

Fiji: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans				
Sovereign	Nonsovereign	Technical Assistance	Grants	Total
15.00	_	1.48	-	16.48

Notes: Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

- = nil.

Fiji: Cumulative Lending, Grant, and Technical Assistance Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million)	% ^d
Agriculture, Natural Resources, and Rural Development	26	60.09	10.13
Energy	10	40.28	6.79
Finance	15	21.36	3.60
Industry and Trade	1	0.38	0.06
Information and Communication Technology	1	0.23	0.04
Multisector	1	0.70	0.12
Public Sector Management	20	74.28	12.52
Transport	29	247.43	41.72
Water and Other Urban Infrastructure and Services	12	148.34	25.01
Total	115	593.08	100.00

- ^a Grants and technical assistance include ADB-administered cofinancing.
- $^{\mbox{\tiny b}}$ Includes sovereign and nonsovereign loans and technical assistance.
- ^c Using primary sector in reporting of commitments.
- ^d Numbers may not sum precisely because of rounding

ADB's country partnership strategy for Fiji focuses on promoting private sector investment, broadening access to quality services and economic opportunities, and reducing economic volatility.



Fiji has one of the most developed economies in the Pacific, with tourism as its main driver of economic activity and foreign direct investment. In 2018, more than 870,000 people visited Fiji, a growth rate of 3.3% on the 2017 numbers. The country has also seen a shift in exports from agricultural commodities to manufactured goods.

The Asian Development Bank (ADB) has been supporting Fiji since 1970 and has approved \$524.4 million in loans, \$35 million in grants, and \$33.7 million in technical assistance.

ADB and the Government of Fiji are working together based on the recently approved country partnership strategy, 2019–2023. Over the strategy period, ADB has anticipated an allocation of \$600 million in sovereign and nonsovereign resources to help Fiji overcome its key development challenges.

Cumulative loan and grant disbursements to Fiji amount to \$357.4 million. These were financed by regular <u>ordinary capital resources</u>, and other special funds.

ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB engagement in Fiji focuses on achieving sustained, inclusive, private sector-led growth. These goals are being advanced through investments in transport infrastructure, water supply and sanitation, and public sector management.

ADB has been investing in rehabilitating Fiji's roads for 20 years and, since 2000, has helped reconstruct around 300 kilometers of roadway, including sections of the major Kings and Lodoni highways. Associated reductions in transport costs and traveling times have helped disadvantaged groups participate in the cash economy, access employment opportunities, and take advantage of social services such as education and health.



ADB is building on its commitment to develop transport infrastructure in Fiji. With cofinancing from the World Bank, it has provided \$100 million to upgrade and rehabilitate 100 kilometers of road, 30 bridges, and 6 jetties across the country.

The bank has also helped significantly improve water supply and sewerage services, with one ADB-supported project improving water supply to about 150,000 people living in the Greater Suva area. This work is being advanced by a further project, committed by ADB in 2017, for the same area. The project—utilizing a facility of \$153 million from ADB, a loan of \$71 million from the European Investment Bank, and a grant of \$31 million from the Green Climate Fund—will double sewerage treatment capacity and deliver over 20% more water in Greater Suva every day.

Following Tropical Cyclone Winston in 2016, a \$2 million grant from the Asia Pacific Disaster Response Fund was provided to assist with immediate recovery. In August that year, ADB provided an emergency assistance loan of \$50 million to help with the reconstruction efforts.

In June 2018, the bank committed \$15 million for the first subprogram of a policy-based loan program supporting private sector-led growth in Fiji. The program will support government reforms to strengthen fiscal management; establish policy, legal, and institutional frameworks for stateowned enterprises and public-private partnerships; and improve the business and investment climate.

ADB technical assistance to Fiji has also helped the government develop a ports master plan and a national development plan. Fiji also participates in regional technical assistance projects, covering areas such as climate change, public sector management, and trade facilitation.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances

and commitments of nonsovereign transactions funded by ADB's own resources stood at \$12.7 billion as of 31 December 2018.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade Finance Program and Supply Chain Finance Program.

ADB began cofinancing operations in Fiji in 1993. Since then, cumulative direct value-added official cofinancing commitments for Fiji have amounted to \$194.14 million for five investment projects and \$0.75 million for three technical assistance projects.

In 2018, Fiji received \$15 million in loan cofinancing from the World Bank for the Sustained Private Sector-Led Growth Reform Program—Subprogram 1.

Fiji: Project Success Rates

	Success Rate	No. of Independently Evaluated Projects	
Year	(%)	and Programs	
2009	50.0	2	
2017	_	2	
Total	25.0	4	

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

Fiji: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

No. of Ongoing Loansa (as of 31 Dec 2018)		3
	2017 (\$ million)	2018(\$ million)
Contract Awards ^{b, c}	57.74	11.17
Disbursements ^b	54.07	16.41
No. of Ongoing Grants ^a (as of 31 Dec 2018)		-
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b, c}	_	-
Disbursements ^{b, d}	_	_
Actual Problem Projects (%) (as of 31 Dec 2018)		50

- = nil.
- ^a Based on commitments
- ^b Includes closed loans/grants that had contract awards or disbursements during the year.
- $^{\mbox{\tiny c}}$ Excludes policy-based lending/grants.
- $^{\rm d}$ Includes only Asian Development Fund and other ADB special funds.

Fiji: Projects Cofinanced, 1 January 2014-31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	4	172.64
Grants	1	31.04
Official Loans	4	141.60
Technical Assistance Grants	1	0.30

^a A project with more than one source of cofinancing is counted once.

Fiji: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

	2017		2018		Cumulative (as of 31 Dec 2018)	
Item	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	50.86	0.50	30.85	0.25	255.03	0.14
Consulting Services	0.22	0.03	0.97	0.14	10.50	0.08
Total Procurement	51.08	0.47	31.82	0.24	265.53	0.14

Top 5 Contractors/Suppliers from Fiji Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Sector	Contract Amount (\$ million)
Pernix Group Inc.	ENE	10.52
CBS Power Solutions (Fiji) Ltd.	ENE	10.00
Fletcher Building Ltd.	TRA	8.82
Fortech Construction Ltd.	EDU	2.90
Pacific Engineering Projects Ltd.	TRA	1.80
Others		69.19
Total		103.23

EDU = education, ENE = energy, TRA = transport.

Top 5 Consultants from Fiji Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
Habitat for Humanity	PSM	0.27
Individual Consultants		1.83
Total		2.10

PSM = public sector management.

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at www.adb.org/countries/fiji/cofinancing.

PARTNERSHIPS

ADB maintains ongoing dialogue with the Government of Fiji and its key development partners. It also cooperates with the private sector and civil society organizations on the implementation of national and regional operations involving Fiji.

ADB is applying its country partnership strategy, 2019–2023 to deepen and expand its role in Fiji, and to improve development partner coordination. It has collaborated closely with the World Bank to cofinance a range of activities to reduce poverty in the country. It has also participated in cofinancing with the European Investment Bank, the Green Climate Fund, and the Government of Australia.

ADB participates in International Monetary Fund missions and joint missions with other development partners. These missions, the most recent of which was in December 2018, have helped develop a shared understanding of Fiji's economy and have encouraged the government to lead policy dialogue.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and

individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215.461 contracts.

In Fiji, 370 contracts worth \$255.03 million have been awarded to contractors and suppliers since 1970.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In Fiji, 144 contracts worth \$10.5 million have been awarded to consultants since 1970.

OPERATIONAL CHALLENGES

Fiji faces operational and implementation challenges similar to other Pacific island countries, with limited capacity in the public sector and frequent staffing changes in key positions within both the public and private sectors. These constraints are reflected in the design of ADB projects, making appropriate technical assistance an important component of ADB support to Fiji.

ADB must work to ensure the effectiveness of development aid to Fiji by maintaining multilateral consultations and negotiations.

ADB operations in Fiji are enhanced by the presence of the ADB Pacific Subregional Office in the country's capital, Suva. There is strong coordination and harmonization with other development partners, and significant analytical work has been done.

FUTURE DIRECTIONS

ADB's country partnership strategy, 2019-2023 for Fiji focuses on three strategic pillars for the country's development. First, the bank will help promote private sector investment and growth by investing in infrastructure, providing policy-based loans, and offering technical assistance to improve the business and investment climate. Second, ADB will assist in broadening access to quality services and economic opportunities by making inclusive infrastructure investments, improving social services, and supporting efforts that increase the employment and income opportunities of Fiji's poor and disadvantaged. Third, the bank will work to reduce economic volatility in Fiji by investing in climate- and disasterresilient infrastructure assets and supporting government efforts to build macroeconomic buffers and fiscal resilience.

ADB will support these strategic objectives through policy analysis and advice, sovereign and nonsovereign financing facilities, and strategically targeted technical assistance.



ABOUT FIJI AND ADB

ADB Membership

Joined 1970

Shareholding and Voting Power

Number of shares held: 7,218 (0.068% of total shares)
Votes: 46,915 (0.353% of total membership)
0.542% of total regional membership)

Overall capital subscription: \$100.39 million Paid-in capital subscription: \$5.02 million

Aiyaz Sayed-Khaiyum is the Governor and Ariff Ali is the Alternate Governor for Fiji in ADB.

Syurkani Ishak Kasim is the Director and **Mario Di Maio** is the Alternate Director representing Fiji on the ADB Board of Directors.

Masayuki Tachiiri is the ADB Regional Director of the Pacific Subregional Office (SPSO) in Suva, Fiji. SPSO was opened in 2004 and provides the primary operational link for activities between ADB and the governments of the subregion, the private sector, civil society stakeholders, and development partners. The subregional office engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in the Cook Islands, Fiji, Kiribati, Samoa, Tonga, and Tuvalu.

The Fiji government agency handling ADB affairs is the Ministry of Economy.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

CONTACTS

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Useful ADB websites

Asian Development Bank

www.adb.org

Annual Report

 $\underline{www.adb.org/documents/series/adb-annual-}\\\underline{reports}$

Asian Development Outlook www.adb.org/publications/series/asian-development-outlook

ADB Data Library data.adb.org