

**APPENDIXES**

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## ECONOMIC INDICATORS

Item	1995	1996	1997	1998	1999	2000 <sup>a</sup>
<b>A. Income and Growth</b>						
1. GDP per Capita (dollars, current)	1,280	1,276	1,225	1,176	1,143	1,179
2. GDP Growth (% in constant prices)	3.2	0.1	0.6	4.4	-2.4	4.1
Agriculture	6.4	4.6	4.9	6.8	-9.3	3.5
Industry	6.4	-12.0	-18.1	8.9	2.6	13.9
Services	1.4	0.7	2.1	3.0	1.6	2.9
<b>B. Saving and Investment (current market prices)</b>						
				(percent of GDP)		
1. Gross Domestic Investment	30.5	—	—	—	—	—
2. Gross Domestic Saving	23.0	—	—	—	—	—
<b>C. Money and Inflation</b>						
				(annual percent change)		
1. Consumer Prices (annual average)	2.2	0.9	2.8	3.3	1.9	—
2. Broad Money (M2)	8.5	3.4	1.9	14.5	8.2	—
<b>D. Government Finance</b>						
				(percent of GDP)		
1. Total Revenue	26.6	23.5	23.0	25.8	26.4	—
2. Total Expenditure and Net Lending	29.4	25.3	23.0	37.0	27.7	—
3. Overall Surplus/Deficit (-)	-2.7	-1.8	-0.7	-10.3	-1.4	—
<b>E. Balance of Payments</b>						
1. Merchandise Trade Balance (% of GDP)	-23.5	-24.3	-20.9	-19.9	-24.5	—
2. Current Account Balance (% of GDP)	-2.1	-1.9	-5.2	4.8	-11.6	—
3. Export (vatu) growth (annual percent change)	9.0	6.2	21.3	5.8	-25.4	—
4. Import (vatu) growth (annual percent change)	2.5	5.2	0.1	4.0	2.5	—
<b>F. External Payments Indicators</b>						
1. International Reserves (million vatu, end of period)	5,513.0	4,872.0	4,599.0	5,755.0	5,509.0	—
- months of imports	7.6	5.6	4.7	6.5	5.1	—
2. External Debt Service (% of exports of goods & services)	1.5	1.4	1.5	1.6	1.6	—
3. External Debt (% of GDP)	20.3	18.6	18.5	24.7	26.1	—
<b>G. Memorandum Items</b>						
GDP (current prices, million vatu)	26,633.0	28,231.0	24,999.0	27,291.0	27,602.0	—
Exchange Rate (vatu per dollar, annual average)	113.0	111.6	115.9	127.5	129.1	—
Population (thousand)	168	173	177	182	193 <sup>a</sup>	—

— = data not available, GDP = gross domestic product, GNP = gross national product.

<sup>a</sup> Estimates

Sources: Republic of Vanuatu: 2000 Fiscal Strategy Report; Reserve Bank of Vanuatu: Quarterly Economic Review, Dec. 1999, Statistics Office, Vanuatu: Statistical Indicators, Oct-Dec. 1999.

## SOCIAL INDICATORS

Item	1985	1990	Latest Year	
<b>Population Indicators</b>				
Total Population (thousands)	129.1	147.3	193.2	1999
Annual Population Growth Rate (% change)	3.50	3.10	3.00	
<b>Social Indicators</b>				
Total Fertility Rate (births per woman)	—	5.1	4.4	1996
Maternal Mortality Rate (per '000 live births)	—	—	68.0	1997
Infant Mortality Rate (below 1 year; per '000 live births)	—	55	45	1997
Life Expectancy at Birth (years)	—	63	65	1997
Female	—	62	66	1997
Male	—	64	63	1997
Adult Literacy (%)	32	32	34	1997
Primary School Enrollment (% of school-age population)	—	—	63	1994
Female	—	—	—	
Secondary School Enrollment (% of school-age population)	—	—	16	1989
Female	—	—	—	
Child Malnutrition (% of under age 5)	—	—	23	1994
Population Below Poverty Line (%)	—	—	—	
Income Ratio of Highest 20% to Lowest 20%	—	—	—	
Population with Access to Safe Water (%)	—	87	87	1996
Population with Access to Sanitation (%)	—	91	91	1996
Public Education Expenditure as % of GNP	6.3	5.0	6.3	1999
Public Health Expenditure as % of GDP	3.5	2.5	3	1999
Human Development Index	—	0.533	0.425	1999
Human Development Ranking	—	106	116	1999

— = data not available, GDP = gross domestic product, GNP = gross national product.

Source: South Pacific Regional Mission Staff and Government estimates.

**PORTFOLIO PERFORMANCE INDICATORS**  
**Table A3.1 : Implementation, Disbursement Performance and Postevaluation Results of**  
**Public Sector Projects**  
 (as of 31 December 2000)

A. Project Portfolio	Net Loan Amount		Rating (No.) <sup>a</sup>											
	\$ million	%	Total		Implementation Progress				Development Objectives					
			No.	%	HS	S	PS	U	HS	S	PS	U		
Agriculture and Natural Resources	0.00	0.0	0	0.0	0	0	0	0	0	0	0	0	0	0
Energy	0.00	0.0	0	0.0	0	0	0	0	0	0	0	0	0	0
Finance	19.95	64.5	1	33.3	0	1	0	0	0	0	1	0	0	0
Social Infrastructure	9.07	29.3	1	33.3	0	0	1	0	0	1	0	0	0	0
Transport and Communications	0.00	0.0	0	0.0	0	0	0	0	0	0	0	0	0	0
Multisector	1.93	6.2	1	33.3	0	1	0	0	0	1	0	0	0	0
<b>Total</b>	<b>30.95</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

  

B. Disbursements	OCR	ADF	Total
(1) Total funds available for withdrawal (\$ mn, active loans only)	0.00	30.94	30.94
(2) Disbursed amount (\$ mn, cumulative, active loans only)	0.00	27.55	27.55
(3) Percentage disbursed [(2)/(1)] (%)	0.00	89.04	89.04
(4) Disbursements (\$ mn, active loans only, latest year)	0.00	10.56	10.56
(5) Disbursement ratio (%) <sup>b</sup>	0.00	63.00	63.00

  

C. Net Transfer of Resources (\$ million)	OCR	ADF	Total
Net transfer in 1996	0.00	2.40	2.40
Net transfer in 1997	0.00	1.60	1.60
Net transfer in 1998	0.00	4.30	4.30
Net transfer in 1999	0.00	1.50	1.50
Net transfer in 2000	0.00	2.20	2.20

  

D. Postevaluated Projects (by year of PPAR Circulation)		1996-2000	
1. Postevaluation Rating (as of 31 December 2000)		No.	%
Highly Successful (HS)		0	0.0
Successful (S)		0	0.0
Partly Successful (PS)		0	0.0
Unsuccessful (U)		1	100.0
No Rating (NR)		0	0.0
<b>Total</b>		<b>1</b>	<b>100.0</b>

  

2. Postevaluation Rating by Sector 1996-2000 (as of 31 December 2000)	HS		S		PS		U		NR		Total	
	No.	%	No.	%	No.	%	%	No.	%	No.	%	
Agriculture and Natural Resources	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Energy	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Finance	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Social Infrastructure	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transport and Communications	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Others/Multisector	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	100.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>100.0</b>

<sup>a</sup> HS: Highly satisfactory; S: Satisfactory; PS: Partly satisfactory; U: Unsatisfactory; NR: No Rating

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

<sup>c</sup> Source: Postevaluation Information System

**Table A3.2: Status of Project Implementation**  
**Public Sector Projects**  
(as of 31 December 2000)

Sector <sup>a</sup>	Project Title	Net Loan Amount		Approval Date	Effectivity Date	Closing Date		Project Progress (% complete)	Cum Contract Awards (\$ million)	Cummulative Disbursement (\$ million)	Project Performance Rating <sup>o</sup>	
		OCR (\$ million)	ADF			Original	Revised				Implementation Progress	Development Objective
SOC	Urban Infrastructure Project	9.066		27-Jun-96	16-Jun-97	31-Dec-01	-	55	7.35	5.68	PS	S
F	Comprehensive Reform Program	19.947		16-Jul-98	06-Aug-98	31-Dec-00	-	0	19.95	19.95	S	S
OTH	The Cyclone Emergency Rehabilitation Project	1.926		20-Apr-99	05-Aug-99	30-Sep-00	-	100	1.96	1.93	S	S
<b>Total</b>		<b>30.939</b>							<b>29.26</b>	<b>27.55</b>		

<sup>a</sup> Sector: AGR: Agriculture & Natural Resources, ENE: Energy, F: Finance, SOC: Social Infrastructure, T&C: Transport and Communications, OTH: Others

<sup>o</sup> HS: Highly satisfactory; S: Satisfactory; PS: Partly satisfactory; U: Unsatisfactory ; NR: No Rating

### Lending Triggers

Scenario	Lending Level (Fy2002-2004)	Triggers
<b>Low Case</b>	\$6 million	<ul style="list-style-type: none"> <li>● Political instability, manifested by changes in government more than once a year.</li> <li>● Uncertain investment climate caused by frequent policy changes and lack of transparency.</li> <li>● No sustained revenue recovery, weak expenditure management and a widening fiscal deficit.</li> <li>● Rule of law ineffective as reflected in lack of accountability of leaders and civil servants.</li> </ul>
<b>Base Case</b>	\$10 million	<ul style="list-style-type: none"> <li>● Moderate political stability, manifested by changes in government less than once a year.</li> <li>● Cabinet endorsement of the next phase of the Comprehensive Reform Program with clear and substantive policy priorities.</li> <li>● Lowering of some administrative barriers to investment.</li> </ul>

**LENDING AND TECHNICAL ASSISTANCE PROGRAMS**  
**Table A5.1: Lending Program, 2002-2004**

Sector/Project Name	Poverty Classification	Thematic Priority	Year of PPTA	Total	Project Cost Financing (in \$ million)				
					ADB		Govt	Cofinancing (Others)	
					OCR	ADF			Total
<b>2002 Firm Loans</b>									
<b>Social Infrastructure</b>									
1. Outer Islands Infrastructure									
Project	PI	ECO	1999/2000	7.5	6.0	6.0	1.5	0.0	
<b>Total</b>				<b>7.5</b>	<b>6.0</b>	<b>6.0</b>	<b>1.5</b>	<b>0.0</b>	
<b>2003 Loan Pipeline</b>									
<b>Finance</b>									
1. Rural Financial Services									
Project	PI	ECO	1999	3.0	2.0	2.0	1.0	0.0	
<b>Total</b>				<b>3.0</b>	<b>2.0</b>	<b>2.0</b>	<b>1.0</b>	<b>0.0</b>	
<b>2004 Loan Pipeline</b>									
<b>Social Infrastructure</b>									
1. Technical Vocational									
Education and Training	PI	ECO	1999/2000	3.0	2.0	2.0	1.0	0.0	
<b>Total</b>				<b>3.0</b>	<b>2.0</b>	<b>2.0</b>	<b>1.0</b>	<b>0.0</b>	

ADB = Asian Development Bank, ADF = Asian Development Fund, ECO = economic growth, OCR = Ordinary Capital Resources, PI = poverty intervention,

PPTA = Project Preparatory Technical Assistance.

Table 5.2: Technical Assistance Program, 2002-2004

Sector/Project Name	Responsible Division	Type of TA	Amount (\$'000)		
			ADB	Others	Total
<b>2002 Technical Assistance Program</b>					
<b>Social Infrastructure</b>					
1. Capacity Building in Infrastructure Management	SPRM	ADTA	200.0		200.0
<b>Subtotal</b>			<b>200.0</b>		<b>200.0</b>
<b>Agriculture and Natural Resources</b>					
2. Capacity Building and Policy Formulation for Agriculture and Fisheries Sector Development	SPRM	ADTA	300.0		300.0
<b>Subtotal</b>			<b>300.0</b>		<b>300.0</b>
<b>Others</b>					
3. Capacity Building and CRP Sustainability	SPRM	ADTA	300.0		300.0
<b>Subtotal</b>			<b>300.0</b>		<b>300.0</b>
<b>Total</b>			<b>800.0</b>		<b>800.0</b>
<b>2003 Technical Assistance Program</b>					
<b>Social Infrastructure</b>					
1. Technical Vocational Education and Training	SPRM	ADTA	200.0		200.0
2. Urban Sanitation, Public Health and Environment Project	SPRM	PPTA	500.0		500.0
<b>Subtotal</b>			<b>700.0</b>		<b>700.0</b>
<b>Others</b>					
3. Capacity Building of NGOs	SPRM	ADTA	100.0		100.0
<b>Subtotal</b>			<b>100.0</b>		<b>100.0</b>
<b>Total</b>			<b>800.0</b>	<b>0.0</b>	<b>800.0</b>
<b>2004 Technical Assistance Program</b>					
None					

**ECONOMIC AND SECTOR WORK PROGRAM**

<b>Type of ESW</b>	<b>Strategic or Operational Objective</b>	<b>Modality (staff/staff consultant/ADTA/ RETA)</b>
<b>1. Economic Work</b>		
<b>2001</b>		
(i) Strengthening Development Policies (Pacific Islands Economic Review)	Strategic	ADTA/Staff
(ii) Institutional Strengthening of the National Statistics Office	Statistics	ADTA
<b>2002</b>		
(i) Capacity Building and Policy Formulation for Agriculture and Fisheries Sector Development	Operational	ADTA/Staff
<b>2. Thematic work</b>		
<b>2001</b>		
(i) Legal and regulatory framework for Poverty Alleviation	Strategic	RETA
<b>2002</b>		
(i) Capacity Building and CRP Sustainability	Operational	ADTA/Staff
<b>2003</b>		
(i) Capacity Building of NGOs		
<b>3. Sector Work</b>		
<b>2001</b>		
(i) Capacity Building of the Parliament	Operational	ADTA/Staff
<b>2002</b>		
(i) Capacity Building in Infrastructure Management		
<b>2003</b>		
(i) Technical Vocational Education and Training Project	Operational	ADTA/Staff

ADTA = advisory technical assistance, CRP = comprehensive reform program, NGOs = nongovernment organizations, RETA = regional technical assistance

## PROJECT SELECTION BRIEFS

**Table A7.1: Outer Island Infrastructure Development Project**

<b>A: Data</b>	
Project Number:	
Country:	Vanuatu
Sector:	Infrastructure
Subsector:	N/A
Project Division:	SPRM
Contact Person in Projects Division:	Cheolghee Kim
Programs Division:	Jeffry Stubbs
Tentative Loan Amount According to CSP:	\$6 million
Proposed Lending Modality:	Project loan
PPTA:	1999
Proposed PPTA Amount:	N/A
Attached ADTA:	Capacity-Building in Infrastructure Management
Proposed ADTA Amount:	\$200,000
Start Predesign Phase:	N/A
Start Design Phase:	1999
Approval year According to CSP:	2002
Proposed Executing Agency:	Ministry of Infrastructure and Public Utilities (EA), Public Works Department (EA)
Contact Person in Proposed Executing Agency:	Manasseh Tary, Director-General
<b>B: Description</b>	
Brief Rationale of Project:	Lack of infrastructure is holding back the development of parts of Vanuatu, particularly the outer islands. The project will help upgrade existing road, bridge, wharf, airport and storage facilities with a view to improving accessibility. It will also help upgrade PWD's infrastructure management capacity. The project should accelerate the rate of growth of agriculture and tourism and help connect rural communities with urban market centers, both in the outer islands.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Previous sector work includes a transport master plan and a shipping study, both funded by the Bank; an infrastructure master plan, funded by the Bank; and feasibility studies of port, airport and road investments, funded by the Bank and Agence Francaise de Developpement.
Comparative Advantage of ADB in Proposed Project:	The Bank has expertise in the infrastructure sector and capital funding in amounts not available from other donors.

Rational and Scope of attached ADTA:	Please see separate TA concept paper.
Development Objective (thematic priority):	Economic growth, human development
Environmental Classification:	B
Social Issues:	Communities are being consulted to ascertain their problems and their priorities.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program  
 DMC = developing member country, ESW = economic and sector work, PPTA = project/program preparatory  
 technical assistance

**Table A7.2: Rural Financial Services**

<b>A: Data</b>	
Project Number:	L33155-01
Country:	Vanuatu
Sector:	Financial Sector
Subsector:	Development Finance Institution
Project Division:	POHQ
Contact Person in Projects Division:	A. Iffland
Programs Division:	SPRM
Tentative Loan Amount According to CSP:	\$2 million
Proposed Lending Modality:	ADF
PPTA:	TA 3206-VAN Rural Financial Services
Proposed PPTA Amount:	\$250,000
Attached ADTA:	
Proposed ADTA Amount:	
Start Predesign Phase:	1999
Start Design Phase:	1999
Approval year According to CSP:	2003
Proposed Executing Agency:	Department of Economic and Social Development (TBC)
Contact Person in Proposed Executing Agency:	L. Vuti
<b>B: Description</b>	
Brief Rationale of Project:	To help alleviate poverty by improving access to financial services in rural areas.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	PPTA was carried out during 1999 and 2000. Technical assistance under the PPTA is provided to the National Bank of Vanuatu and focuses on downscaling technology for microfinance services.
Comparative Advantage of ADB in Proposed Project:	
Rationale and Scope of attached ADTA:	
Development Objective (thematic priority):	
Environmental Classification:	
Social Issues:	

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program  
 DMC = developing member country, ESW = economic and sector work, PPTA = project/program preparatory  
 technical assistance

**Table A7.3: Technical Vocational Education and Training**

<b>A: Data</b>	
Project Number:	
Country:	Vanuatu
Sector:	Social Infrastructure
Subsector:	Education
Project Division:	POHQ
Contact Person in Projects Division:	A. Iffland
Programs Division:	SPRM
Tentative Loan Amount According to CSP:	\$2 million
Proposed Lending Modality:	ADF
PPTA:	TA 3437-VAN Skills Development
Proposed PPTA Amount:	\$250,000
Attached ADTA:	Technical Vocational Education and Training
Proposed ADTA Amount:	\$200,000
Start Predesign Phase:	2000
Start Design Phase:	2001
Approval year According to CSP:	2004
Proposed Executing Agency:	Ministry of Education, Youth and Sport
Contact Person in Proposed Executing Agency:	G. Andrews
<b>B: Description</b>	
Brief Rationale of Project:	The Project will provide technical and vocational education and training for youth and women in rural and urban areas to enhance their income-earning capabilities and reduce poverty.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	PPTA was implemented in 2000/2001. ADB supported a participatory planning workshop to assist key stakeholders to formulate the objectives and the main features of a national formal and non-formal TVET system.
Comparative Advantage of ADB in Proposed Project:	
Rationale and Scope of attached ADTA:	An ADTA will design a policy for formal and non-formal TVET, strengthen the national coordinating mechanism and establish a sustainable finance mechanism for non-formal vocational education and training.
Development Objective (thematic priority):	
Environmental Classification Project:	
Social Issues:	

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program  
 DMC = developing member country, ESW = economic and sector work, PPTA = project/program preparatory technical assistance

## TECHNICAL ASSISTANCE CONCEPT PAPERS

**Table A8.1: Capacity Building and Policy Formulation for Agriculture and Fisheries Sector Development**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned:	OPO, SPRM, A.T. Vatucawaqa
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	n.a.
Country, Region (as applicable):	Vanuatu
Sector/subsector:	Agriculture
Poverty Classification and Thematic Priorities: <sup>a</sup>	Economic growth
Program Year: <sup>b</sup>	2002
Expected Approval Date (mo/yr):	May 2002
Estimated Completion Date:	May 2004
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	The agriculture and fisheries sectors form the mainstay of Vanuatu's productive and economic sectors. Almost 80 percent of Vanuatu's population live in rural areas and depend on agriculture and fisheries for their livelihood. To-date, Vanuatu has not fully realized the potentials that exist in these sectors due to development, institutional and budgetary constraints, according to a recent ADB sector review of the agriculture and fisheries sector 2000. Accordingly, Government is committed to develop and improve the institutional capabilities within the Ministry, and to develop the sectors through some strategic interventions.
2. Relation to Strategic Objectives (How the TA addresses the following.) <ul style="list-style-type: none"> <li>• poverty reduction/thematic priorities</li> <li>• country strategy (where applicable)</li> <li>• regional cooperation</li> </ul>	The TA fits in with the Government's national Comprehensive Reform Program initiatives by improving the delivery of services to the outer islands, improving the livelihoods of the rural population and contributing to economic growth of the country.

<sup>a</sup> Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation, and support for Bank operations (for RETAs)

<sup>b</sup> Year of inclusion in CSP or CAP for transition period.

3. Scope (specific major components, e.g. capacity building)	The TA would assist the Government in instituting a consultative and participatory process involving stakeholders in the agriculture and fisheries sectors that will lead to the firming up of a national agriculture and fisheries policy including institutional arrangements. Project components would include strengthening MAQFF's institutional capacity in policy planning, refocusing and reorganizing the agricultural extension services, enhancing agricultural research programs, and developing skills. The TA would be guided by the public-sector reform principles of the CRP.
4. Expected Outcome and Monitorable Indicators	A national policy for agriculture and national policy for fisheries sector developed and approved by the Ministry. A strengthened Department of Agriculture and Department of Fisheries
5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years).  <ul style="list-style-type: none"> <li>▪ name, amount, status</li> <li>▪ assessment of outcome</li> </ul>	TA No. 3312-VAN for \$145,000 was a sector review of the agriculture and fisheries sectors. It reviews the opportunities and constraints that exist within the sector through a comparative advantage assessment. It also reviews the potential that exists and makes specific recommendations on improvements within the sector and at the institutional level. A consultation approach was used in the preparation and discussion of the draft findings.
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	The Ministry of Agriculture, Quarantine, Fisheries and Forestry was both the executing and implementing agency for reasons of convenience.
7. Cost and Financing Plan  <ul style="list-style-type: none"> <li>(i) ADB Financing (JSF, TASF)</li> <li>(ii) Sources other than JSF/TASF</li> </ul>	Total cost is \$300,000 through TASF
8. Country/RETA IPF for relevant year	\$800,000 for 2002

ADB = Asian Development Bank, ADTA – advisory technical assistance, CSP = country strategy program, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A8.2: Capacity Building and CRP Sustainability**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned:	OPO, SPRM, A.T. Vatucawaqa
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	n.a.
Country, Region (as applicable):	Vanuatu
Sector/Subsector:	Economic
Poverty Classification and Thematic Priorities: <sup>a</sup>	Economic Growth
Program Year: <sup>b</sup>	2002
Expected Approval Date (mo/yr):	April 2002
Estimated Completion Date:	Dec 2004
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	The CRP has being under implementation for three years but demonstrated impacts on the wider economy has being slow and hindered by political instability. In an effort to entrench the various economic initiatives an effective capacity building and planning program needs to be developed and resourced at the rural and provincial level through close mentoring of the local managers. This service and capacity building program would fit in well with the work of the Decentralization Commission.
2. Relation to Strategic Objectives (How the TA addresses the following.) <ul style="list-style-type: none"> <li>• poverty reduction/thematic priorities</li> <li>• country strategy (where applicable)</li> <li>• regional cooperation</li> </ul>	The TA fits in with the Government's national Comprehensive Reform Program by strengthening the capacity of local government institutions to be responsive and effective in the delivery of their services.

<sup>a</sup> Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation, and support for Bank operations (for RETAs)

<sup>b</sup> Year of inclusion in CSP or CAP for transition period.

3. Scope (specific major components, e.g. capacity building)	The TA would assist the Government in implementing their policies of decentralizing autonomy to the provincial districts as well building institutional capacities at the provincial level. Project components would include strengthening provincial institutional capacity in policy planning, developing management skills, and prioritizing limited resources.
4. Expected Outcome and Monitorable Indicators	<ul style="list-style-type: none"> <li>● Close mentoring of local managers in key government institutions.</li> <li>● Strengthened institutions of government and provincial offices.</li> <li>● Prioritized and effective planning systems</li> <li>● Manuals on performance improvements</li> </ul>
5. Previous TA(s) on the Same Theme, in the sector, country, region (last five years) <ul style="list-style-type: none"> <li>▪ Name, amount, status</li> <li>▪ Assessment of outcome</li> </ul>	TA 3449-VAN: Institutional Support to Central Agencies for the Comprehensive Reform Program, Phase III for \$700,000, approved in May 2000.
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	Ministry of Comprehensive Reform Program will be the implementing agency and the Department of Strategic Management as the executing agency.
7. Cost and Financing Plan <ul style="list-style-type: none"> <li>(i) ADB Financing (JSF, TASF)</li> <li>(ii) Sources other than JSF/TASF</li> </ul>	Total is cost is \$300,000 through TASF
8. Country, RETA IPF for relevant year	\$800,000 for 2002

ADB = Asian Development Bank, ADTA – advisory technical assistance, CSP = country strategy program, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A8.3: Capacity Building in Infrastructure Management**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned:	OPO, SPRM, Cheolghee Kim
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	Vanuatu
Sector/Subsector:	Infrastructure
Poverty Classification and Thematic Priorities <sup>a</sup>	Economic growth
Program Year <sup>b</sup>	2002
Expected Approval Date (mo/yr):	June 2002
Estimated Completion Date:	June 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	The Public Works Department (PWD) as the main provider of infrastructure maintenance service plays an important role. Reliable data for helping determine what and when to maintain at what cost are crucial, but were non-existent in the past. This will become a basis for adequate budget allocation. This TA aims to provide a Road Asset Management System (RAMS) for PWD's use in a sustained manner. This will help catalyze a key weakness identified under the planned outer islands infrastructure development project (OIIDP), to which this TA will be attached.
2. Relation to Strategic Objectives (How the TA addresses the following.) <ul style="list-style-type: none"> <li>▪ poverty reduction/thematic priorities</li> <li>▪ country strategy (where applicable)</li> <li>▪ regional cooperation</li> </ul>	The TA will strengthen the capacity of infrastructure management by the PWD. Improved road asset management will allow more efficient transport network across the country, which will promote economic development in rural areas and help reduce the prevailing poverty.

<sup>a</sup> Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation, and support for Bank operations (for RETAs)

<sup>b</sup> Year of inclusion in CSP or CAP for transition period.

3. Scope (specific major components, e.g. capacity building)	The TA will assist to establish (a) a detailed inventory of all roads and bridges, (b) a simple RAMS capable of providing ranked schedules of maintenance works based on condition rating surveys and rational economic criteria, (c) a rolling 3-year plan of priority maintenance works, (d) a related plan for rationalizing equipment and procuring additional plant items, and (e) a strategy for securing adequate and reliable funds for maintenance in the longer term through a system of cost recovery.
4. Expected Outcome and Monitorable Indicators	An RAMS is established. The number of maintained roads is increased. Improved budget allocation for roads maintenance.
5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years)  <ul style="list-style-type: none"> <li>▪ name, amount, status</li> <li>▪ assessment of outcome</li> </ul>	PPTA No. 3224-VAN: Outer Islands Infrastructure Development Project, for \$750,000. The PPTA has been implemented since December 1999 and its final stage for engineering designs is underway. The TA reviewed the current status of the infrastructure and identified weaknesses and constraints and recommended options to improved the infrastructure maintenance. This TA was a brainchild of the PPTA.
6. Executing agency, implementing agency, Counterpart agency (for RETAs as applicable)	Director General, Ministry of Infrastructure and Public Utilities (EA)/Director, PWD (IA)
7. Cost and Financing Plan  <ul style="list-style-type: none"> <li>(i) ADB Financing (JSF, TASF)</li> <li>(ii) Sources other than JSF/TASF</li> </ul>	\$200,000 (desirably from JSF)
8. Country, RETA IPF for relevant year	\$800,000 for 2002

ADB = Asian Development Bank, ADTA – advisory technical assistance, CSP = country strategy program, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.