



# Country Operations Business Plan

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October 2009

Tuvalu  
2010–2012

Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 8 September 2009)

Currency Unit	–	Australian dollar (A\$)
A\$1.00	=	US\$0.8555
US\$1.00	=	A\$1.1688

## ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
COBP	–	country operations business plan
CPS	–	country partnership strategy
GEC	–	global economic crisis
PDMC	–	Pacific developing member country
TA	–	technical assistance
TTF	–	Tuvalu Trust Fund
WPC	–	weakly performing country

## NOTE

- (i) The fiscal year (FY) of the Government of Tuvalu and its agencies ends on 31 December.
- (ii) In this report, "\$" refers to US dollars unless otherwise stated.

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## I. CONSISTENCY OF THE BUSINESS PLAN WITH THE CURRENT COUNTRY PARTNERSHIP STRATEGY

1. The results-based country partnership strategy (CPS) 2008–2012 for Tuvalu was approved in November 2008.<sup>1</sup> Its focus on strengthening public financial management is helping Tuvalu respond to the global economic crisis (GEC), which has negatively affected the country's economic outlook. This country operations business plan (COBP) is consistent with the CPS and its priority sectors.

2. The CPS recognizes that in a microeconomy such as Tuvalu, poor expenditure allocation decisions have significant opportunity costs. For this reason, the CPS focuses on effective fiscal management, which can make the greatest contribution to meeting Government priorities. In this regard, the Asian Development Bank (ADB) is targeting (i) capacity development to improve financial management, and (ii) program assistance that focuses on fiscal prudence. Through improved financial management, budget credibility will be enhanced to enable scarce resources to be directed to the priority sectors of education and health. The COBP sustains the focus on improving fiscal management.

3. This focus is consistent with the objectives of the National Strategy for Sustainable Development 2005–2015 (*Te Kakeega II*), which are to (i) generate more employment opportunities; and (ii) achieve higher economic growth, better health care, better education, improved basic infrastructure, and continued social stability.<sup>2</sup>

4. The major change since CPS approval is the onset of the GEC. To date, the GEC has impacted Tuvalu in the following ways: (i) lower demand for Tuvalu seafarers and, therefore, falling remittances; (ii) volatile exchange rate movements affecting food prices; and (iii) lower market value of the Tuvalu Trust Fund, which at the end of March 2009 was about 25% below the maintained value (thus, as a direct result of the GEC, no distribution was made from the fund to the budget for 2009). No Tuvalu Trust Fund distributions are likely while international financial markets are depressed. This suggests the Consolidated Investment Fund<sup>3</sup> will be depleted within 3 years given current government expenditure, even though Australia and New Zealand have committed to provide additional funding. The potential to raise additional revenue is limited.<sup>4</sup> Moreover, if budget management is allowed to weaken (particularly with regard to expenditure on medical and scholarship schemes), and the Consolidated Investment Fund is drawn down at a rate greater than what is sustainable, the impact on the budget will be much more significant. The Government has expressed interest in securing assistance to mitigate the impacts of the GEC, which is expected to have a more material macroeconomic impact over the next 12 months.<sup>5</sup>

5. ADB is working with other development partners, and with the Government of Tuvalu, to monitor potential areas of impact, so as to be well placed to act proactively to minimize any economic shocks. Support to Tuvalu through the Pacific Economic Management regional TA<sup>6</sup> is

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<sup>1</sup> ADB. 2008. *Country Partnership Strategy (2008-2012): Tuvalu*. Manila.

<sup>2</sup> Government of Tuvalu. 2005. *Te Kakeega II National Strategies for Sustainable Development 2005-2015*. Funafuti, Tuvalu.

<sup>3</sup> Distributions from the Tuvalu Trust Fund are held in the Consolidated Investment Fund.

<sup>4</sup> The government of Tuvalu relies on distributions from the Tuvalu Trust Fund, fishing license fees, dot tv domain name fees, grants, and taxation and customs as the key revenue sources. The relative importance of each is highly variable from year to year.

<sup>5</sup> Tuvalu Trust Fund Advisory Committee. 2008. *Tuvalu Trust Fund Report*. October.

<sup>6</sup> ADB. 2009. *Technical Assistance for Pacific Economic Management—Response to the Global Economic Crisis (Subproject 1)*. Manila (TA 7820-REG approved 13 May 2009).

currently being finalized. Use of the Japan Fund for Poverty Reduction will be considered as a means of mitigating the negative social impacts of the GEC.

6. The COBP will be supported by regional TA for economic management, governance, environment, energy efficiency, climate change, health, and private sector development. Regional TA currently available to Tuvalu is highlighted in Appendix 5. ADB will include Tuvalu in new regional TA activities where feasible, with capacity availability and political commitment being key considerations.

7. The Tuvalu Government confirms that adaptation to climate change is a key national priority. However, given the numerous planned and ongoing aid-supported climate change activities—the United Nations Development Programme, for example, is providing assistance to access Global Environment Facility funding for climate change activities—no specific national assistance needs are identified for support under ADB's climate change implementation plan for Pacific developing member countries.<sup>7</sup> Ongoing regional assistance, such as through the Regional Partnerships for Climate Change Adaptation and Disaster Preparedness TA, which supports the development of a national database encompassing risk, hazard, and vulnerability data vital to inform government decision-making regarding adaptation to natural catastrophes,<sup>8</sup> will be the primary means of ADB support in this area. Climate change and disaster management support needs will continue to be monitored, and ADB will facilitate Tuvalu's access to climate change funding windows as appropriate.

8. Similarly, given the number of planned and ongoing aid-supported infrastructure activities—for example Taipei, China is providing support in the area of waste management, and the European Union is providing water tanks to the outer islands—no immediate needs for support under the Pacific Regional Infrastructure Facility are identified. As Tuvalu's public enterprise reform program gains momentum, opportunities for use of Pacific Regional Infrastructure Facility resources for strengthening the governance of infrastructure will be sought as appropriate.

9. While not considered a weakly performing country (WPC), Tuvalu nevertheless exhibits some of the constraints acknowledged to underlie weak performance. ADB's approach to WPCs "recognizes a spectrum of performance and fragility" and in accordance with this approach, flexibility may be exercised in application of the approach to specific country situations.<sup>9</sup> Consequently, to strengthen country knowledge, consensus building, and sustainability of assistance, ADB presence in the country will be considered during the period of this COBP. Such a presence would help strengthen participatory conceptualization, design, and management of assistance programs. Strengthening of ADB's assistance programs could be achieved by recruiting a suitable national to work on ADB's program on a part-time basis as a liaison officer. Such a position could be potentially shared with other development partners as this would contribute to strengthened aid coordination.

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<sup>7</sup> ADB. 2009. *Climate Change Implementation Plan for the Pacific 2009-2015*. Manila (approved 19 June 2009).

<sup>8</sup> ADB. 2008. *Technical Assistance for Regional Partnerships for Climate Change Adaptation and Disaster Preparedness*. Manila (TA 6496-REG approved 27 October 2008 for \$1 million).

<sup>9</sup> ADB. 2007. *Achieving Development Effectiveness in Weakly Performing Countries*. Manila (page 11).

## II. INDICATIVE LENDING AND NONLENDING PROGRAMS

### A. Lending Program

10. Tuvalu is a category A country eligible for Asian Development Fund (ADF) resources. The ADF allocation of \$1.13 million for 2009–2010 is based on the results of Tuvalu's 2008 country performance assessment after applying the performance-based allocation formula. Following approval of the paper, *Response of the Asian Development Fund—Allocation of Additional Liquidity*, the commitment authority was increased, using a pro-rata approach, by \$0.23 million to \$1.36 million. For planning purposes, the indicative allocation for 2011–2012 is \$1.36 million.

11. The Government continues to indicate that, for the time being, it is not willing to borrow—including from ADB's highly concessional ADF resources—due to financial constraints. At the end of 2008, the basic debt to gross domestic product ratio was estimated at about 41%, with external debt to gross domestic product at about 32% (footnote 5). Current debt servicing costs are about 2.7% of total revenue, including grants, although these are projected to rise over the next 5 years as the ADB loan grace periods expire. However, assuming the debt stock remains at existing levels, debt servicing costs should remain relatively low at no more than 3% of total revenue.

12. The Government has expressed strong interest in making continued use of grant financing following the December 2008 approval of the Improved Financial Management Program grant.<sup>10</sup> Using a grant program to support the adjustment costs resulting from implementation of public enterprise reforms is consistent with the objectives of *Te Kakeega II* and would build upon and sustain the gains expected from the \$3.24 million grant approved in December 2008. Further information on the indicative assistance pipeline for lending and nonlending products and services for 2010–2012 is provided in Appendix 1.

### B. Nonlending Program

13. The indicative nonlending assistance is approximately \$600,000 over FY2010–FY2012. Ongoing TA (approved in 2008) is directed to strengthening public financial management and supporting the process of public enterprise reform. TA is planned to support the grant proposed for 2010 approval, and similarly in 2012. These TA projects will facilitate the Government's implementation of public enterprise reforms, and provide specialist skills to undertake necessary restructuring and rationalization. This continued strategic focus of the TA program will promote strengthening of capacity and sustainability of outcomes. Summary Information on the proposed lending and nonlending products and services is provided in Appendix 2.

## III. SUMMARY OF CHANGES TO LENDING AND NONLENDING PROGRAMS

14. No additional lending activities are envisaged for 2011 given that a grant and TA are proposed in 2010; the implementation of these will be ongoing in 2011. Grant funding that may become available in 2011, would be more timely if used in 2012 to build upon the outcomes of the previous grants and TA (as highlighted in Appendices 3 and 4). This approach would also allow for recognition of the capacity constraints experienced in implementation of activities in such a small nation, which demonstrates many of the characteristics of WPCs. Further,

<sup>10</sup> ADB. 2008. *Tuvalu: Report and Recommendation of the President to the Board of Directors on a Proposed Grant to Tuvalu for the Improved Financial Management Program*. Manila.

cofinancing will be sought during development of grant programs, in part as a means to increase aid coordination.

#### **IV. INDICATIVE INTERNAL RESOURCE REQUIREMENTS**

15. About 16 person-weeks of staff resources (12 person-weeks of professional staff and 4 person-weeks of support staff) are expected to be required for processing and administering the grant program; 10 person-weeks will be required for processing and administering the nonlending program (5 person-weeks professional staff and 5 person-weeks support staff).

#### **V. RESULTS-BASED MONITORING**

16. The results framework in the CPS 2008–2012 remains appropriate, but was updated to reflect additions to the pipeline. As the CPS is in the early stages of implementation, results-based monitoring against the outcome indicators of the framework is premature.

## UPDATED COUNTRY PARTNERSHIP STRATEGY RESULTS FRAMEWORK

Country Development Goals		Country Partnership Strategy (CPS) Outcomes		Key Areas of ADB Intervention	Risks
National Outcomes	Key Constraints	CPS Outcome(s)	Outcome indicators		
Good governance	Limited consequences for bad policy decisions	Improved fiscal planning, management, and transparency; and public sector efficiency	Recurrent expenditures not exceeding recurrent revenue plus sustainable TTF distribution	<b>Ongoing assistance</b> L 1921-TUV: Maritime Training Project  TA 3942-TUV: Maritime Training Institute Strengthening  TA 4902-TUV: Capacity Building for Taxation Reform  TA 7161-TUV: Capacity Development for Public Financial Management  G 0139-TUV: Improved Financial Management Program  <b>Future Assistance</b>  Grant - Public Enterprise Reform Program  Grant - Public Enterprise Reform Program II  TA - Capacity Development for Financial Management (phase II)  TA - Capacity Development for Public Enterprise Reform	Absorptive capacity of executing agency not sufficient  Limited understanding of ADB terms and guidelines on programs and/or policy changes  Complacency in Government with large TTF distribution  All ministries do not accept or adopt change management  Accountability across ministries is not enforced  Lack of private sector capacity to take up new business opportunities
Macroeconomic growth and stability	Lacking budget credibility		Target minimum balance, in CIF should not be less than 16% of maintained value of TTF		
Employment and private sector development	Pervasive government ownership of enterprise activities		External total debt not to exceed 60% of gross national product		
Human resource development	Low domestic resource mobilization		Competency in preparing sector plans with financial forecasts achieved across all sectors		
			Increased nonsalary expenditure of 5% on primary and preventative health care		
			Increased nonsalary expenditure of 5% on primary education		

ADB = Asian Development Bank, CIF = Consolidated Investment Fund, CPS = country partnership strategy, TA = technical assistance, TTF = Tuvalu Trust Fund.

## INDICATIVE ASSISTANCE PIPELINE

Table A1.1: Indicative Assistance Pipeline for Lending Products, 2010–2012

Sector Project/Program Name	Targeting Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Cost (\$ million)						
					Total	OCR	ADB		Total	Gov't.	Co- financing
							Loans	Grants			
<b>2010 Firm Grant</b>											
<b>Financial</b>											
Program for Public Enterprise Reform	GI	EGC	SPSO		1.36	0.00	0.00	1.36	1.36	0.00	TBD
<b>Subtotal</b>					<b>1.36</b>	<b>0.00</b>	<b>0.00</b>	<b>1.36</b>	<b>1.36</b>	<b>0.00</b>	<b>TBD</b>
<b>2011 Standby Grant</b>											
<b>Financial</b>											
Program for Public Enterprise Reform II	GI	EGC	SPSO		1.36	0.00	0.00	1.36	1.36	0.00	TBD
<b>Subtotal</b>					<b>1.36</b>	<b>0.00</b>	<b>0.00</b>	<b>1.36</b>	<b>1.36</b>	<b>0.00</b>	<b>TBD</b>
<b>2012 Firm Grant</b>											
<b>Financial</b>											
Program for Public Enterprise Reform II	GI	EGC	SPSO		1.36	0.00	0.00	1.36	1.36	0.00	TBD
<b>Subtotal</b>					<b>1.36</b>	<b>0.00</b>	<b>0.00</b>	<b>1.36</b>	<b>1.36</b>	<b>0.00</b>	<b>TBD</b>
<b>Total</b>					<b>2.72</b>	<b>0.00</b>	<b>0.00</b>	<b>2.72</b>	<b>2.72</b>	<b>0.00</b>	<b>TBD</b>

ADB = Asian Development Bank, ADF = Asian Development Fund, Gov't = government, ECG = sustainable economic growth, GI = general intervention, OCR = ordinary capital resources, PE = public enterprise, SPSO = Pacific Subregional Office, TA= technical assistance, TBD = to be determined.

Source: Asian Development Bank estimates.

**Table A1.2: Indicative Assistance Pipeline for Nonlending Products and Services, 2010–2012**

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>2010 Firm</b>							
<b>Public Sector</b>							
1. Capacity Development for Financial Management (phase II)	SPSO	ID	JSF/JFPR <sup>a</sup>	300.00		0.00	300.00
<b>2011 Standby</b>							
<b>Public Sector</b>							
1. Capacity Development for Public Enterprise Reform (phase II)	SPSO	ID	JSF/JFPR	300.00		0.00	300.00
<b>2012 Firm</b>							
<b>Public Sector</b>							
1. Capacity Development for Public Enterprise Reform (phase II)			JSF/JFPR	300.00		0.00	300.00
<b>Total</b>				<b>600.00</b>		<b>0.00</b>	<b>600.00</b>

ADB = Asian Development Bank, ID = institutional development, JFPR= Japan Fund for Poverty Reduction, JSF = Japan Special Fund, SPSO = Pacific Subregional Office, TA = technical assistance

<sup>a</sup> Source of funding pending confirmation by ADB Office of Cofinancing Operations.

Source: Asian Development Bank estimates.

**PRELIMINARY SUMMARY INFORMATION  
ON PROPOSED INDICATIVE LENDING AND NONLENDING PRODUCTS AND SERVICES  
FOR THE FIRST YEAR OF THE BUSINESS PLAN**

**Table A2.1: Summary Information on Proposed Indicative Lending Products and Services for 2010**

Project Name	Description
Program for Public Enterprise Reform	<p><b>Impact</b> Sustained economic growth and fiscal stability</p> <p><b>Major Components</b> (i) Strengthen public enterprise management practices, and (ii) undertake reform of three public enterprises.</p> <p><b>Expected Outputs and Outcomes</b> Outputs will be (i) public enterprise staff and public enterprise unit trained to meet their responsibilities under the Public Corporations Act, and (ii) appropriate reforms in the ownership of three public enterprises.</p> <p>The outcomes will be the effective implementation of the public corporations act and the timely implementation of the public enterprise governance reform strategic policy.</p>

Source: Asian Development Bank estimates.

**Table A2.2: Summary Information on Proposed Indicative Nonlending Products and Services for 2010**

Project Name	Description
Capacity Development for Financial Management (Phase II)	<p><b>Impact</b> Sustained economic growth and fiscal stability</p> <p><b>Major Components</b> (i) Continued implementation of the medium-term fiscal framework, (ii) implementation of the public enterprise governance reform strategic policy, and (iii) strengthening of public enterprise unit and public enterprise staff.</p> <p><b>Expected Outputs and Outcomes</b> Outputs will be (i) strengthened MTFF, (ii) public enterprise staff and public enterprise unit trained to meet their responsibilities under the public corporations act, and (iii) appropriate reforms in the ownership of three public enterprises.</p> <p>The outcomes will be the improved governance of public corporations through implementation of the public corporations act and the timely implementation of the public enterprise governance reform strategic policy.</p>

Source: Asian Development Bank estimates.

**UPDATED COUNTRY SECTOR ROAD MAP**

<b>Priority Sector</b>	<b>Developments since Adoption of the Country Partnership Strategy</b>
Public Finance	<p>Since the adoption of the country partnership strategy 2008–2012, the Asian Development Bank approved the \$3.24 million grant for the Improved Financial Management Program and technical assistance for Capacity Development for Public Financial Management included in the strategy.</p> <p>The need for improved public financial management has become even stronger given the global economic crisis.</p>

Source: Asian Development Bank estimates.

## ASSISTANCE PROGRAM FOR CURRENT YEAR

### Table A4.1: Assistance Pipeline for Lending Products, 2009

Sector Project/Program Name	Targeting Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Cost (\$ million)					
					ADB		Total	Gov't.	Co- financing	
					Total	OCR				ADF
					Loans		Grants			
<b>2009 Firm Loans</b>										
None										

ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = Ordinary Capital Resources.  
Source: Asian Development Bank estimates.

### Table A4.2: Assistance Pipeline for Nonlending Products and Services, 2009

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding (\$'000)				
			ADB		Others		Total
			Source	Amount	Source	Amount	
<b>2009</b>							
None							

ADB = Asian Development Bank.  
Source: Asian Development Bank estimates.

**REGIONAL TECHNICAL ASSISTANCE PORTFOLIO AND TUVALU**  
(Activities approved as of 30 June 2009)

RETA No.	Name	Objective	Amount (\$)	Approval Date	Expected Completion Date	Countries
<b>Infrastructure</b>						
6522	Establishment of Pacific Islands Advisory Committee under the Pacific Regional Infrastructure Facility	Assist Pacific island countries to plan and implement appropriate and sustainable infrastructure and services that support achievement of national development goals. The outcome will be high-quality strategies, policies, regulations, and project designs that are suitable for future coordinated and harmonized assistance by Pacific Regional Infrastructure Facility partner agencies and other stakeholders through loans, grants, and private sector participation.	1,800,000	08 Jan 2009	30 Jun 2010	All PDMCs
<b>Infrastructure Subtotal</b>			<b>1,800,000</b>			
<b>Economic Management and Governance</b>						
6360	Strengthening Governance and Financial Management in PDMCs	Promote good governance through improved transparency, accountability, and efficiency in managing and using public resources in the Pacific.	1,579,000	7 Dec 2006	30 Nov 2009	All PDMCs except TIM
6463	Strengthening Pacific Economic Analysis and Policy Development	Produce economic and social updates, other sector and thematic assessments, and pro-poor policy options and development strategies under the umbrella of the Pacific Studies Series, to be used by the PDMC governments, civil society, and the media. As a result, the PDMCs will benefit from a better understanding of development issues, strategies, and policies for reducing hardship and poverty.	1,900,000	9 Jun 2008	31 Dec 2010	All PDMCs
6466	PFTAC FY2008–2011	Strengthen institutional capacity of PDMC authorities to diagnose, prioritize, and implement improved policies, systems, and practices that underpin good practice public sector economic and fiscal management and regulation.	1,000,000	24 Jun 2008	30 April 2011	All PDMCs except TIM
6507	Strengthening Public Financial Management	Promote good governance through improved transparency, accountability, and efficiency in managing and using public resources in the Pacific.	1,500,000	11 Dec 2009	31 Dec 2011	All PDMCs except TIM

RETA No.	Name	Objective	Amount (\$)	Approval Date	Expected Completion Date	Countries
6379	Supporting Strengthened Regional Cooperation among PDMCs	Contribute to sustainable economic growth and poverty reduction in PDMCs through enhanced economic cooperation among selected PDMCs, between Indonesia and Papua New Guinea, and between Indonesia and Timor-Leste.	1,000,000	20 Dec 2006	30 Aug 2009	All PDMCs
6414	Support for Results-Based Management in the Pacific	Improve managing for development results within PDMCs and improve PDMCs' capacity to utilize economic and social statistical information for informed planning and policy decisions.	1,000,000	19 Oct 2007	31 Oct 2010	Selected PDMCs
6436	Results-Based Project Management	Assist PDMCs in achieving sector objectives that contribute to the national development goals, measured by attainment of the outcomes for the majority of ADB-funded projects.	800,000	18 Dec 2007	31 Mar 2011	All PDMCs
6499	Strengthening Governance and Accountability in Pacific Island Countries, Phase II	Support initial implementation of the Pacific Regional Audit Institution (PRAI), which will provide a basis for raising public auditing to uniformly high standards across the Pacific region, so that the public accounts of participating countries are audited in a timely manner to uniformly high standards, with enhanced audit impacts and improved audit capability. Strengthen the governance and anticorruption orientation of ADB country partnership strategies, programs, and projects in the Pacific region.	1,900,000	3 Nov 2008	31 Oct 2010	All PDMCs
6507	Support to Pacific Regional Financial Management	Support the design of the PRAI and implementation of the Second Governance and Anticorruption Action Plan in ADB's PDMCs.	1,500,000	11 Dec 2008	31 Dec 2011	All PDMCs
7250	Support for Pacific Economic Management	Strengthen the capacity of PDMCs to manage for inclusive economic growth, specifically to assist PDMCs in using improved economic management processes. This is to be achieved by assistance that offers longer-term benefits by helping develop existing PDMC systems and processes for economic management and the individual capacity of the region's economic managers. The TA will help address long-standing institutional constraints to change by encouraging demand for better economic management.	2,000,000	13 May 2009	13 June 2011	All PDMCs
7269	ADB in Fragile Situations	Help mainstream different operating approaches for ADB to fragile or postconflict situations. Pilot country initiatives that localize particular elements of ADB's approach in country settings will be implemented. In parallel, the TA will develop and disseminate tools and knowledge to facilitate ADB's engagement in fragile situations.	750,000	14 April 2009	31 Dec 2011	All PDMCs
<b>Subtotal Economic Management and Governance</b>			<b>15,908,000</b>			

RETA No.	Name	Objective	Amount (\$)	Approval Date	Expected Completion Date	Countries
<b>Environment and Renewable Energy</b>						
6496	Regional Partnership for Climate Change Adaptation and Disaster Preparedness	Contribute to work being pursued by several development partners (including ADB) and led by the World Bank to assess the feasibility of a catastrophe insurance scheme for the Pacific.	1,000,000	27 Oct 2008	31 Dec 2010	COO, FIJ, SAM, TON, TUV
<b>Subtotal Environment and Energy</b>			<b>1,000,000</b>			
<b>Social Sectors</b>						
Grant No. 0021-REG	HIV/AIDS Prevention and Capacity Development in the Pacific	Halt and begin to reverse the spread of HIV/AIDS in the Pacific by 2015. The purpose is to have an effective response to HIV/AIDS in place in the PDMCs with regard to government and community capacity to address HIV/AIDS, through the implementation of the ADB Pacific region road map on HIV/AIDS.	8,000,000	8 Nov 2005	31 Mar 2010	All PDMCs except PNG and TIM
6245	Strengthening Pro-Poor Policy in the Pacific	Advance the pro-poor policy agenda and capacity development strategy formally established under the poverty partnership agreements in each PDMC.	2,306,000	10 Jun 2005	31 May 2009 (extension requested)	All PDMCs except FSM and TIM
6319	Pilot Strengthening of Civil Society Participation in Development in the Pacific.	Strengthen CSO understanding of development policy and directly engage CSOs with their governments and external funding agencies in the design, formulation, and implementation of ADB's own country strategies, programs, and projects as an example to all development programs.	500,000	28 Apr 2006	30 June 2009 (extension requested)	All PDMCs
7282	Creation of a Pacific Information Super Highway with USP	Support the preparation of newly proposed ICT-based education in the Pacific region. The TA will provide more opportunities and access to higher education among youth in the Pacific. The outcome of the TA will be the agreed project design to enhance ICT-based education with key stakeholders, including participating countries, USP, and interested cofinanciers.	1,050,000	12 May 2009	30 Sept 2010	All PDMCs
<b>Subtotal Social Sectors</b>			<b>12,856,000</b>			

RETA No.	Name	Objective	Amount (\$)	Approval Date	Expected Completion Date	Countries
<b>Improving the Environment for Private Sector Development</b>						
6353	Private Sector Development Initiative	Improve the business environment by promoting effective private sector development policies, strategies, practices, and activities in priority areas, as measured by improved ratings in selected World Bank Doing Business indicators, and ongoing qualitative assessments through ADB private sector assessments.	8,700,000	21 Nov 2006	30 Nov 2011	All PDMCs
<b>Subtotal Private Sector</b>			<b>8,700,000</b>			
<b>Total</b>			<b>24,366,000</b>			

ADB = Asian Development Bank, CSO = civil society organizations, ICT = information, communication and technology, ID = institutional development, JFPR = Japan Fund for Poverty Reduction, JSF = Japan Special Fund, PDMC = Pacific developing member countries, PFTAC = Pacific Financial Technical Assistance Centre, PRAI = Pacific Regional Audit Initiative, SPSO = Pacific Subregional Office, TA = technical assistance, RETA = Regional Technical Assistance, USP = University of the South Pacific.

Source: Asian Development Bank estimates.