ADB ASIAN DEVELOPMENT BANK

Tuvalu: Outer Island Maritime Infrastructure Project (Second Additional Financing)

Project Name	Outer Island Maritime Infrastructure Project (Second Additional Financing)
Project Number	48484-005
Country	Tuvalu
Project Status	Approved
Project Type / Modality of Assistance	Grant
Source of Funding / Amount	Grant 0775-TUV: Outer Island Maritime Infrastructure Project (Second Additional Financing) concessional ordinary capital resources lending / Asian Development Fund — US$ 20.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development
Sector / Subsector	Transport - Water transport (non-urban)
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	
Project Rationale and Linkage to Country/Regional Strategy	Tuvalu is one of the smallest and most remote ADB member countries with a dispersed geography that imposes challenges in transport and economic development. Outer islands have no harbors for the government ships and small workboats ferry passengers and cargo from ship to shore. ADB has been providing financing assistance to Tuvalu to construct small workboat harbor in two outer islands (Nukulaelae and Niutao). The government has requested additional financing to construct an additional small workboat harbor in a different outer island (Nui). The proposed additional financing is (i) consistent with the project rationale, extending the project benefits to the outer island of Nui; and (ii) is included in the country operations business plan (COBP), 2020-2022 of the ADB.
Impact	Safe and efficient domestic maritime transportation that helps increase climate resilience of community infrastructure

Project Outcome	
Description of Outcome	Maritime transfer operations in Nanumaga, Nui, Niutao, and Nukulaelae improved, anchored on a transport master plan, with a view to promoting fisheries and tourism.
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Small-scale harbors constructed in Nui, Niutao, and Nukulaelae, and boat ramps in Nanumaga and Niutao rehabilitated. Capacity to operate and maintain harbors improved, involving the outer island communities, the MTET, and other national government agencies. A transport sector master plan for future harbor development in the outer islands created, with a view to promote fisheries and tourism.
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Nation-wide

Safeguard Categories	
Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects
Environmental Aspects
Involuntary Resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation
During Project Design
During Project Implementation

Responsible ADB Officer	Gonzalez Jimenez, Juan Francisco
Responsible ADB Department	Pacific Department

Responsible ADB Division	PATC
Executing Agencies	Ministry of Finance MORESI.K.L@GMX.COM Vaiaku, Funafuti, Tuvalu

Timetable	
Concept Clearance	-
Fact Finding	01 Jun 2020 to 05 Jun 2020
MRM	03 Aug 2020
Approval	03 Dec 2020
Last Review Mission	-
Last PDS Update	03 Dec 2020

Grant 0775-TUV

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
03 Dec 2020	-	-	30 Jun 2026	-	-

Financing Plan		Grant Utilization			
	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	22.20	Cumulative Contract Awards			
ADB	20.00	03 Dec 2020	0.00	0.00	0%
Counterpart	2.20	Cumulative Disbursements			
Cofinancing	0.00	03 Dec 2020	0.00	0.00	0%

Project Page	https://www.adb.org/projects/48484-005/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=48484-005
Date Generated	22 February 2021

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Project Administration Manual

Project Number: 48484-005
Grant Number: GXXXX
November 2020

Tuvalu: Outer Island Maritime Infrastructure Project – Second Additional Financing

ABBREVIATIONS

ADB	–	Asian Development Bank
CEMP	–	construction environmental management plan
CPU	–	Central Procurement Unit
CSC	–	construction supervision consultant
EMP	–	environmental management plan
GAP	–	gender action plan
GEF	–	global environmental facility
IEE	–	initial environmental examination
MOF	–	Ministry of Finance
MPWIELMD	–	Ministry of Public Works, Infrastructure, Environment, Labor, Meteorology and Disaster
MTET	–	Ministry of Transport, Energy and Tourism
O&M	–	operation and maintenance
OAG	–	Office of the Auditor General
PAM	–	project administration manual
PDA	–	project design advance
PMU	–	project management unit
SPS	–	Safeguard Policy Statement 2009

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Ministry of Finance (MOF) and Ministry of Public Works, Infrastructure, Environment, Labor, Meteorology and Disaster (MPWIELMD) are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by MOF and MPWIELMD of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At grant negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the grant agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the grant agreement, the provisions of the grant agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

I. PROJECT DESCRIPTION

1. Tuvalu is one of the smallest and most remote ADB member countries. Its challenges in transport and economic development come from its dispersed geography. The second additional financing project (the Project) will help Tuvalu overcome connectivity constraints among the capital and the outer island of Nui and promote economic and social development that is more inclusive and sustainable.

2. The proposed Project will scale up and extend the socioeconomic benefits of the current project by constructing a small workboat harbor in Nui. The Project is consistent with the project rationale, will extend socioeconomic benefits to the outer island of Nui, and is included in the country operations business plan, 2020–2022 of the Asian Development Bank (ADB) for the 11 small Pacific island countries.[1]

3. The impact of the overall project will remain unchanged: Safe and efficient domestic maritime transportation that helps increase climate resilience of community infrastructure. The outcome will be improved maritime transfer operations in Nanumaga, Nui, Niutao, and Nukulaelae, anchored on a transport master plan, with a view to promoting fisheries and tourism. The output of the proposed additional financing will be maritime infrastructure constructed in Nui.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness Activities

Indicative Activities	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Responsible Individual/Unit/ Agency/ Government
	2020							2021			
Advance contracting actions											
Recruitment of construction supervision consulting firm											MPWIELMD, ADB
Completion of detailed design for civil works											Detailed design consultants
Procurement of civil works contract											MPWIELMD, ADB
ADB Board approval											ADB
Grant signing											MOF, ADB
Government legal opinion provided											Office of the Attorney-General
Grant effectiveness											ADB

ADB = Asian Development Bank; MOF = Ministry of Finance; MPWIELMD = Ministry of Public Works, Infrastructure, Environment, Labor, Meteorology and Disaster.
Source: Asian Development Bank.

[1] ADB. 2019. *Country Operations Business Plan: 11 Small Pacific Island Countries, 2020–2022*. Manila.

B. Overall Project Implementation Plan

Table 2: Overall Project Implementation Plan

Activities	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
A. DMF																							
Output 1: Small-scale harbors constructed in Nui, Niutao and Nukulaelae, and boat ramps in Nanumaga and Niutao rehabilitated																							
Procurement of civil works contract																							
Civil works contract awarded																							
Preparation and mobilization																							
Civil works																							
B. Management Activities																							
1. Consulting services																							
1.1. Recruitment of supervision consultant																							
1.2. Supervision consultancy																							
1.3. Consultant selection of PMU staff																							
1.4. Operation of PMU																							
2. Environment management plan key activities																							
2.1. Application of development consent																							
2.2. Review and supervision of implementation of the CEMP																							
2.3. Submission to ADB of SMR																							
3. Gender action plan key activities																							
3.1. Implementation of the gender policy and GAP																							
4. Communication strategy key activities																							
4.1. Implement stakeholder and engagement plan																							
5. Annual and midterm review												MR											
6. Submission to ADB of APFS																							
7. Project completion report																							

APFS = audit project financial statements, CEMP = contractor environmental management plan, DMF = design and monitoring framework, GAP = gender action plan, MR = midterm review, PMU = project management unit, SMR = safeguards monitoring report.
Source: Asian Development Bank.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

Table 3: Roles and Responsibilities of Project Implementation Organizations

Project Implementation Organizations	Management Roles and Responsibilities
Executing agency: Ministry of Finance[a]	The representative of the government as a grant recipient. - Facilitate negotiation, signing, and execution of the project financing agreement - Through the Central Procurement Unit, lead the project's procurement actions in coordination with MPWIELMD - Submit withdrawal applications to ADB - Expedite implementation and minimize cost by: • ensure necessary counterpart funds are available timely • review invoices and payments to contractors, consultants, and other service providers • monitor project progress and instruct MPWIELMD to take corrective actions to prevent significant variations and deviations from schedules and budgets
National Infrastructure Steering Committee	- Provide policy guidance on project implementation and management. - Make important decisions on project implementation such as determining of project scope, procurement (selection of a civil work contractor) and consultant selection decisions and seek approval of Cabinet as necessary according the relevant acts. - Oversees project management, monitoring progress of project preparation and implementation and suggest remedial actions when any indication of delay is identified.
Implementing agency: Ministry of Public Works, Infrastructure, Environment, Labor, Meteorology and Disaster[b]	- Focal point for communication with ADB on project related matters. - Ensure that PMU is fully staffed and functional during the entire period of implementation - Supervise PMU through Project Director. - Review consultant reports and ensure the outputs are suitable to the project objectives and the government policies and regulations. - Administer all consultant and works contracts (instructing the supervision consultant, approving variations, suspending, and terminating contracts) - Ensure compliance with grant covenants, ADB's guidelines, procedures, and policies
PMU	- Assist MPWIELMD in project management - Monitor and evaluate project activities and outputs and report the findings to MPWIELMD by monthly progress reports. - Review and verify documents submitted by CSC - Review CSC invoices and advise MPWIELMD of its findings. - Coordinate with CSC - Provide day-to-day support to the CSC. - Lead project implementation activities aiming at timely of works. - Conduct monitoring and reporting as required by the safeguards due diligence and other project requirements including the gender action plan - Facilitate communication with the local stakeholders - Consult with the public and disclose project information with ADB

Project Implementation Organizations	Management Roles and Responsibilities
	- Establish and maintain the project accounts. - Coordinate with the Office of Auditor General to have the project account audited annually. - Operate and maintain PMU office.
Ministry of Transport, Energy and Tourism	- As the main user of the project facilities, provide inputs to the project scope and facility designs. - Provide technical advice on the project scope, facility designs, procurement or others.
ADB	- Provide guidance in implementation issues and project design. - Monitor and review overall project implementation. - Conduct periodic review of the project - Disburse project funds.

ADB = Asian Development Bank; CSC = construction supervision consultancy; MOF = Ministry of Finance; MPWIELMD = Ministry of Public Works, Infrastructure, Environment, Labor, Meteorology and Disaster; PMU = project management unit

[a] Previously MFED (Ministry of Finance and Economic Development).

[b] Under the original and first additional financing, the executing and implementing agencies was the Ministry of Communication and Transport (MCT), now known as the Ministry of Transport, Energy and Tourism (MTET).

Sources: Asian Development Bank and Government of Tuvalu.

B. Key Persons Involved in Implementation

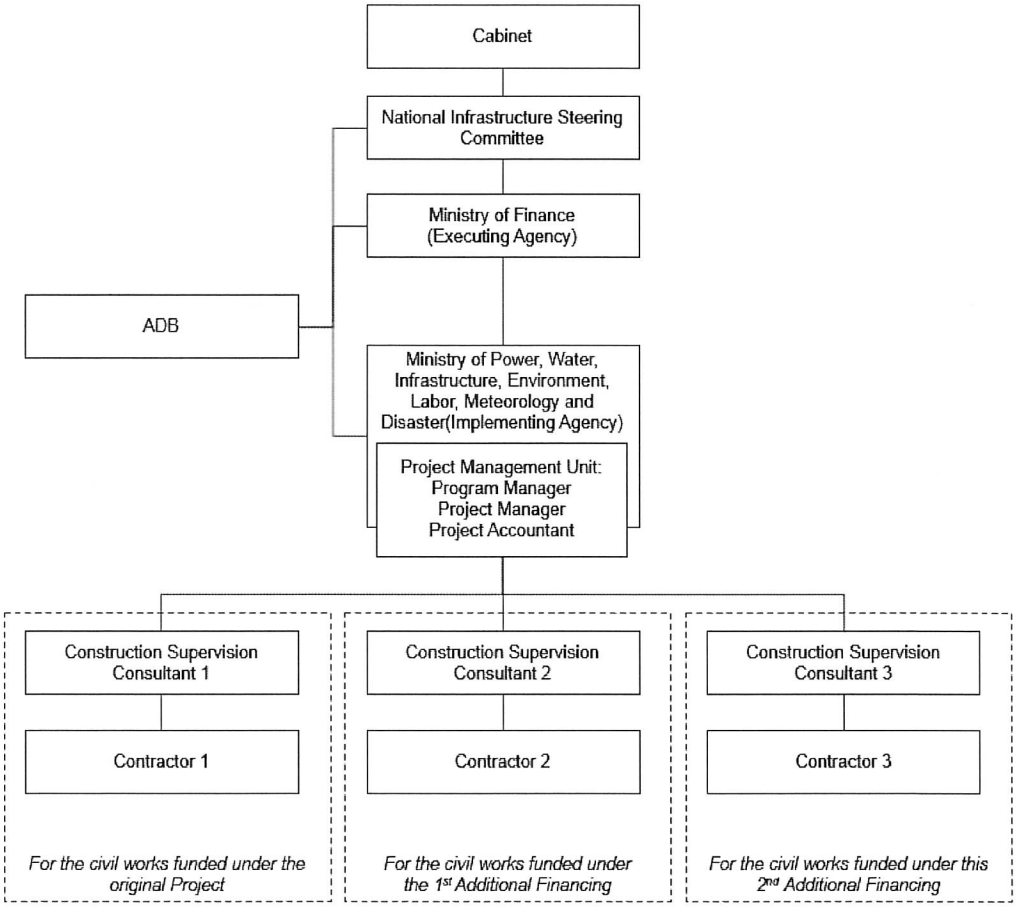
Executing Agencies

Ministry of Finance	Faiva Lee Moresi Chief Executive Officer Tel.:+688-20202 Email: moresi.k.l@gmx.com Vaiaku, Funafuti

Asian Development Bank

Transport and Communications Division	Dong-Kyu Lee Director Tel.: +63 2 632-4444 Email: dklee@adb.org
Team Leader	Juan Gonzalez Transport Specialist Tel.: +63 2 632-4444 Email: jgonzalezjimenez@adb.org

C. Project Organization Structure



IV. COSTS AND FINANCING

4. The Project is estimated to cost $22.00 million, including taxes and duties, and contingencies. Detailed cost estimates by expenditure category and by financier are included in the tables below. The civil works for the port upgrade represent the major expenditure under the project. ADB will finance $20.0 million from ADB's Special Funds resources (Asian Development Fund grant).

A. Cost Estimates Preparation and Revisions

5. Construction cost estimates were prepared by the consultant engaged under the original Project. The consultant utilized cost information from its own databank, using specialized cost estimators and using as a reference the costs of the civil works contract under the original Project. Taxes and duties and the cost of consultants' services were prepared using similar values from the ongoing project. The construction cost estimates are preliminary and will be updated on completion of detailed design and prior to invitation of bids. The estimates will be further updated on award of contracts for the project components.

B. Key Assumptions

6. The following key assumptions underpin the cost estimates and financing plan:

(i) Exchange rate: A$1.00 = $0.72 (as of 9 October 2020)
(ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 4: Escalation Rates for Price Contingency Calculation
(%)

Item	2020	2021	2022	2023	20254	Average
Foreign rate of price inflation	(0.5)	1.6	1.7	1.7	1.8	1.2
Domestic rate of price inflation	3.5	3.5	2.3	2.1	2.0	2.7

( ) = negative.
Source: Asian Development Bank.

C. Detailed Cost Estimates by Expenditure Category

Table 5: Detailed Cost Estimates by Expenditure Category - Current Project
($ million)

Item	Total Cost[a]	% of Total Base Cost
A. Investment Costs		
1. Civil works	21.4	83.4%
2. Consultants	4.0	15.6%
a. Construction supervision consultant	3.3	12.8%
b. Project management unit	0.7	2.8%
Subtotal (A)	**25.5**	**99.0%**
B. Recurrent costs		
1. Land lease (during 3-year project period) and compensation for economic losses	0.3	1.0%
Subtotal (B)	**0.3**	**1.0%**
Total Base Cost	**25.7**	**100.0%**
C. Contingencies		
1. Physical	1.5	5.9%
2. Price	3.0	11.6%
Subtotal (C)	**4.5**	**17.6%**
Total Project Cost (A+B+C)	**30.2**	**117.6%**

Note: Numbers may not sum precisely because of rounding.
[a] Refers to the original financing and first additional financing. Includes taxes and duties of $2.8 million financed from government resources through exemption.
Source: Asian Development Bank.

Table 6: Detailed Cost Estimates by Expenditure Category - Additional Financing ($ million)

Item	Total Cost[a]	% of Total Base Cost
A. Investment Costs		
1. Civil works	15.2	81.7%
2. Consultants	3.3	17.5%
a. Construction supervision and domestic connectivity	2.8	14.8%
b. Project management unit	0.5	2.7%
Subtotal (A)	**18.5**	**99.2%**
B. Recurrent costs		
1. Land lease (during 3-year project period) and compensation for economic losses	0.2	0.8%
Subtotal (B)	**0.2**	**0.8%**
Total Base Cost[b]	**18.6**	**100.0%**
C. Contingencies[c]		
1. Physical	2.6	13.9%
2. Price	0.9	5.0%
Subtotal (C)	**3.5**	**18.8%**
Total Project Cost (A+B+C)	**22.2**	**118.8%**

Note: Numbers may not sum precisely because of rounding.
[a] Includes taxes and duties of $2.0 million to be financed from government resources through exemption.
[b] In mid-2020 prices as of June 2020.
[c] The current amount is based on actual costs. For additional financing, physical contingencies computed at 7% for civil works and 7% for consulting services. Price contingencies computed at 4% on foreign exchange costs and 5% on local currency costs under the assumption of a purchasing power parity exchange rate.
Source: Asian Development Bank.

D. Allocation and Withdrawal of Grant Proceeds

7. Except as ADB may otherwise agree, each item of expenditure will be financed from the proceeds of the grant on the basis of the percentages set forth in the table below.

Table 7: Allocation and Withdrawal of Grant Proceeds

Category			ADB Financing
No	**Item**	**ADB Financing ($)**	**Percentage and Basis for Withdrawal from the Grant Account**
1	Works and Consulting Services	20,000,000	100% of total expenditure claimed*
Total		**20,000,000**	

ADB = Asian Development Bank.
* Exclusive of taxes, duties, and custom clearance fees within the territory of the Recipient.

E. Detailed Cost Estimates by Financier

Table 8: Detailed Cost Estimates by Financier - Current Project[a]
($ million)

Item	ADB		GEF		Government		Total Cost	
	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	Amount	Taxes and Duties
A. Investment Costs								
1. Civil works	18.8	87.6%	0.5	2.3%	2.2	10.1%	21.4	2.2
2. Consultants	3.7	90.9%	0.0	0.0%	0.4	9.1%	4.0	0.4
a. Construction supervision and domestic connectivity	3.0	90.9%	0.0	0.0%	0.3	9.1%	3.3	0.3
b. Project management unit	0.7	90.9%	0.0	0.0%	0.1	9.1%	0.7	0.1
Subtotal (A)	**22.4**	**88.1%**	**0.5**	**2.0%**	**0.0**	0.0%	**25.5**	**2.5**
B. Recurrent costs								
1. Land lease (during 3-year project period) and compensation for economic losses	0.0	0.0%	0.0	0.0%	0.3	100.0%	0.3	0.0
Subtotal (B)	**0.0**	**0.0**	**0.0**	**0.0**	**0.3**	**100.0%**	**0.3**	**0.0**
Total Base Cost	**22.4**	**87.2%**	**0.5**	**0.0**	**0.3**	1.0%	**25.7**	**2.5**
Contingencies								
1. Physical	1.4	89.8%	0.0	0.0%	0.2	10.2%	1.5	0.2
2. Price	2.9	97.0%	0.0	0.0%	0.1	3.0%	3.0	0.1
Subtotal (B)	**4.3**	**94.6%**	**0.0**	**0.0%**	**0.2**	5.4%	**4.5**	**0.2**
Total Project Cost (A+B)	**26.7**	**88.3%**	**0.5**	**1.7%**	**0.5**	**1.6%**	**30.2**	**2.8**

ADB = Asian Development Bank, GEF = global environmental facility.
Note: Numbers may not sum precisely because of rounding.
[a] Refers to the original financing and first additional financing. Includes taxes and duties of $2.8 million financed from government resources through exemption.
Source: Asian Development Bank.

Table 9: Detailed Cost Estimates by Financier - Additional Financing
($ million)

Item	ADB		Government		Total Cost	
	Amount	% of Cost Category	Amount	% of Cost Category	Amount	Taxes and Duties
A. Investment Costs[a]						
1. Civil works	13.9	90.9%	1.4	9.1%	15.2	1.39
2. Consultants	3.0	90.9%	0.3	9.1%	3.3	0.30
a. Construction supervision and domestic connectivity	2.5	90.9%	0.3	9.1%	2.8	0.25
b. Project management unit	0.5	90.9%	0.0	9.1%	0.5	0.05
Subtotal (A)	**16.8**	**90.9%**	**1.7**	9.1%	**18.5**	**1.68**
B. Recurrent costs						
1. Land lease (during 3-year project period) and compensation for economic losses	0.0	0.0%	0.2	100.0%	0.2	0.00
Subtotal (B)	**0.0**	**0.0**	**0.2**	**100.0%**	**0.2**	**0.00**
Total Base Cost	**16.8**	**90.2%**	**1.8**	9.8%	**18.6**	**1.68**
Contingencies[b]						
1. Physical	2.3	90.9%	0.2	9.1%	2.6	0.23
2. Price	0.8	90.9%	0.1	9.1%	0.9	0.08
Subtotal (B)	**3.2**	**90.9%**	**0.3**	9.1%	**3.5**	**0.32**
Total Project Cost (A+B)	**20.0**	**90.3%**	**2.2**	**9.7%**	**22.2**	**2.00**

ADB = Asian Development Bank.
Note: Numbers may not sum precisely because of rounding.
[a] In mid-2020 prices as of June 2020.
[b] The current amount is based on actual costs. For additional financing, physical contingencies computed at 7% for civil works and 7% for consulting services. Price contingencies computed at 4% on foreign exchange costs and 5% on local currency costs under the assumption of a purchasing power parity exchange rate.
Source: Asian Development Bank.

F. Detailed Cost Estimates by Outputs

Table 10: Detailed Cost Estimates by Outputs - Current Project[a]
($ million)

Item	Total Cost	Output 1		Output 2		Output 3	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A. Investment Costs							
1. Civil works	21.4	21.4	100.0%	0.0	0.0%	0.0	0.0%
2. Consulting services	4.0	2.7	67.8%	0.5	12.9%	0.8	19.3%
a. Construction supervision consultant	3.3	2.2	66.7%	0.4	13.3%	0.7	20.0%
b. Project management unit	0.7	0.5	72.8%	0.1	10.9%	0.1	16.3%
Subtotal (A)	**25.4**	**24.1**	**94.9%**	**0.5**	**2.0%**	**0.8**	**3.1%**
B. Recurrent costs							
1. Land lease (during 3-year project period) and compensation for economic losses	**0.3**	**0.3**	**100.0%**	**0.0**	**0.0%**	**0.0**	**0.0%**
Subtotal (B)	**0.3**	**0.3**	**100.0%**	**0.0**	**0.0%**	**0.0**	**0.0%**
Total Base Cost	**25.7**	**24.4**	**95.0%**	**0.5**	**2.0%**	**0.8**	**3.0%**
Contingencies							
1. Physical	1.6	1.4	85.7%	0.1	5.7%	0.1	8.6%
2. Price	3.1	2.5	78.1%	0.3	8.7%	0.4	13.1%
Subtotal (B)	**4.7**	**3.8**	**80.7%**	**0.4**	**7.7%**	**0.5**	**11.6%**
Total Project Cost (A+B)	**30.2**	**27.9**	**92.7%**	**0.9**	**2.9%**	**1.3**	**4.4%**

Note: Numbers may not sum precisely because of rounding.
[a] Refers to the original financing and first additional financing. Includes taxes and duties of $2.8 million financed from government resources through exemption.
Source: Asian Development Bank.

Table 11: Detailed Cost Estimates by Outputs - Additional Financing ($ million)

Item	Output 1	
	Amount[a]	% of Cost Category
A. Investment Costs[b]		
1. Civil works	15.2	100.0%
2. Consulting services	3.3	100.0%
a. Construction supervision consultant	2.8	100.0%
b. Project management unit	0.5	100.0%
Subtotal (A)	**18.5**	**100.0%**
B. Recurrent costs		
1. Land lease (during 3-year project period) and compensation for economic losses	**0.2**	**100.0%**
Subtotal (B)	**0.2**	**100.0%**
Total Base Cost	**18.6**	**100.0%**
Contingencies[c]		
1. Physical	2.6	100.0%
2. Price	0.9	100.0%
Subtotal (B)	**3.5**	**100.0%**
Total Project Cost (A+B)	**22.2**	**100.0%**

Note: Numbers may not sum precisely because of rounding.
[a] Includes taxes and duties of $2.0 million to be financed from government resources through exemption.
[b] In mid-2020 prices as of June 2020.
[c] The current amount is based on actual costs. For additional financing, physical contingencies computed at 7% for civil works and 7% for consulting services. Price contingencies computed at 4% on foreign exchange costs and 5% on local currency costs under the assumption of a purchasing power parity exchange rate.
Source: Asian Development Bank.

G. Detailed Cost Estimates by Year

Table 12: Detailed Cost Estimates by Year - Additional Financing ($ million)

Item	Total Cost[a]	2021	2022	2023	2024	2025
A. Investment Costs[b]						
1. Civil works	15.2	1.52	3.81	3.81	3.81	2.29
2. Consulting services	3.3	0.33	0.81	0.81	0.81	0.49
a. Construction supervision consultant	2.8	0.28	0.69	0.69	0.69	0.41
b. Project management unit	0.5	0.05	0.13	0.13	0.13	0.08
Subtotal (A)	**18.5**	**1.85**	**4.62**	**4.62**	**4.62**	**2.77**
B. Recurrent costs						
1. Land lease (during 3-year project period) and compensation for economic losses	**0.2**	**0.02**	**0.04**	**0.04**	**0.04**	**0.02**
Subtotal (B)	**0.2**	**0.02**	**0.04**	**0.04**	**0.04**	**0.02**
Total Base Cost	**18.6**	**1.86**	**4.66**	**4.66**	**4.66**	**2.80**
Contingencies[c]						
1. Physical	2.6	0.26	0.65	0.65	0.65	0.39
2. Price	0.9	0.09	0.23	0.23	0.23	0.14
Subtotal (B)	**3.5**	**0.35**	**0.88**	**0.88**	**0.88**	**0.53**
Total Project Cost (A+B)	**22.2**	**2.22**	**5.54**	**5.54**	**5.54**	**3.32**
% Total Project Cost	**100.0%**	**10.0%**	**25.0%**	**25.0%**	**25.0%**	**15.0%**

Note: Numbers may not sum precisely because of rounding.
[a] Includes taxes and duties of $2.0 million to be financed from government resources through exemption.
[b] In mid-2020 prices as of June 2020.
[c] The current amount is based on actual costs. For additional financing, physical contingencies computed at 7% for civil works and 7% for consulting services. Price contingencies computed at 4% on foreign exchange costs and 5% on local currency costs under the assumption of a purchasing power parity exchange rate.
Source: Asian Development Bank.

H. Contract and Disbursement S-Curve

8. The following tables show contract awards and disbursement for the allocated amounts over the life of the additional financing project, and annually based on the contract awards and disbursement projections.

Table 13: Contract Awards Projections ($ million)

	Q1	Q2	Q3	Q4	Annual	Cumulative
2021	$ -	$ 16.8	$ -	$ -	$ 16.8	$ 16.8
2022	$ -	$ -	$ -	$ -	$ -	$ 16.8
2023	$ -	$ 0.4	$ 0.4	$ 0.4	$ 1.2	$ 18.0
2024	$ 0.4	$ 0.4	$ 0.4	$ 0.4	$ 1.6	$ 19.6
2025	$ 0.4	$ -	$ -	$ -	$ 0.4	$ 20.0

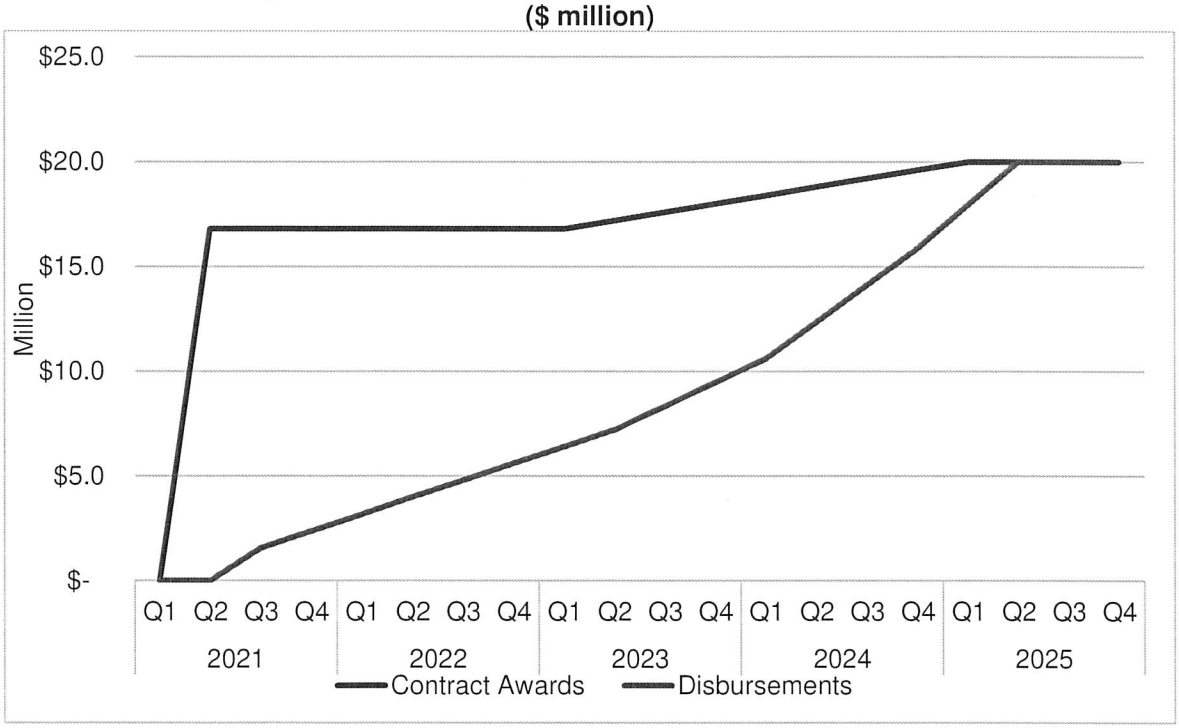
Note: Numbers may not sum precisely because of rounding.

Table 14: Disbursement Projections ($ million)

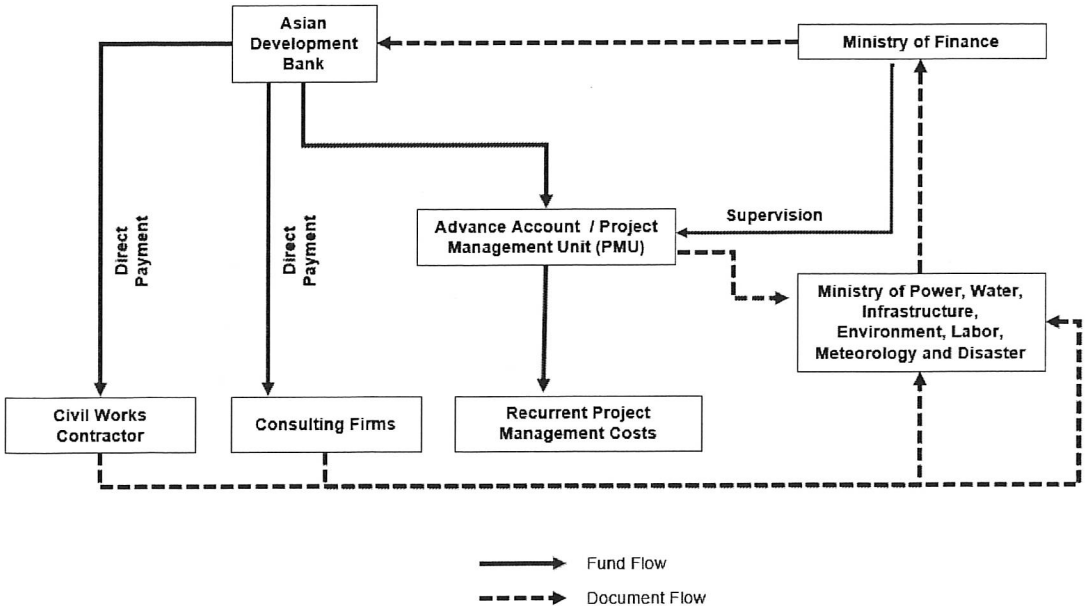
	Q1	Q2	Q3	Q4	Annual	Cumulative
2021	$ -	$ -	$ 1.6	$ 0.8	$ 2.4	$ 2.4
2022	$ 0.8	$ 0.8	$ 0.8	$ 0.8	$ 3.2	$ 5.6
2023	$ 0.8	$ 0.8	$ 1.1	$ 1.1	$ 3.9	$ 9.5
2024	$ 1.1	$ 1.8	$ 1.8	$ 1.8	$ 6.4	$ 15.9
2025	$ 2.1	$ 2.1	$ -	$ -	$ 4.1	$ 20.0

Note: Numbers may not sum precisely because of rounding

Figure 2: Contract Awards and Disbursement S-Curve ($ million)



I. Fund Flow Diagram



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

9. ADB conducted an update of the financial management assessment (FMA) in February 2020 for the Proposed Second Additional Financing of the Outer Island Maritime Infrastructure Project (OIMIP), Tuvalu in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects[2] and the publication Financial Due Diligence: A Methodology Note.[3] The updated FMA, which follows the update in April 2018, considered the capacity of the Government of Tuvalu's MOF as the executing agency and the MPWIELMD as the new implementing agency), and revisited funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. The FMA consisted of: (i) interviews with key staff of MOF and MPWIELMD and with the existing PMU; (ii) evaluating the organizational structure, personnel, accounting policies and procedures, internal and external auditing, financial reporting and budgeting with the assistance of responses to the FMAQ and other documents; (iii) identification of potential risks and mitigation measures. The overall pre-mitigation financial management risk is considered moderate and key findings of the financial management assessment undertaken on MOF and MPWIELMD are as described in Table 15.

[2] ADB. 2005. *Financial Management and Analysis of Projects.* Manila.
[3] ADB. 2009. *Financial Due Diligence: A Methodology Note.* Manila.

Table 15: Financial Management, Internal Control, and Risk Management Assessment

Risk Type	Risk Assessment Rating	Risk Description	Mitigation Measures
A. Inherent Risk (the susceptibility of the project financial management system to factors arising from the environment in which it operates, such as country rules and regulations and entity working environment (assuming absence of any counter checks or internal controls)).			
1. Country-specific Risks	Substantial	2011 PEFA assessment identified risks associated with segregation of duties, FMIS implementation and regular reconciliations to facilitate good internal control. The 2015 PEFA self-assessment reported progress on addressing identified weaknesses OAG issued disclaimers of opinion for the 2016 and 2017 TWOG statements, mainly due to converting cash basis to accrual basis.	All payments are initiated and approved by the Line Ministries and payments are centralized at Treasury Division, MOF. Reconciliations are done on a monthly basis by MOF. The latest TWOG audit report is for year ended 31 December 2017, which was submitted to Parliament in 2018. OAG noted improvements in the annual reporting process and MOF are working towards implementing the outstanding recommendations.
2. Entity-specific Risks	Moderate	MOF is the Borrower/Recipient for all ADB-funded projects and the EA for two ongoing ADB-funded projects. MOF staff are well trained in ADB procedures MPWIELMD is a first time IA for an ADB-funded project. The project accountant in the PMU under the ongoing project, will continue to handle the disbursements and financial management work for the proposed additional financing.	ADB will arrange for the new MOF and MPWIELMD staff who will be grant withdrawal application reviewers and authorized signatories to be trained on ADB's CPD system and disbursement procedures.
Overall Inherent Risk	**Substantial**		
B. Control Risk (the risk that the project's accounting and internal control framework are inadequate to ensure project funds are used economically and efficiently and for the purpose intended, and that the use of funds is properly reported).			
1. Implementing Entity	Moderate	MPWIELMD is a first time IA and its staff are not familiar with ADB's financial management requirements.	Existing PMU will continue to manage the project. ADB will arrange for the MPWIELMD staff to be trained on ADB's CPD system and disbursement procedures.
2. Funds Flow	Low	As under the ongoing project, contractors/consultants will be paid directly by ADB, while the local PMU consultants' salaries and small recurrent PMU expenses will be paid from the project advance account.	Reimbursement claims and liquidation of the advance account will be submitted with complete documentation.
3. Staffing	Moderate	The project accountant under the ongoing project is a qualified finance person well-versed with ADB's disbursements and financial management requirements, having attended three of ADB's training.	Another person is being trained to support the current project accountant.

Risk Type	Risk Assessment Rating	Risk Description	Mitigation Measures
4. Accounting Policies and Procedures	Low	Under the ongoing project, the project financial statements have been prepared on a cash basis in accordance with IPSAS and this will continue under the proposed additional financing.	Project accountant was advised to ensure that records are regularly reconciled with ADB's GFIS.
5. Internal Audit	Substantial	GOT's IAD was established in MOF in December 2016 and the staff complement of two do not have knowledge of ADB requirements.	MOF will extend internal audit function to PMU; will invite the IAD staff to future training on disbursements and financial management.
6. External Audit	Moderate	OAG audits all ADB-funded projects and their staff have attended various ADB training on disbursements and financial management.	During project review missions, ADB will meet with OAG, to ensure that ADB's auditing requirements are complied with. Project team will advise project staff on revised ADB FM requirements
7. Reporting and Monitoring	Moderate	The project accountant under the ongoing project is well-versed with ADB's financial reporting requirements. The project accountant provides inputs to the progress report and prepares the project financial statements for auditing.	Project accountant will be informed of ADB's revised PPR rating procedures that emphasizes timely compliance with financial management requirements.
8. Information systems	Moderate	MOF uses Sage 300 software. Under the ongoing project, MYOB accounting software is being used.	MYOB will continue to be used under the proposed additional financing.
Overall Control Risk	**Moderate**		
Overall Financial Management Risk	**Moderate**		

ADB = Asian Development Bank; CPD = client portal for disbursements; EA = executing agency; FMIS = Financial Management Information System; GAAP = generally accepted accounting principles; GOT = Government of Tuvalu; IA = implementing agency; IAD = Internal Audit Division; IPSAS = International Public Sector Accounting Standards; ISSAI = International Standards of Supreme Audit Institutions; MOF = Ministry of Finance; MPWIELMD = Ministry of Public Works, Infrastructure, Environment, Labor, Meteorology and Disaster; MYOB = Mind Your Own Business; OAG = Office of the Auditor General; PEFA = Public Expenditure and Financial Accountability; PMU = project management unit; TWOG = Tuvalu Whole of Government.

10. MOF/MPWIELMD have agreed to implement an action plan, as key measures to address the deficiencies:

Table 16: Proposed Action Plan under Second Additional Financing

Issue	Action	Timeline
1. The role of MPWIELMD as a whole and the PMU for the ongoing project and proposed additional financing is to be clearly defined.	The PMU with its existing organization structure, with TORs, for the ongoing project, will continue under the proposed additional financing.	By grant effectiveness.
2. New MOF/MPWIELMD staff to be trained on CPD viewer/ authorized signatories responsibilities and ADB disbursement procedures.	ADB to arrange CPD and disbursement procedures training for new MOF/MPWIELMD grant withdrawal application reviewers/authorized signatories.	During inception mission.

3. Only the project accountant under the ongoing project, prepares grant withdrawal applications.	ADB to arrange training for an MPWIELMD accounting staff who can alternate for the project accountant	During inception mission.
4. MOF's IAD was established in 2016 and the staff complement of two do not have knowledge of ADB requirements.	MOF agreed to extend internal audit function to the PMU. IAD staff will be invited to future ADB training on disbursement (including CPD) and financial management	

ADB = Asian Development Bank; CPD = client portal for disbursements; IAD = Internal Audit Department; MOF = Ministry of Finance; MPWIELMD = Ministry of Public Works, Infrastructure, Environment, Labor, Meteorology and Disaster; PMU = project management unit; TOR = terms of reference.
Source: Asian Development Bank.

B. Status of Issues under Action Plans in FMA of 2016 and update in 2018

Issues	Action	Status
2016 Action Plan		
1. Weaknesses in project accounting, delays in release of counterpart funds.	Counterpart funds incorporated in government budget; project accountant trained well in ADB procedures.	Issue mitigated but will be closely monitored.
2. Incomplete project audit.	AGO who conducts the audits were briefed on ADB requirements.	Issue mitigated. APFS submitted regularly; unqualified opinion
3. Unreconciled donors' accounts and co-mingling of project funds.	Separate books of accounts were maintained, frequent reconciliation of project funds. Assistance provided to the MFED and Treasury through TA.	Issue mitigated; but will be closely monitored.
4. No internal audit function.	Internal audit was established under MFED.	Issue partly mitigated. Internal audit function not extended to other ministries.
5. Fixed asset register should be maintained	Asset management system is being maintained and audited; will ensure that the investment will be included in the FAR and the books of MPWIELMD.	Issue partly mitigated as FAR is maintained in spreadsheets only. Future actions will be closely monitored.
2018 Action Plan		
1. Staffing - PMU	Need to ensure that PMU is adequately staffed due to increasing workload from additional financing	PMU staffing was adequate during first additional financing. Will assess workload under the end additional financing.
2. Reimbursement procedure for PMU expenditures	Full documentation required for reimbursement. Advance account has been approved for small PMU expenditures	Advance account managed effectively.
3. ACCPACC being used for FAR but not all government units are using ACCPACC	ACCPACC to be used by other government units and staff trained for its use.	Not yet done. Some government units still using spreadsheets; GOT need to acquire additional licenses.

ADB = Asian Development Bank, APFS = audit project financial statements, MFED = Ministry of Finance and Economic Development, FAR = fixed asset register, MCT = Ministry of Communication and Transport, PMU = project management unit, GOT = Government of Tuvalu.
Source: Asian Development Bank

C. Disbursement

1. Disbursement Arrangements for ADB Funds

11. The grant proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time),[4] and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.[5] Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

12. Payments for works, goods and consulting services will generally be disbursed by ADB through direct payment and reimbursement procedures as applicable and should be certified by the PMU based on the payment terms in the contracts. Local PMU consultants' salaries and the small recurrent PMU office expenses will be paid from the advance account through the advance account procedure. The project accountant in the PMU will create the grant withdrawal applications, with complete supporting documents, for submission to MOF/MPWIELMD staff, for their review and approval and then to ADB for the processing of payments. All these processes will be done online in the CPD system.

13. **Advance fund procedure.** Separate advance account should be established and maintained by the PMU for each funding source. The currency of the advance account is the Australian dollar. The advance account is to be used exclusively for ADB's funds share of eligible expenditures. PMU who administer the advance account is accountable and responsible for proper use of advances to the advance accounts. The PMU has proven its capacity to handle the advance account as demonstrated in their handling of the existing advance account under Grant 0603-TUV.

14. The total outstanding advance to the advance account should not exceed the estimate of ADB's share of expenditures to be paid through the advance accounts for the forthcoming 6 months. The PMU may request for initial and additional advances to the advance accounts based on an Estimate of Expenditure Sheet[6] setting out the estimated expenditures to be financed through the account for the forthcoming 6 months. Copies of supporting documents should be submitted to ADB while the original copies are retained by the PMU in accordance with ADB's *Loan Disbursement Handbook* when liquidating the advance accounts.

15. Before the submission of the first withdrawal application (WA), the MOF should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per WA is stipulated in the *Loan Disbursement Handbook*. Individual payments below such amount should be paid (i) by the MOF/MPWIELMD and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The recipient should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements (CPD)[7] system is encouraged for submission of withdrawal applications to ADB.

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[4] ADB. 2017. *Loan Disbursement Handbook.* Manila.
[5] Disbursement eLearning. https://elearn.adb.org/course/search.php?search=disbursement.
[6] Estimate of Expenditure sheet is available in Appendix 8A of ADB's *Loan Disbursement Handbook.*
[7] The CPD facilitates online submission of WA to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online at https://www.adb.org/documents/client-portal-disbursements-guide.

2. Disbursement Arrangements for Counterpart Fund

16. Counterpart funds should be included and allocated in the MPWIELMD approved annual budget. PMU will estimate disbursement of counterpart funds and MPWIELMD will request certification for expenditures from MOF. MPWIELMD should ensure timely availability of counterpart funds during project implementation, and when operation, repairs and maintenance costs have been identified for the newly created infrastructure under the project.

D. Accounting

17. MPWIELMD will maintain, or cause to be maintained, separate books and records by funding source, for all expenditures incurred on the project, following International Public Sector Accounting Standard for cash-based accounting. The MPWIELMD will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations, which are consistent with international accounting principles and practices.

E. Auditing and Public Disclosure

18. The MPWIELMD will cause the detailed consolidated project financial statements to be audited in accordance with the International Standards for Supreme Audit Institutions, by an independent auditor acceptable to ADB. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by MPWIELMD.

19. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the grants were used only for the purposes of the project; and (iii) whether the MPWIELMD was in compliance with the financial covenants contained in the legal agreements (where applicable).

20. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

21. The government, MOF, and MPWIELMD have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.[8] ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the recipient), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the

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[8] ADB's approach and procedures regarding delayed submission of audited project financial statements:

(i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.

(ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.

(iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

22. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Access to Information Policy 2018.[9] After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed[10].

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

23. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. The recipient, MOF and MPWIELMD have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

24. **Advance contracting.** Advance contracting, to include the preparation of tender documents, issuance of bidding documents, receipt and evaluation of bids shall be undertaken for the following project components: (i) maritime and land civil works, and (ii) construction supervision consultant.

25. **Retroactive financing.** In order to advance the start of the consulting services for the project management consultant for Ship Replacement Project, the government requested retroactive financing from ADB. The government has been informed that all expenditures must be incurred not more than 12 months before the signing of the grant agreement and that the maximum amount of retroactive financing permitted is 20% of the grant amount.

B. Procurement of Goods, Works, and Consulting Services

26. All procurement of goods and works will be undertaken in accordance with ADB Procurement Policy. Procurement of goods and works will follow the ADB Procurement Policy, the Procurement Regulations for ADB Borrowers, and associated Staff Instructions. To achieve the best Value for Money (VfM) under the project, the optimal procurement arrangements have been chosen by: (i) using the e-procurement technology to lower the transaction cost, enhance efficiency and transparency; (ii) attracting international contracting firms to deliver high quality civil works under single package ($14 million) following OCB method with international advertisement; and (iii) recruiting international consulting firm using quality and cost-based selection (QCBS) method to ensure high quality construction supervision services.

27. A single contract for the marine and landside works as it will be more attractive for an

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[9] ADB. 2018. *Access to Information Policy*. Manila.

[10] Such information generally falls under access to information policy exceptions to disclosure (ADB. 2018. *Access to Information Policy: Disclosure and Exchange of Information*. Manila [para. 17(1-7)].

international contractor and reduce mobilization costs. Since detailed design will be completed by the time of procurement of the civil works, it is proposed to deliver the project as a 'Construct Only' contract (with minor elements as design and build) using Open Competitive Bidding method to ensure there is a maximum chance of receiving competitive bids. Given that the detailed design will be completed by the time of issuing the invitations for bidding, technical proposal will have sufficient information on the client's requirements and specifications to be able to prepare conforming technical proposals. Considering this and since the procurement will be mostly supported with independent consulting support, a single-stage one-envelope process will be used.

28. All consultants will be recruited following ADB's Procurement Policy, the Procurement Regulations for ADB Borrowers, and associated Staff Instructions.[11] The terms of reference for all consulting services are detailed in Section D. An international consultant would undertake the duties of the Engineer with appropriate authority under the Contract, namely the Construction Supervision Consultant. The firm will be engaged using the quality- and cost-based selection (QCBS) method with a quality–cost ratio of 90:10. Recruitment of the national consultants of the PMU will follow a direct contracting method given satisfactory performance of the existing PMU consultants and the lack of available suitable staff in the country.

29. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C.

C. Procurement Plan

Basic Data		
Project Name: Outer Island Maritime Infrastructure Project		
Project Number: 48484-005	Approval Number:	
Country: Tuvalu	Executing Agency: Ministry of Finance	
Project Procurement Classification: A	Implementing Agency: Ministry of Public Works, Infrastructure, Environment, Labor, Meteorology and Disaster	
Procurement Risk: Medium		
Project Financing Amount: $22.00 million ADB Financing: $20.00 million Non-ADB Financing: $2.00 million	Project Closing Date: 31 December 2026	
Date of First Procurement Plan: 13 October 2020	Date of this Procurement Plan: 13 October 2020	
Procurement Plan Duration: 18 months	Advance contracting: yes Retroactive financing: yes	eGP: yes

Source: Asian Development Bank

1. Methods, Review and Procurement Plan

30. Except as ADB may otherwise agree, the following methods shall apply to procurement of goods, works, nonconsulting services, and consulting services.

Procurement of Goods, Works and Nonconsulting Services	
Method	**Comments**
Open Competitive Bidding for Works	$1,000,000 and above, prior review

[11] Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: http://www.adb.org/documents/handbooks/project-implementation/.

Consulting Services	
Method	**Comments**
Quality and Cost-Based Selection for Consulting Firm	
Direct contracting for individual consultants	Direct contracting, see paragraphs of the PAM for further details.

PAM = project administration manual.
Source: Asian Development Bank.

2. List of Active Procurement Packages (Contracts)

31. The following table lists goods, works, nonconsulting, and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan's duration.

Goods, Works, and Nonconsulting Services							
Package Number	General Description	Estimated Value ($)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
CW-1	Maritime and land civil works	14,000,000	OCB (Works)	Prior	1S1E	Q1/2021	Prequalification of bidders: No Domestic preference applicable: Yes AC: Yes e-GP: Yes, e-Bidding

AC = advance contracting, CW = civil work, E = envelope, OCB = open competitive bidding, Q = quarter, S = stage,
Source: Asian Development Bank

Consulting Services							
Package Number	General Description	Estimated Value ($)	Selection Method	Review	Type of Proposal	Advertisement Date	Comments
CS-01	Technical Support and Project Management Consulting Services [a]	1,500,000	QCBS	Prior	FTP	Q3/2020	Type: Firm Assignment: International QCR: 90/10 AC: Yes eGP: Yes, ADB CMS
CS-02	Program Manager	200,000	DC	Prior	REOI	Q4/2021	Type: Individual Assignment: National AC: No e-GP: No
CS-03	Project Manager	150,000	DC	Prior	REOI	Q4/2021	Type: Individual Assignment: National AC: No e-GP: No
CS-04	Project Accountant	150,000	DC	Prior	REOI	Q4/2021	Type: Individual Assignment: National AC: No e-GP: No

AC = advance contracting, CMS = consultant management system (ADB), CS = consulting service, DC = direct contracting, FTP = full technical proposal, I = individual, ICS = individual consultant selection, QCBS = quality and cost-based selection, QCR = quality/cost ration, REOI = Request for Expression of Interest.
[a] Construction Supervision Consultant.
Source: Asian Development Bank.

3. List of Awarded and On-going, and Completed Contracts

32. The following tables list the awarded and on-going contracts and completed contracts.

Consulting Services								
Package Number	General Description	Estimated Value ($)	Selection Method	Review	Type of Proposal	Advertisement Date	Contract Award Date	Comments
CS-05	Project management consultant for Ship Replacement Project	750,000	QCBS	Prior	FTP	Q1/2020	Q1/2021	Retroactive finance Type: Firm Assignment: International QCR: 90/10 AC: Yes eGP: Yes, ADB CMS

D. Consultant's Terms of Reference

33. Outline terms of reference for all consultant contracts are in Attachment 2.

VII. SAFEGUARDS

34. **Environment**. The original project, first additional financing and the proposed additional financing are category B for environment. The impacts of the Nui workboat harbor are site-specific, limited to the footprint of the small-scale harbor (including extending and widening the existing channel) and associated land-side facilities on Nui, and can be mitigated and managed to acceptable levels provided the measures identified in the IEE and EMP are implemented, and subsequently monitored and reported. A number of alternative locations for the harbor, landside facilities and reclamation have been considered and the proposed option provides the most suitable from an environmental (coastal processes i.e. littoral drift, sand transportation, wave climate and marine ecological) and social (access, minimization of land requirements) perspective. The Department of Environment (DOE) under the Ministry of Foreign Affairs, Trade, Tourism, Environment, and Labor has adequate capacity to monitor the project with the PMU's support. The IEE and EMP will be reformatted as required and submitted to the DOE as the basis of the application for development consent for the project. The contractor will prepare their construction EMP (CEMP), including dredging plan and COVID-19-speciifc health and safety plan, based on the IEE and EMP that will be included in the bid and contract documents. The PMU (with support from the CSC) will review and clear the CEMP.

35. The project will provide resources and support to ensure safeguards are effectively implemented. The CSC will include an environmental specialist to support PMU and ensure environmental safeguards are properly implemented and to monitor compliance of contractor with the approved CEMP during construction. The contractor will recruit an experienced environmental specialist, with expertise in marine ecosystems, to prepare the CEMP (including site-specific plans, drawings and construction methodology for temporary working areas/platforms) and to monitor implementation of the same.

36. In compliance with the Access to Information Policy 2018, the IEE, updated IEE and semi-annual monitoring reports will be disclosed on ADB's website.

37. **Social safeguards**. The construction of a small workboat harbor in Nui will not result in involuntary land acquisition nor physical or economic displacement. The Nui project's main components will be built on reclaimed and foreshore land recognized as Crown Land within Tuvalu laws. During the construction phase, the project will seek to widen approximately 1 km of existing roads and create approximately 0.5 km of new road. The government will engage in temporary leases for privately owned native land to construct or widen these roads, as well as a temporary lease for a construction laydown area. Altogether there will be 13 lots that the government will lease the entire lot parcel, mainly for the construction laydown area, and 34 lots that will require only a small area of the lot to be leased, mainly for the access road. There will be impacts on privately owned trees within leased areas. Altogether an estimated 1.96 hectares will be leased for a period of approximately 3 years.

38. The government through the PMU, and supported by the design consultant, will carry out meaningful consultations with the landowners, asset owners, Nui community, and concerned community organizations including women's groups during the lease agreement process. The PMU will pay attention to the needs of vulnerable groups, especially those below the poverty line, the elderly, and women, and their ability to participate in meaningful consultations required for the lease agreements process. Lease payments will be made yearly, with the first payment made up-front before construction commencement. The leases will be at the government scheduled rates. In line with Tuvalu law, the trees within the lease areas will be surveyed by the Department of Lands and Survey, and the compensation agreed with each of the owners of affected trees. Fees associated with the taxes, surveying and registering of the lease agreements will be paid for by the government. Leased land will be restored by the contractor at the completion of construction in agreement with the landowners, or in the case of the access roads, the government may continue to transfer to long-term leases if the landowners' consent. Alternatives to the designs will be developed if the landowners do not provide their consent to the leases and/or agree to compensation for affected trees. The lease agreement process will be monitored and documented by a Third-Party Verifier, who will be a trusted person on the island that is not benefiting from the leases to be engaged as a volunteer.

39. There may be long term leases arranged for some minor associated facilities, including some landscaped areas, a short footpath and minor widening of a road corner. These will be confirmed during the detailed engineering design phase. There are no known land disputes for the affected lots. Further consultations and investigations will be conducted to clarify the ownership status of the existing road to be widened. The government will be responsible for securing the required budget to establish the lease arrangements and pay compensation for affected trees.

40. A due diligence report (DDR) has been prepared, and includes a policy framework, institutional arrangements and an implementation plan for the document to be updated and cleared by ADB before lease agreements are signed and payments made for the leases and affected trees. A compensation completion report, together with the independent report from the Third-Party Verifier, will be submitted to ADB and cleared before commencement of civil works. The DDR and IEE include details of a grievance redress mechanism (GRM) for the Nui project to be implemented by the Kaupule and PMU, with the support from the Project Supervision Contractor. The GRM incorporates local processes for resolving grievances regarding land matters. The PMU will also monitor all unanticipated social safeguards impacts on an ongoing basis and report to ADB on these matters within safeguard monitoring reports on a semi-annual basis.

41. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement

(2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement.

VIII. GENDER AND SOCIAL DIMENSIONS

42. The project will address challenges with accessing maritime transport and employment or income generating opportunities for women. Categorized as 'effective gender mainstreaming' (EGM), key actions in the gender plan: consultation workshops with women and men during design and implementation (including women only and others with minimum female participation quotas) to ensure women friendly design and management, harbor facilities designed to enhance women's safety and economic opportunities as well as targets for women's employment in construction (in semi-skilled or training roles). Gender actions for Nui have been incorporated into the overall project GAP. Please see below for more detail.

Outputs	Location	Proposed Activities and Targets	Main Responsibility (Mandate)
Output 1. Small-scale harbors constructed in Nui, Niutao, and Nukulaelae, and boat ramps in Nanumaga and Niutao rehabilitated	Small scale harbor in Nukulaelae; boat ramp rehabilitation in Nanumaga and Niutao	During design and implementation, all community and public consultations will have a target of at least 20% female participation.	PMU and the consultant (TOR)
	All	Ensure women-friendly design of facilities. For example, this includes the transit shed to have extra space for trading stall or the jetty to have a hand-rail, ramp or similar.	PMU, the consultant, and the contractor (contract provision)
(Additional financing 1: Niutao small scale harbor constructed; Additional financing 2: Nui small scale harbor constructed)	All	The contractor and the consultant are required to organize awareness training on HIV/AIDS and gender issues for all construction workers and nearby community members (with at least 20% women participation from each village).	PMU, the consultant, and the contractor (contract provision)
	Small scale harbor in Nukulaelae; boat ramp rehabilitation in Nanumaga and Niutao	Ensure equal pay for equal work between female and male workers.	PMU and the contractor (contract provision)
	Small scale harbors constructed in Nui and Niutao	During design and implementation, all community consultations will have a target of at least 40% female participation. There will be women-only consultations.	
	All	The PMU will employ men and women including from the island with at least 30% women	Government
	All	The contractor will employ men and women, including locals from the island, with at least 10% of employees women. These may include administrative, maintenance, security and supervision works.	Contractor and PMU (lead), GSDC and Kaupule
	Small scale harbors constructed in Nui and Niutao	Provide separate toilets and sanitation facilities at construction camp and appropriately sized protective clothing and safety equipment	Contractor
	Small scale harbors constructed in Nui and Niutao	Ensure application of core labor standards for all female and male workers in all operations including equal pay for equal work between male and female workers and zero tolerance for child labor. Payroll with names, sex, work done, working period, and wages received will be made available by the contractor for inspection.	Contractor CSC to inspect
	Small scale harbors constructed in Nui and Niutao	All male and female civil works laborers and at least 30% surrounding community members have received trainings on (a) HIV/AIDS/STIs, (b) gender sensitivity awareness, (c) gender based violence and trafficking, and (d) diversity & inclusion in two phases: prior to construction and during construction[12]	GSDC as the lead and PMU oversight, Contractor, Tuvalu Family Health Association, and Department of Gender Affairs
	Small scale harbors constructed in Nui and Niutao	Zero tolerance for sexual harassment and other forms of gender-based discrimination in the workplace implemented.	GSDC as the lead and PMU oversight, Contractor, Tuvalu Family Health Association, and Department of Gender Affairs

[12] Nui target: All staff and 180 community members (total over course of project) for each training type.

Outputs	Location	Proposed Activities and Targets	Main Responsibility (Mandate)
	Small scale harbors constructed in Nui and Niutao	Equal compensation will be made for men and women for land leasing. As a part of this strategy it is essential that all landowning women and men have are provided access to all information on compensation and information on grievance processes.	Jointly clan heads Kaupule and GSDC (lead), Niutao Women's Council and PMU
	Small scale harbors constructed in Nui and Niutao	Removal of vegetation from the harbor site to a designated public space in Niutao for use by local women (especially coconuts and pandanus) for handicraft production and men for building houses and construction.	Jointly Kaupule and GSDC (lead), PMU, Women's Handicraft group, Niutao Women's Council, Women's Group/s, Contractor
	Small scale harbors constructed in Nui and Niutao	Participatory workshops held among the communities on (i) water safety of passengers and community and (ii) harbor basic use and maintenance of the facilities, with a minimum of 40% women. Workshop materials will be provided to the communities.	Jointly Kaupule and GSDC (lead), PMU, Women's Handicraft group, Niutao Women's Council, Contractor
	Small scale harbors constructed in Nui and Niutao	Safety and domestic violence awareness posters and brochures for the noticeboard at the transit shed and distributed to schools and health clinic.	CSC (lead), PMU, and Kaupule
	Small scale harbors constructed in Nui and Niutao	Priority seating reserved for pregnant women, elderly and the disabled in the passenger terminal.	Contractor (lead) Social Development Specialist, and PMU
	Small scale harbors constructed in Nui and Niutao	Passenger terminal includes a multi-purpose room equipped with a first aid station for the sick/elderly/ pregnant women and first aid supplies.	Contractor (lead) Social Development Specialist, and PMU
	Small scale harbors constructed in Nui and Niutao	Provision of life buoy for safety of transfer from harbor to workboat and workboat to ship (and vice versa) and lifting litter, especially for pregnant women, children, elderly, and disabled.	Contractor (lead) Social Development Specialist, and PMU
	Small scale harbors constructed in Nui and Niutao	Appropriate safe lighting sites for the 24-hour solar lights at the harbor facility to ensure the safety of women.	Jointly contractor, Kaupule and Niutao Women's Council Kaupule (lead) with support from GSDC and PMU to ensure the arrangement will be in place in time for the operation.
	Small scale harbors constructed in Nui and Niutao	Training conducted for stevedores on lifting and safety procedures to ensure safe transfer for women, children, elderly, and disabled including transfer of their luggage.	CSC (lead), PMU, and Kaupule
	Small scale harbors constructed in Nui and Niutao	Women-friendly design of facilities (e.g. handrail/ramp on jetty) for the elderly, children, and pregnant women, as well as those with limited mobility. Signs posted on jetty for safety warning and procedures.	Design Contractor Consultant (lead)/Construction Contractor Social Development Specialist, and PMUCSC (lead), PMU, and Kaupule
	Small scale harbors constructed in Nui and Niutao	Canteen constructed inside the passenger terminal managed by women's groups e.g. Niutao Women's Council, Matapulapula Women's Group (Nui).	Contractor (during construction) and CSC Supervision, Niutao Women's Council (during operation), support from Gender and Social Development Specialist,

Outputs	Location	Proposed Activities and Targets	Main Responsibility (Mandate)
			and PMU to facilitate the arrangements prior to turn-over
	Small scale harbors constructed in Nui and Niutao	Build sale area for women to sell handicrafts at the passenger terminal, including implementation of chosen enterprise/s at the new wharf (food, drinks, handicrafts, etc.).	Contractor (during construction), GSDC and PMU
	Small scale harbor constructed in Nui	The 10% female workforce quota will be in trainable, semi-skilled roles for which they qualify such as drivers, machinery operators, administration. If none qualify with minimum skills, qualifications, or experience the contractor will engage a minimum of 1 women over the course of the construction in a paid trainee or intern leading to an accredited qualification where possible. (e.g. First Aid, Health and Safety, Environment, Community Liaison, Administration, Machine Operation etc.).	Contractor and PMU (lead), GSDC
	Nui	Interviews to research barriers to women's willingness and participation in the workforce and in non-traditional roles in Nui prior to project, during and at end of project.	CSC GSDC
	Nui	Using outcomes of island-specific research and gender mainstreaming principles, the CSC GSDC will undertake gender training (e.g. with workforce and/or community) and promote women's participation in the workforce and non-traditional roles.	GSDC
Output 2: The capacity to operate and maintain harbors improved. Nui, Niutao, and Nukulaelae.	All	At least one O&M training will be conducted for island communities including the Kaupule officer-in-charge and at least 20% participation of women representatives.	PMU and the consultant (TOR)
	All	If the community is tasked to carry out any O&M of project facilities as a result of institutional strengthening, at least 10% of O&M work would be carried out by women.	PMU and the community
	All	At least 1 safety awareness on the use of the facilities conducted among women in the community prior to the facility handover.	PMU and the consultant (TOR)
Output 3: A transport sector master plan for future harbor development in the outer islands created, with a view to promote fisheries and tourism.	All	During feasibility study, all community and public consultations will have a target of at least 20% female participation.	PMU and the consultant (TOR)
	All	The feasibility study will include assessment and designing for needs of local community particularly elderly, pregnant women, children, and those with disabilities.	The consultant (TOR)
	All	During master planning, all community and public consultations will have a target of at least 20% female participation.	PMU and the consultant (TOR)

GSDC = gender and social development specialist, CSC = construction supervision consultant, PMU = project management unit, TOR = terms of reference.

43. Implementation and monitoring of the GAP will be supported by an international and national gender and social development specialist. ADB will provide a GAP monitoring template for quarterly progress reports on implementation of the GAP.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

Impact the Project is Aligned with Safe and efficient domestic maritime transportation that helps increase climate resilience of community infrastructure[a]			
Results Chain	**Performance Indicators with Targets and Baselines**	**Data Sources and Reporting Mechanisms**	**Risks**
Outcome Maritime transfer operations in Nanumaga, Nui, Niutao, and Nukulaelae improved, anchored on a transport master plan, with a view to promoting fisheries and tourism	By 2025 a. Transfer efficiency, defined as transferred volume of passengers and cargo divided by the dwell time in Niutao and Nukulaelae improved by 20% (2013–2015 baseline: 1.59 cubic meters per hour on average for Nukulaelale) b. The total number of passengers travelling to and from Nui, Niutao, and Nukulaelae increased (Nui baseline: 625 passengers in 2018; Niutao baseline: 1,175 passengers in 2017; Nukulaelae baseline: 445 passengers in 2015)	a.–b. Annual report of the ~~MCT~~ MTET's Marine and Port Department	A decrease in population may affect the number of passengers
Outputs **Output 1** 1. Small-scale harbors constructed in Nui, Niutao, and Nukulaelae, and boat ramps in Nanumaga and Niutao rehabilitated	By 2025 1a. Small-scale harbors in Nui, Niutao, and Nukulaelae constructed, including dredged channel and boat basin, trestle, boat ramp, and boat parking area (2016 baseline: 0) 1b. A transit shed, a passenger terminal friendly to women (e.g., priority seating for elderly and pregnant women), and a crane truck provided in Nui, Niutao, and Nukulaelae (2016 baseline: 0) 1c. Boat ramps in Nanumaga and Niutao improved (2016 baseline: 0) 1d. Design friendly to women incorporated in facilities, e.g., handrail on the jetty or a trading stall, multipurpose room with first aid facilities, life buoy provided to increase the safety of transfers, appropriate lighting and safety and security measures installed at the harbor facility (2016 baseline: 0) 1e. Canteen constructed inside the passenger terminal managed by women's groups in Nui and Niutao (2018 baseline: 0)	1a.–d. Quarterly project progress report 1a.–e. Project design and quarterly project progress report	The limited number of government staff have insufficient experience in implementing large investment projects. Procurement capacity is insufficient. The lowest bid on the works contract is substantially higher than the cost estimate. The government's financial management capacity is limited
Output 2 2. Capacity to operate and maintain harbors	2a. Operation and maintenance plan for maritime infrastructure prepared and training		High turnover of government staff

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
improved, involving the outer island communities, the ~~MCT~~ MTET, and other national government agencies	implemented for the outer island communities, the ~~MCT's~~ MTET, and other national government agencies (2016 baseline: 0) 2b. At least one operation and maintenance training will be conducted for island communities, including the *Kaupule* (local government council) officer-in-charge and with at least 20% participation of female representatives (2016 baseline: 0)	2a.–b. Quarterly project progress report	who received training
Output 3 3. A transport sector master plan for future harbor development in the outer islands created, with a view to promoting fisheries and tourism	3a. A master plan for the transport sector with a view to promote fishery and tourism developed (2016 baseline: 0) 3b. Feasibility study for developing a small-scale harbor in Nanumaga, Nui and Niutao prepared (2016 baseline: 0) 3c. Prefeasibility study prepared for developing a harbor that can accommodate government ships in the outer islands (2016 baseline: 0) 3d. All community and public consultations will be participated in by at least 20% female representatives (2016 baseline: NA)	3a.–d. Quarterly project progress report	Stakeholders fail to reach a consensus for the direction or priority of development.

Key Activities with Milestones

1. Small-scale harbors constructed in Nui, Niutao, and Nukulaelae, and boat ramps in Nanumaga and Niutao rehabilitated

1.1 Procurement of works in Nanumaga and Nukulaelae conducted during January–May 2017, under project design advance (completed); procurement of works for Niutao harbor conducted during January–May 2020 (completion date change); and procurement of works for Nui harbor to be conducted during July–December 2020 (added)

1.2 Small-scale harbor constructed in Nukulaelae and boat ramps in Nanumaga and Niutao rehabilitated during June 2017–December 2020 (unchanged)

1.3 Niutao harbor and Nukulaelae passenger terminal constructed during March 2020–December 2022 (unchanged)

1.4 Small-scale harbor constructed in Nui during April 2021–October 2023 (added)

2. Capacity to operate and maintain harbors improved

2.1 Consultant recruitment for Nukulaelae and maritime transport plan conducted during October 2016–February 2017 (completed).

2.2 Consulting services for institutional strengthening engaged during June 2017–December 2020 (completed)

3. A transport sector master plan for future harbor development in the outer islands created

3.1 Consultants recruited during October 2016–February 2017 (completed)

3.2 Consultant services for preparing a transport sector master plan engaged during June 2017–December 2020 (completed)

Inputs

Asian Development Bank: $46.7 million ($20.0 million additional)
Global Environment Facility: $0.5 million ($0.0 million additional)
Government: $5.2 million ($2.2 million additional)

MTET = Ministry of Transport, Energy and Tourism.
[a] Defined by project.
Source: Asian Development Bank.

B. Monitoring

44. **Project performance monitoring.** Project performance will be monitored using the targets, indicators, assumptions, and risks in the design and monitoring framework. Disaggregated baseline data for output and outcome indicators gathered during project processing will be updated and reported quarterly through the implementing agency's quarterly progress reports and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.[13]

45. **Compliance monitoring.** Compliance monitoring will be provided through regular quarterly progress reports and during regular ADB review missions.

46. **Safeguards monitoring.** Environmental and social safeguards issues, if any, including grievances received, breaches of the approved CEMP, safeguards non-compliance requiring corrective actions and unanticipated safeguards impacts which would trigger SPS will be monitored and reported in the quarterly progress report to be prepared by environmental officer, environmental specialist and social safeguards and gender specialist and supervised by the PMU. This information will also be part of the semi-annual safeguards monitoring report. Checklists for safeguards monitoring and suggested contents for the semi-annual safeguards monitoring report are in Attachments 3 and 4 respectively. The semi-annual safeguards monitoring reports will be disclosed.

47. **Gender monitoring:** ADB will provide a gender action plan (GAP) monitoring template and this should be used to report on progress against the GAP as part of quarterly progress reports.

C. Evaluation

48. ADB will review the project every 6 months. Each review will cover institutional, administrative, organizational, technical, environmental, social, poverty reduction, resettlement, economic, financial, and other aspects affecting the performance of the project and its continuing viability. The government and ADB will jointly undertake a midterm review of the project within about 2 years of its start. The midterm review will focus on (i) project impact, (ii) implementation progress, (iii) the performance of consultants and contractors, (iv) the status of compliance with covenants in the grant agreement, and (v) the need for any midcourse changes in project scope or schedule to ensure full achievement of the intended impact. Within 6 months of physical completion of the project the implementing agency will submit a project completion report to ADB.

D. Reporting

49. The MOF will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

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[13] ADB's project performance reporting system is available at http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool

E. Stakeholder Communication Strategy

50. A Stakeholder Communications and Participation Plan (CPP) has been prepared in line with the requirements of the laws of Tuvalu, and ADB's Access to Information Policy 2018 and Safeguards Policy Statement (SPS) 2009. It outlines meaningful consultation and information disclosure activities planned during the implementation of the project. For all communication, consultation and outreach activities, culturally appropriate information, education and communication (IEC) materials will be developed to ensure all stakeholders, including the poor, vulnerable and low-literacy groups, clearly understand key project components, benefits and impacts. During the detailed design phase, public disclosure of technical designs, environmental studies, social safeguards due diligence reports and related documents will be presented to various groups in workshops. They will also be made available at the Island Council (Kaupule) offices and at the PMU office in Funafuti and disclosed on the ADB website. A Stakeholder Reference Committee (SRC) will be formed through representatives of various stakeholder groups to ensure decision making is participatory and inclusive. The SRC will hold regular meetings with the contractor regarding progress and emerging issues. The table below details the overarching communications strategy for the project. The strategy will be implemented by the Project Management Unit (PMU), Construction Supervision Consultant (CSC) and the Construction Contractor, with activities funded by the PMU or within the scope of works of the CSC.

Stakeholder Group	Objective of their Participation	Approach to Participation (Depth)	Participation Methods	
	Why included		Activity & Method	Who is Responsible
Ministries and SoEs involved or affected	Responsible for key infrastructure and services that may be affected	Consultation (Low-Medium)	**Design:** Introduction & feedback workshops with iterations. Where site visits not permitted, Design Consultant will prepare materials and facilitate remote decision-making process where possible. **Pre-Construction/Planning**: Online communications and intermittent meetings for service and issue identification, drafting agreements and other planning tasks; Interviews regarding Health Policy, Gender Policy, Environmental and Social Concerns. **Monitoring:** Online/written consultation for input on progress and resolution of impacts or complaints.	PMU and Design Consultant/ CSC
Nui Kaupule	Island local government and ultimate co-owner and caretaker of project Will be co-responsible for operations and maintenance (with MTET)	Partnership (Low) on items within sphere of influence Collaboration (High) on all other matters	**Design:** Introduction & design workshops with iterations, project siting options workshops and determination of preference. Where site visits not permitted, Design Consultant will prepare materials and some capacity building for facilitation and remote decision making process by Kaupule, supported by PMU and National Safeguard Specialist. **Disclosure**: Present findings of Safeguards documentation and final design and seek input for MPs. Where site visits not permitted, Design Consultant will prepare summary presentation for Kaupule to share with community, supported by PMU and National Safeguard Specialist. **Land Lease process:** As lease signatory, present in all consultations about lands. **Construction Planning**: For identification and finetuning of actions and mitigation strategies,	PMU and Design Consultant/ CSC / Contractor

Stakeholder Group	Objective of their Participation Why included	Approach to Participation (Depth)	Participation Methods Activity & Method	Who is Responsible
			interviews and FCD to provide inputs on barriers to women in non-traditional jobs, participatory workshops on ADB Gender Policy and women in non-traditional roles, information sessions about types of work to be available for local labor; Workshop to determine process of rotating staff to ensure benefit sharing **Construction**: Representation on Stakeholder Committee; Weekly/Fortnightly meetings; Safeguards Focus Groups; GRM Meetings with CLO. **Monitoring:** Online/written consultation for input on progress and impacts, Safeguard interviews/focus groups	
Fale Kaupule	Assembly of Elders, key leadership group of Island community, has influence	Collaboration (High)	**Design:** Introduction & design workshops with iterations **Disclosure**: Present findings of Safeguards documentation and final design and seek input for MPs **Land Lease process:** As lease signatory, present in all consultations about lands. **Construction Planning Workshops**: For identification and finetuning of actions and mitigation strategies, interviews and FCD re barriers to non-traditional employment, participatory workshops on ADB Gender Policy and women in non-traditional roles. **Construction**: Representation on Stakeholder Committee; Weekly/Fortnightly meetings; Safeguards Focus Groups; GRM Meetings with CLO. **Monitoring:** Online/written consultation for input on progress and impacts, Safeguard interviews/focus groups	PMU and CSC / Contractor
Women's Group	Beneficiaries of project, different needs to main population	Consultation (High)	**Design:** Introduction & design workshops with iterations for gender inclusive design. **Disclosure**: Present findings of Safeguards documentation and final design and seek input for MPs. Where site visits not permitted, Design Consultant will prepare materials and some capacity building for facilitation and remote decision-making process by Kaupule, supported by PMU and National Safeguard Specialist. **Pre-Construction:** Ongoing f2f meetings & consultation on construction procurement and mobilization processes. **Land Lease process:** Focus group consultations regarding tree-cutting/clearing, use of resources, focus group consultations regarding tree-cutting/clearing, use of resources, and other matters including equitable benefit sharing mechanisms for women. **Construction Planning**: Workshops re. gender specific impacts, interviews and FCD re barriers to non-traditional employment, on ADB Gender Policy and women in non-traditional roles and other	PMU and CSC / Contractor

Stakeholder Group	Objective of their Participation Why included	Approach to Participation (Depth)	Participation Methods Activity & Method	Who is Responsible
			mitigations and management strategies. **Construction**: Representation on Stakeholder Committee; Safeguards & Gender FCDs, Regular GRM Meetings with CLO for input on appropriate resolutions. **Monitoring:** Online/written consultation for input on progress and impacts, Safeguard interviews/focus groups.	
Affected Residents (including small business owners, fishers, boat users etc.) - largely the broader community as interested	Residents who will/may be directly impacted by construction impacts Project will affect whole Island community's access to inter-island transport and day-to-day impacts	Consultation (Medium)	**Design:** Introduction & design workshops with iterations **Disclosure**: Present findings of Safeguards documentation and final design and seek input for MPs through public meetings. **Land Lease process:** General information sharing during public meetings. **Construction Planning Workshops**: For identification and finetuning of management plan actions and mitigation strategies including on roads usage and alternative routes; construction and road safety workshops; election of Stakeholder Committee Representatives: workshop to consider and determine process of rotating staff to ensure benefit sharing across families/clans and resulting information sessions on job process in conjunction with Kaupule. **Construction**: FCD on Code of Conduct for Construction Contractor; Representation on Stakeholder Committee; Monthly Bi-monthly Safeguards Progress Public Meetings; HIV/AIDS/STI Prevention workshops for community. **Monitoring:** Through GRM	PMU and CSC / Contractor
Affected Landowners	Project beneficiaries, lands will be directly and physically impacted	Consultation (Medium)	**Design:** Introduction & design workshops with iterations **Disclosure**: Present findings of Safeguards documentation and final design. Where site visits not permitted, Design Consultant will prepare materials and some capacity building for facilitation and remote decision-making process by Kaupule, supported by PMU and National Safeguard Specialist. **Land Lease process:** As lease signatory, present in all consultations about lands, determination of lands condition/rehabilitation requests/requirements following construction completion. **Construction Planning Workshops**: For identification and finetuning of actions and mitigation strategies specific to affected lands (construction camp), election of Stakeholder Committee Representatives. **Construction**: Representation on Stakeholder Committee; Monthly Progress presentations & Q&A. **Monitoring:** Through GRM	PMU and CSC

Stakeholder Group	Objective of their Participation Why included	Approach to Participation (Depth)	Participation Methods Activity & Method	Who is Responsible
Vulnerable Subgroups (disabled, carers, aged/elderly, other)	Project beneficiaries with particular needs	Consultation (High)	**Design:** Introduction & design workshops with iterations for inclusive design of infrastructure and consultation plan. **Disclosure**: Present findings of Safeguards documentation and final design and seek input for MPs. **Land Lease process:** Focus group consultations regarding tree-cutting/clearing, use of resources, and other matters including equitable formal/informal benefit sharing mechanisms for vulnerable or disadvantaged groups. **Pre-Construction Planning**: Information on project progress and identification of challenges of proposed Contractor approaches for vulnerable subgroups. **Construction**: Representation on Stakeholder Committee; Regular Safeguards & Gender FCDs, Regular GRM Meetings with CLO for input on appropriate resolutions **Monitoring:** Regular Safeguard interviews/focus groups (dependent on numbers and sensitivity).	PMU and CSC
Other CSOs	Represent needs of particular interests such as health (Tuvalu Red Cross)	Collaboration (Medium)	**Consultation meetings** on capabilities and requirements for fulfilment of training. **HIV/AIDS/STI Prevention workshops:** Service Provision by CSO. **Sea safety and first aid training:** Service provision by CSO	Contractor
Employees of Construction Contractor	Undertaking Construction, non-residents that will reside within community for duration of project	Consultation (Medium)	**Construction**: Representation on Stakeholder Committee; Fortnightly meetings with CLO; Safeguards Focus Groups. **Monitoring**: Safeguard interviews/focus groups, GRM.	PMU and CSC/ Contractor

X. ANTICORRUPTION POLICY

51. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy (1998, as amended to date) relating to the project. All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.[14]

52. To support these efforts, relevant provisions are included in the grant agreement and the bidding documents for the project.

XI. ACCOUNTABILITY MECHANISM

53. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an

[14] ADB's Integrity Office web site: http://www.adb.org/integrity/unit.asp

independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.[15]

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

54. All revisions/updates during course of implementation should be retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM.

	Date Changed	Section Changed	Changes Made
1.			
2.			
3.			
4.			
5.			
6.			

[15] Accountability Mechanism. http://www.adb.org/Accountability-Mechanism/default.asp.