns will be addressed more effectively in the program planning stage.

**f. Plans for disseminating results/deliverables:** The output will be widely disseminated and to be used a tools for improving development planning and implementation.

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**7. Proposed executing/implementing agency or agencies:** Ministry of Finance and National Planning

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**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**  
Extensive consultation will be undertaken to ensure the targets and benchmarks with corresponding timelines are realistic and relevant.

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**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: **2004**

b. Expected date of submission for approval  
Lending:  
Nonlending (project preparatory):  
Nonlending (other than project preparatory): **2005**

c. Period and duration of assistance  
Lending:  
Nonlending: **June 2005–December 2006**

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**10. Financing Plan**

a. For lending  
 Ordinary capital resources:  
 Asian Development Fund:  
 Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

b. For nonlending  
 No resources required, other than ADB staff  
 ADB's administrative budget:  
 Grant TA funds, \$300,000  
 Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	300,000
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source: ADB estimates.

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A4.5: Implementation of an Efficient Audit System  
Concept Paper**

**Date:** July 2004

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>    <input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, Economic Management and Public Policy Subsector: Public finance and expenditure management</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>    <input type="checkbox"/> Other</p> <p>c. Key thematic area</p> <p>Themes:</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Pacific Department</p>								
<p><b>5. Responsible ADB officer(s):</b> Sophia Ho</p>								
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> It has been 5 years since closing the Institutional Strengthening Project (ISP), a TA funded by the ADB. The TA was successfully implemented and as a result, the Office of the Auditor General (OAG) has (i) adopted a risk-based audit methodology, which improved the audit management, and clearing backlogs of long outstanding audits; (ii) OAG is now centrally managed and streamlined; (iii) expanded its powers in the Constitution; and (iv) adopted a revised entry level requirements for audit appointments in the Office, which has strengthened the capacity of OAG. Now OAG has progressed beyond the ISP recommendations in terms of auditing and reporting. This is also attributable to the sharing of knowledge and experience with Australian Council of Auditors General (ACAG), and it has proven invaluable for OAG.</p> <p><b>b. Goal and purpose:</b> The goal is to strengthen its operations for efficient conduct of audit of the Government ministries and agencies. The purpose is to review the current risk-based audit methodology and determine if it works effectively, and implement an efficient audit system that will harmonize with the new Public Finance Management Act, which is currently being finalized.</p>								

**c. Components and outputs:** The TA will help establish an efficient audit management system, and advisors to ensure the staff are well trained to maintain the system.

**d. Expected results and deliverables:** The TA is expected to ensure that with the system, better and faster audit on time can be undertaken by OAG.

**e. Social or environmental issues or concerns:** None

**f. Plans for disseminating results/deliverables:** Workshops/seminars/reports

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**7. Proposed executing/implementing agency or agencies:** Office of the Auditor General

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**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**  
The Government will benefit from audit of various ministries' financial accounts on time.

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**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: **2004**

b. Expected date of submission for approval  
Lending:  
Nonlending (project preparatory):  
Nonlending (other than project preparatory): **2005**

c. Period and duration of assistance  
Lending:  
Nonlending: **12 months**

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**10. Financing Plan**

a. For lending  
 Ordinary capital resources: \$  
 Asian Development Fund: \$  
 Other: {specify} \$

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

b. For nonlending  
 No resources required, other than ADB staff  
 ADB's administrative budget: \$  
 Grant TA funds, \$250,000  
 Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	250,000
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source: ADB estimates.

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A4.6: Leadership Enhancement and Advancement Project  
Concept Paper**

**Date:** July 2004

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>    <input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, Economic Management and Public Policy Subsector: National Government Administration</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>    <input checked="" type="checkbox"/> Other</p> <p>c. Key thematic area</p> <p>Themes:</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input checked="" type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Pacific Department</p>								
<p><b>5. Responsible ADB officer:</b> Sophia Ho</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> As a result of persistent brain drain, key ministries are facing general weakness and delay in implementing various programs. Capacity building for the middle management of the public sector is vital to improve efficiency and governance.</p> <p><b>b. Goal and purpose:</b> Creation of efficient public sector, leadership and management skills that focus on results will improve government service delivery.</p> <p><b>c. Components and outputs:</b> Sequenced modular program of pragmatic and tailored learning events in topics of better public management and performance-based resource allocation, institutional organization and strategy.</p> <p><b>d. Expected results and deliverables:</b> To prepare middle management with necessary skills and capacity to take on higher level positions and make policy decisions.</p> <p><b>e. Social or environmental issues or concerns:</b> not applicable.</p>								

**f. Plans for disseminating results/deliverables:** Developed and tested modular program will be replicated in other relevant agencies and ministries.

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**7. Proposed executing/implementing agency or agencies:** Ministry of Finance and National Planning

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**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**  
Extensive consultations will be undertaken with relevant stakeholders in developing the modular program as well as selection of possible candidates to ensure relevance, usefulness, and sustainability.

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**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: **2004**

b. Expected date of submission for approval  
Lending:  
Nonlending (project preparatory):  
Nonlending (other than project preparatory): **2005**

c. Period and duration of assistance  
Lending:  
Nonlending: **January 2005–December 2006**

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**10. Financing Plan**

a. For lending  
 Ordinary capital resources:  
 Asian Development Fund:  
 Other:

If cofinancing is required, indicate amount and sources sought: \$ \_\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

b. For nonlending  
 No resources required, other than ADB staff  
 ADB's administrative budget:  
 Grant TA funds, \$150,000  
 Other:

If cofinancing is required, indicate amount and sources sought: \$ \_\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	150,000
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source: ADB estimates.

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**ASSISTANCE PROGRAM FOR 2004**

This appendix contains assistance program for lending products and nonlending products and services for 2004.

- (i) Table A5.1 Assistance Program for Lending Products, 2004
- (ii) Table A5.2 Assistance Program for Nonlending Products and Services, 2004

Table A5.1: Assistance Program for Lending Products, 2004

Sector Project/Program Name	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)					
					ADB			Gov't.	Cofi- nancing	
					OCR	ADF	Total			
<b>2004 Firm Loans</b>										
<b>Agriculture and Natural Resources</b>										
Alternative Livelihoods Development Project	ECO/PSD	PAHQ	2004	<b>52.8</b>	25.0	0.0	25.0	27.8	0.0	
<b>Stand-by Energy</b>										
Rural Electrification Project	ECO	PAHQ		<b>16.0</b>	10.0	0.0	10.0	6.0	TBD	

ADB = Asian Development Bank, ADF = Asian Development Fund, ECO = sustainable economic growth, GOV = governance, OCR = ordinary capital resources, PAHQ = Pacific Operations Division, PSD = private sector development, TBD = to be determined.  
Sources: Asian Development Bank estimates.

**Table A5.2: Assistance Program for Nonlending Products and Services, 2004**

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>2004</b>							
<b>Transportation and Communication</b>							
1. Road Upgrading (FRUP IV)	PAHQ	PP	TASF	500.0	—	—	500.0
<b>Agriculture and Natural Resources</b>							
2. Strengthening Commercial Agricultural Development	PAHQ	ID	TASF	600.0	—	—	600.0
3. Fisheries Sector Review	PAHQ	ID	TASF	150.0	—	—	150.0
<b>Finance</b>							
4. Strengthening Public Sector Banking and Cash Mgmt (approved)	PAHQ	ID	TASF	145.0	—	—	145.0
<b>Subtotal</b>				<b>1,395.0</b>			<b>1,395.0</b>
<b>Standby</b>							
Implementation of Environment Bill	PAHQ	ID	TASF	150.0	—	—	150.0
<b>Total</b>				<b>1,545.0</b>			<b>1,545.0</b>

— = no data available, ADB = Asian Development Bank, FRUP = Fourth Road Upgrading Project, ID = institutional development, PAHQ = Pacific Operations Division, PP = project preparatory, TASF = technical assistance special fund.  
Sources: Asian Development Bank staff estimates.