

Fiji: 2020 Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments (\$ million)^a

Product Type	Sovereign	Nonsovereign	Total
Loans	200.00	_	200.00
Grants	2.40	_	2.40
Technical Assistance ^b	7.03	0.47	7.50
Total	209.43	0.47	209.90

- = nil, DMC = developing member country, TA = technical assistance. Notes:

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

Grants and TA include ADB-administered cofinancing.

- a Numbers may not sum precisely because of rounding.
- ^b Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

Fiji: Cumulative Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments^{a,b,c,d}

Sector	No.	Total Amount (\$ million)		COVID-19 Response (\$ million) ^e
Agriculture, Natural Resources, and Rural Development	26	60.09	6.90	-
Energy	10	40.28	4.62	-
Finance	15	22.39	2.57	0.50
Health	1	3.81	0.44	3.81
Industry and Trade	1	0.52	0.06	0.07
Information and Communication Technology	1	0.31	0.04	-
Multisector	1	0.79	0.09	-
Public Sector Management	24	342.93	39.37	100.53
Transport	29	249.24	28.61	_
Water and Other Urban Infrastructure and Services	13	150.75	17.31	0.32
Total	121	871.11	100.00	105.23

- = nil, COVID-19 = coronavirus disease, DMC = developing member country, TA = technical assistance.
- ^a Grants and TA include ADB-administered cofinancing.
- b Includes sovereign and nonsovereign loans and technical assistance.
- Using primary sector in reporting of commitments.
- d Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.
- 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 the main driver of economic activity and foreign direct investment. In 2020, international travel restrictions associated with the coronavirus disease (COVID-19) pandemic caused a collapse in tourism arrivals and contributed to an estimated 19% contraction in Fiji's gross domestic product.

The Asian Development Bank (ADB) has been supporting Fiji since 1970 and is currently working with the national government based on the country partnership strategy, 2019–2023. Over the strategy period, ADB anticipates an allocation of \$600 million in sovereign and nonsovereign resources to help Fiji overcome its key development challenges, including pandemic recovery.

Since 1970, ADB has committed loans totaling \$789.4 million, grants of \$6.4 million, technical assistance worth \$39.7 million, and ADB-administered cofinancing of \$35.7 million for Fiji. Cumulative loan and grant disbursements to Fiji amount to \$642.6 million. These were financed by regular ordinary capital resources, and other special funds.

ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB engagement in Fiji focuses on achieving economic recovery beyond COVID-19, driven by sustained and inclusive economic growth led by the private sector. This goal is being advanced through investments in transport infrastructure, water supply and sanitation, and public sector management.

In 2018 and 2019, ADB committed a total of \$80 million for the first two subprograms of a policy-based loan program to support private sector-led growth. A planned third subprogram of \$100 million was increased to \$200 million, and committed in August 2020, to help finance the Government of Fiji's COVID-19 response.



The program supported government reforms to strengthen fiscal management; establish policy, legal, and institutional frameworks for state-owned enterprises and public-private partnerships; and improve Fiji's business and investment climate.

In 2020, ADB provided grants totaling \$2.4 million from the <u>Asia Pacific</u> <u>Disaster Response Fund</u> in response to COVID-19 and <u>Tropical Cyclone</u> <u>Harold</u>. The bank's integrated support for <u>COVID-19</u> response also included technical assistance to Fiji Airports and nonsovereign lending to Fiji Airways.

ADB has been investing in upgrading and rehabilitating Fiji's roads since the 1980s. Associated reductions in transport costs and travel times have helped disadvantaged groups participate in the cash economy and access employment opportunities and social services. Since 2014, investments in transport infrastructure have been cofinanced by the World Bank under a \$100 million project that is rehabilitating and resealing more than 300 kilometers of roads and conducting studies on 40 critical bridges and three jetties.

ADB has also helped improve Fiji's <u>water</u> <u>supply and sewerage services</u>, with one project improving water supply to about 150,000 people living in the Greater Suva area. This work is being further advanced by an ongoing project—utilizing a \$42 million loan from ADB,

a \$27 million loan from the European Investment Bank, and a \$31 million grant from the Green Climate Fund—which will expand access to sustainable water supply in Greater Suva.

ADB expects to finance cost-effective solutions to address flood hazard protection for Nadi town and the lower Nadi river floodplain. It is also undertaking a strategic review of development options for the Suva Port, including analysis of sites for potential relocation.

Fiji also benefits from country-specific and regional technical assistance projects, covering areas such as climate change, public sector management, and private sector development.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments in loans and equity investments from ADB's own funds in 2020 amounted to \$1.4 billion for 38 transactions in economic and social infrastructure, finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2020, ADB mobilized \$1.9 billion of long-term project cofinancing and \$3.3 billion of cofinancing through its Trade and Supply Chain Finance Program

and Microfinance Program. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$14.3 billion as of 31 December 2020.

During 2020, ADB prepared a \$65 million facility to provide liquidity support for Fiji Airways, which provides crucial transport links in the South Pacific. The airline plays an important role in freight, health, education, and communication services as well as tourism, which accounts for about a third of Fiji's gross domestic product. ADB's financing will help fund Fiji Airways through the COVID-19 crisis. The facility was subsequently approved in 2021.

PARTNERSHIPS

ADB is working to deepen and expand its role in Fiji and improve development partner coordination. It has collaborated closely with the World Bank to cofinance a range of operations. It has also participated in cofinancing with the European Investment Bank, the Green Climate Fund, and the governments of Australia and New Zealand.

ADB's Pacific Private Sector Development Initiative, cofinanced by the governments of Australia and New Zealand, has been active in Fiji since 2008. This regional initiative works to reduce constraints to doing business,

Fiji: Evaluation Results for Sovereign and Nonsovereign Operations, 2011-2020

	Total Number of Validated	Eval	uation Ratin	gs
	and Evaluated Projects and Programs	Highly successful and successful		Unsuccessful
Sovereign Operations	4	2	2	-
Nonsovereign Operations	-	-	-	-

^{- =} nil, IED = <u>Independent Evaluation Department</u>.

Note: The figures indicate the number of sovereign and nonsovereign operations in the country that have been validated or evaluated by the IED and their overall performance ratings. The coverage consists of all validated or evaluated project completion reports and extended annual review reports circulated by ADB within the 10-year period from 1 July 2010 to 30 June 2020. See evaluations related to Fiji.

Source: IED success rate database (as of 31 December 2020).

Fiji: Projects Cofinanced, 1 January 2016-31 December 2020

Cofinancing	No. of Projects	Amount (\$ million)
Sovereigna	9	293.61
Loan	6	255.60
Grant	3	34.94
Technical Assistance	3	3.07

 $^{^{\}rm a}$ A project with more than one source of cofinancing is counted once.

Fiji: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2019-2020

No. of Ongoing Loans ^a (as of 31 Dec 2020)		2
	2019 (\$ million)	2020(\$ million)
Contract Awards ^{b, c}	63.36	4.99
Disbursements ^b	13.89	268.89
No. of Ongoing Grants ^{a,d} (as of 31 Dec 2020)		2
	2019 (\$ million)	2020(\$ million)
Contract Awards ^{b, c, d}	_	_
Disbursements ^{b, d}	_	2.40
At Risk Projects (%) (as of 31 Dec 2020)		_

^{– =} nil.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

 $^{^{\}rm c}$ Excludes policy-based, results-based, and financial intermediation/credit loans and grants.

 $^{^{\}mbox{\tiny d}}$ Includes only Asian Development Fund and other ADB special funds.

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

	2019		2020		Cumulative (as of 31 Dec 2020)	
	Amount	% of	Amount	% of	Amount	% of
Item	(\$ million)	Total	(\$ million)	Total	(\$ million)	Total
Goods, Works, and Related Services	1.14	0.01	265.35	1.16	521.92	0.24
Consulting Services	1.98	0.26	8.50	1.16	20.78	0.15
Total Procurement	3.12	0.02	273.85	1.16	542.70	0.24

Top 5 Contractors/Suppliers from Fiji Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2016–31 December 2020

Contractor/Supplier	Sector	Contract Amount (\$ million)
CBS Power Solutions (Fiji) Ltd.	ENE	10.01
Fletcher Building Ltd.	TRA	9.03
Concrete Solutions (Fiji) Ltd.	TRA	1.02
Dominion Wire and Cables Ltd.	ENE	0.76
Lomanitoba Co. Ltd.	TRA	0.61
Others		333.14
Total		354.57

ENE = energy, TRA = transport.

Top 5 Consultants from Fiji Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2016–31 December 2020

Consultant	Sector	Contract Amount (\$ million)
	Sector	(\$11111011)
United Nations Children's Fund		
(UNICEF)	HLT	6.15
Beca International Consultants Ltd.	TRA	2.54
Habitat for Humanity	PSM	0.33
Fiji Bureau of Statistics	PSM	0.11
GHD (Fiji) Pte Ltd.	TRA	0.10
Individual Consultants		2.56
Others		0.13
Total		11.91

HLT = health, PSM = public sector management, TRA = transport.

incentivize entrepreneurship and investment, foster new business models, and remove barriers to women's full participation in the economy.

ADB also supports Fiji through the Pacific Region Infrastructure Facility, which provides technical advice on infrastructure development and sustainable infrastructure management and enhances the coordination of development partner investments in the Pacific.

FINANCING PARTNERSHIPS

Financing partnerships 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 loans and grants, technical assistance, and other nonsovereign cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade and Supply Chain Finance Program and Microfinance Program.

ADB began cofinancing operations in Fiji in 1992. Since then, sovereign cofinancing commitments for Fiji have amounted to \$312.04 million for seven investment projects and \$3.52 million for five technical assistance projects.

In 2020, Fiji received \$50 million loan cofinancing from the Asian Infrastructure

Investment Bank, and a total of \$2.2 million grant cofinancing from the Government of Australia and the Government of New Zealand for the Sustained Private Sector-Led Growth Reform Program—Subprogram 3.

A summary of projects with cofinancing from 1 January 2016 to 31 December 2020 is available at www.adb.org/countries/fiji/cofinancing.

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 all ADB members.

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 \$14.19 billion in 2019 and \$22.79 billion in 2020. Cumulative procurement since 1966 has been \$216.35 billion covering 222,415 contracts.

For contractors and suppliers from Fiji, 382 contracts worth \$521.92 million have been awarded since 1970.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$756.72 million in 2019 and \$732.11 million in 2020. Cumulative procurement since 1966 has been \$14.13 billion covering 67,086 contracts.

For consultants from Fiji, 178 contracts worth \$20.78 million have been awarded 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 operations in Fiji are enhanced by the presence of the <u>ADB Pacific Subregional Office</u> in the country's capital, Suva. There is strong coordination and harmonization with other development partners, and significant analytical work has been done to enhance Fiji's development prospects.

FUTURE DIRECTIONS

ADB's <u>country partnership strategy</u>, <u>2019–2023</u> for Fiji focuses on three

strategic pillars for the country's development and these will help drive sustainable growth out of the COVID-19 pandemic. ADB 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. The bank 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. The bank will also work to reduce economic volatility in Fiji by investing in climate- and

disaster-resilient infrastructure assets and supporting government efforts to build macroeconomic buffers and fiscal resilience.

ADB will support these objectives through policy analysis and advice, sovereign and nonsovereign financing, 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: 46,332 (0.348% of total membership,
0.535% of total regional membership)

*Overall capital subscription: \$103.96 million *Paid-in capital subscription: \$5.2 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 **Karen Murray** 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 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. SPSO engages in policy dialogue, country partnership strategy development and programming, portfolio management, and knowledge-based solutions for the Cook Islands, Fiji, Kiribati, Niue, Samoa, Tonga, and Tuvalu.

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

ADB's 52nd Annual Meeting was held in Nadi, Fiji on 1-5 May 2019 and marks the first time the event was held in a Pacific developing member country.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from Asia and the Pacific 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 2020, lending volume was \$26.9 billion (149 projects), with technical assistance at \$293.56 million (275 projects) and grant-financed projects at \$1.08 billion (62 projects). In addition, \$16.41 billion was generated for sovereign and nonsovereign cofinancing in the form of loans and grants, B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade and Supply Chain Finance Program and Microfinance Program. From 1 January 2016 to 31 December 2020, ADB's annual lending volume averaged \$19.69 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$805.5 million and \$230.81 million respectively over the same period. As of 31 December 2020, the cumulative commitments excluding cofinancing were \$323.17 billion in loans for 3,369 projects in 44 countries, \$11.3 billion in 495 grants, and \$5.01 billion in technical assistance grants, including regional technical assistance grants, including regional technical assistance grants.

Notes:

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars. Data are updated as of 31 December 2020 unless otherwise indicated.

CONTACTS

Pacific Subregional Office

Level 5, Ra Marama Building 91 Gordon Street Suva, Fiji

Tel: +679 331 8101 Fax: +679 331 8074 adbspso@adb.org www.adb.org/fiji

ADB Headquarters

6 ADB Avenue, Mandaluyong City 1550 Metro Manila, Philippines Tel: +63 2 8632 4444

Fax: +63 2 8636 2444

Ministry of Economy

Ro Lalabalavu House, 370 Victoria Parade P. O. Box 2212, Government Buildings Suva, Fiji

Tel: +679 330 7011 Fax: +679 330 0834

Useful ADB websites

Asian Development Bank www.adb.org

Annual Report

www.adb.org/documents/series/adb-annual-reports

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

ADB Data Library data.adb.org

^{*}United States dollar figures are valued at rate as of 31 December 2020.