

### SUMMARY STATEMENT OF STRATEGY

Objectives	Good Governance	Human and Social Development
Strategic Focus	<ul style="list-style-type: none"> <li>• Prudent fiscal discipline and management</li> <li>• Improved budget financial management system</li> <li>• Enhanced capabilities of economic policy and planning</li> <li>• Improved corporate governance of SOEs</li> <li>• Effective and transparent management of SOEs</li> </ul>	<ul style="list-style-type: none"> <li>• Supported human and social development</li> <li>• Improved health through access to safe water and proper sewerage and sanitation</li> <li>• Improved systems for safe disposal and management of waste</li> <li>• Improved efficiency of use of resources for the development of the education sector</li> <li>• Strengthened secondary and vocational education</li> </ul>
Ongoing/Proposed Loans		<ul style="list-style-type: none"> <li>• Tuvalu Maritime Training Project (2002)</li> <li>• Support to Secondary Education Programming (2005)</li> </ul>
Ongoing/Proposed TAs	<ul style="list-style-type: none"> <li>• Country Economic Study and Strategy Development (2001)</li> <li>• Improving Public Finance Management and Accountability (2003)</li> <li>• Improving Governance of SOEs (2006)</li> </ul>	<ul style="list-style-type: none"> <li>• Island Development Program Implementation (1999)</li> <li>• Tuvalu Maritime Training Institute Strengthening (2002)</li> <li>• RETA on Expanding the Reach of Distance Learning in the Pacific (2003)</li> <li>• RETA on Poverty Consultations and Participatory Poverty Assessment (2003)</li> <li>• RETA on Climate Change Adaptation Program for Pacific (2003)</li> <li>• RETA on Promotion of Effective Water Management Policies and Practices (2003)</li> <li>• Effective Waste Management and Recycling (2003)</li> <li>• Support to Secondary Education Programming (2004)</li> <li>• Water, Sanitation, and Waste Management (2005)</li> </ul>
Target Outcomes	<ul style="list-style-type: none"> <li>• Strengthened economic and fiscal management through responsible preparation of budgets</li> <li>• Integrated accounting and budget system in MFPEI</li> <li>• In-country capability to undertake economic policy and planning</li> <li>• Improved governance of SOEs resulting in more cost-effective service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• A comprehensive Water, Sanitation, and Waste Master Plan</li> <li>• Increased access to safe water</li> <li>• Improved waste management leading to less pollution and cleaner living environment</li> <li>• More efficient use and coordination of resources available for development of the education sector</li> </ul>

MFPEI = Ministry of Finance, Economic Planning, and Industries, RETA= regional technical assistance, SOE = state-owned enterprise, TA = technical assistance.

## COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

**Table A2.1: Progress Toward the Millennium Development Goals and Targets**

Goals and Targets	1990	1995	Latest Year
<b>Goal 1. Eradicate Extreme Poverty and Hunger</b>			
<b>Target 1: Reduce incidence of extreme poverty by half from 1990 to 2015</b>			
1. Proportion of population below US\$1 per day (PPP-values) (%)	—	—	—
2. Poverty gap ratio	—	—	—
3. Share of poorest quintile in national consumption (%)	—	—	—
<b>Target 2: Reduce the proportion of people who suffer from hunger by half from 1990 to 2015</b>			
4. Prevalence of child malnutrition (% of children under 5)	—	0.0 <sup>a</sup> (1997)	—
5. Proportion of population below minimum level of dietary energy consumption (%)	—	—	—
<b>Goal 2. Achieve Universal Primary Education</b>			
<b>Target 3: Attain 100 % primary school enrolment by 2015</b>			
6. Net enrollment ratio in: (%)			
Primary education	98.0 <sup>b</sup> (1984-94)	100.0 <sup>b,c</sup> (1994)	100.0 <sup>b,c</sup> (1998/99)
Secondary education	—	—	—
Tertiary education	—	—	—
7. Proportion of pupils starting Grade 1 who reach Grade 5	—	95.8 <sup>d</sup> (1993)	—
8. Literacy rate of 15-24 year olds (%)	—	—	—
<b>Goal 3. Promote Gender Equality and Empower Women</b>			
<b>Target 4: Eliminate gender disparities in primary and secondary education by 2005 and to all levels of education no later than 2015</b>			
9. Ratio of girls to boys in: (%)			
Primary education	90.0 (1991)	82.0	90.0 (2001)
Secondary education	117.0 (1991)	103.0	93.0 (2001)
10. Ratio of young literate females to males (% of age group 15-24)	—	—	—
11. Share of women in wage employment in the non-agricultural sector	33.0 <sup>a</sup> (1991)	—	—
12. Proportion of seats held by women in national parliament	8.0 <sup>e,f</sup>	8.0 <sup>e,f</sup> (1997)	0.0 <sup>e,f</sup> (2002)
<b>Goal 4. Reduce Child Mortality</b>			
<b>Target 5: Reduce infant and child mortality by two-thirds from 1990 to 2015</b>			
13. Under-5 mortality rate (per 1,000 live births)	59.0 (1991)	56.0 <sup>f</sup>	53.0 <sup>f</sup> (2000)
14. Infant mortality rate (per 1,000 live births)	43.5	49.8	13.1 (2000)
15. Proportion of 1 year old children immunized against measles	—	—	—

Goals and Targets	1990	1995	Latest Year
<b>Goal 5. Improve Maternal Health</b>			
<b>Target 6: Reduce maternal mortality rate by three-quarters between 1990 and 2015</b>			
16. Maternal mortality ratio (per 100,000 live births)	0.0	0.0	0.0
17. Births attended by skilled health staff (% of live births)	—	—	99.0 <sup>g</sup> (1997)
<b>Goal 6. Combat HIV/AIDS, Malaria and Other Diseases</b>			
<b>Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS</b>			
18. HIV prevalence rate among 15-24 year old pregnant women	—	—	—
19. Contraceptive prevalence rate (% of women aged 15-49)	—	41.2 <sup>g</sup> (1997)	40.0 <sup>h</sup> (1999)
20. Number of children orphaned by HIV/AIDS	—	—	—
<b>Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases</b>			
21. Malaria:			
Prevalence rate (per 100,000 people)	—	—	—
Death rate (per 100,000 people)	—	—	14.0 <sup>f</sup> (2000)
22. Proportion of population in malaria risk areas using effective malaria prevention & treatment measures	—	—	—
23. Tuberculosis:			
Prevalence rate (per 100,000 people)	—	—	31.0 <sup>f</sup> (2000)
Death rate (per 100,000 people)	—	30.9 <sup>g</sup> (1997)	8.0 <sup>f</sup> (2000)
24. Proportion of TB cases detected and cured under DOTS (%)	—	—	—
<b>Goal 7. Ensure Environmental Sustainability</b>			
<b>Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources</b>			
25. Forest area (% of total land area)	—	0.0 <sup>i</sup> (1993)	—
26. Nationally protected areas (% of total land area)	32.0 <sup>j</sup>	32.0 <sup>j</sup>	32.0 <sup>j</sup> (1998)
27. GDP per unit of energy use (PPP US\$ per kg oil equivalent)	—	—	—
28. Carbon dioxide emissions (per capita metric tons)	—	0.0 <sup>f,k</sup> (1994)	0.0 <sup>f,k</sup> (1996)
<b>Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water</b>			
29. Access to an improved water source (% of population)			
Total	—	—	100.0 <sup>l</sup> (2000)
Urban	99.0 <sup>j</sup> (1988)	100.0 <sup>l</sup> (1994)	100.0 <sup>l</sup> (2000)
Rural	100.0 <sup>j</sup> (1988)	95.0 <sup>l</sup> (1994)	100.0 <sup>l</sup> (2000)

Goals and Targets	1990	1995	Latest Year
<b>Target 11: By 2010, to have achieved a significant improvement in the lives of at least 100 million slum dwellers</b>			
30. Access to improved sanitation (% of population)			
Total	—	—	100.0 <sup>l</sup> (2000)
Urban	79.0 <sup>l</sup> (1988)	90.0 <sup>l</sup> (1994)	100.0 <sup>l</sup> (2000)
Rural	77.0 <sup>l</sup> (1988)	85.0 <sup>l</sup> (1994)	100.0 <sup>l</sup> (2000)
31. Access to secure tenure (% of population)			
	—	—	—

Note: — means not available, DOTS = Directly Observed Treatment Short-course, HIV/AIDS = human immunodeficiency virus/acquired immune deficiency syndrome, PPP = purchasing power parity, TB = tuberculosis.

<sup>a</sup> UNDP, Pacific Human Development Report (1994, 1999); UNDP, Human Development Report (2000, 2001, 2002).

<sup>b</sup> UNICEF, *The Progress of Nations* (1997, 1999, 2000).

<sup>c</sup> Ministry of Education and Culture, Enrollment in Primary Education (1994, 1998).

<sup>d</sup> UNESCO, Institute for Statistics (<http://portal.unesco.org/uis>); UNESCO, Statistical Yearbook.

<sup>e</sup> Inter-Parliamentary Union (IPU), Information on National Parliaments (<http://www.ipu.org>).

<sup>f</sup> WHO/UNICEF, End-Decade Databases 2002 (<http://childinfo.org>).

<sup>g</sup> WHO, Western Pacific Region Health Data Bank (rev/2001) (<http://wpro.who.int>).

<sup>h</sup> ADB, Regional Technical Assistance for Poverty Assessment in PDMCs, Discussion Papers (2001); ADB, *Key Indicators 2002*; ADB, *Tuvalu 2002 Economic and Public Sector Review*.

<sup>i</sup> Central Intelligence Agency (CIA), *The World Factbook* (2001, 2002) (<http://www.cia.gov>).

<sup>j</sup> South Pacific Regional Environmental Programme (SPREP), Action Strategy for Nature Conservation in the Pacific Islands Region (1999-2002).

<sup>k</sup> UNSD, United Nations Framework Convention on Climate Change-Carbon Dioxide Information Analysis Center (UNFCCC-CDIAC).

<sup>l</sup> UNICEF/WHO, Joint Monitoring Programme for Water Supply and Sanitation (Coverage Estimates 1980-2000); UNICEF/WHO/Water Supply and Sanitation Collaborative Council, Global Water Supply and Sanitation Assessment 2000 Report.

Sources: Unless otherwise specified, data are from the database of the Central Statistics Division, Ministry of Finance, Economic Planning, and Industries. Main data sources are *Tuvalu's 1991 Census on Population and Housing* and *Tuvalu's 1994 Household Income and Expenditure Survey*.

Table A2.2: Country Economic Indicators

Item	Fiscal Year				
	1998	1999	2000	2001	2002
<b>A. Income and Growth</b>					
1. GDP per Capita (US\$, current)	1,320	1,389	1,343	1,251	1,343
2. GDP Growth (% , in constant prices)	14.9	3.0	3.0	4.0	2.0
Agriculture	0.7	—	—	—	—
Industry	21.5	—	—	—	—
Services	16.0	—	—	—	—
<b>B. Saving and Investment</b> (current market prices)					
			(% of GDP)		
1. Gross Domestic Investment	24.9	—	—	—	—
2. Gross Domestic Saving	—	—	—	—	—
<b>C. Money and Inflation</b>					
			(annual % change)		
1. Consumer Price Index <sup>a</sup>	0.9	3.8	5.3	1.8	2.6
2. Total Liquidity (M2)	—	—	—	—	—
<b>D. Government Finance</b>					
			(% of GDP)		
1. Total Revenue and Grants	154.4	148.7	243.2	119.5	155.6
2. Total Expenditure and Onlending	95.9	126.2	211.0	162.3	70.9
3. Overall Fiscal Surplus (Deficit)	58.6	22.5	32.2	(42.8)	84.7
<b>E. Balance of Payments</b>					
1. Merchandise Trade Balance (% of GDP)	(75.8)	(57.5)	(55.8)	—	—
2. Current Account Balance (% of GDP)	—	—	—	—	—
3. Merchandise Export (US\$) Growth (cif, annual % change)	—	—	—	—	—
4. Merchandise Import (US\$) Growth (CIF, annual % change)	35.3	(26.5)	6.0	—	—
<b>F. External Payments Indicators</b>					
1. Gross Official Reserves (US\$ million, end of period)	—	—	—	—	—
months of imports	—	—	—	—	—
2. External Debt Service (% of exports of goods and services)	—	—	—	—	—
3. External Debt (% of GDP)	—	—	—	—	—
<b>G. Memorandum Items</b>					
1. GDP (current prices, A\$ million)	20.8	21.6	23.4	24.8	25.7
2. Exchange Rate (A\$/US\$, annual average)	1.6	1.6	1.7	1.9	1.8
3. Population (million) <sup>b</sup>	0.0099	0.0100	0.0101	0.0103	0.0104

Note: — means not available, CIF = cost, insurance, freight, GDP = gross domestic product.

<sup>a</sup> Period average. 2002 inflation rate based on the Tuvalu Trust Fund Advisory Committee's *First Half-Yearly Report*, April 2002, p.16.

<sup>b</sup> This estimate is made on the assumption that the population growth rate averaged 1.3% between 1991 and 2002. The figure arrived at is close to the Central Statistics Division estimate of 10,223 in June 2001, which is based on an examination of crude birth and death rates and overseas arrivals and departure.

Sources: ADB, *Tuvalu 2002 Economic and Public Sector Review*; Tuvalu, *Tuvalu National Accounts 1996 to 1998*; Tuvalu, *Tuvalu National Budget 2002*; Ministry of Finance, *Economic Planning and Industries database*; and Asian Development Bank estimates.

Table A2.3: Country Social Indicators

Item	1991*	1995	Latest Year
<b>1. Demographic Indicators</b>			
Total Population ('000)	9.043	9.51 <sup>a</sup>	10.41 <sup>b</sup> (2002 est.)
Annual Population Growth Rate (% change)	—	1.3	—
Dependency Ratio (% of dependents to working age)	69.0	73.9 (1994) 72.0 <sup>d</sup> (1998)	60.6 <sup>c</sup> (2002 est.)
Total Fertility Rate (births per woman)	3.5	3.1	2.9 (2000)
Ave. Household Size	—	6.2 (1994)	—
<b>2. Health</b>			
Life Expectancy at Birth (years)	67.0 <sup>e</sup>	67.0 <sup>d</sup> (1998)	66.98 <sup>c</sup> (2002 est.)
Male	64.0 <sup>e</sup>	64.0 <sup>d</sup> (1998)	64.83 <sup>c</sup>
Female	70.0 <sup>e</sup>	70.0 <sup>d</sup> (1998)	69.23 <sup>c</sup>
Population with Access to Health Services (%)	—	100.0 <sup>d</sup> (1993)	100.0 <sup>e</sup> (1998)
Urban	—	—	100.0 <sup>e</sup> (1998)
Rural	—	—	100.0 <sup>e</sup> (1998)
Population per Doctor	2,528 <sup>a</sup> (1992)	3,210 <sup>a</sup> (1996)	3,300 <sup>e</sup> (1999)
Government Expenditure on Health			
As % of Total Government Spending	8.7 <sup>a</sup>	5.5 <sup>a</sup> (1996)	5.2 <sup>a</sup> (2002)
As % of GDP	5.1 <sup>d</sup> (1993)	8.7 <sup>a</sup> (1996)	7.0 <sup>a</sup> (2002)
<b>3. Education</b>			
Adult Literacy Rate (%)	99.0 <sup>f</sup>	99.0 <sup>d</sup> (1993)	95.0 <sup>a,d</sup> (1998)
Male	99.1 <sup>f</sup>	99.0 <sup>d</sup> (1993)	95.0 <sup>a,d</sup> (1998)
Female	98.9 <sup>f</sup>	99.0 <sup>d</sup> (1993)	95.0 <sup>a,d</sup> (1998)
Combined Gross School Enrollment Ratio	74.0 <sup>d</sup>	—	—
Male	74.0 <sup>d</sup>	—	—
Female	75.0 <sup>d</sup>	—	—
Gross Primary Enrollment (% of aged 5-14 years)	88.0 <sup>d</sup>	—	103.6 <sup>f</sup> (1998/99)
Male	87.0 <sup>d</sup>	—	105.8 <sup>f</sup> (1998/99)
Female	88.0 <sup>d</sup>	—	101.1 <sup>f</sup> (1998/99)
Gross Secondary Enrollment (% of aged 15-19 years)	34.0 <sup>d</sup>	—	78.3 <sup>f</sup> (1998/99)
Male	31.0 <sup>d</sup>	—	83.1 <sup>f</sup> (1998/99)
Female	35.0 <sup>d</sup>	—	73.1 <sup>f</sup> (1998/99)
Student-Teacher Ratio (no. of students per teacher)			
Primary	22.5	28.5	17.6 (2001)
Secondary	23.0	17.0	17.4 (2001)
Government Expenditure on Education			
As % of Total Government Spending	16.6 <sup>a</sup>	12.3 <sup>a</sup>	27.4 <sup>a</sup> (2002)
As % of GDP	—	19.5 (1996)	37.4 <sup>a</sup> (2002)

Note: — means not available, Ave. = average, GDP = gross domestic product.

\* Used as base year, instead of 1990, being Tuvalu's last official census year.

<sup>a</sup> ADB, Asian Development Outlook 2003; ADB, Key Indicators 2002; ADB, Tuvalu 2002 Economic and Public Sector Review; ADB, Tuvalu 1997 Economic Report.

<sup>b</sup> This estimate is made on the assumption that the population growth rate averaged 1.3% between 1991 and 2002. The figure arrived at is close to the Central Statistics Division estimate of 10,223 in June 2001, which is based on an examination of crude birth and death rates and overseas arrivals and departure.

<sup>c</sup> CIA, *The World Factbook 2002* (<http://cia.gov>).

<sup>d</sup> As a % of GNP; UNDP, *Pacific Human Development Report* (1994, 1999).

<sup>e</sup> WHO, *Western Pacific Region Health Data Bank* (rev/2001) (<http://wpro.who.int>).

<sup>f</sup> UNESCO, *The Education for All (EFA) 2000 Assessment: Country Reports* (<http://www2.unesco.org/wef/countryreports>); UNESCO, Institute for Statistics (<http://portal.unesco.org/uis>).

Sources: Unless otherwise specified, data are from the database of the Central Statistics Division, Ministry of Finance, Economic Planning, and Industries, Government of Tuvalu. Main data sources are *Tuvalu's 1991 Census on Population and Housing* and *Tuvalu's 1994 Household Income and Expenditure Survey*.

**Table A2.4: Country Poverty Indicators**

<b>Item</b>	<b>1991</b>	<b>1994</b>	<b>Latest Year</b>
<b>1. Development Progress Indices</b>			
Human Development Index (HDI)	—	0.652	0.583 (1998)
PDMC Rank	—	3	6
Human Poverty Index (HPI)	—	—	7.3 (1998)
PDMC Rank	—	—	3
Composite Vulnerability Index	—	—	—
PDMC Rank	—	—	—
Gender-Related Development Index	—	—	—
Rank (out of 162 countries)	—	—	—
<b>2. Poverty Indicators</b>			
Headcount Index (% of households) <sup>a</sup>			
Total	—	60.3	—
Funafuti	—	40.5	—
Outer Islands	—	71.7	—
Poverty Severity Index (%)	—	—	—
<b>3. Inequality Indicators</b>			
Gini Coefficient	—	—	—
Household Income (% of total)			
H20	—	—	—
L20	—	—	—
Income Ratio (H25/L25) <sup>b</sup>	—	28.5	—

Note: — means no data available, PDMC = Pacific developing member countries.

<sup>a</sup> Refers to percent of households with income representing  $\leq 50\%$  of total net income.

<sup>b</sup> Refers to ratio of average household net weekly income of the highest quartile group to that of the lowest quartile group.

Sources: Central Statistics Division, Ministry of Finance, Economic Planning and Industries, Government of Tuvalu. *Household Income and Expenditure Survey 1994: Final Report*. UNDP, *Pacific Human Development Report* (1994, 1999).

Table A2.5: Country Environment Indicators

Item	1991	Latest Year
<b>1. Energy Efficiency of Emissions</b>		
Traditional Fuel Use (% of total energy use)	—	—
<b>2. Water Pollution</b>		
Water Bodies Exceeding Contact Recreation Standards		
Biological Oxygen Demand (BOD)	—	—
Chemical Oxygen Demand (COD)	—	—
<b>3. Air Pollution</b>		
Carbon Dioxide (CO <sub>2</sub> ) Emissions		
Total (millions of metric tons)	—	—
Per unit of GDP (kg/PPP US\$ GDP)	—	—
Sulphur Dioxide (SO <sub>2</sub> ) Emissions		
Per capita (kilograms)	—	—
<b>4. Land Use and Deforestation</b>		
Total Land Area (sq. km)	25.63	25.63 (2002)
Average Annual Deforestation		
Area (remaining sq. km)	—	—
% change	—	—
Arable Land (% of total land)	—	0.0 (1998)
Cropland, Permanent (% of total land)	—	0.0 (1998)
Pastures, Permanent (% of total land)	—	0.0 (1998)
Population Density, Rural (people per sq. km)	—	—
<b>5. Biodiversity and Protected Areas</b>		
Nationally Protected Area(s)		
Area (sq. km)	8.0	8.0 (2002)
Number	1	1 (2002)
World Heritage Sites (number)	0	0 (2002)
Mammals (number of threatened species)	—	—
Birds (number of threatened species)	—	—
<b>6. Urban Areas</b>		
Urban Population		
% of total population	42.5	49.3 (2002)
Per Capita Water Use (liters/day)	—	—
Wastewater Treated (%)	—	—
Solid Waste Generated per Capita (kg/day)	—	—

Note: — means no data available, GDP = gross domestic product, PPP = purchasing power parity.

Sources: ADB, *Tuvalu 2002 Economic and Public Sector Review*; Central Statistics Division, Ministry of Finance, Economic Planning and Industries, preliminary results of the November 2002 Census on Population and Housing; CIA, *The World Factbook* (2001, 2002) (<http://cia.gov>); Environment Office, Ministry of Natural Resources database; SPC, *Pacific Island Populations Data Sheet* (1997); SPREP, *Action Strategy for Nature Conservation in the Pacific Islands Region (1999-2002)*; WHO, Western Pacific Region Health Data Bank (rev/2001) (<http://wpro.who.int>).

Table A2.6: Development Coordination Matrix

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
A. Economic and Public Sector Reform	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• TA on Country Economic Study and Strategy Development to prepare economic and public sector review and to assist the Government in reviewing the existing NDS and preparing new NSDS (2001)</li> </ul> <p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• TA on Improving Public Finance Management and Accountability (2003)</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening local governance (UNDP)</li> <li>• TA on public sector reform (AusAID)</li> <li>• Assets management project (AusAID)</li> <li>• Legal assistance/crown counsel (CFTC)</li> <li>• Training needs analysis for Falekaupule Trust Fund (NZAIID)</li> <li>• Tuvalu Trust Fund advisory support (NZAIID)</li> </ul>
B. Private Sector Development	<p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• TA on Improving Governance of State-Owned Enterprises (2006)</li> </ul>	<ul style="list-style-type: none"> <li>• Copra production subsidy (EU)</li> <li>• Coconut oil support program (EU)</li> <li>• Business advisory unit support (UNDP)</li> <li>• Strategic Action Program on International Water for Pacific Small Island Developing States, Oceanic Component for Tuna and Fisheries (IWP)</li> </ul>
C. Education	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• TA on Strengthening of TMTI to meet the International Maritime Organization standards for accreditation (2002)</li> <li>• Loan for upgrade and construction of various infrastructure at TMTI to enable acceptable training standards (2002)</li> </ul> <p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• TA on Support to Secondary Education Programming (2004)</li> <li>• Loan for Support to Secondary Education Programming for upgrading the national secondary school, to a senior secondary school and expanding its vocation education curriculum, and improving education quality with measurable learning outcomes (2005)</li> </ul>	<ul style="list-style-type: none"> <li>• In-service scholarships and training (EU)</li> <li>• Pre-service scholarships and training (EU)</li> <li>• Subsidy for TMTI (EU)</li> <li>• Pacific in-country training (AusAID)</li> <li>• Overseas scholarships (AusAID)</li> <li>• TA national curriculum framework and teacher training (AusAID)</li> <li>• Education sector planning (NZAIID)</li> <li>• TAs on feasibility study for early childhood education and vocational/technical education (NZAIID)</li> <li>• Secondary and tertiary scholarships (NZAIID)</li> <li>• Scholarships in region (tertiary) (NZAIID)</li> <li>• Short-term training (NZAIID)</li> <li>• Overseas scholarships (Taipei,China)</li> <li>• Human resources development –Manpower planning (ILO)</li> </ul>
D. Health		<ul style="list-style-type: none"> <li>• Support for family planning issues (UNFPA)</li> <li>• Medical treatment scheme/health care (NZAIID and EU)</li> <li>• WHO support (WHO)</li> </ul>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
E. Infrastructure 1. Transport and Communication  2. Energy  3. Water Supply and Sanitation  4. Urban Infrastructure	<p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• RETA on Expanding the Reach of Distance Learning in the Pacific (2003)</li> </ul> <p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• RETA on Promotion of Effective Water Management Policies and Practices (2003)</li> <li>• TA on Water, Sanitation, and Waste Management (2005)</li> </ul>	<ul style="list-style-type: none"> <li>• Relocation of airport terminal/civil aviation facility (EU)</li> <li>• Reef channel development (NZAID)</li> <li>• Tuvalu solar electricity (EU)</li> <li>• Desalinators, water tanks, water trucks, (EU)</li> <li>• Water supply at Moutoufoa Secondary School (EU)</li> <li>• Local contribution to AusAID waste fund management (EU)</li> <li>• Wharf warehouse foreshore protection (EU)</li> <li>• Cargo handling equipment (EU)</li> <li>• Teacher housing at Motoufoa (EU)</li> <li>• Budget support (Taipei,China)</li> <li>• Construction of government building (Taipei,China)</li> <li>• Hospital construction (Japan)</li> </ul>
F. Environment	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• RETA on Climate Change Adaptation Program for Pacific (2003)</li> </ul> <p><b>Programmed</b></p> <ul style="list-style-type: none"> <li>• TA on Effective Waste Management and Recycling (2003)</li> </ul>	<ul style="list-style-type: none"> <li>• Pacific Islands Climate Change Programme, Implementation of Montreal Protocol (UNEP)</li> <li>• Strategic Action Program on International Water for Pacific Small Island Developing States, Coastal Component for Wastewater (IWP)</li> </ul>
G. Others 1. Social Development	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• TA on Island Development Program Implementation (1999)</li> <li>• RETA on Poverty Consultations and Participatory Poverty Assessment (2003)</li> </ul>	<ul style="list-style-type: none"> <li>• Small grant funds/in-country coordinator (NZAID)</li> <li>• Assistance to environment through an extension of a waste management project to the outer islands (EU)</li> </ul>

ADB = Asian Development Bank, AusAID = Australian Agency for International Development, CFTC = Commonwealth Fund for Technical Cooperation, EU = European Union, ILO = International Labor Organization, IWP = International Waters Programme, NDS = National Development Strategy, NSDS = National Sustainable Development Strategy, NZAID = New Zealand Agency for International Development, RETA = regional technical assistance, TA = technical assistance, TMTI = Tuvalu Maritime Training Institute, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, UNFPA = United Nations Populations Fund, WHO = World Health Organization.

**Table A2.7: Portfolio Indicators—Portfolio Amounts and Ratings**  
(public sector loans, as of 31 December 2002)

Sector	Net Loan Amount		Total		Rating <sup>a</sup>												
	(US\$ million)	(% )	(no.)	(% )	Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		Potential Problem <sup>b</sup>		At Risk <sup>c</sup>		
					(no.)	(% )	(no.)	(% )	(no.)	(% )	(no.)	(% )	(no.)	(% )	(no.)	(% )	
Agriculture and Natural Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industry and Nonfuel Minerals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Multisector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social Infrastructure	1.9	100.0	1	100.0	-	-	1	100.0	-	-	-	-	-	-	-	-	-
Transport and Communications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.9</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>a</sup> One rating for implementation progress and development objectives, based on the lower rating of either.

<sup>b</sup> Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>c</sup> A loan is "at risk" if it is rated as partly satisfactory, as unsatisfactory, or as a potential problem.

Source: Asian Development Bank Project Coordination and Procurement Division.

**Table A2.8: Portfolio Indicators—Disbursements and Net Transfers of Resources**  
(public sector loans, as of 31 December 2002)

<b>Disbursements and Transfers</b>	<b>OCR</b>	<b>ADF</b>	<b>Total</b>
Disbursements <sup>a</sup>			
Total Funds Available for Withdrawal (US\$ m)	-	-	-
Disbursed Amount (US\$m, cumulative)	-	-	-
Percentage Disbursed (disbursed amt/total available)	-	-	-
Disbursements (US\$m, latest year)	-	-	-
Disbursement Ratio (%) <sup>b</sup>	-	-	-
Net Transfer of Resources (US\$ m)			
1998	-	-	-
1999	-	2.8	2.8
2000	-	(0.02)	(0.02)
2001	-	1.1	1.1
2002	-	(0.04)	(0.04)

ADF = Asian Development Fund, OCR = ordinary capital resources.

<sup>a</sup> Includes one ongoing loan.

<sup>b</sup> Ratio of disbursements during the year over the undisbursed net loan balances at the beginning of the year less cancellations during the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

Source: Asian Development Bank Project Coordination and Procurement Division.

**Table A2.9: Portfolio Indicators—Evaluation Rating by Sector**  
(as of 31 January 2003)

<b>Sector</b>	<b>Highly Successful</b>		<b>Successful</b>		<b>Partly Successful</b>		<b>Unsuccessful</b>		<b>No Rating</b>		<b>Total</b>	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources												
Energy												
Finance												
Industry and Nonfuel Minerals												
Multisector												
Others												
Social Infrastructure			1	100.0							1	100.0
Transport and Communications												
<b>Total</b>			<b>1</b>	<b>100.0</b>							<b>1</b>	<b>100.0</b>

Source: Asian Development Bank Project Coordination and Procurement Division.

**Table A2.10: Portfolio Implementation Status**  
(public sector loans, as of 31 December 2002)

No.	Sector	Loan		Net Loan Amount		Approval Effectivity		Closing Date		Progress (% complete)
		No.	Seg. Title	OCR (US\$ million)	ADF (US\$ million)	Date	Date	Original	Revised	
1.	SOC	1921	Maritime Training Project	-	1.9	16 Oct 02	-	30 Jun 05	-	0%
<b>Total</b>				-	<b>1.9</b>					

ADF = Asian Development Fund, OCR = ordinary capital resources, Seg = segment (pertaining to loans with more than one withdrawal authority), SOC = social infrastructure.

Source: Asian Development Bank Project Coordination and Procurement Division.

No.	Sector	Loan		Cumulative Contracts/ Commitments (US\$ million)	Cumulative Disbursements (US\$ million)	Rating		Potential Problem <sup>a</sup>	At Risk <sup>b</sup>
		No.	Seg. Title			IP	DO		
1.	SOC	1921	Maritime Training Project	-	-	S	S	No	No
<b>Total</b>				-	-				

DO = development objectives, HS = highly satisfactory, IP = implementation progress, PS = partly satisfactory, S = satisfactory, U = unsatisfactory.

<sup>a</sup> "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>b</sup> A loan is considered "at risk" if it is rated as "PS" or "U" in either implementation progress or development objectives, or if it is a potential problem loan.

Source: Asian Development Bank Project Coordination and Procurement Division.

**Table A2.11: Assistance Pipeline for Lending Products, 2003–2006**

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (US\$ million)			Cofi- nancing
						ADB		Gov't	
						OCR	ADF		
<b>2003 Firm Loan</b>									
<b>2003 Standby Loan</b>									
<b>2004 Firm Loan</b>									
<b>2004 Standby Loan</b>									
<b>2005 Firm Loan</b>									
<b>Human and Social Development</b>									
Support to Secondary Education Programming	PI	HD/GD	PAHQ	2005	2.5		2.0	2.0	0.5
<b>2006 Firm Loan</b>									
<b>2006 Standby Loan</b>									

ADB = Asian Development Bank, ADF = Asian Development Fund, GD = gender and development, HD = human development, OCR = ordinary capital resources, PAHQ = Pacific Operations Division, PI = poverty intervention.  
Source: Asian Development Bank estimates.

**Table A2.12: Assistance Pipeline for Nonlending Products and Services, 2003–2006**

Year/Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (US\$)
			ADB		Others		
			Source	Amount (US\$)	Source	Amount (US\$)	
<b>2003</b>							
<b>Governance</b>							
Improving Public Finance Management and Accountability	PARD	ADTA	TASF	150,000			150,000
<b>Human and Social Development</b>							
Effective Waste Management and Recycling	PARD	ADTA	TASF	150,000			150,000
<b>Total</b>							<b>300,000</b>
<b>2004</b>							
<b>Human and Social Development</b>							
Support to Secondary Education Programming	PARD	PPTA	TASF	300,000			300,000
<b>Total</b>							<b>300,000</b>
<b>2005</b>							
<b>Human and Social Development</b>							
Water, Sanitation and Waste Management	PARD	ADTA	TASF	300,000			300,000
<b>Total</b>							<b>300,000</b>
<b>2006</b>							
<b>Governance</b>							
Improving Governance of State-Owned Enterprises	PARD	ADTA	TASF	300,000			300,000
<b>Total</b>							<b>300,000</b>

ADB = Asian Development Bank, ADTA = advisory technical assistance, PARD = Pacific Department, PPTA = project preparation technical assistance, TASF = Technical Assistance Special Fund.

Source: Asian Development Bank estimates.

**Table A2.13: Lending Scenarios and Performance Triggers**

Low Case	Base Case	High Case
<p><b>Macroeconomic</b></p> <ul style="list-style-type: none"> <li>The National Summit to develop the new NSDS for 2004–2007 is held without any further delay and the draft NSDS for 2004–2007 is prepared</li> <li>Budget guidelines for budget cycle have been prepared</li> </ul>	<p><b>Macroeconomic</b></p> <ul style="list-style-type: none"> <li>The NSDS for 2004–2007 is finalized</li> <li>Budget guidelines and timeframe for budget cycle have been prepared</li> </ul>	<p><b>Macroeconomic</b></p> <ul style="list-style-type: none"> <li>The NSDS for 2004–2007 is endorsed and published</li> <li>Budget guidelines and timeframe for budget cycle have been prepared and implemented</li> </ul>
<p><b>Reforms/Governance</b></p> <ul style="list-style-type: none"> <li>The Government financial statement for 2000 is audited</li> <li>Financial management information system in the MFEPI remains unchanged</li> </ul>	<p><b>Reforms/Governance</b></p> <ul style="list-style-type: none"> <li>The Government financial statements for 2000–2002 are audited</li> <li>Financial management information system in the MFEPI is improved with frequency and timeliness of financial reports</li> </ul>	<p><b>Reforms/Governance</b></p> <ul style="list-style-type: none"> <li>The Government financial statements for 2000–2002 are audited and submitted to Parliament for approval</li> <li>Uniform/integrated basic financial management information systems adopted by MFEPI and at least by another ministry</li> </ul>
<p><b>Sector-Specific</b></p> <ul style="list-style-type: none"> <li>TMTI fails to maintain the IMO conditions for being on the White List</li> </ul>	<p><b>Sector-Specific</b></p> <ul style="list-style-type: none"> <li>TMTI meets at least 2/3 of the IMO standards</li> </ul>	<p><b>Sector-Specific</b></p> <ul style="list-style-type: none"> <li>TMTI meets all of the IMO standards</li> </ul>
<p><b>Portfolio</b></p> <ul style="list-style-type: none"> <li>Government counterpart funds for TMTI Project are not in budget</li> <li>Less than 2/3 of the ongoing TAs in the portfolio are rated as satisfactory or highly satisfactory</li> </ul>	<p><b>Portfolio</b></p> <ul style="list-style-type: none"> <li>Government counterpart funds for TMTI are budgeted and partially released as per loan agreement</li> <li>At least 2/3 of the ongoing TAs in the portfolio are rated as satisfactory or highly satisfactory</li> </ul>	<p><b>Portfolio</b></p> <ul style="list-style-type: none"> <li>Government counterpart funds for TMTI are budgeted and released in full as per loan agreement</li> <li>All of the ongoing TAs in the portfolio are rated as satisfactory or highly satisfactory</li> </ul>

IMO = International Maritime Organization, MFEPI = Ministry of Finance, Economic Planning, and Industries, NDS = National Development Strategy, NSDS = National Sustainable Development Strategy, SOE = state-owned enterprise, TA = technical assistance, TMTI = Tuvalu Maritime Training Institute.

## **CONCEPT PAPERS FOR LENDING PRODUCTS**

This appendix contains the concept papers for the following lending products.

- (i) Table A3.1: Support to Secondary Education Programming

**Table A3.1: Support to Secondary Education Programming**

Date: 31 March 2003

<b>1. Type/modality of assistance</b> <input checked="" type="checkbox"/> Lending <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Other: <input type="checkbox"/> Nonlending <input type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other:												
<b>2. Assistance Focus</b> <p>a. If assistance focuses on a particular sector or subsector, specify the          Sector: Human and Social Development          Subsector: Education</p> <p>b. For project preparatory and lending, classification  <input type="checkbox"/> Core poverty intervention  <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>			<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input checked="" type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development											
<input checked="" type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance											
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development											
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection											
<input type="checkbox"/> Other:												
<b>3. Coverage</b> <input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development												
<b>4. Responsible division/department:</b> PAHQ/PARD												
<b>5. Responsible ADB officer(s):</b> Umaporn Wongwatanasin												
<b>6. Description of assistance(s)</b> <p><b>a. Background/linkage to country/regional strategy:</b> The Government of Tuvalu has undertaken a roundtable meeting of donors presenting projects identified by stakeholders. This project was one of the projects identified by stakeholders during a National Education Forum. The proposed loan and its associated PPTA fit and are directly linked to the ADB's key strategies for the country on enhancing human and social development through skills development and assistance to improve effectiveness of use of resources in the education sector. In addition, the proposed loan and its associated PPTA would minimize coordination problems and lead to significant improvement in the delivery of education services with resultant improvements in the quality of the education.</p> <p><b>b. Goal and purpose:</b> Within Motufoua Secondary School (MSS), the only public secondary school, the quality of education has deteriorated and no credible alternative (technical/vocational program) was developed to cater to nonacademic students. The loan will assist the Government to establish a senior secondary school through the upgrade of MSS to accommodate Forms 5-7 and technical and vocational education, renew and reform its curriculum to improve the quality of the education with measurable learning outcomes, and cater to students with strengths outside the traditional academic areas.</p> <p><b>c. Components and outputs:</b> Expansion of facilities at MSS to cater to Form 7 and vocational education at</p>												

secondary level. Curriculum to cater to the expansion of the school to Form 7 and to vocational education as well as to renew and reform its curriculum to improve students' performances with measurable learning outcomes.

**d. Expected results and deliverables:** Improved and expanded senior secondary school facilities. Improved quality of the education at senior secondary school level. Senior secondary school curriculum with vocational education options.

**e. Social or environmental issues or concerns:** There are positive social expectations in the proposed program for senior secondary education and vocational aspects of the loan. There is an environmental impact so any construction will be subject to an environmental impact assessment.

**f. Plans for disseminating results/deliverables:** To be determined

**7. Proposed executing/implementing agencies:** Ministry of Education and Sports

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The result of consultation during CSP update and the result of the Government Round Table Meeting based on extensive consultations with stakeholders in the education system in Tuvalu.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP update: 2003
- b. Expected date of submission for approval
  - Lending: 2005
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory):
- c. Period and duration of assistance
  - Lending: 36 months, 2005-2007
  - Nonlending:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund: US\$2.0 million
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, MSS = Motufoua Secondary School, PAHQ = Pacific Operation Division, PARD = Pacific Department, PPTA = project preparatory technical assistance, TA = technical assistance.

## **CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES**

This appendix contains the concept papers for projected nonlending products.

- (i) Table A4.1: Improving Public Finance Management and Accountability
- (ii) Table A4.2: Effective Waste Management and Recycling
- (iii) Table A4.3: Support to Secondary Education Programming
- (iv) Table A4.4: Water, Sanitation and Waste Management
- (v) Table A4.5: Improving Governance of State-Owned Enterprises

**Table A4.1: Improving Public Financial Management and Accountability**

Date: 31 March 2003

<b>1. Type/modality of assistance</b>		
<input type="checkbox"/> Lending <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Other:		
<input checked="" type="checkbox"/> Nonlending <input type="checkbox"/> Project preparatory <input checked="" type="checkbox"/> Other than project preparatory <input checked="" type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other:		
<b>2. Assistance Focus</b>		
a. If assistance focuses on a particular sector or subsector, specify the Sector: Finance and Industry Subsector: Public Financial Management and Judicial and Legal Reforms		
b. For project preparatory and lending, classification <input type="checkbox"/> Core poverty intervention <input checked="" type="checkbox"/> Poverty intervention		
c. Key thematic area(s)		
<input checked="" type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other:	<input type="checkbox"/> Human development <input checked="" type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection	
<b>3. Coverage</b>		
<input checked="" type="checkbox"/> Country <input type="checkbox"/> Internal policy development	<input type="checkbox"/> Subregional	<input type="checkbox"/> Interregional
<b>4. Responsible division/department:</b> PARD/PAHQ		
<b>5. Responsible ADB officer(s):</b> Umaporn Wongwatanasin		
<b>6. Description of assistance(s)</b>		
<p><b>a. Background/linkage to country/regional strategy:</b> The Asian Development Bank (ADB) provided assistance to the Ministry of Finance, Economic Planning, and Industries (MFEPI) to help establish the current performance budgeting process under TA 2628-TUV: <i>Strengthening Economic and Financial Management</i>. The introduction of output budgeting was a condition of the Island Development Program Loan. After 3 years without additional assistance, this process needs to be consolidated and integrated with other components of the financial management system including the accounting system and tax regime. A 2-month TA funded under TA 3221-TUV: <i>Island Development Program Implementation</i> will identify specific tasks to consolidate internal financial management and accounting systems within the MFEPI in line with country strategy priority on governance.</p>		
<p><b>b. Goal and purpose:</b> To improve government financial management to conform to internationally accepted standards mindful of the capacity constraints small island states. The overarching objectives of the TA will be to promote transparency, accountability and cost effectiveness of public sector financial management, integrate the accounting and budget systems, and increase the efficiency of the taxation system.</p>		
<p><b>c. Components and outputs:</b> Introduction of an accounting system integrated with the government budget.</p>		

Implementation of a simple medium-term budgeting system complemented by reporting, monitoring and evaluation systems providing timely and accurate picture of the government's budget and financial position, especially for audit purposes. Review of Government financial instructions and financial documentation to comply with accepted international standards of accountability and transparency. Review of tax policy and legislation to look at the efficiency of revenue generation and structure, mindful of the need to maintain a progressive system.

**d. Expected results and deliverables:** A simple and clear budget financial management system that provides the necessary information for policy development and public scrutiny of government financial operations. A revised and updated set of financial instructions, including a revised tax regime of increased efficiency and fairness.

**e. Social or environmental issues or concerns:** Increased transparency in the budget should foster improved public scrutiny of the budget and improved scrutiny of social spending in the education and health sectors. Complementary public education on budget scrutiny should be considered. A fairer tax system with more progressiveness should relieve burdens on low-income earners as the efficiency of the tax system improves.

**f. Plans for disseminating results/deliverables:** A realistic, appropriately sequenced, and successfully implemented plan is likely to be useful to other small island states.

**7. Proposed executing/implementing agencies:** Ministry of Finance, Economic Planning, and Industries

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Minister and staff of MFEPI identified many of the issues requiring action. Request for assistance was made in early 2003 and reconfirmed in a programming mission in March–April 2003.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP update: 2003
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory): 2003
- c. Period and duration of assistance
  - Lending:
  - Nonlending: 24 months, 2003-2005

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds: US\$150,000
  - Other :

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, MFEPI = Ministry of Finance, Economic Planning and Industries, PAHQ = Pacific Operation Division, PARD = Pacific Department, TA = technical assistance.

**Table 4.2: Effective Waste Management and Recycling**

Date: 31 March 2003

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Human and Social Development Subsector: Sanitation and Environment</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input checked="" type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input checked="" type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input checked="" type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> PAHQ/PARD</p>										
<p><b>5. Responsible ADB officer(s):</b> Umaporn Wongwatanasin</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The TA is directly linked to ADB's key strategies for the country on enhancing human and social development through assistance to improve capacity for sound water and waste management, and health and environmental awareness. The treatment of wastes is a problem in urban and overcrowding environments and special environments and small islands like Tuvalu—especially in overpopulated areas such as Funafuti, the capital of Tuvalu. With high internal urban migration to the island of Funafuti as people seek employment, about half (4,432) of the total population of Tuvalu live on Funafuti. Growing population pressures and increased consumption threaten already contaminated groundwater resources and damaged lagoon and environmental quality.</p> <p>The main health problem is due to the ineffective treatment of human and animal waste. Both directly impact the environment. The former impacts the groundwater due to leacheates from septic tank overflows percolating down and reaching the groundwater lenses; the later directly impacts surface water bodies and affects the natural odor of environmental air. In addition, the projected increase in sea levels will significantly increase human health risk as a result of exposure to rising groundwater lenses and unlimited contamination of groundwater from waste leacheates.</p>										

**b. Goal and purpose:** The overall goal of the TA is to avert indiscriminate waste disposal and to support improved awareness on sanitation and waste management on Funafuti, particularly solid waste (both organic and nonorganic waste) and liquid waste from septic tanks and domesticated animal waste.

**c. Components and outputs:** Improved living conditions are a key anticipated outcome. Improved and effective waste management will (i) lower the contamination rate of groundwater lenses; (ii) create useful by-products from the treatment of waste—especially organic material; (iii) eliminate foul atmospheric air odor from waste decomposition; and (iv) form a cleaner, safer, and healthier environment.

**d. Expected results and deliverables:** The TA is expected to improve overall waste management on the island of Funafuti by building a permanent and sustainable waste management program for Funafuti.

**e. Social or environmental issues or concerns:** Environmental quality improvements are an intended outcome of the project. Participatory planning and community dialogue will ensure that social development needs are also addressed.

**f. Plans for disseminating results/deliverables:** Project reports (Inception/Interim/Final)

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**7. Proposed executing/implementing agencies:** Ministry of Natural Resources, Environment, and Energy

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**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** To be determined

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**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP update: 2003

b. Expected date of submission for approval  
 Lending:  
 Nonlending (project preparatory):  
 Nonlending (other than project preparatory): 2003

c. Period and duration of assistance  
 Lending:  
 Nonlending: 12 months, 2003-2004

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**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending  
 Ordinary capital resources:  
 Asian Development Fund:  
 Other:

If cofinancing is required indicate sources, and amount sought:  
 If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending  
 No resources required, other than ADB staff  
 ADB's administrative budget:  
 Grant TA funds: US\$150,000  
 Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:  
 If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, PAHQ = Pacific Operation Division, PARD = Pacific Department, TA = technical assistance.

**Table A4.3: Support to Secondary Education Programming**

Date: 31 March 2003

<b>1. Type/modality of assistance</b>				
<input type="checkbox"/> Lending <ul style="list-style-type: none"> <li><input type="checkbox"/> Project loan</li> <li><input type="checkbox"/> Program loan</li> <li><input type="checkbox"/> Sector loan</li> <li><input type="checkbox"/> Sector development program loan</li> <li><input type="checkbox"/> Other:</li> </ul> <input checked="" type="checkbox"/> Nonlending <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Project preparatory</li> <li><input type="checkbox"/> Other than project preparatory             <ul style="list-style-type: none"> <li><input type="checkbox"/> Economic, thematic, and sector work</li> <li><input type="checkbox"/> Institutional development</li> <li><input type="checkbox"/> Other:</li> </ul> </li> </ul>				
<b>2. Assistance Focus</b>				
<p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Human and Social Development Subsector: Education</p>				
<p>b. For project preparatory and lending, classification</p> <input type="checkbox"/> Core poverty intervention <input checked="" type="checkbox"/> Poverty intervention				
<p>c. Key thematic area(s)</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Economic growth  <input checked="" type="checkbox"/> Gender and development  <input type="checkbox"/> Environmental protection  <input type="checkbox"/> Regional cooperation  <input type="checkbox"/> Other:         </td> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Human development  <input type="checkbox"/> Good governance  <input type="checkbox"/> Private sector development  <input type="checkbox"/> Social protection         </td> </tr> </table>			<input type="checkbox"/> Economic growth <input checked="" type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other:	<input checked="" type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection
<input type="checkbox"/> Economic growth <input checked="" type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other:	<input checked="" type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection			
<b>3. Coverage</b>				
<input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development				
<b>4. Responsible division/department:</b> PAHQ/PARD				
<b>5. Responsible ADB officer(s):</b> Umaporn Wongwatanasin				
<b>6. Description of assistance(s)</b>				
<p><b>a. Background/linkage to country/regional strategy:</b> The Government of Tuvalu has held a roundtable meeting of donors presenting projects identified by stakeholders. The interventions in the education sector would benefit from a program approach of coordinated assistance helped by specialist education advice.</p>				
<p><b>b. Goal and purpose:</b> The TA will assist the Government program its education assistance using its own resources and the resources available from development partners. The loan will also help the education sector, most likely through assistance to upgrading the national secondary school to a senior secondary school and expanding its vocations education curriculum, and improving its education quality with measurable learning outcomes.</p>				
<p><b>c. Components and outputs:</b> Consolidation of government requests for assistance to the education sector into a program to be funded from internal and external resources. The investigation of the establishment of an education fund of resources from development partners that would be overseen by a committee chaired by a government representative, including the major contributors to the education fund. A proposal for loan assistance in the senior secondary education school, which is a priority project identified by the Government. This assistance would also assist the school to develop its vocational education curriculum and facilities, and to improve students'</p>				

performances with measurable learning outcomes.

**d. Expected results and deliverables:** An education program of the government-identified interventions matched with available internal and external resources. The creation of an education fund of resources to fund the program of assistance to the education sector. A proposal for loan assistance for the Support to Secondary Education Programming.

**e. Social or environmental issues or concerns:** Should ensure improved educational services through improved coordination of resources available to the education sector.

**f. Plans for disseminating results/deliverables:** The results of the program established under the TA will be disseminated to Tuvalu's development partners.

**7. Proposed executing/implementing agencies:** Ministry of Education and Sports

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The result of consultation during the CSP update and the result of the government roundtable meeting based on extensive consultations with stakeholders in the education system in Tuvalu.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP update: 2003
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory): 2004
  - Nonlending (other than project preparatory):
- c. Period and duration of assistance
  - Lending:
  - Nonlending: 12 months, 2004-2005

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds: US\$300,000
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, PAHQ = Pacific Operation Division, PARD = Pacific Department, TA = technical assistance.

**Table 4.4 Water, Sanitation and Waste Management**

Date: 31 March 2003

<b>1. Type/modality of assistance</b> <input type="checkbox"/> Lending <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Nonlending <input type="checkbox"/> Project preparatory <input checked="" type="checkbox"/> Other than project preparatory <input checked="" type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other:												
<b>2. Assistance Focus</b> <p>a. If assistance focuses on a particular sector or subsector, specify the          Sector: Human and Social Development          Subsector: Water, Sanitation, and Environment</p> <p>b. For project preparatory and lending, classification  <input type="checkbox"/> Core poverty intervention  <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input checked="" type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>			<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input checked="" type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development											
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance											
<input checked="" type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development											
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection											
<input type="checkbox"/> Other:												
<b>3. Coverage</b> <input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development												
<b>4. Responsible division/department:</b> PAHQ/PARD												
<b>5. Responsible ADB officer(s):</b> Nancy Convard												
<b>6. Description of assistance(s)</b> <p><b>a. Background/linkage to country/regional strategy:</b> The TA is directly linked to ADB's key strategies for the country on enhancing human and social development through assistance to improve capacity for sound water and waste management, and health and environmental awareness. Growing population pressures and increased consumption threaten already damaged water sources and environmental quality.</p> <p><b>b. Goal and purpose:</b> The overall goal of the TA is to support improved water resource, awareness on sanitation, and waste management. The project will build upon the results of an ongoing regional TA for Promotion of Effective Water Management Policies and Practices (TA 6031-REG), of which Tuvalu is a focal country. The project will improve management (and planning) of (i) access and safety of water supply, (ii) sanitation plan, (iii) health and environmental awareness, and (iv) waste management.</p> <p><b>c. Components and outputs:</b> Improved living conditions are a key anticipated outcome. In particular, enhanced capacity and specific capacity and associated guidelines and programs for improved water, sanitation, and waste management will be developed. The development of a Water, Sanitation, and Waste Master Plan, implementation of</p>												

cost recovery, and management of dangerous waste (e.g., hospital waste), and strengthening the Environment Unit and the Funafuti Town Council to ensure the sustainability of this assistance and the Government's own efforts at increasing resources for this sector will also be developed. Specific components and outputs will be determined through further dialogue with the Government and other stakeholders.

**d. Expected results and deliverables:** The TA is expected to produce a Water, Sanitation, and Waste Master Plan and implementable plans and guidelines to protect water resources, upgrade existing community and individual water systems, increase health and environmental awareness, and improve waste management.

**e. Social or environmental issues or concerns:** Environmental quality improvements are an intended outcome of the project. Participatory planning and community dialogue will ensure that social development needs are also addressed.

**f. Plans for disseminating results/deliverables:** Project reports (inception/interim/final)

**7. Proposed executing/implementing agencies:** Ministry of Natural Resources, Environment, and Energy

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** To be determined

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP update: 2003
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory): 2005
- c. Period and duration of assistance
  - Lending:
  - Nonlending: 12 months, 2005-2006

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds: US\$300,000
  - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, PAHQ = Pacific Operation Division, PARD = Pacific Department, REG = regional, TA = technical assistance.

**Table A4.5 Improving Governance of State-Owned Enterprises**

Date: 31 March 2003

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Governance Subsector: Corporate Governance</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> PAHQ/PARD</p>										
<p><b>5. Responsible ADB officer(s):</b> Umaporn Wongwatanasin</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Under the ADB-financed Island Development Program Loan, corporatization of the Interisland Shipping Services and the Tuvalu Maritime Training Institute were conditions for second tranche release. UNDP concurrently had a public sector reform program focusing on accountability and commercialization or privatizing of government enterprises. However, the Government's support for the public sector reforms has been waning, resulting in inferior management of most of the state-owned enterprises (SOEs). Some SOEs have suffered due to inability to secure payment for services from the Government and to operate with the necessary autonomy free from the intense scrutiny of the Government. The focus of the SOE sector is now on improving corporate governance of the SOEs, with the ultimate purpose of increasing productive resource use. Corporatization formally separates and clarifies the roles of owner and manager, but the granting of autonomy to the manager of a public corporation must be matched by effective control, monitoring, and reporting mechanisms that make enterprise management accountable. Additionally, SOE management itself must be improved through a transparent selection process, training, and a focus on performance. Respectively, the Government must recognize the autonomy of the board and management of SOEs if the SOEs are to operate along commercial lines and improve resource use.</p>										

**b. Goal and purpose:** The TA will conduct an in-depth analysis of SOEs with the aim of identifying the key areas to strengthen corporate governance, most notably the issue of accountability. In addition, the issue of board members and control, and the potential lack of qualified and experienced key staff, will be analyzed.

**c. Components and outputs:** The TA will encompass all issues and problems relating to corporatization. The output will be a report with clear and appropriate recommendations and guidelines to the Government on a strategy to improve performance, and to efficiently and cost-effectively manage the SOEs.

**d. Expected results and deliverables:** Improvement in the SOE service delivery

**e. Social or environmental issues or concerns:** No adverse social or environmental impact is foreseen.

**f. Plans for disseminating results/deliverables:** Workshops with key Government ministries as well as the private sector

**7. Proposed executing/implementing agencies:** Ministry of Finance, Economic Planning, and Industries

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** All 10, 100% SOEs will be analyzed in-depth as well as the corresponding ministries.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP update: 2002

b. Expected date of submission for approval  
 Lending:  
 Nonlending (project preparatory):  
 Nonlending (other than project preparatory): 2006

c. Period and duration of assistance  
 Lending:  
 Nonlending: 18 months, 2006-2007

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund:
  - Other:
- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds: US\$300,000
  - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, PAHQ = Pacific Operation Division, PARD = Pacific Department, SOEs = state-owned enterprises, TA = technical assistance, UNDP = United Nations Development Programme.