

Project Implementation Agreement

for the Kiribati Outer Islands Transport Infrastructure Investment Project (KOITIIP)

15-Sep-2020

THIS PROJECT IMPLEMENTATION AGREEMENT ("Agreement") is made on

BY AND BETWEEN:

- (1) ASIAN DEVELOPMENT BANK ("ADB"); and
 - (2) INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("IBRD")/INTERNATIONAL DEVELOPMENT ASSOCIATION ("IDA") ("IBRD" and "IDA", collectively, the "World Bank")
- each a "Cofinancier" and collectively the "Cofinanciers".

RECITALS:

(A) The Borrower has requested the Cofinanciers to provide financing for the Project, and has entered, or intends to enter, into the Financing Agreements with the Cofinanciers to finance the Project;

(B) The Borrower has requested that with respect to Project procurement related activities financed or to be financed by the Cofinanciers and except as expressly provided in this Agreement: (a) the Lead Cofinancier's Procurement Framework be used in connection with such activities, and (b) the Lead Cofinancier takes a leading role in providing support and monitoring with respect to the procurement activities under a Project;

(C) The Cofinanciers agree with the Borrower's request described in paragraph (B) hereinabove and consider that a coordinated and unified approach to procurement would advance the interest of the Project, the Borrower, and the Cofinanciers;

(D) The Cofinanciers have entered into a procurement framework agreement dated December 3, 2018 under which the Cofinanciers have agreed to a coordinated and unified approach to procurement for jointly financed Projects within the jurisdiction of their common Borrowers, ("Procurement Framework Agreement"); and

(E) In addition to the Procurement Framework Agreement, the Cofinanciers hereby enter into this Agreement setting out the specific arrangements required for the Project.

IT IS AGREED:

CLAUSE 1

Definitions

1.01. Unless otherwise defined below, capitalized terms in this Agreement have the meanings given to them in the Procurement Framework Agreement.

- (a) "Anticorruption Framework" means (i) with respect to ADB, ADB's Anticorruption Policy (1998, as amended to date) and ADB's Integrity Principles and Guidelines (2015, as amended from time to time); and (ii) with respect to the World Bank, the Guidelines on Preventing and Combating Fraud and Corruption in Projects financed by IBRD loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
- (b) "Borrower" means the Republic of Kiribati;
- (c) "Lead Cofinancier's Procurement Framework" means the World Bank Procurement Regulations for IPF Borrowers, July 2016 revised in November 2017 and August 2018; and
- (d) "Project" means Parts 1, 2.1, 2.2(a), 2.2(c), 2.3(b), and 3.1 and 3.2 of the Kiribati Outer Islands Transport Infrastructure Investment Project (KOITIIP), as further described in Schedule 2 of this Project Implementation Agreement.
- (e) "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.

CLAUSE 2

Designation and Obligations of Lead Cofinancier

2.01. Pursuant to Clause 2.01 of the Procurement Framework Agreement, the World Bank is hereby designated as the Lead Cofinancier.

2.02. The Lead Cofinancier will ensure that the Borrower undertakes the procurement under the Project in accordance with the terms and conditions of the Procurement Framework Agreement and this Agreement, including the undertakings set out in Schedule 1 of this Agreement.

2.03. Pursuant to Clause 2.03 of the Procurement Framework Agreement, the Lead Cofinancier will cause the Borrower to require each bidder to submit a signed letter of acceptance, which will subsequently form integral part of the awarded contracts, in the form set forth in Appendix 2B of the Procurement Framework Agreement.

CLAUSE 3

Miscellaneous

3.01. For the purposes of the Project, the Cofinanciers will strictly comply with the terms and conditions set out in the Procurement Framework Agreement and this Agreement.

3.02. This Agreement is not intended to modify or amend the terms and conditions of the Procurement Framework Agreement.

3.03. This Agreement will not be amended except by agreement in writing of the World Bank and the ADB.

3.04. This Agreement will be executed in two counterparts, each of which will be deemed to be an original, but both of which will constitute one and the same agreement.

3.05. This Agreement will come into full force and effect on the date on which it is signed by the Cofinanciers and will remain in full force and effect unless and until it is terminated in accordance with Clause 6.06 of the Procurement Framework Agreement.

3.06. Any notice or request required or permitted to be given or made under this Agreement will be in writing in the English language and will be deemed as duly given if delivered by email (acknowledgement receipt requested), facsimile, registered or certified mail or courier service to the following addresses:

For ADB

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:

(632) 8636-2444

For the attention of: Mr. Cha-Sang Shim – csshim@adb.org

For World Bank

International Bank for Reconstruction and Development/International
Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile Number:

1-202-477-6391

For the attention of: Ms. Monica Moldovan mmoldovan@worldbank.org

IN WITNESS WHEREOF, the Cofinanciers, acting through their duly authorized representatives, have caused this Project Implementation Agreement to be signed in their respective name as of the day and year first above written:

ASIAN DEVELOPMENT BANK

Leah C. Gutierrez

By _____

Leah C. Gutierrez,

Director General, Pacific Department

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Michel Kerf

By _____

Michel Kerf

Country Director, PNG & Pacific Islands

SCHEDULE 1

Project Specific Procurement Related Undertakings

1. The Borrower shall not award any construction or civil works contract for the Project which is jointly financed by ADB and involves environmental impacts until:
 - (a) the Borrower's Ministry of Environment, Lands and Agricultural Development has granted final approval of the environmental and social impact assessment for the relevant Project component; and
 - (b) the Borrower has incorporated the relevant provisions from the respective environmental and social management plan for the relevant Project component into the contract.

2. The Borrower shall not award any construction or civil works contract for the Project which is jointly financed by ADB and involves involuntary resettlement impacts, until the Borrower has prepared and submitted to ADB the final resettlement plan for the relevant Project site based on the Project's detailed design and obtained ADB's clearance of such resettlement plan.

SCHEDULE 2

Project Description

The Project is to improve the connectivity, safety and climate resilience of transport infrastructure on Abaiang, Nonouti, Beru, and Tabiteuea South and in the event of an Eligible Crisis or Emergency, to provide an immediate response to the Eligible Crisis or Emergency.

Project Components

The Project consists of the below Parts 1, 2.1, 2.2(a), 2.2(c), 2.3(b), and 3.1 and 3.2. Parts 2.2(b), 2.3(a), 3.3 and 4 will be financed by IDA only.

Part 1. Safe Inter-Island Navigation

Carrying out activities to improve the safety of inter-island navigation, including:

- (a) conducting hydrographic surveys and preparing and publishing maritime charts;
- (b) providing and installing tide gauges and current meters; and
- (c) providing contract management services to support activities under Part 1 of the Project.

Part 2. Resilient Outer Island Access Infrastructure

2.1 Improvement of Ship Safety Navigation

- (a) Designing and installing new aids to navigation and replacing existing ineffective aids to navigation in locations informed by the hydrographic surveys and maritime charts prepared under Part 1(a) of the Project.
- (b) Providing technical assistance to develop a system for maintenance of aids to navigation.

2.2 Rehabilitation of Island Access Infrastructure

Carrying out activities to construct and rehabilitate infrastructure to improve maritime access to Selected Outer Islands, as informed by the hydrographic surveys and maritime charts prepared under Part 1(a) of the Project, including:

- (a) designing and constructing a new jetty, passenger terminal, concrete ramp and associated infrastructure on the Borrower's island of Abaiang; undertaking small scale dredging in Tebikeriki, on the Borrower's island of Beru; and constructing a passenger terminal and associated infrastructure, and upgrading the seawall on Borrower's island of Beru; including preparing site assessments and safeguard documents;
- (b) constructing small multipurpose maritime facilities on Borrower's islands of Nonouti and Tabiteuea South, including a boat ramp, shelter and aids to navigation workshop; preparing site assessments and safeguard documents; and providing associated small equipment; and
- (c) providing technical assistance for the design, construction and maintenance activities under Part 2.2(b) of the Project, including conducting engineering studies, carrying out capacity development activities for the Borrower's staff, preparing safeguard documents, and conducting quality assurance audits.

2.3 Rehabilitation of Lagoon Crossings

- (a) Rehabilitating and upgrading existing causeways identified and selected in accordance with the criteria and procedures specified in the Project Operations Manual to ensure climate resilient access to Selected Outer Islands, including preparing site assessments and preparing safeguard documents, and carrying out activities related to the maintenance of the causeways.
- (b) Providing technical assistance for the design, construction and maintenance activities under Part 2.3(a) of the Project, including conducting site investigations and engineering studies, carrying out supervision of works, conducting quality assurance audits, preparing safeguard documents, and carrying out capacity development activities for staff and personnel of the Ministry of Infrastructure and Sustainable Energy ("MISE").

Part 3. Strengthening the Enabling Environment

3.1 Institutional Strengthening

Providing technical assistance to the Ministry of Information, Communications, Transport and Tourism Development (“MICTTD”) and MISE to increase their capacity to implement the Project and manage transport infrastructure, including:

- (a) conducting assessments and studies, and training MICTTD staff on the development and management of a marine spatial database; and
- (b) developing a MISE capacity investment plan and providing associated training, program licenses and software.

3.2 Operational Support for the Outer Islands Implementation Unit

Providing technical and operational assistance to the Outer Islands Implementation Unit (“OIIU”) on Project management and implementation, including audits, training of Project staff and personnel, supporting overall supervision of the Project, providing small equipment, reporting, monitoring and evaluation, and safeguard monitoring; and supporting gender informed activities, including citizen engagement, outreach activities, and developing employment networks designed to increase women’s participation and prevent gender-based violence.

3.3 Operational Support for the Kiribati Fiduciary Services Unit

Strengthening capacity of the Kiribati Fiduciary Services Unit (“KFSU”) in providing Project management and implementation support to this Project and other IBRD and/or Association financed or co-financed projects in the Borrower’s territory, including audits, providing small equipment, training Project staff and personnel, reporting, and monitoring and evaluation.

Part 4. Contingent Emergency Response

Providing immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 3

<p>Kiribati</p> <p>Kiribati Outer Islands Transport Infrastructure Investment Project</p> <p>Project Procurement Plan¹ until December 2021</p> <p>Date of Procurement Plan: 27-Nov-19</p> <p>Procurement Risk Rating: Substantial</p>						
Procurement Category: Goods						
1	2	3	4	5	6	7
	Contract (Description)	Estimate Cost (US\$ million)	Procurement Method	Market approach	Review by Bank	Activity Commencement Date
	Office Equipment (computer, printer, server, software etc.) - PPA	0.10	Request for Quotations (RFQ)	Open	Post	2020/09/01
	Office Furniture (table, chair, cabinets etc.) - PPA	0.05	RFQ	Open	Post	2020/09/01
Procurement Category: Consulting Services (Individual Consultants)						
1	2	3	4	5	6	7
	Description of Assignment	Estimate Cost (US\$ million)	Selection Method	Market approach	Review by Bank	Activity Commencement Date
	Chief Technical Advisor (International (Int)) - PPA	0.80	Selection of Individual Consultants (INDV)	Open	Prior	2020/09/01
	Outer Islands Implementation Unit (OIIU) Project Manager - PPA	0.30	INDV	Open	Prior	2019/10/31
	Social/Safeguard Specialist (National (Nat)) - PPA	0.17	INDV	Open	Post	2020/09/01
	Gender/GBV Specialist (Nat)	0.17	INDV	Open	Post	2020/09/01

¹ Exclusive of packages that are financed by WB including support to KFSU and civil works for rehabilitating causeways.

	Environment Specialist (Nat) - PPA	0.16	INDV	Open	Post	2020/09/01
	Community Liaison Officer (Nat)	0.12	INDV	Open	Post	2020/09/01
	Monitoring and Evaluation Specialist (Nat)	0.10	INDV	Open	Post	2020/09/01
Procurement Category: Consulting Services (Firms)						
1	2	3	4	5	6	7
	Description of Assignment	Estimate Cost (US\$ million)	Selection Method	Market approach	Review by Bank	Activity Commencement Date
	Hydrographic Survey services (airborne)	4.70	Quality and Cost Based Selection (QCBS)	Open-International	Prior	2020/09/01
	Engineering Consulting Firm (mentoring, audit, QA, design, supervision)	1.50	QCBS	Open-International	Prior	2020/09/01
	Hydrographic Surveying (MGT firm) - PPA	0.65	Direct Selection	Direct	Prior	2020/02/01
	Marine Sector Development Planning	0.30	Consultants Qualification-based Selection (CQS)	Open-International	Post	2020/09/01

APPENDIX 2B
LETTER OF ACCEPTANCE OF ASIAN DEVELOPMENT BANK'S
ANTICORRUPTION POLICY AND INTEGRITY PRINCIPLES AND GUIDELINES

We acknowledge that the contract(s) [for (specify Contract Name or Bid Reference)] (the Contract/'s) subject to this bidding process is/are intended to be jointly co-financed by the Asian Development Bank (ADB) and the International Bank for Reconstruction and Development and Development/International Development Association.

We, our joint venture partners and consortium members, employees and any consultants, subconsultants, subcontractors, service providers, suppliers and agents agree to comply with ADB's Anticorruption Policy (1998, as amended to date) and Integrity Principles and Guidelines (2015, as amended from time to time) in connection with the procurement and execution of the Contract/s, in case of award, including any variations thereto.

We declare that we have and will continue to observe the highest ethical standards during the procurement and, if we are awarded the Contract/s, in the performance of the Contract/s. We, our joint venture partners, consortium members, employees and any consultants, subconsultants, subcontractors, service providers, suppliers and agents, have neither engaged nor will engage in, any Integrity Violation as defined under ADB's Integrity Principles and Guidelines in connection with the bidding process or in the execution of the Contract.

For the purposes of this Letter of Acceptance, Integrity Violations include one or more of the following:

- **Corrupt Practice** which is the offering, giving, receiving or soliciting, directly or indirectly anything of value to influence improperly the actions of another party.
- **Fraudulent Practice** which is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- **Coercive Practice** which is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of any party to influence improperly the actions of a party.
- **Collusive Practice** which is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
- **Abuse** which is theft, waste or improper use of assets related to ADB-related activity, either committed intentionally or through reckless disregard.
- **Conflict of interest** which is any situation in which a party has interests that could improperly influence that party's performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations.
- **Obstructive Practice** which includes (a) deliberately destroying, falsifying, altering or concealing of evidence material to an ADB investigation; (b) making false statements to investigators in order to materially impede an ADB investigation; (c) failing to comply with requests to provide information, documents, or records in connection with an ADB investigation; (d) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the

investigation or from pursuing the investigation; or (e) materially impeding ADB's contractual rights of audit or inspection or access to information.

- **Violations of ADB sanctions**

We confirm our understanding of the consequences of not complying with ADB's Anticorruption Policy and Integrity Principles and Guidelines, which may include the following:

- a. Rejection of our proposal/bid for award of Contract;
- b. In case of award, termination of the Contract, without prejudice to any other remedy for breach of contract; and
- c. Imposition of sanctions and other remedial actions pursuant to ADB's Anticorruption Policy and Integrity Principles and Guidelines

We declare that, except for the matters disclosed in this Letter of Acceptance:

- (i) We do not have a conflict of interest with the Employer or other bidders;
- (ii) None of our directors and key officers, or those of our parent company, joint venture partner, consortium member, our affiliates and subsidiaries, including any consultants, subconsultants, subcontractors, service providers or suppliers, has been charged or convicted of any criminal offence (including felonies and misdemeanors) or infraction/violations of ordinance/law which carry the penalty of imprisonment;
- (iii) We, our joint venture partners and consortium members, our parent company, our subsidiaries and affiliates and our directors, employees and agents and any consultants, subconsultants, subcontractors, service providers and suppliers for any part of the Contract/s are not subject to, and are not controlled by any entity that is subject to, a debarment or temporary suspension, by any Multilateral Development Bank (including ADB, the World Bank Group, African Development Bank, European Bank for Reconstruction and Development, European Investment Bank or the Inter- American Development Bank);
- (iv) We, our joint venture partners and consortium members, our parent company, our directors, subsidiaries and affiliates or any third parties engaged or involved for any part of the Contract/s are not subject to any sanction by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
- (v) We further undertake to immediately inform the Employer of any changes in connection with the matters described in paragraphs (i) through (iii) above.

If any of the above declarations are applicable, please strike out and provide full disclosure of any charges, convictions exclusion or other information relevant to [(i), (ii), (iii) below].

Name of Entity Required to be Disclosed

Reason Disclosure is Required

We shall permit, and shall cause our joint venture partners and consortium members, as well as our subcontractors, subconsultants, agents, personnel, consultants, service providers, suppliers and any other third parties engaged or involved for any part of the Contract/s to permit, ADB and persons appointed by ADB to inspect all accounts, records and other documents relating to the procurement process and contract execution and to have them audited by ADB and auditors appointed by them.

We agree to preserve all accounts, records and other documents related to the procurement and execution of the Contract.

We agree to cooperate fully in any screening or investigation when requested by ADB to do so.²

We shall, for the duration of the tender process and, if we are awarded the Contract, appoint an officer who shall be acceptable to ADB and to whom ADB shall have full and immediate access, having the duty and the necessary authority to ensure compliance with this Letter of Acceptance.

Name: _____

In the Capacity of: _____

Signed: _____

Duly authorized to sign the bid/
tender for and on behalf of: _____

Date: _____

Place: _____

² Such cooperation includes, but is not limited to, the following:

- being available to be interviewed and replying fully and truthfully to all questions asked;
- providing any items requested that are within the party's control including, but not limited to, documents and other physical objects;
- upon written request, authorizing other related entities to release directly such information that is specifically, and materially related, directly or indirectly, to the said entities or issues which are the subject of the investigation; and
- preserving and protecting confidentiality of all information discussed with, and as required by ADB.