

Republic of Fiji
Country Engagement Note
Transport Infrastructure Investment Project

Chair Summary*

March 11, 2015

Executive Directors discussed the joint IBRD/IFC/MIGA *Republic of Fiji Country Engagement Note (CEN) for the Period FY2015-2017* (R2015-0024[IFC/R2015-0029, MIGA/R2015-0006]) (Report Number 93708-FJ) and the *Fiji Transport Infrastructure Investment Project* (R2015-0028) (Report Number PAD1092).

Directors recognized that the CEN comes at a critical time to allow the World Bank Group (WBG) to support Fiji's transition to democracy following the elections in September 2014. It marks the resumption of International Bank for Reconstruction and Development (IBRD) lending after a 23-year hiatus and launches full WBG engagement in Fiji.

Directors supported the CEN's two pillars of: (i) strengthening the foundations for inclusive private sector-led growth; and (ii) protecting vulnerable populations. Directors noted the lack of recent poverty data, and welcomed the WBG's plan to assist the Government of Fiji to conduct a poverty assessment based on the 2013/14 Household Income and Expenditure Survey, and to undertake a Systematic Country Diagnostic that would inform a four- to six-year Country Partnership Framework. They commended the Government for initiating a Five-Year Development Plan that would identify development priorities and deepen dialogue with development partners. Directors noted the importance of increasing the budget surplus and reducing government debt. They also emphasized the important role Fiji can play as a regional hub and encouraged further leveraging WBG efforts through regional approaches.

Directors welcomed the coordinated efforts of IBRD and the International Finance Corporation (IFC) to help set the stage for private investment to create jobs, diversify the economy, and increase revenue. Directors encouraged the WBG to help Fiji better protect vulnerable populations by strengthening social protection and improving its ability to manage disaster and climate risks. They also encouraged activities to increase the focus on gender by the WBG and partners, as well as job creation and measures to boost agricultural and rural incomes.

Directors approved the US\$50 million IBRD *Transport Infrastructure Investment Project*, co-financed with the Asian Development Bank (ADB), which aims to improve the safety and resilience of roads, bridges and jetties, to support private sector development, and to improve citizens' access to services. Directors recognized the complexity and high transaction costs for a small island country to implement separate WBG and ADB procurement procedures for one project. They approved a waiver to allow the WBG to follow ADB procurement procedures, noting that its terms would ensure open and transparent competition. Directors welcomed the application of WBG's safeguards, sanctions, and anti-corruption policies in the project. Directors sought to learn lessons from the collaboration with ADB as an example for WBG engagement in other client countries. They welcomed the close collaboration with development partners on the ground and support for Fijian efforts to develop effective donor coordination mechanisms.