

Chair's Summary of Meeting of the Board of Directors

16 September 2009

Vanuatu: Country Partnership Strategy (2010–2014)

1. Directors unanimously endorsed the Vanuatu Country Partnership Strategy (CPS) for 2010–2014. Many Directors commended the priorities and focus of the CPS and its responsiveness to the key constraints facing Vanuatu, including isolation, lack of scale economies, infrastructure deficiencies and weak institutions. Some Directors noted that the focus of the CPS reflects ADB's approach for engagement in weakly performing countries.

2. Directors commended the Government's achievements and supported the focus of the CPS on transport, urban development, energy and private sector development. A few Directors noted the importance of well prioritized infrastructure investments and a continued focus on development of the private sector given Vanuatu's high level of dependency on tourism, construction and aid funds. Several Directors noted that given the country's favorable macroeconomic situation and development needs, it would be appropriate for the Government to access ADF funding.

3. Many Directors cautioned that institutional capacity remains a key issue that must be addressed and suggested that careful implementation of interventions, including a focus on capacity development in the public sector, is very important to support effective project outcomes. Some Directors added that it will be important to ensure that local knowledge and needs are taken into account in this regard. Most Directors commented that continued strong donor coordination is also important given the large number of donors providing assistance in the country. Several Directors expressed support for strengthening ADB's presence in Vanuatu to improve aid effectiveness and donor coordination.

4. A few Directors appreciated the gender and poverty analysis included in the CPS and welcomed the gender focus of the proposed interventions. Many Directors also welcomed ADB's involvement in private sector development in Vanuatu as a key driver of the economy.

5. Some Directors encouraged ADB to address the issue of poor statistical data availability as such data are key in formulating a meaningful strategy. Staff explained that ADB contributes to pooled funding for the delivery of a household survey program in the Pacific. ADB is also facilitating preparations for a regional strategy and implementation plan for strengthening statistics in the region.