

ASIAN DEVELOPMENT BANK

COUNTRY STRATEGY AND PROGRAM UPDATE (2003—2005)

VANUATU

October 2002

CURRENCY EQUIVALENTS

(as of June 2002)

Currency Unit	=	Vatu (Vt)
Vt1.00	=	\$0.0069
\$1.00	=	Vt144.928

ABBREVIATIONS

ADB	—	Asian Development Bank
ADTA	—	advisory technical assistance
AMU	—	Asset Management Unit
AusAID	—	Australian Agency for International Development
CRP	—	Comprehensive Reform Program
GDP	—	gross domestic product
NGO	—	nongovernment organization
NSO	—	National Statistics Office
OECD	—	Organisation for Economic Co-operation and Development
OIIDP	—	Outer Island Infrastructure Development Project
PDMC	—	Pacific developing member country
PPA	—	Poverty Partnership Agreement
PPTA	—	project preparatory technical assistance
RETA	—	regional technical assistance
SLO	—	State Law Office
TVET	—	technical vocational education and training
UMP	—	Union of Moderate Parties
VAT	—	value-added tax
VIPA	—	Vanuatu Investment Promotion Authority
VP	—	Vanuaku Pati

NOTES

In this report, "\$" refers to US dollars.

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I. COUNTRY STRATEGY

1. The Government of Vanuatu gives priority to (i) developing rural areas; (ii) lowering obstacles to private business; (iii) restoring good governance; (iv) improving participation of civil society in the affairs of government; and (v) closing the gap between the rich, poor, and disadvantaged¹. While Vanuatu has substantial long-term growth prospects due to its natural resources, the country suffers from low social and economic development indicators: an adult literacy rate of only about 34% (30% for women); gross domestic product (GDP) growth that has not kept up with the high rate of population growth; increasing unemployment; weak private sector investment; an overburdened legal sector; and substantial budget deficits.

2. The strategy of the Asian Development Bank (ADB) for Vanuatu supports the Government's priorities by focusing on (i) building capacity for sound economic management and good governance; (ii) reducing poverty, particularly in rural areas; and (iii) creating an enabling environment for private sector development. Due to severe constraints, however, the strategy will yield results slowly. A summary statement of the strategy is in Appendix 1.

II. CURRENT DEVELOPMENT TRENDS AND ISSUES

A. Recent Political and Social Developments

3. Following four changes of government during 1998-2002, a general election was held on 2 May 2002. It resulted in the Vanuaku Pati (VP), Union of Moderate Parties (UMP) and several independents sharing power, with the posts of Prime Minister and Minister of Finance going to VP, and of Deputy Prime Minister to UMP. For only the third time, and the first time since 1991, a woman was elected to Parliament. A proliferation of political parties, most organized around allegiance to a leader rather than around a political platform, and the opportunity for parliamentarians to cross the floor has resulted in frequent changes in government, policies and administration. Although the role of custom chiefs is recognized in the constitution, there is often a lack of understanding of the role of chiefs at the national level and of civil authorities at the local level. Civil and social order is being maintained by only a narrow margin. In early 1998, for example, there was civil unrest due to the near-collapse of the Provident Fund and other financial institutions. In the middle of 2002, there was an armed standoff between the police and the government over the appointment of a police commissioner. The free press has helped keep the public informed and will continue to be essential to good governance. Although the courts, the State Law Office (SLO) and the police are all being strengthened, it will be some time until they are able to maintain civil order and enforce contracts without resort to outside assistance. Crime may be increasing as joblessness and migration from rural to urban areas continue.

4. Under the Government's Comprehensive Reform Program (CRP), begun in 1997 and supported by ADB, substantial efforts have been made to improve governance and strengthen institutions, by (i) creating the Council of Ministers and the Development Committee of Officials to identify and consider policy measures, (ii) consolidating the various departments into 13 ministries, (iii) rightsizing the civil service, (iv) passing laws redefining the roles and responsibilities of civil servants and political advisors, (v) strengthening the Civil Service Commission, (vi) strengthening the rule of law, and (vii) creating local land tribunals to expedite the resolution of land disputes. Performance has improved in some areas, such as maintenance of roads and other infrastructure. However, in many areas of public service, performance has been held back by the lack of senior professional staff and a budget that has grown

¹ As presented in the Prime Minister's policy statement of 3 June 2002.

progressively tighter over the last four years. The civil service lacks senior professionals (lawyers, engineers, accountants). As a result, the delivery of services has not improved and, in some areas, such as in agriculture, it may have declined.

5. Geographic remoteness and isolation, and the lack of jobs, contribute to poverty. The significant income disparities between urban and rural areas are related in part to low agricultural productivity. Only about 500 jobs are created each year in the formal sector, while about 2,000 people, mostly youth, seek employment. The country is near the bottom among ADB's Pacific developing member countries (PDMCs) for adult literacy (34%), gross primary enrollment (72%) and gross secondary enrollment (22%). The low rates of primary and secondary school enrollment, and high levels of adult illiteracy, are real obstacles to efforts to modernize and develop. While the infant mortality rate improved between 1979 and 2000 (from 94 to 30 deaths per 1,000 births), it remains high (see Appendix 2, Table A2.1). Basic education services, both public and private, have been extended from sixth to eighth grade, but teachers are lacking, as are funds to pay their salaries. Gender inequalities are significant.

B. Economic Assessment and Outlook

6. The economic outlook is not good. Real GDP declined by 0.5% in 2001, and is not expected to grow more than 2-3% any time soon. Meanwhile, the rate of population growth is a high 2.5%. In 2001, exports of copra, cocoa, beef, and timber were all down, while only exports of kava increased. Copra and cocoa exports fell due to low world prices, while beef and timber exports fell due to low demand. Tourism has been held back by high prices relative to Fiji and the Polynesian countries, in most of which tourism is booming, and the limited capacity of the national airline. An intensified international focus on anti-money-laundering and anticorruption measures, such as the listing of Vanuatu as an uncooperative tax haven by the Organisation for Economic Co-operation and Development (OECD), could have significant implications for the economy. Offshore businesses (nonresident banks, international businesses and international shipping) account for about 8% of GDP. Inflation as measured by the consumer price index (CPI) stabilized at 3.6%, and foreign reserves increased slightly to 5.3 months coverage at the end of 2001. However, the trade balance worsened in 2001. While exports declined by almost 8%, imports increased by almost 10%, with increases in imports of machinery, transportation, equipment, food, and live animals. Tourism was down, and cyclones disrupted the local food supply, resulting in higher food prices and food imports (see Appendix 2, Table A2.2).

7. The financial sector, comprising the Reserve Bank, three domestic commercial banks, several offshore banks, the Provident Fund and an Asset Management Unit, is only moderately effective in financial intermediation. The commercial banks, although quite liquid, are mainly involved in trade and property financing and only provide development financing for large clients, most located in or near the two main urban areas. Outside these areas land can seldom be used as collateral and there are difficulties in enforcing debt contracts. The commercial banks' interest rate spread of more than 10% is among the highest in the Pacific. The Provident Fund is becoming interested in income-earning deals. ADB has helped strengthen the National Bank and the Provident Fund, following their near-collapse in early 1998, and is now helping the National Bank develop a rural small business loan program. The Government is aware of the need to improve the financial system and is considering methods of improving its oversight of financial institutions, as well as enhancing competition between them.

8. Vanuatu's costs are among the highest in the Pacific; only in New Caledonia and Tahiti are they higher. Vanuatu's high costs, which exist in most sectors, arise from a number of factors, including lack of confidence in the currency; an exchange rate policy which although it

keeps prices stable for domestic consumers can raise prices for tourists, adversely affecting the tourism industry; lack of competition and/or effective regulation in key sectors such as shipping and utilities; insufficient ni-Vanuatu participation in the business sector; and the small size and geographic dispersion of many economic activities.

9. Over the last several years, the Government's fiscal position has not improved. While the value-added tax (VAT), introduced in August 1998, has performed well, customs revenues have plummeted in the wake of rate reductions and, possibly, increased evasion due at least in part to shortages of staff. Revenues for 2001 fell behind budget estimates as the economy contracted. The overall fiscal deficit in 2001, estimated at 3.9% of GDP,² was absorbed by overdrafts from the Reserve Bank and short-term borrowings from commercial banks, sending the wrong messages to the economy. Most of the fiscal benefits of staff reductions during 1998 and 1999 were offset by a subsequent drift upward in the number of staff. As a result, the Government has at times had difficulty paying salaries. ADB has helped prepare an action plan to improve fiscal management, with an emphasis on more realistic forecasting, greater compliance and better controls. The Government is increasing the staff of the customs department, and developing improved fiscal management systems with the assistance of the Australian Agency for International Development (AusAID). While these efforts will help correct the situation, an enhanced revenue system with a broader tax base is highly desirable. New Zealand has expressed interest in helping enhance the revenue system.

10. Although Vanuatu has recently benefited from some private sector investment in the cattle industry, shipping, and hotels, new private sector investment has been much lower than desired. Over the last several years, some older businesses, including those which previously may have enjoyed protective tariffs, have failed. A politically and economically stable enabling environment to promote and develop the private sector is urgently needed. Investment licensing should be simplified, financing made less costly and more readily available, the cost of utilities and other inputs reduced, labor skills upgraded and land acquisition streamlined. In the agriculture and forestry subsectors, there is a need to use Vanuatu's natural resources more effectively. In the tourism sector, there is a need for a stronger marketing strategy and for better coordination between industry stakeholders, including hotel and tour operators and the airlines.

11. To improve its macroeconomic policy framework and induce investment, over the last five years the Government has (i) passed the Foreign Investment Act; (ii) created the Vanuatu Investment Promotion Authority (VIPA) to provide a one-stop service for investors; (iii) passed the Finance and Economic Management Act to provide better procedures and stronger safeguards for the budget process; (iv) introduced a VAT and reduced customs duties on many items; (v) created the Asset Management Unit (AMU) to handle bad debts of government-owned financial institutions; (vi) strengthened the National Bank and the Provident Fund; and (vii) created the Financial Intelligence Unit to identify and investigate illegal transactions. Among these, the introduction of VAT (which has helped generate revenues), the strengthening of the National Bank and Provident Fund (both now self-sufficient), and the creation of the Financial Intelligence Unit (now working effectively), have been the most successful. VIPA appears to be working well, but has been unable, perhaps because of lack of reform in other areas, to enhance investment. Similarly, the Finance and Economic Management Act has helped modernize budget management, and prevented some abuses, but it has not yet resulted in a balanced budget. ADB is helping identify methods of enhancing private sector investment and improving fiscal management.

² Total annual revenues dropped slightly to 21.6% of GDP, while expenditures remained at about 25.4% of GDP.

C. Implications for Country Strategy and Program

12. The conditions, trends, and policy agenda described above have several implications for ADB's program for Vanuatu. Even if Vanuatu is able to reverse its present economic decline, it will have difficulty increasing its rate of economic development to more than moderate levels. Maintenance of civil and social order will remain problematic. The courts, the SLO, and the police are being strengthened, but it will be years before they are able to effectively keep up with their caseloads. It will continue to be difficult to retain qualified professionals in the civil service, and to effectively manage the economy without them. There will be strong pressures for increased expenditure, particularly for the education and health services needed by a rapidly growing and young population, making it difficult to balance the budget until additional revenue sources are developed. Development of new revenue resources will require extensive dialogue and take a number of years to implement. ADB's strategy must therefore be long term. ADB should be prepared to provide assistance to a sector over a number of years—until such time as the local institutions are able to sustain themselves. ADB assistance will be necessary to provide support for better management as well as for policy development and capacity building.

13. The recent political, social and economic developments also confirm the priority given to the three components of ADB's strategy and program for Vanuatu.

14. **Economic Management and Good Governance.** Although the governance and economic reforms carried out under the CRP have created a broad framework for development, much remains to be done to make the new arrangements work effectively. Appropriate roles for politicians and civil servants, now contained in legislation, need to be made operational through improvements in the business processes of government agencies (strategic plans, corporate plans and performance agreements) and building up the capacity of civil servants. Methods must be found to retain senior professionals in government. There must be a continuing effort to strengthen economic management with the aim of developing the financial sector, improving the Government's fiscal position, increasing private sector investment, facilitating the processes of acquiring land and using land as collateral, and strengthening the judiciary, the legal sector and the police. The Government must continue its efforts to prevent money laundering and illegal practices. With its experience in supporting the CRP, and its expertise in economic management, ADB will continue to help build capacity for sound economic management and good governance. ADB can also help in policy development and capacity building in the agricultural, educational, infrastructure and finance sectors.

15. **Poverty Reduction.** The geographic isolation of Vanuatu's rural population, the prevalence of subsistence agriculture, the lack of jobs and of cash to send children to school, the difficulty of accessing services in rural areas, the existence of substantial gender inequality and the low level of social sector development, all suggest that ADB and other donors should place very high priority on reducing poverty, reducing income disparities and improving the quality of life, particularly in rural areas. ADB can help in development of rural economic activities, particularly in the agricultural sector, and for women. Although other donors are involved in the primary and secondary education subsectors, ADB can assist in formal and informal skills development and training, including at the village level. ADB can also help improve access to social services and markets through support for the provision of sustainable rural infrastructure.

16. **Private Sector Development.** The continued low level of economic growth is indicative of both underlying and other problems with the environment for private sector investment. Most of the underlying problems, which include high levels of political uncertainty and reversals in

policy, the difficulties of acquiring land and using it for collateral, shortages of skilled labor, the high costs of doing business and the difficulties of bringing products to market, will be resolved over time with help from nonlending and lending assistance from ADB and other donors, including support for provision of infrastructure, for development of human resources, and for improvement of land management. The other problems, which have to do with eliminating regulatory and administrative barriers to development, improving financial services, strengthening small business advisory services and creating more supportive sector policies, will be addressed through a combination of nonlending and lending assistance, including support for private sector and agricultural sector development.

17. ADB should also continue to play a key role in donor coordination. Substantial donor resources are flowing into the country, but gaps in several key areas are apparent. These are in areas such as economic and fiscal policy, strategic planning, education, agriculture, tourism and investment promotion. In some cases, such as fiscal management, education and tourism, ADB is encouraging other donors to close the gaps, while in others, such as in economic policy, strategic planning, skills development, agriculture and investment promotion, ADB will provide support directly.

III. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM

A. Progress toward a Poverty Partnership Agreement

18. Vanuatu, with a human poverty index of 46.4, is ranked the third poorest country among PDMCs. With a human development index of 0.425, it also scores poorly in social development. To address these issues, the Government has been invited to participate in a poverty partnership agreement (PPA) with ADB. The PPA will seek the Government's commitment to analyze poverty; develop appropriate strategies to reduce it; and implement these strategies through the country's development plan, strategies, and priorities. ADB is helping Vanuatu prepare its poverty reduction strategy. A participatory poverty assessment has been carried out under a regional technical assistance (RETA).³ Before the end of 2002, poverty lines and targets in achieving the Millennium Development Goals (see Appendix 2, Table A2.3) will be identified. An ongoing technical assistance (TA) on performance improvements in service delivery units will help strengthen the efficiency and effectiveness of selected frontline public services, including education, health, and information on trade opportunities; a proposed loan project for outer island infrastructure development will help improve accessibility to markets and social services; and TA projects for technical vocational education and training (TVET) and gender-based rural skills development will help improve the labor force, reduce unemployment, and increase cash income. ADB will also seek funding for poverty mapping to identify the communities left behind and help target assistance.

B. Progress in the Country Strategy and Program Focus Areas

1. Economic Growth Management

19. Two reports prepared with ADB assistance—*Vanuatu: Economic Performance and Challenges Ahead*⁴ and *Financial Sector Development in Pacific Island Economies*—are helping the Government and its development partners identify economic growth opportunities and policy

³ ADB. 2001. *Regional Technical Assistance for Consultation Workshops on Poverty Reduction Strategies for Selected Pacific DMCs*. Manila.

⁴ ADB. 2001. *Technical Assistance to Vanuatu for Strengthening Development Policies*. Manila.

issues. An economic action plan is being developed using the two reports as the basic points of reference. Under another TA,⁵ methods to enhance revenues have been identified. Support may also be provided for helping the National Bank, Provident Fund, and AMU identify the next steps in their development. TA is ongoing to help strengthen the National Statistics Office (NSO) and is planned for 2003 to help prepare a midterm strategic framework linking the CRP policy matrix with corporate planning, project approval, and budget issues. In 2004, TA will help strengthen the legislative framework for the financial sector, including aspects related to harmful tax practices and money laundering.

2. Good Governance

20. Although the institutional and legislative framework for good governance has been very substantially enhanced since 1998, it still has many shortcomings. The public service remains weak, and the police, courts, prosecutor-general, solicitor-general, and attorney-general are severely overburdened. Methods to retain senior civil servants and to enhance the performance of most public sector agencies must be identified urgently. The recent proposal to use performance agreements for directors-general and directors will help in this regard. ADB has supported capacity building of the SLO since 1999, significantly helping improve the rule of law and prevent money laundering and financial fraud. If requested to do so, ADB will continue to strengthen the Financial Intelligence Unit and implementation of OECD measures against harmful taxation practices. AusAID is supporting the Public Service Commission and recently started supporting the police and the legal sector. AusAID and possibly other donors are expected to replace ADB support to the SLO. Parliament will be strengthened by an ADB TA to improve the functions and procedures of sector standing committees, standing orders governing legislative procedures for review and discussion of bills, and functions of clerks. The ongoing TA to improve service delivery unit performance will help make several key agencies more effective.

21. Involving communities in the reform process will engender their support and ownership. The National Task Force and National Summit meetings held in 1998, 2000, and 2001, were excellent opportunities for communities to participate in reviewing and assessing the progress of the CRP and in setting new strategic directions for reforms. ADB assisted the summit meetings and their preparatory work, and has been asked to assist them in the future. ADB will help ensure that business groups, civil-society organizations, and women's groups in particular, are more involved in discussions of strategies and action plans and that projects focus more on social development for equitable distribution of the benefits of economic growth. ADB has helped assess the social and economic impacts of the CRP, working through community groups and nongovernment organizations (NGOs). Government has recently committed to organizing sectoral task forces and working groups, including a business forum to discuss major reform policies, and organizing regular provincial summits to discuss community participation in improving service delivery to rural areas. The regional economic development initiative and implementation of the recent report of the Decentralization Committee will help give local communities a greater say in the affairs of government.

3. Private Sector Development

22. Although the private sector should be the main engine for growth, private investment has not picked up as anticipated. Foreign investment remains low despite the efforts of VIPA to provide one-stop services such as giving out licensing information. Difficulties in starting a

⁵ ADB. 2000. *Technical Assistance to Vanuatu for Institutional Support to Central Agencies for the Comprehensive Reform Program-Phase III*. Manila.

business stem from unstable policies and their administration, the land tenure regime, lack of skilled labor, and lack of security over property, which together discourage investment, job creation, and economic growth. The monopolies and oligopolies in the banking sector and in commodity distribution must be dismantled. ADB and New Zealand have offered to help conduct a participatory business forum.

23. An ADB RETA⁶ and the Foreign Investment Advisory Service are supporting the mapping of administrative barriers to investment and improvement of business advisory services. A project preparatory TA (PPTA) in 2003 will then help prepare a private sector development project, followed by the project in 2004. An advisory TA (ADTA) is being processed to help strengthen the policy framework and build administrative capacity in the agriculture sector. The ADTA will be followed by a PPTA in 2004 to help prepare an agricultural development project, tentatively programmed for 2005, which will support the development of private sector activities in the agriculture sector. The proposed outer island infrastructure development project (OIIDP) will support tourism development and private sector development by facilitating the movement of people and the flow of agricultural products to domestic and international markets.

4. Infrastructure

24. Inadequate transport infrastructure is a core obstacle to economic growth, particularly on the outer islands. To help remove this constraint, the OIIDP is being processed for 2003. It will focus on upgrading priority rural roads, airstrips and wharves on the outer islands, and creating sustainable institutional and financial arrangements. Communities will be widely mobilized for project implementation and regular maintenance of the infrastructure. The project will have significant impacts on local economies and their transformation into cash economies. The Government has also requested support to prepare an urban sanitation and public health project, following the outline of a master plan developed earlier with ADB assistance.⁷ It will help remedy environmental pollution and poor drainage and sanitation services in Port Vila. A PPTA will be provided in 2005 to help prepare the project.

5. Human Resource Development

25. Among the Pacific countries, Vanuatu has some of the lowest human development indicators. Basic and secondary education, which are inadequate in quantity and quality (see Appendix 2, Table A2.4), are being supported by Australia, France, and European Union. The World Bank has been considering a sector project focused on basic education. However, it is becoming apparent that greater domestic resources must be devoted to improving the sector. To provide better-trained labor and enhance job opportunities, an ADTA will be provided in 2003 to help prepare a TVET sector policy framework. In addition, a TA for gender-based rural skills development is planned for 2004.

6. Gender and Nongovernment Organizations

26. Vanuatu has a wide range of international and domestic NGOs, some deeply involved in development. The Chamber of Commerce and Industry has underway a series of programs to help develop the primary sector, including forestry (2002), livestock (2003), and marine resources (2004). It will be supported by ADB's involvement in the agricultural and private sector development areas. Men have much more access to resources and entitlements than

⁶ ADB. 2002. *Regional Technical Assistance for Private Sector Development in the Pacific*. Manila.

⁷ ADB. 1996. *Technical Assistance to Vanuatu for the Sanitation Master Plan for Port Vila*. Manila.

women, who are disadvantaged socially, economically, and politically. Rural women are especially disadvantaged, and women's groups are demanding more participation in various activities. The CRP supports gender equity. The proposed TVET TA will support the development of NGOs, including the National Training Council and informal rural training centers. A TA for gender-based rural skills development will be implemented through NGOs.

7. Environmental Protection

27. Pressures on land and the marine environment—reef depletion, soil erosion, water contamination due to poor waste disposal, watershed damage and substantial climate variation—have become visible only in recent years (Appendix 2, Table A2.5). Continuing urban migration has given rise to slum communities without adequate water, sewerage, and waste management systems. Environment legislation has been drafted with ADB assistance⁸ and should be approved in late 2002. An ADTA is proposed in 2004 to help build capacity for environmental management, including monitoring and regulating waste and sewerage discharges and monitoring water quality.

C. Highlights in Coordination of External Funding and Partnership Arrangements

28. Since the CRP was launched, ADB has been pivotal in coordinating donor assistance for Vanuatu. In addition to convening regular in-country meetings of all donor representatives based in Port Vila, ADB also convened the first Consultative Group Meeting (CGM) for Vanuatu, in Noumea in July 1997. The Government wishes to have the second CGM as soon as possible. Monthly meetings are held with donors to help monitor developments and shape partners' development assistance. Existing and potential areas of close cooperation and potential cofinancing include agriculture, physical infrastructure, business development, revenue enhancement, statistics, economic management and governance.

29. Vanuatu's key development partners, in order of amount of assistance, include AusAID, New Zealand Agency for International Development (NZAID), the European Union, and France. Although the largest share of donor support is for education and infrastructure, donor support is provided also for economic and public sector reform, private sector development, gender and youth activities, environment and agriculture (See Appendix 2, Table A2.6).

III. PORTFOLIO MANAGEMENT ISSUES

A. Portfolio Performance

30. Since joining ADB in 1981, Vanuatu has received 9 loans totaling \$51.25 million, and 52 TAs totaling \$13.515 million, of which 1 loan and 11 TAs of \$4.41 million were active as of 31 December 2001. The only active loan was rated satisfactory. In 2001, actual contract awards under the urban infrastructure project totaled \$780,000, or 96% of ADB's projection. In 2001, actual disbursement was \$2.763 million or 88% of ADB's projection. Portfolio indicators for lending products are in Appendix 2, Tables A2.7—A2.10.

31. Vanuatu's loan portfolio performance—not very good under early development bank, multiproject, and agriculture loans approved through 1991—improved markedly under urban infrastructure, emergency rehabilitation and program loans approved in the late 1990s. Problems encountered have included limited project design and implementation capacity, poor quality of design services, and lack of attention to special covenants under loan projects. All of these problems continue to exist, but they are now alleviated through appropriate measures

⁸ ADB. 1996. *Technical Assistance to Vanuatu for the Urban Growth Strategy for Port Vila*. Manila.

taken during preparation and implementation of each project. The presence of a resident mission also helps in close monitoring and rapid solution of any problems that arise. As of 31 December 2001, 18 TAs were active, including 11 ongoing and 7 completed but not financially closed. Steps are being taken to close all the completed TAs. All the TAs are being implemented successfully.

B. Performance Monitoring and Evaluation

32. Vanuatu's willingness and ability to maintain the covenants agreed under various loan projects has varied markedly. Frequent changes in government, as well as shortages of funds, have resulted in reversals of policy. The ability of the Government to systematically pursue change is limited by shortages of experienced economists and managers in government, and by poor communications between central and line agencies. A TA proposed for 2003 to help prepare a midterm strategic framework and the ongoing TA with the NSO will help enhance capacity in this regard.

V. COUNTRY PERFORMANCE AND LENDING LEVELS

A. Lending Level Proposed

33. Consistent with ADB's policy on performance-based allocation of ADF funding, the level of ADF funds allocated to Vanuatu is linked to the country's progress in policy reform and portfolio management. Triggers are related to progress in (i) economic and fiscal management, (ii) efficiency of the public service, (iii) improvement in the quality and timeliness of statistics, (iv) creating a favorable investment climate, and (v) satisfactory portfolio management. The share of ADF allocation also depends on population and per capita income. Based on an evaluation of performance, the lending levels for 2003-2005 assume a low-case lending program of \$6.5 million and a base-case lending program of \$9.3 million. Although the triggers are considered to have been met for the base case, performance should be monitored closely to ensure that the country continues to meet the criteria, particularly those related to economic management. No high-case lending program is proposed, considering the Government's limited absorptive capacity and reluctance to significantly increase its external indebtedness. The performance-based allocation triggers that were agreed upon with the Government are in Appendix 2, Table A2.11.

34. The final allocation of ADF resources will depend not only on performance against agreed-upon parameters or triggers but also on willingness to borrow. The Government has set a target for annual external borrowing at Vt700 million (around \$5 million) or 2% of the annual budget. Considering the constraints on revenues and current levels of debt servicing, such a borrowing target appears prudent. Annual debt servicing, most of it for domestic debt, amounts to about 20% of revenues. Although ADB will remain a major lending agency, the Government may also borrow from the World Bank, European Investment Bank and Agence Francaise de Developpement during the next several years. ADB's proposed lending level has been set accordingly.

35. The proposed lending program is in Appendix 2, Table A2.12. To help improve access to the outer islands, the OIIDP is being processed for a loan of \$5.5 million in 2003. The project aims to improve not only physical transport assets but also institutional capacity for transport infrastructure management. To help increase private sector investment and GDP growth, the Government may consider a loan of \$2 million in 2004 for a private sector development project and a loan of \$1.8 million in 2005 for an agricultural development project. Altogether, the lending

during 2003-2005 could be up to \$9.3 million. No private sector investments are expected since most such deals are usually too small to be eligible for ADB funding. However, support is provided to investors wishing to contact ADB-supported institutions such as the Kula Fund or the South Pacific Project Facility.

B. Nonlending Program

36. Ongoing TAs will be used to help identify methods to enhance revenue; prepare an economic action plan; support the CRP national summit; support the National Bank, Provident Fund, and AMU; and strengthen the Parliament, NSO, and service delivery units. The proposed new TA program for 2003-2005 is in Appendix 2, Table A2.13. The indicative planning figure for TAs in Vanuatu is \$700,000 per annum. New TAs will be provided in 2003 to prepare a midterm strategic framework, build capacity for infrastructure management, prepare policy frameworks for agriculture and TVET, and prepare a private sector development project. During 2004–2005, TAs will help prepare an agricultural development project, strengthen the legal framework for the financial sector, build capacity in environmental management, stimulate gender-based rural skills development, prepare an urban sanitation and public health project, and help implement the midterm strategic framework.

C. Summary of Changes to Lending and Nonlending Program

37. The Vanuatu assistance program has undergone several adjustments since 1998, aimed at aligning the program with the Government's priorities and enhancing its focus. The changes from the 2001 Country Strategy and Program Update are as follows:

- (i) In 2002, a loan for an OIIDP was postponed to 2003; a TA for capacity building and CRP sustainability was cancelled as committed funds provided under other CRP TAs were still unused; a TA to strengthen the NSO programmed for 2001 slipped to 2002.
- (ii) In 2003, a loan for an OIIDP is proposed; a loan for rural financial services will be cancelled as it would be a part of the proposed private sector development project; TAs for an urban sanitation and public health project and for capacity building of NGOs will be postponed; and new TAs will be considered to help prepare a private sector development project and a midterm strategic framework.
- (iii) In 2004, a new loan for private sector development is proposed; and new TAs are proposed to help prepare an agricultural development project, enhance the legal framework for the financial sector, build capacity for environmental management, and support gender-based rural skills development.
- (iii) In 2005, a new loan for an agricultural development project is proposed; and new TAs will be proposed to help prepare an urban sanitation and public health project and implement the midterm strategic framework.

38. Concept papers for lending products are in Appendix 3, Tables A3.1—A3.3, while those for nonlending products and services are in Appendix 4, Tables A4.1—A4.6.

Table A1: Summary Statement of Strategy

Objectives	Build local capacity for sound economic management and good governance	Reduce poverty, particularly in rural areas, improve quality of life, and reduce income disparities	Create an enabling environment for private sector development
Strategic Focus/Key Result Areas	<ul style="list-style-type: none"> ▪ Help prepare a midterm (3-year) strategic economic framework ▪ Enhance policy analysis and formulation capabilities of key central and line agencies 	<ul style="list-style-type: none"> ▪ Improve quality and accessibility of essential services, particularly infrastructure, education and health 	<ul style="list-style-type: none"> ▪ Establish sound policy frameworks and support services ▪ Ensure adequate physical infrastructure to support private sector growth
Ongoing/Proposed Loans	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ Outer island infrastructure development project (2003) 	<ul style="list-style-type: none"> ▪ Private sector development project (2004) ▪ Agricultural development project (2005)
Ongoing/Proposed TAs	<ul style="list-style-type: none"> ▪ Institutional support to central agencies for CRP (1998 and 2000): support for a diagnosis of methods of revenue enhancement, the next national summit, and a review of key financial institutions ▪ Institutional strengthening of the Parliament (2001) ▪ Institutional strengthening of the National Statistics Office (2002) ▪ Preparation of a midterm strategic framework (2003) ▪ Legal framework for the financial sector (2004) ▪ Implementation of the midterm strategic framework (2005) 	<ul style="list-style-type: none"> ▪ Performance improvements to service delivery units (2001) ▪ Capacity building in infrastructure management (2002) ▪ Policy framework for technical vocational education and training (2003) ▪ Gender-based rural skills development (2004) ▪ Capacity building for environmental management (2004) ▪ Institutional framework for urban sanitation (2005) 	<ul style="list-style-type: none"> ▪ Policy framework for agriculture (2002) ▪ Preparation of a private sector development project (2003) ▪ Preparation of an agricultural development project (2004)
Other ADB Assistance	<ul style="list-style-type: none"> ▪ Strengthening economic development policies: provision of the team leader to help the new government prepare an economic action plan 	<ul style="list-style-type: none"> ▪ Completion of poverty partnership agreement (2003) ▪ RETA on climate change 	<ul style="list-style-type: none"> ▪ Identification of administrative constraints on private sector development and strengthening of business support services
Other Donor Assistance	<ul style="list-style-type: none"> ▪ Revenue study (NZAID) ▪ Revenue compliance (AusAID) ▪ Financial sector regulation study (IMF) ▪ Support for the State Law Office (AusAID) 	<ul style="list-style-type: none"> ▪ Support for infrastructure management improvement (EU) 	<ul style="list-style-type: none"> ▪ Producers Organization Project (EU and France) ▪ Support for a Business Forum (NZAID and ADB)
Target Outcomes	<ul style="list-style-type: none"> ▪ Tools provided for strategic planning in the Department of Economic and Social Development ▪ Key statistics produced and available for use in a timely manner ▪ GDP growth rate exceeds the population growth rate by end of 2007. 	<ul style="list-style-type: none"> ▪ Ability to sustain the provision of social infrastructure improved ▪ More practical vocational education and training curricula, stronger policy framework, greater outreach to women ▪ Healthier urban environment 	<ul style="list-style-type: none"> ▪ Investment climate improved, private sector investment on the upswing, agricultural production on the upswing

ADB = Asian Development Bank, AusAID = Australian Agency for International Development, CRP = Comprehensive Reform Program, EU = European Union, IMF = International Monetary Fund, NZAID = New Zealand Agency for International Development, RETA = regional technical assistance, TA = technical assistance

A2. COUNTRY PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

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

Goals and Targets	1990	1995	Latest Year
Goal 1. Eradicate Extreme Poverty and Hunger			
Target 1: Reduce incidence of extreme poverty by half from 1990 to 2015			
People living on below \$1-a-day, 1985 PPP (%)	—	—	—
Population in poverty (% of population falling below the poverty line)	—	—	—
Target 2: Reduce the proportion of people who suffer from hunger by half from 1990 to 2015			
Prevalence of Child Malnutrition (% of children under age 5)	20.0 (1985)	—	23.0 (1997)
Goal 2. Achieve Universal Primary Education			
Target 3: Attain 100 percent primary school enrollment by 2015			
Net Primary Enrollment Ratio (ratio of population of the relevant age group enrolled in primary education to population of the relevant age group)	74.0 (1984-94)	—	90.0 (1994-2000) ^a
Goal 3. Promote Gender Equality and Empower Women			
Target 4: Eliminate gender disparities in primary and secondary education by 2005 and to all levels of education no later than 2015			
Ratio of girls to boys in primary and secondary education (%)	86.0	—	—
Goal 4 Reduce Child Mortality			
Target 5: Reduce infant and child mortality by two-thirds from 1990 to 2015			
Infant Mortality Rate (per '000 live births)	56.0	45.0 (1995-97) ^a	30.2 (2000)
		41.0 (1996)	
Under-5 Mortality Rate (per '000 live births)	—	58.0 (1995-97) ^a	39.8 (2000)
Goal 5. Improve Maternal Health			
Target 6: Reduce maternal mortality rate by three-quarters between 1990 and 2015			
Maternal Mortality Ratio (per 100,000 live births)	—	68.0 (1993)	68.0 (1990-99) ^a
Births Attended by Skilled Health Staff (% of live births)	79.0 (1990-95) ^a	89.1	—

Goals and Targets	1990	1995	Latest Year	
Goal 6. Combat HIV/AIDS, Malaria and Other Diseases				
Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS				
HIV Prevalence Rate (% age 15-49 years old)	—	—	—	(1990-99) ^a
Contraceptive Prevalence Rate (% of women aged 15-49)	—	—	15.0	(1990-99) ^a
Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases				
Prevalence of Malaria (per 100,000 people)	—	—	2,760.0	(1999)
Prevalence of Tuberculosis (per 100,000 people)	—	—	59.0	(2000)
Goal 7. Ensure Environmental Sustainability				
Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources				
Status of National Environmental Action Plans	—	—	Completed	
Forest Area (% of total land area)	—	—	36.7	(2000)
Nationally Protected Areas (% of total land area)	—	—	0.3	(1998)
GDP per Unit of Energy Use (PPP \$ per kg oil equivalent)	—	—	—	
Carbon Dioxide Emissions (per capita metric tons)	—	—	0.4	(1996)
Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water				
Access to Safe Water (% of population)	—	87.0 (1995-97) ^a	88.0 (rural)	(1999)
			75.0 (rural)	(1998)
Target 11: By 2010, to have achieved a significant improvement in the lives of at least 100 million slum dwellers				
Access to Sanitation (% of population)	—	—	—	91.0 (1995-97) ^a

— = not available, GDP = gross domestic product, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, kg = kilogram, PPP = purchasing power parity.

^a Refers to most recent available data within the stated period.

Sources: ADB, Basic Statistics of DMCs including MDGs (May 2002); ADB, Medium-Term Strategy (2001-2005); ADB, Key Indicators 2001; SPREP, Action Strategy for Nature Conservation in the Pacific Islands Region (1999-2002); UNDP, Pacific Human Development Report (1994, 1999); UNDP, Human Development Report 2000; UNICEF, Progress of Nations-Social Indicators (1997); World Bank, The Little Green Data Book (2000); World Bank, World Development Indicators database (April 2002); WHO, Western Pacific Region Health Data Bank (rev. 2001).

Table A2.2 Country Economic Indicators

Item	Fiscal Year ^a				
	1997	1998	1999	2000	2001
A. Income and Growth					
1. GDP per Capita (\$, current)	1,341	1,262	1,212	1,177	1,110
2. GDP Growth (% in constant prices)	1.5	2.2	(2.5)	3.7	(0.5)
Agriculture	3.3	9.0	(9.3)	2.5	(14.9)
Industry	(3.2)	6.7	5.2	8.4	(1.1)
Services	1.8	(0.1)	(1.7)	3.3	3.3
B. Saving and Investment (current market prices)					
1. Gross Domestic Investment	19.7	18.8	22.2	—	—
2. Gross Domestic Saving	13.4	12.9	9.7	—	—
C. Money and Inflation					
1. Consumer Price Index ^a	2.7	3.3	2.1	2.5	3.6
2. Total Liquidity (M2) ^b	(0.3)	12.6	(9.2)	5.5	5.5
D. Government Finance					
1. Total Revenue and Grants	24.9	24.1	24.9	22.5	21.6
2. Total Expenditure and Onlending	25.5	31.4	26.2	30.1	25.4
3. Overall Fiscal Surplus/Deficit (-)	(0.6)	(7.3)	(1.3)	(7.6)	(3.9)
E. Balance of Payments					
1. Merchandise Trade Balance (% of GDP)	(24.7)	(23.7)	(31.2)	(27.9)	(32.5)
2. Current Account Balance (% of GDP)	(1.0)	2.7	(5.3)	1.0	(2.1)
3. Merchandise Export (\$) growth (fob, annual % change)	16.9	(3.9)	(26.3)	2.7	(15.8)
4. Merchandise Import (\$) growth (cif, annual % change)	(3.7)	(6.0)	9.3	(7.4)	4.0
F. External Payments Indicators					
1. Gross Official Reserves (million Vatu, end of period)	4,599	5,753	5,510	5,583	5,531
- in months of imports	5.5	6.7	5.9	5.7	5.3
2. External Debt Service (% of exports of goods & services)	1.7	1.1	1.0	1.1	1.4
3. External Debt (% of GDP)	20.1	27.5	28.6	30.4	31.3
G. Memorandum Items:					
GDP (current prices, million local currency)	27,565	29,289	29,206	31,108	31,831
Exchange Rate (Vatu per dollar, annual average)	115.9	127.5	129.1	137.8	145.6
Population (million)	0.177	0.182	0.187	0.192	0.197

— = not available, GDP = gross domestic product

^a Period average

^b Currency in circulation plus demand deposits

Sources: National Statistics Office Statistical Indicators, various issues; Reserve Bank of Vanuatu Quarterly Economic Review, various issues; Vanuatu Year 2002 Budget; staff estimates.

Table A2.3:Country Poverty Indicators

Item	1990	1994	Latest Year
1. Development Progress Indices			
Human Development Index	—	0.424	0.425 (1998)
PDMC Rank	—	8	10
Human Poverty Index	—	—	46.4 (1998)
PDMC Rank	—	—	10
Composite Vulnerability Index	—	—	13.295 (1998)
PDMC Rank	—	—	1
2. Other Poverty Indicators			
Poverty Gap Ratio	—	—	—
Poverty Severity Index	—	—	—
Gini Coefficient	—	—	—
Income Ratio (Highest Quartile/Lowest Quartile)	—	—	4.6 (1998)

— = not available, PDMC = Pacific Development Member Countries

Sources: ADB, RETA 5907 Discussion Papers (2001); UNDP, Pacific Human Development Report (1994, 1999).

Table A2.4: Country Social Indicators

Item	1990	1994	Latest Year	
1. Basic Human Development Indicators				
Total Population ('000)	147.3	164.2	191.4	(2000)
Annual Population Growth Rate (% change)	2.6	2.8	2.5	(2000)
Life Expectancy at Birth (years)	—	62.8	66.0	(1997-99) ^a
Male	61.0	—	65.6	(1997-99) ^a
Female	62.0	—	69.0	(1997-99) ^a
Adult Literacy Rate (%)	—	64.0	34.0	(1998)
Male	—	68.0	37.0	(1998)
Female	—	60.0	30.0	(1998)
Combined Gross School Enrollment Ratio	—	—	57.0	(1998)
Male	—	—	60.0	(1998)
Female	—	—	55.0	(1998)
2. Health				
Total Fertility Rate (births per woman)	5.5	5.3	4.4	(1997-99) ^a
Population with Access to Health Services (%)	—	—	80.0	(1998)
Population with Access to Sanitation (%)	—	—	91.0	(1995-97) ^a
Population per Doctor	7,365.0	—	8,870.0	(1997)
Government Expenditure on Health				
As % of Total Government Spending	11.6	9.5	8.5	(1998)
As % of GDP	2.2	2.0	2.2	(1999)
3. Education				
Gross Primary Enrollment Ratio (ratio of population enrolled in primary education to population aged 5-14 years)	96.0	—	72.0	(1998)
Male	98.0	—	73.0	(1998)
Female	94.0	—	70.0	(1998)
Gross Secondary Enrollment Ratio (ratio of population enrolled in secondary education to population aged 15-19 years)	—	18.0	22.0	(1998)
Male	19.0	—	26.0	(1998)
Female	15.0	—	18.0	(1998)
Government Expenditure on Education				
As % of Total Government Spending	22.5	23.9	17.0	(1998)
As % of GDP	5.0	5.0	4.7	(1998)

— = no data available, GDP = gross domestic product

^a Refers to most recent available data within the stated period.

Sources: ADB, RETA 5907 Discussion Papers (2001); ADB, Key Indicators 2001; UNDP, Pacific Human Development Report (1994, 1999); WHO

Table A2.5: Country Environment Indicators

	Item	1990	Latest Year
1.	Energy Efficiency of Emissions		
	Traditional Fuel Use (% of total energy use)	—	—
2.	Water Pollution		
	Water Bodies Exceeding Contact Recreation Standards		
	Biological Oxygen Demand (BOD)	—	—
	Chemical Oxygen Demand (COD)	—	—
3.	Air Pollution		
	Carbon Dioxide (CO ₂) Emissions		
	Total (millions of metric tons)	—	0.1 (1996)
	Sulphur Dioxide (SO ₂) Emissions		
	Per capita (kilograms)	—	—
4.	Land Use and Deforestation		
	Total Land Area (km ²)	12,190.0	12,190.0 (1999)
	Average Annual Deforestation		
	Area (remaining km ²)	—	4,470.0 (2000)
	% change ^a	0.8	-0.1 (2000)
		(1990-95)	
	Arable Land (% of total land)	2.0	—
		(1993)	
	Cropland, Permanent (% of total land)	10.0	7.4 (1998)
		(1993)	
	Pastures, Permanent (% of total land)	2.0	—
		(1993)	
	Population Density, Rural (people per km ²)	—	12.5 (1998)
5.	Biodiversity and Protected Areas		
	Nationally Protected Area(s)		
	Area (km ²)	—	34.7 (1998)
	Number	—	8 (1998)
	World Heritage Sites (number)	—	—
	Mammal Species		
	Total Known	—	12 (1998)
	Threatened	—	3 (1998)
	Bird Species		
	Total Known	—	76 (1998)
	Threatened	—	6 (1998)
6.	Urban Areas		
	Urban Population		
	% of total population	18.0	20.0 (2000)
		(1989)	

^a A positive number indicates a loss of forest area, a negative number a gain.

— = not available, BOD = biological oxygen demand, COD = chemical oxygen demand, CO₂ = carbon dioxide emissions, SO₂ = sulphur dioxide emissions, km² = square kilometer

Source: CIA, The World Factbook-Vanuatu (2001); SOPAC, Vanuatu Country Profile (1999); SPC, Pacific Island Populations Data Sheet (1997); SPREP, Action Strategy for Nature Conservation in the Pacific Islands Region (1999-2002); UNDP, Human Development Report 2000; World Bank, The Little Green Data Book (2000); World Bank, World Development Indicators database (April 2002).

Table A2.6: Development Coordination Matrix

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<p>A. Economic and Public Sector Reform</p>	<p>Ongoing</p> <ul style="list-style-type: none"> • TA 3789-VAN Performance Improvement to Service Delivery Units (2001) • TA 3666-VAN Strengthening Economic Development Policies (2001): provision of the team leader to help the new Government prepare its economic policy action plan • TA 3449-VAN Institutional Support to Central Agencies for the CRP (1998 and 2000): support for a diagnosis of methods to enhance revenue, the next national summit, and an audit of key financial institutions • TA 3816-VAN Institutional Strengthening of the Parliament (2001) • TA 3833-VAN Institutional Strengthening of the National Statistics Office (2002) • TA 3613-VAN Capacity Building of the Legal Sector • TA 2984-VAN Institutional Support to Central Agencies: provision of funds for the social impact assessment of CRP <p>Programmed</p> <ul style="list-style-type: none"> • Preparation of a midterm strategic framework (2003) • Legal framework for the financial sector (2004) • Midterm strategic framework implementation (2005) 	<ul style="list-style-type: none"> • Advisor – Revenue Management and Tax Policy (NZAID) • VAT Audit and Compliance Support (NZAID) • Capacity Building of Vanwods (NZ Cash grant) • MFEM Institutional Strengthening Project (AusAID) • Public Sector Reform Project (AusAID) • Legal Sector Reform Project (AusAID) • Government Business Reform – Review and Enforcement (AusAID) • Revenue/Rates Compliance Support (AusAID) • Vanuatu Immigration Service Computerized System (AusAID) • IT Specialist (AusAID) • Cash grant for the Rural Economic Development Initiative (AUS/NZ) • Wan Smol Bag Development Theatre Project, Phase 3 AESOP: Legal Advisor to Attorney-General (DFID) • A Technical Adviser for the Land Valuation Office (CFTC) • Legal Adviser to Ombudsman (CFTC) • Development Theatre for the Education and Capacity Building of Ni-Vanuatu (EU) • March 2002 general elections (EU cash grant) • Advisor to DESD (JICA)
<p>B. Private Sector Development (including Tourism)</p>	<p>Programmed</p> <ul style="list-style-type: none"> • PPTA-Private Sector Development Project (2003) • Private Sector Development Project (2004) 	<ul style="list-style-type: none"> • Rural Tourism Support – Vanuatu Island Bungalow Association (NZ Cash grant) • Strengthening Business Training for Ni-Vanuatu (Japan Cash grant) • Tourism Master Plan Review (CFTC) • Rural Tourism Strengthening Programme (EU) • Vanuatu Credit Guarantee Scheme (People's Republic of China) • Credit Union Rural Development Finance (People's Republic of China) • Solar Home System (JAP/VG)
<p>C. Gender/Youth</p>	<p>Ongoing</p> <ul style="list-style-type: none"> • TA 6002-REG Completion of poverty partnership agreement (2002) <p>Programmed</p> <ul style="list-style-type: none"> • Gender-Based Rural Skills Development (2003) 	<ul style="list-style-type: none"> • Tafea Womens Arts and Craft (NZAID) • Youth At Risk (UK) • Sanma Counselling Centre Project (NZ cash grant) • Protection of Child from Substance Abuse - Vila/suburbs (NZ cash grant) • Vanuatu Young People's Project, Phase 2 (AUS cash grant)

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
D. Education	Programmed <ul style="list-style-type: none"> • Policy framework for technical vocational education and training (2002) • TA for gender-based rural skills development (2004) 	<ul style="list-style-type: none"> • VARDTCA Training Project, Phase 2 (UK cash grant) • Short-term training award: Diploma in Teaching English as a Second Language (NZ AID) • Vanuatu-Australia Secondary Teacher Education (AusAID) • INTV Strengthening Project – 1997 (AusAID) • Senior Secondary School Expansion Program (AusAID) • CSF – Lycee (France) • CFEB (Vanuatu Teachers College) (France) • Parallel codification in French and English – Vanuatu laws (France) • Junior Secondary Schools Project EUVED (EU) • Vanuatu Partnership in Development (EU) • Melanesian Arts and Cultural Festival (UNESCO) • Ethnomusicological Project (SWISS) • Teacher-In-Service Training Program – (USP) • Nonformal Education Strengthening Project (UNDP) • Extension of National Museum Storage Place (UNESCO) • Establishment of Maritime College (AFD/EU/FRA) • Training and Scholarships Award Programme (FRA/AUS/NZ) • Basic Education Sector Project (World Bank)
E. Health	No programmed activity in this sector	<ul style="list-style-type: none"> • Rotary Operation Mosquito (Rotary) • Maternity Ward Extension and New Operating Theatre (Rotary) • Hospital Ambulance Emergency Services (NZ AID) • Health Sector Planning and Management Development (AusAID) • Pentecost Community Health Strengthening (AusAID) • Production of Bislama Sign Language VSFDP (AusAID) • Health Information System (AusAID) • Health Strengthening Programme (France) • Upgrading of Erakor Dispensary to a Health Centre (France) • Tokyo Women's Medical University – Collaboration (Japan) • Renovation of Emau Dispensary (Japan cash grant) • Pango Village First New Health Dispensary (Japan cash grant) • Northern District Hospital Development Plan (AFD/WHO) • Bed Net (JAP/NZ/SPC cash grant) • Implementation of Population Policy (UNFPA) • Urban Household Food Security – 1997 (UNDP/SPC) • AIDS Strategy (UN) • RH/FP/SH Health Programme, 1999-2001 (UNFPA/WHO)

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
F. Environment	Programmed <ul style="list-style-type: none"> • Capacity Building for Environmental Management (2004) 	<ul style="list-style-type: none"> • Securing Erromango Protected Area (NZAID) • Vulcanology and Seismology Risk Prevention (France) • South Pacific Regional Initiative on Forest Genetic Resource (AusAID) • Urban Squatter Settlement (ESCAP/PIF) • National Climate Change Capacity-Building Project (SPREP) • Maskelynes Mangrove Management Plan (SPREP) • Vanuatu Geodetic Control (People's Republic of China) • Restocking of Vanuatu Natural Forest Areas (ITTO) • Development of the National Forest Sector Plan (ITTO) • World Geodetic System 84 (NZ cash grant) • Observers and Forecasters (WMO) • School Environment Newsletter (SPREP) • Vanuatu National Biodiversity, Phase 2 (GEF) • Vanuatu Geodetic Control (People's Republic of China)
H. Agriculture, Forestry, and Fisheries	Programmed <ul style="list-style-type: none"> • Policy Framework for Agriculture (2002) • PPTA Agricultural Development Project (2004) • Agriculture Development Project (2005) 	<ul style="list-style-type: none"> • Genetic Analysis of <i>Santalum austro-caledonicum</i> (NZAID) • Livestock Research – 1998 (France) • Diversification (FRA/AFD) • Capacity Building for Forest Extension (AusAID) • Community-Based Fishing Development Project (FFA) • Construction of Agriculture College (People's Republic of China) • Forest Operator Accreditation Scheme Assessment (AusAID) • Landowner Extension and Awareness – Reforestation (EU) • Nonda Community Rural Development – Natural Resources (NZ cash grant) • Restocking of Vanuatu Natural Forest Areas (ITTO) • Development of the National Forest Sector Plan (ITTO) • FAO support for yam and banana production (EU) • Cash grant for Organic Producers Association (NZAID) • Seaweed (<i>Eucheuma cottonii</i>) farming project (FFA)

AESOP = Australian Expert Service Overseas Programme, ADB = Asian Development Bank, AFD = Agence Francaise de Developpement, AUS = Australia, AusAID = Australian Agency for International Development, CAN = Canada, CFEB = Centre Formation Education Basic, CFTC = Commonwealth Fund for Technical Corporation, CRP = Comprehensive Reform Program, CSF = Cycle Superieur de Formation, DESD = Department of Economic and Social Development, DFID = Department for International Development, EIB = European Investment Bank, ESCAP = Economic and Social Commission for Asian and the Pacific, EU = European Union, EUVED = European Union Vanuatu Education Development Programme, FAO = Food and Agriculture Organization, FFA = Forum Fisheries Agency, FRA = France, GEF = Global Environment Facility, ICAO = International Civil Aviation Organization, IT = Information Technology, ITTO = International Tropical Timber Organization, JAP = Japan, JICA = Japan International Corporation Agency, MFEM = Ministry of Finance and Economic Management, NZ = New Zealand, NZAID = New Zealand Agency for International Development, PIFS = Pacific Island Forum Secretariat, REG = Regional, SPC = South Pacific Commission, SPREP = South Pacific Regional Environment Programme, SWISS = Switzerland, TA = Technical Assistance, TVL = Telecom Vanuatu Limited, UK = United Kingdom, UN = United Nations, UNDP = United Nations Development Program, UNESCO = United Nation's Educational, Scientific and Cultural Organization, UNFPA = United Nations Family Planning Association, USP = University of the South Pacific, VAN = Vanuatu, VAT = Value Added Tax, VG = Vanuatu Government, VRDTCA = Vanuatu Rural Development and Training Centers' Association, WHO = World Health Organization, WMO = World Meteorological Organization

Table A2.7: Portfolio Indicators—Portfolio Amounts and Ratings
(public sector loans, as of 31 December 2001)

Sector	Net Loan Amount		Rating ^a														
			Total		Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		Potential Problem ^b		At Risk ^c		
	\$ million	%	No.	%	No.	%	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	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	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Industry and Nonfuel Minerals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multisector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Infrastructure	9.0	100.0	1.0	100.0	0.0	0.0	1.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	9.0	100.0	1.0	100.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

No. = number.

^a One rating for implementation progress and development objectives, based on the lower rating of either.

^b Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

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

Table A2.8: Portfolio Indicators—Disbursements and Net Transfers of Resources
(public sector loans, as of 31 December 2001)

Disbursements and Transfers	OCR	ADF	Total
Disbursements^a			
Total Funds Available for Withdrawal (\$ million)		9.0	9.0
Disbursed Amount (\$ million, cumulative)		8.5	8.5
Percentage Disbursed (disbursed amount/total available)		94.3	94.3
Disbursements (\$ million, latest year)		2.8	2.8
Disbursement Ratio (%) ^b		88.0	88.0
Net Transfer of Resources (\$ million)			
1999	—	5.8	5.8
2000	—	9.9	9.9
2001	—	2.1	2.1

— = not available, ADF = Asian Development Fund, OCR = ordinary capital resources.

^a Includes all loans with disbursements during 2001.

^b Ratio of disbursements during the year over the undisbursed net loan balance 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.

Table A2.9: Portfolio Indicators—Evaluation Rating by Sector
(1996-2001)

Sector	Highly Successful		Successful		Partly Successful		Unsuccessful		No Rating		Total	
	No.	%	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
Industry and Nonfuel Minerals	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Multisector	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	100.0
Others	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
Total	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	100.0

No. = number.

Table A2.10a: Portfolio Implementation Status
(public sector loans, as of 31 December 2001)

No.	Sector	Loan No.	Seg	Title	Net Loan Amount		Approval Date (dd/mm/yy)	Effective Date (dd/mm/yy)	Closing Date		Progress (% complete)
					OCR (\$ million)	ADF (\$ million)			Original (dd/mm/yy)	Revised (dd/mm/yy)	
1	SOC	1448		Urban Infrastructure Project	—	9.0 ^{a/}	27/06/96	16/06/97	31/12/01	30/09/02	95%
Total						9.0					

ADF = Asian Development Fund, SOC = social infrastructure, no. = number, OCR = ordinary capital resources, OTH = other, Seg = segment (pertaining to loans with more than one withdrawal authority)

^{a/} The net loan amount is estimated to have decreased from \$10.0 million equivalent at approval to \$9.0 million equivalent as of 31 December 2001 due to currency fluctuations.

Table A2.10b: Portfolio Implementation Status
(public sector loans, as of 31 December 2001)

No.	Sector	Loan No.	Seg	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem ^a	At Risk ^b
							IP	DO		
1	SOC	1448		Urban Infrastructure Project	8.532	8.474	S	S	No	No
Total					8.532	8.474				

no. = number, SOC = social development, Seg = segment (pertaining to loans with more than one withdrawal authority), DO = development objectives, IP = implementation progress, S = satisfactory.

^a "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^b 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.

Table A2.11: Lending Scenarios and Performance Triggers

Low Case	Base Case
<ul style="list-style-type: none"> • Macroeconomic and political instability and decline in growth rate 	<ul style="list-style-type: none"> • Steady progress in restoring macroeconomic and political stability, with emphasis on the financial, public, and private sectors in creating a conducive environment for economic growth
<ul style="list-style-type: none"> • Large and unsustainable fiscal deficit 	<ul style="list-style-type: none"> • Improvement in fiscal management with sustained revenue recovery, narrowing fiscal deficit, and adequate development expenditure
<ul style="list-style-type: none"> • Deterioration of civil and public services 	<ul style="list-style-type: none"> • Improvement in efficiency of civil and public services, with adequate prioritization, competent senior officers, and good control of expenditure
<ul style="list-style-type: none"> • Progress in improvement in quality of economic and social statistics to provide a better basis for policy formulation 	<ul style="list-style-type: none"> • Improvement in quality and timeliness of economic and social statistics to provide a better basis for policy formulation
<ul style="list-style-type: none"> • Stagnation in private sector investment 	<ul style="list-style-type: none"> • More favorable investment environment and some initiatives in reform of legal and regulatory framework to facilitate private sector development
<ul style="list-style-type: none"> • Less than 75% of the ongoing TAs in the portfolio are rated as satisfactory or highly satisfactory; one or more loans rated as unsatisfactory 	<ul style="list-style-type: none"> • More than 75% of the ongoing TAs in the portfolio rated as satisfactory or highly satisfactory; no loan rated as unsatisfactory
<ul style="list-style-type: none"> • Indicative lending 2003-2005 \$6.5 million 	<ul style="list-style-type: none"> • Indicative lending 2002-2005 \$9.3 million

Table A2.12: Assistance Pipeline for Lending Products, 2003—2005

Sector/Project Name	Poverty Classification	Thematic Priority	Division	Year of PPTA	Total	Project Cost Finance (in \$ million)				
						ADB			Govt	Cofinancing (Others)
						OCR	ADF	Total		
2003 Firm Loans										
Social Infrastructure										
1. Outer Islands Infrastructure Development	PI	ECO/PSD	SPRM	1999	6.8		5.5	5.5	1.3	0.0
Total					6.8		5.5	5.5	1.3	0.0
2004 Firm Loans										
Financed and Industry										
1. Private Sector Development	OTH	PSD/ECO	PAHQ	2003	2.5		2.0	2.0	0.5	0.0
Total					2.5		2.0	2.0	0.5	0.0
2005 Firm Loans										
Agriculture and Natural Resources										
1. Agricultural Development	PI	ECO/PSD	PAHQ	2004	2.3		1.8	1.8	0.5	0.0
Total					2.3		1.8	1.8	0.5	0.0
Grand Total					11.6		9.3	9.3	2.3	0.0

ADB = Asian Development Bank, ADF = Asian Development Fund, ECO = economic development, Govt = Government, OCR = ordinary capital resources, OTH = others, PAHQ = Pacific operations division, PPTA = project preparatory technical assistance, PI = poverty intervention

Source: Asian Development Bank staff estimates

Table A2.13: Assistance Pipeline for Nonlending Products and Services, 2003—2005

Sector/Project Name	Responsible Division	Assistance Type	Sources of Funding				
			ADB Source	ADB (US\$'000)	Others Source	Others (US\$'000)	Total (US\$'000)
2003 Technical Assistance Program							
Other (including Economic development)							
1. Preparation of a Midterm Strategic Framework	SPRM	ADTA	TASF	500.0	—	—	500.0
Subtotal				500.0			500.0
Social Infrastructure							
2. Policy Framework and Capacity-Building for TVET	PAHQ	ADTA	TBD	200.0	—	—	200.0
Subtotal				200.0			200.0
Finance and Industry							
3. Private Sector Development Project	PAHQ	SSTA	TBD	100.0	—	—	100.0
Subtotal				100.0			100.0
Total				800.0			800.0
2004 Technical Assistance Program							
Agriculture and Natural Resources							
1. Preparation of an Agriculture Project	PAHQ	PPTA	TBD	300.0	—	—	300.0
Subtotal				300.0			300.0
Finance and Industry							
2. Legal Framework for the Financial Sector	SPRM	ADTA	TBD	100.0	—	—	100.0
Subtotal				100.0			100.0
Agriculture and Natural Resources							
3. Capacity Building for Environmental Management	PAHQ	ADTA	TBD	200.0	—	—	200.0
Subtotal				200.0			200.0
Social Infrastructure							
4. Gender-based Rural Skills Development	PAHQ	ADTA	—			800.0	800.0
Subtotal						800.0	800.0
Total				600.0		800.0	1,400.0
2005 Technical Assistance Program							
Social Infrastructure							
1. Preparation of an Urban Sanitation and Public Health Project	TBD	PPTA	TBD	200.0	—	—	200.0
Subtotal				200.0			200.0
Other (including Economic development)							
2. Midterm Strategic Framework Implementation	TBD	ADTA	TBD	500.0	—	—	500.0
Subtotal				500.0			500.0
Total				700.0			700.0
Grand Total				2,100.0		800.0	2,900.0

— = not available, ADTA = advisory technical assistance, ADB = Asian Development Bank, PAHQ = Pacific operations division, PPTA = project preparatory technical assistance, SPRM = South Pacific Regional Mission, SSTA = small-scale technical assistance, TASF = technical assistance special fund, TBD = to be determined, TVET = technical vocational education and training

Source: Asian Development Bank staff estimates

Note: Funding available under existing RETAs will be used to prepare an economic action plan, a poverty partnership agreement, map constraints to private sector development, and assess the need to improve business advisory services.

CONCEPT PAPERS FOR LENDING PRODUCTS

- (i) Table A3.1. Outer Islands Infrastructure Development Project
- (ii) Table A3.2. Private Sector Development Project
- (iii) Table A3.3. Agricultural Development Project

Table A3.1: Outer Islands Infrastructure Development Project

Date: September 2002

1. Type/modality of assistance		
<input checked="" type="checkbox"/>	Lending	
<input checked="" type="checkbox"/>	Project loan	
<input type="checkbox"/>	Program loan	
<input type="checkbox"/>	Sector loan	
<input type="checkbox"/>	Sector development program loan	
<input type="checkbox"/>	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	
2. Assistance Focus		
a.	If assistance focuses on a particular sector or subsector, specify the Sector: Infrastructure	
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"/> Human development
<input type="checkbox"/>	Gender and development	<input type="checkbox"/> Governance
<input type="checkbox"/>	Environment protection	<input checked="" type="checkbox"/> Private sector development
<input type="checkbox"/>	Regional cooperation	<input type="checkbox"/> Social protection
<input type="checkbox"/>	Other (specify):	
3. Coverage		
<input checked="" type="checkbox"/>	Country	<input type="checkbox"/> Subregional <input type="checkbox"/> Interregional
<input type="checkbox"/>	Internal policy development	
4. Responsible division/department:	South Pacific Regional Mission	
5. Responsible ADB officer(s)	To be determined.	
6. Description of assistance(s)		
a.	Background/linkage to country/regional strategy: Lack of infrastructure is holding back the development of parts of Vanuatu, particularly the outer islands. In many areas, infrastructure is so poor that travel must be done on foot and takes days. In other cases transportation is slow and expensive. The Government and ADB put priority on rural development.	
b.	Goal and purpose: To accelerate the rate of growth of agriculture, tourism and trade in the outer islands by connecting rural communities and tourist destinations with urban centers.	
c.	Components and outputs: (i) Upgraded road, bridge, wharf, and airstrips in four provinces and six islands; (ii) improved institutional arrangements for sustainable operation and maintenance of the project facilities.	
d.	Expected results and deliverables: (i) More reliable road, shipping and air travel, reduced travel times and reduced travel costs; (ii) increased motor vehicle and passenger travel volumes; (iii) enhanced investment and economic activity in the project areas; (iv) enhanced accessibility to social services in the project areas.	

<p>e. Social or environmental issues or concerns (if any): Communities have been and will continue to be involved in sub-project planning. Environmental issues, expected to be minor, will be assessed case by case.</p> <p>f. Plans for disseminating results/deliverables: (i) An impact monitoring system built into the project, and (ii) regular consultations with provinces and communities.</p>	
<p>7. Proposed executing/implementing agencies:</p>	<p>Ministry of Infrastructure and Public Utilities</p>
<p>8. Nature/extent of government/beneficiary involvement in identification or conceptualizing the assistance:</p> <p>Provincial governments, agriculturalists, tour and resort operators, community representatives and others have been consulted during project design, and will be consulted again as the project is implemented.</p>	
<p>9. Timetable for assistance design, processing, and implementation:</p> <p>a. Year included in CAP, CSP, CSP update, SCSP, SCSP update, or interregional work plan: First included in the 1997-1999 CAP as a 1998 project.</p> <p>b. Expected date of submission for approval Lending: 2003 Nonlending (project preparatory): n/a Nonlending (other than project preparatory): n/a</p> <p>c. Period and duration of assistance (s) Lending: 5 years Nonlending: n/a</p>	
<p>10. Finance Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources</p> <p><input checked="" type="checkbox"/> Asian Development Fund: \$5.5 million</p> <p><input type="checkbox"/> Other</p> <p>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).</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget</p> <p><input type="checkbox"/> Grant TA funds</p> <p><input type="checkbox"/> Others</p> <p>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).</p>	

ADB = Asian Development Bank, CAP= country assistance plan, CSP = country strategy and program, NGO = non governmental organization, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A3.2: Private Sector Development Project

Date: June 2002

1. Type/modality of assistance		
<input checked="" type="checkbox"/>	Lending	
<input type="checkbox"/>	Project loan	
<input type="checkbox"/>	Program loan	
<input checked="" type="checkbox"/>	Sector loan	
<input type="checkbox"/>	Sector development program loan	
<input type="checkbox"/>	Program loan	
<input type="checkbox"/>	Other	
<input checked="" type="checkbox"/>	Nonlending	
<input checked="" type="checkbox"/>	Project preparatory	
<input type="checkbox"/>	Other than project preparatory	
<input checked="" type="checkbox"/>	Economic, thematic, and sector work	
<input checked="" type="checkbox"/>	Institutional development	
<input type="checkbox"/>	Other	
2. Assistance Focus		
a.	If assistance focuses on a particular sector or subsector, specify the Sector: Finance and Industry	
b.	For project preparatory and lending, classification	
<input type="checkbox"/>	Core poverty intervention	
<input type="checkbox"/>	Poverty intervention	
c.	Key thematic area(s)	
<input checked="" type="checkbox"/>	Economic Growth	<input type="checkbox"/> Human development
<input type="checkbox"/>	Gender and development	<input type="checkbox"/> Governance
<input type="checkbox"/>	Environment protection	<input checked="" type="checkbox"/> Private sector development
<input type="checkbox"/>	Regional cooperation	<input type="checkbox"/> Social protection
<input type="checkbox"/>	Other (specify):	
3. Coverage		
<input checked="" type="checkbox"/>	Country	<input type="checkbox"/> Subregional <input type="checkbox"/> Interregional
<input type="checkbox"/>	Internal policy development	
4. Responsible division/department:	Pacific Operations Division	
5. Responsible ADB officer(s)	To be determined.	
6. Description of assistance(s)		
a.	Background/linkage to country/regional strategy: The project will help enhance investment in the private sector by improving the enabling environment for private sector development, enhancing business advisory services and creating sustainable small and medium business financing facilities.	
b.	Goal and purpose: Encourage investment in the private sector	
c.	Components and outputs: (i) Support for stronger and better business advisory services, (ii) creation of sustainable financing arrangements, (iii) streamlining of investment approval and licensing procedures, (iv) elimination of undercutting by the public sector, and (v) removal of administrative and other barriers to private sector investment	
d.	Expected results and deliverables: (i) More private sector investment; and (ii) fewer failed investment applications among Ni-Vanuatu and expatriate investors	
e.	Social or environmental issues or concerns (if any): No social issues are foreseen. Environmental issues will be assessed case by case.	

<p>f. Plans for disseminating results/deliverables: (i) Information pamphlets and brochures, (ii) an impact monitoring system built into the project, and (iii) regular consultations with the business community</p>	
<p>7. Proposed executing/implementing agencies:</p>	<p>Ministry of Trade, Tourism, and Ni-Vanuatu Business Development; banks; Chamber of Commerce and Industry</p>
<p>8. Nature/extent of government/beneficiary involvement in identification or conceptualizing the assistance:</p> <p>Business people, potential investors, and NGOs such as the Chamber of Commerce will be consulted during project preparation. A business forum may be held to help improve communication between the Government and business community.</p>	
<p>9. Timetable for assistance design, processing, and implementation:</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: First included in the 2003-2005 CSP update</p> <p>b. Expected date of submission for approval Lending: 2004 Nonlending (project preparatory): 2003 Nonlending (other than project preparatory)</p> <p>c. Period and duration of assistance (s) Lending: 3 years Nonlending: 1 year</p>	
<p>10. Finance Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources <input checked="" type="checkbox"/> Asian Development Fund: \$2 million <input type="checkbox"/> Other</p> <p>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).</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget <input checked="" type="checkbox"/> Grant TA funds: \$100,000 <input type="checkbox"/> Others</p> <p>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).</p>	

ADB = Asian Development Bank, CSP = country strategy and program, NGO = non governmental organization, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A3.3: Agricultural Development Project

Date: June 2002

1. Type/modality of assistance	
<input checked="" type="checkbox"/> Lending	
<input type="checkbox"/> Project loan	
<input type="checkbox"/> Program loan	
<input checked="" type="checkbox"/> Sector loan	
<input type="checkbox"/> Sector development program loan	
<input type="checkbox"/> Program loan	
<input type="checkbox"/> Other	
<input checked="" type="checkbox"/> Nonlending	
<input checked="" type="checkbox"/> Project preparatory	
<input checked="" type="checkbox"/> Other than project preparatory	
<input checked="" type="checkbox"/> Economic, thematic, and sector work	
<input checked="" type="checkbox"/> Institutional development	
<input type="checkbox"/> Other	
2. Assistance Focus	
a. If assistance focuses on a particular sector or subsector, specify the	
Sector: Agriculture and Natural Resources	
Subsector: Agriculture	
b. For project preparatory and lending, classification	
<input type="checkbox"/> Core poverty intervention	
<input type="checkbox"/> Poverty intervention	
c. Key thematic area(s)	
<input checked="" type="checkbox"/> Economic Growth	<input type="checkbox"/> Human development
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Governance
<input type="checkbox"/> Environment protection	<input checked="" type="checkbox"/> Private sector development
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection
<input type="checkbox"/> Other (specify):	
3. Coverage	
<input checked="" type="checkbox"/> Country	<input type="checkbox"/> Subregional <input type="checkbox"/> Interregional
<input type="checkbox"/> Internal policy development	
4. Responsible division/department:	Pacific Operations Division
5. Responsible ADB officer(s)	Thomas Gloerfelt-Tarp
6. Description of assistance(s)	
a. Background/linkage to country/regional strategy:	The project will help enhance agriculture through improving the enabling environment for agricultural development, enhancing the capacity of the public sector and NGOs to provide agricultural support services and providing necessary investment support. The project is likely to focus on the cattle or fishing industries.
b. Goal and purpose:	Enhance investment in the private agriculture sector
c. Components and outputs:	(i) Creation of a strong and sustainable policy framework and institutional arrangements for the sector; (ii) resolution of long-standing issues related to marketing and development of agricultural commodities; (iii) strengthening of the extension services through clarification of their roles and training; and (iv) creation of the infrastructure necessary for growth in key subsectors such as cattle, forestry, and fishing

<p>d. Expected results and deliverables: (i) Increased investment in key subsectors; (ii) introduction of new processing technologies; (iii) opening of new markets; (iv) better information flows from markets to producers; (v) better-trained extension workers; and (vi) research focused on matters of practical importance</p> <p>e. Social or environmental issues or concerns: Social concerns will include enhancing the access of women to agricultural services. Environmental concerns will include the impacts of land development, grazing, and/or use of pesticides and fertilizers.</p> <p>f. Plans for disseminating results/deliverables: (i) Information pamphlets and brochures, radio broadcasts, and the internet; (ii) impact monitoring system built into the project; and (iii) regular consultations with stakeholders</p>
<p>7. Proposed agencies: executing/implementing Ministry of Agriculture, Forestry and Fisheries</p>
<p>8. Nature/extent of government/beneficiary involvement in identification or conceptualizing the assistance:</p> <p>The consultants for a sector issues study have met extensively with key stakeholders on different islands. Further work will involve continuing consultations, work with NGOs such as the Agricultural Services Association and the Chamber of Commerce, and perhaps an agricultural forum.</p>
<p>9. Timetable for assistance design, processing, and implementation:</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: An ADTA was included in the 2002-2004 CSP update. However, this is the first time a loan project has been proposed.</p> <p>b. Expected date of submission for approval Lending: 2005 Nonlending (project preparatory): 2004 Nonlending (other than project preparatory): 2003</p> <p>c. Period and duration of assistance (s) Lending: 5 years Nonlending: 4 years (including previous and ongoing work)</p>
<p>10. Finance Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources <input checked="" type="checkbox"/> Asian Development Fund: \$1.8 million <input type="checkbox"/> Other</p> <p>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).</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget <input checked="" type="checkbox"/> Grant TA funds: \$300,000 <input type="checkbox"/> Other</p> <p>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).</p>

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, NGO = non governmental organization, SCSP = subregional cooperation strategy and program, TA = technical assistance

CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES

- (i) Table A4.1. Preparation of a Midterm Strategic Framework
- (ii) Table A4.2. Policy Framework and Capacity-Building for Technical and Vocational Education and Training
- (iii) Table A4.3. Legal Framework for the Financial Sector
- (iv) Table A4.4. Capacity Building for Environmental Management
- (v) Table A4.5. Gender-Based Rural Skills Development
- (vi) Table A4.6. Preparation of an Urban Sanitation and Public Health Project

Table A4.1: Preparation of a Midterm Strategic Framework

Date: June 2002

1. Type/modality of assistance		
<input type="checkbox"/> Lending <ul style="list-style-type: none"> <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"/> Program loan <input type="checkbox"/> Other <input checked="" type="checkbox"/> Nonlending <ul style="list-style-type: none"> <input type="checkbox"/> Project preparatory <input checked="" type="checkbox"/> Other than project preparatory <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other 		
2. Assistance Focus		
a. If assistance focuses on a particular sector or subsector, specify the Sector: Not applicable Subsector: Not applicable		
b. For project preparatory and lending, classification <input type="checkbox"/> Core poverty intervention <input type="checkbox"/> Poverty intervention		
c. Key thematic area(s)		
<input checked="" type="checkbox"/> Economic Growth	<input type="checkbox"/> Human development	
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Governance	
<input type="checkbox"/> Environment protection	<input type="checkbox"/> Private sector development	
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	
<input type="checkbox"/> Other:		
3. Coverage		
<input checked="" type="checkbox"/> Country	<input type="checkbox"/> Subregional	<input type="checkbox"/> Interregional
<input type="checkbox"/> Internal policy development		
4. Responsible division/department:	South Pacific Regional Mission	
5. Responsible ADB officer(s)	To be determined	
6. Description of assistance(s)		
a. Background/linkage to country/regional strategy: Vanuatu requires continued support for macroeconomic strategy development and management. Disparate sector policies must be focused, and a linkage created between the broad strategic directions outlined in the comprehensive reform program matrix, and the annual budget process.		
b. Goal and purpose: Create a basis for setting priorities during evaluation of sector development plans, corporate plans, departmental budgets, and project proposals		
c. Components and outputs: Outputs will comprise (i) an overall national development strategy with well-integrated sector frameworks; (ii) a national strategic planning process based upon consultation among stakeholders, public and private, with mechanisms for updating national strategic plans and sector frameworks in response to changing circumstances; and (iii) trained, experienced economists and sector analysts first at the center and in line agencies, capable of continuing the process upon completion of the TAs.		

<p>d. Expected results and deliverables: (i) A macroeconomic framework, updated as circumstances change; (ii) a national strategy with sector frameworks; (iii) a database for planning, established and operational; (iv) lines of communication, established and operational; and (v) close relations established among the Government, civil society, private sector, and NGOs</p> <p>e. Social or environmental issues or concerns: To be addressed under the midterm strategic framework</p> <p>f. Plans for disseminating results/deliverables: (i) Pamphlets, booklets, posters, and other publications made available to the public; and (ii) the internet</p>
<p>7. Proposed agencies: executing/implementing Ministry of Finance</p>
<p>8. Nature/extent of government/beneficiary involvement in identification or conceptualizing the assistance:</p> <p>Involvement of civil society, the private sector, and NGOs in strategic planning is minimal. Under the TA such involvement will be much expanded to ensure that the midterm strategic framework represents the views of diverse parts of society. Business associations, professional associations, village and civil-society groups, NGOs, the media, and others will all be consulted.</p>
<p>9. Timetable for assistance design, processing, and implementation:</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003-2005 CSP Update.</p> <p>b. Expected date of submission for approval</p> <p>Lending</p> <p>Nonlending (project preparatory)</p> <p>Nonlending (other than project preparatory): 2003, 2005</p> <p>c. Period and duration of assistance (s)</p> <p>Lending</p> <p>Nonlending: 2 years for each TA project</p>
<p>10. Finance Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources</p> <p><input type="checkbox"/> Asian Development Fund</p> <p><input type="checkbox"/> Other</p> <p>If cofinancing is required indicate sources, and amount sought:</p> <p>If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing).</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$500,000</p> <p><input type="checkbox"/> Other</p> <p>If cofinancing is required indicate sources, and amount sought:</p> <p>If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing).</p>

ADB = Asian Development Bank, CSP = country strategy and program, NGO = nongovernment organization, SCSP = subregional cooperation strategy and program, TA = technical assistance.

<p>d. Expected results and deliverables: (i) Extent to which courses meet the needs of the economy, as measured by satisfaction of employers and employees; (ii) degree of standardization and/or accreditation of courses; (iii) trainers trained; (iv) materials produced; and (v) policy, institutional, and financing arrangements created</p> <p>e. Social or environmental issues or concerns (if any): Women should be ensured access to TVET.</p> <p>f. Plans for disseminating results/deliverables: (i) Course information pamphlets and brochures; (ii) impact monitoring system built into the project; and (iii) regular consultations with villages, trainees, and NGOs.</p>
<p>7. Proposed agencies: executing/implementing Ministry of Education</p>
<p>8. Nature/extent of government/beneficiary involvement in identification or conceptualizing the assistance:</p> <p>ADB supported a participatory planning workshop to help key stakeholders formulate the objectives and main features of a national formal and nonformal TVET system. Stakeholders consulted included the Vanuatu Rural Development and Training Council, Vanuatu Council of NGOs, Vanuatu Council of Women, and most training providers.</p>
<p>9. Timetable for assistance design, processing, and implementation:</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002 CSP Update.</p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory) Nonlending (other than project preparatory): 2003</p> <p>c. Period and duration of assistance (s) Lending Nonlending: 1 year</p>
<p>10. Finance Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources</p> <p><input type="checkbox"/> Asian Development Fund</p> <p><input type="checkbox"/> Other</p> <p>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).</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$200,000</p> <p><input type="checkbox"/> Other</p> <p>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).</p>

ADB = Asian Development Bank, CSP = country strategy and program, NGO = nongovernment organization, SCSP = subregional cooperation strategy and program, TA = technical assistance, TVET = Technical vocational education and training

Table A4:3: Legal Framework for the Financial Sector

Date: June 2002

1. Type/modality of assistance <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"/> 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 type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other		
2. Assistance Focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Finance and Industry Subsector: Finance b. For project preparatory and lending, classification <input type="checkbox"/> Core poverty intervention <input type="checkbox"/> Poverty intervention c. Key thematic area(s) <input checked="" type="checkbox"/> Economic Growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environment protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: <input type="checkbox"/> Human development <input checked="" type="checkbox"/> Governance <input checked="" type="checkbox"/> Private sector development <input type="checkbox"/> Social protection		
3. Coverage <input checked="" type="checkbox"/> Country <input type="checkbox"/> Internal policy development <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional		
4. Responsible division/department:		Pacific Department
5. Responsible ADB officer(s)		To be determined
6. Description of assistance(s) a. Background/linkage to country/regional strategy: The strategy points out the need to strengthen the supervision and regulation of offshore businesses, consolidate such functions, and avoid sanctions brought on by money laundering and harmful tax practices. b. Goal and purpose: (i) Help bring Vanuatu's financial sector up to date in terms of supervisory and regulatory functions; and (ii) enable the offshore and onshore finance industries to continue to grow and develop c. Components and outputs: Draft legislation to strengthen the offshore and onshore financial sectors, along lines outlined in a recent ADB report on the financial sector and discussed with an IMF mission in May 2002 d. Expected results and deliverables: Legislation, enacted, published, and operational e. Social or environmental issues or concerns: None		

<p>f. Plans for disseminating results/deliverables: The legislation will be available to the public through the State Law Office information center.</p>
<p>7. Proposed agencies: executing/implementing State Law Office</p>
<p>8. Nature/extent of government/beneficiary involvement in identification or conceptualizing the assistance: The assistance will be based upon extensive consultations with the business and financial communities, onshore and offshore.</p>
<p>9. Timetable for assistance design, processing, and implementation:</p> <ul style="list-style-type: none"> a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: included in 2003-2005 CSP Update b. Expected date of submission for approval <ul style="list-style-type: none"> Lending Nonlending (project preparatory) Nonlending (other than project preparatory): 2004 c. Period and duration of assistance (s) <ul style="list-style-type: none"> Lending: Nonlending: 1 year
<p>10. Finance Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <ul style="list-style-type: none"> a. For lending <ul style="list-style-type: none"> <input type="checkbox"/> Ordinary capital resources <input type="checkbox"/> Asian Development Fund <input type="checkbox"/> Other <p>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).</p> b. For nonlending <ul style="list-style-type: none"> <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget <input checked="" type="checkbox"/> Grant TA funds: \$100,000 <input type="checkbox"/> Other <p>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).</p>

ADB = Asian Development Bank, CSP = country strategy and program, IMF = International Monetary Fund, NGO = nongovernment organization, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A4.4: Capacity Building for Environmental Management

Date: September 2002

1. Type/modality of assistance		
<input type="checkbox"/> Lending <ul style="list-style-type: none"> <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"/> Program loan <input type="checkbox"/> Other <input checked="" type="checkbox"/> Nonlending <ul style="list-style-type: none"> <input type="checkbox"/> Project preparatory <input checked="" type="checkbox"/> Other than project preparatory <ul style="list-style-type: none"> <input type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other 		
2. Assistance Focus		
a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and Natural Resources Subsector: Natural Resources		
b. For project preparatory and lending, classification <input type="checkbox"/> Core poverty intervention <input type="checkbox"/> Poverty intervention		
c. Key thematic area(s)		
<input type="checkbox"/> Economic Growth	<input type="checkbox"/> Human development	
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Governance	
<input checked="" type="checkbox"/> Environment protection	<input type="checkbox"/> Private sector development	
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	
<input type="checkbox"/> Other:		
3. Coverage		
<input checked="" type="checkbox"/> Country	<input type="checkbox"/> Subregional	<input type="checkbox"/> Interregional
<input type="checkbox"/> Internal policy development		
4. Responsible division/department:	Pacific Department	
5. Responsible ADB officer(s)	To be determined	
6. Description of assistance(s)		
a. Background/linkage to country/regional strategy: Although the country is only lightly developed, environmental problems (water pollution, watershed damage) are surfacing in densely built-up areas such as Port Vila, and could emerge in other areas.		
b. Goal and purpose: To prevent environmental degradation particularly in densely built up areas		
c. Components and outputs: Environmental regulations, environmental impact assessment procedures and staff trained in enforcement of regulations and impact assessment procedures		
d. Expected results and deliverables: A working, effective environmental management system covering major urban centers, particularly Port Vila.		
e. Social or environmental issues or concerns (if any): continued watershed destruction could threaten the safety of residents of potential flood plains.		

<p>f. Plans for disseminating results/deliverables: the work would be publicized through the news media as it proceeds, and later information would be available on environmental regulations, impact assessment procedures etc. from the Executing Agency.</p>
<p>7. Proposed agencies: executing/implementing Ministry of Lands and Environment</p>
<p>8. Nature/extent of government/beneficiary involvement in identification or conceptualizing the assistance: The work would be done through a consultative process involving local communities, chiefs, the business community and NGOs.</p>
<p>9. Timetable for assistance design, processing, and implementation:</p> <ul style="list-style-type: none"> a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: included in 2002-2003 CSP update b. Expected date of submission for approval Lending Nonlending (project preparatory): Nonlending (other than project preparatory): 2004 c. Period and duration of assistance (s) Lending: Nonlending: 1 year
<p>10. Finance Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <ul style="list-style-type: none"> a. For lending <ul style="list-style-type: none"> <input type="checkbox"/> Ordinary capital resources <input type="checkbox"/> Asian Development Fund <input type="checkbox"/> Other <p>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).</p> b. For nonlending <ul style="list-style-type: none"> <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget <input checked="" type="checkbox"/> Grant TA funds: \$200,000 <input type="checkbox"/> Other <p>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).</p>

ADB = Asian Development Bank, CSP = country strategy and program, NGO = nongovernment organization, SCSP = subregional cooperation strategy and program, TA = technical assistance

Table A4.5: Gender-Based Rural Skills Development

Date: September 2002

1. Type/modality of assistance		
<input type="checkbox"/> Lending <ul style="list-style-type: none"> <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"/> Program loan <input type="checkbox"/> Other <input checked="" type="checkbox"/> Nonlending <ul style="list-style-type: none"> <input type="checkbox"/> Project preparatory <input checked="" type="checkbox"/> Other than project preparatory <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other 		
2. Assistance Focus		
a. If assistance focuses on a particular sector or subsector, specify the Sector: Social Infrastructure Subsector: Education		
b. For project preparatory and lending, classification <input type="checkbox"/> Core poverty intervention <input type="checkbox"/> Poverty intervention		
c. Key thematic area(s)		
<input type="checkbox"/> Economic Growth	<input checked="" type="checkbox"/> Human development	
<input checked="" type="checkbox"/> Gender and development	<input type="checkbox"/> Governance	
<input type="checkbox"/> Environment protection	<input checked="" type="checkbox"/> Private sector development	
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	
<input type="checkbox"/> Other:		
3. Coverage		
<input checked="" type="checkbox"/> Country	<input type="checkbox"/> Subregional	<input type="checkbox"/> Interregional
<input type="checkbox"/> Internal policy development		
4. Responsible division/department:	Pacific Department	
5. Responsible ADB officer(s)	To be determined	
6. Description of assistance(s)		
a. Background/linkage to country/regional strategy: Although women are responsible for harvesting and marketing many crops and handicrafts, they receive little in the way of skills training and development		
b. Goal and purpose: To expand the services available to rural women in the areas of processing, marketing and production of rural services		
c. Components and outputs: participatory surveys of women's activities and current support services, identification of new activities and services needing increased support, pilot testing of new activities, networking with possible financiers and supporters, promotion and consolidation of new initiatives		
d. Expected results and deliverables: new and improved activities for rural women, strengthened networks among women, expanded support services, more sustainable institutional and financial arrangements		

<p>e. Social or environmental issues or concerns (if any): access of women to rural income generation activities, employment and services.</p> <p>f. Plans for disseminating results/deliverables information developed in the course of the project may be disseminated through women's groups, the Vanuatu National Council of Women, the National Training Council, and seminars and workshops.</p>	
<p>7. Proposed executing/implementing agencies:</p>	<p>Vanuatu National Council of Women, National Training Council, Institute for Technical and Vocational Education (INTV)</p>
<p>8. Nature/extent of government/beneficiary involvement in identification or conceptualizing the assistance:</p> <p>Women's groups, the National Training Council, INTV and others are being consulted.</p>	
<p>9. Timetable for assistance design, processing, and implementation:</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan Included in CSP update 2003-2005</p> <p>b. Expected date of submission for approval Lending Nonlending (project preparatory): Nonlending (other than project preparatory): 2004</p> <p>c. Period and duration of assistance (s) Lending: Nonlending: 2 years</p>	
<p>10. Finance Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources</p> <p><input type="checkbox"/> Asian Development Fund</p> <p><input type="checkbox"/> Other</p> <p>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).</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget</p> <p><input type="checkbox"/> Grant TA funds</p> <p><input checked="" type="checkbox"/> Other: \$800,000</p> <p>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).</p>	

ADB = Asian Development Bank, CSP = country strategy and program, INTV = Institute for Technical and Vocational Education, SCSP = subregional cooperation strategy and program, TA = technical assistance

Table A4.6: Preparation of an Urban Sanitation and Public Health Project

Date: June 2002

1. Type/modality of assistance		
<input type="checkbox"/> Lending <ul style="list-style-type: none"> <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"/> Program loan <input type="checkbox"/> Other <input checked="" type="checkbox"/> Nonlending <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other 		
2. Assistance Focus		
a. If assistance focuses on a particular sector or subsector, specify the Sector: Social Infrastructure Subsector: Water Supply		
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 type="checkbox"/> Economic Growth	<input checked="" type="checkbox"/> Human development	
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Governance	
<input checked="" type="checkbox"/> Environment protection	<input type="checkbox"/> Private sector development	
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	
<input type="checkbox"/> Other:		
3. Coverage		
<input checked="" type="checkbox"/> Country	<input type="checkbox"/> Subregional	<input type="checkbox"/> Interregional
<input type="checkbox"/> Internal policy development		
4. Responsible division/department:	Pacific Department	
5. Responsible ADB officer(s)	To be determined	
6. Description of assistance(s)		
a. Background/linkage to country/regional strategy: The project will help improve the quality of life and reduce poverty in Port Vila, the largest city and capital. The project will also help reduce environmental pollution that could threaten the tourism industry.		
b. Goal and purpose: Help improve the quality of life of all residents of Port Vila, including the urban poor, and tourists		
c. Components and outputs: Outputs will include (i) improved water quality in the lagoons, harbor, and living areas; (ii) reduced wastewater discharges; and (iii) improved quality of wastewater. Components will include (i) sewage collection, treatment and discharge facilities, and drainage facilities, including in slum and squatter areas; (ii) creation of sustainable institutional arrangements for monitoring and regulating waste discharges; (iii) creation of sustainable institutional arrangements for providing and financing sewerage services; (iv) regularization of land tenure in slum and squatter settlements; and (v) enhanced awareness of the need for improved wastewater management.		

<p>d. Expected results and deliverables: (i) Improved water quality in the lagoons and harbor, (ii) reduced wastewater in residential areas, (iii) improved volume and quality of waste discharges, (iv) reduced flooding from drainage discharges, (v) improved protection of roads from rainwater runoff, (vi) fewer people affected before and after, (vii) evidence of knowledge of wastewater treatment needs, and (viii) evidence of sustainable wastewater management operations</p> <p>e. Social or environmental issues or concerns (if any): Social concerns will include the need to improve services and living conditions for the poor. Environmental concerns will include the need to (i) conduct environmental impact assessments, particularly for sewage collection, treatment, and disposal facilities; and (ii) ensure that the various components will reduce environmental impacts.</p> <p>f. Plans for disseminating results/deliverables: (i) Information pamphlets and brochures, television, and the internet; (ii) an impact monitoring system built into the project; (iii) press releases; and (iv) regular consultations with stakeholders</p>
<p>7. Proposed agencies: executing/implementing Ministry of Works, Transport, and Communications</p>
<p>8. Nature/extent of government/beneficiary involvement in identification or conceptualizing the assistance:</p> <p>Recent experience has shown the importance of consulting with stakeholders and mobilizing their support. They may include residents of affected communities, members of the business community, and key large players such as resorts and the hospital.</p>
<p>9. Timetable for assistance design, processing, and implementation:</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: included in 2002-2004 CSP update as a PPTA for 2003</p> <p>b. Expected date of submission for approval Lending Nonlending (project preparatory): 2005 Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance (s) Lending: Nonlending: 1 year</p>
<p>10. Finance Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources</p> <p><input type="checkbox"/> Asian Development Fund</p> <p><input type="checkbox"/> Other</p> <p>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).</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$200,000</p> <p><input type="checkbox"/> Other</p> <p>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).</p>

ADB = Asian Development Bank, CSP = country strategy and program, PPTA = project preparatory technical assistant, SCSP = subregional cooperation strategy and program, TA = technical assistance.