

SUMMARY DESCRIPTION OF ADB REFORM PROGRAM LOANS

	Cooks ERP	Samoa FSP	Tonga EPSRP	Vanuatu CRP	Solomon Islands PSRP	Nauru FFRP
Goal	Reform and restructure whole economy, reducing role of public sector	Private sector-led economic growth	i. macroeconomic stability ii. private sector-led economic growth	Enhance and sustain private sector-led economic growth	Place economy on sustainable track and improve efficiency and performance in public sector.	Sustainable economic growth in line with capacities of economy
Objectives of Program	i. macroeconomic stability, particularly fiscal and external balance. ii. reduction government role and increased private sector activity – agric, fisheries, tourism iii. mitigation social costs resulting from downsized public sector and rise in emigration	i. promotion & establishment of sustainable market-based financial sector policies. ii. privatization or corporatization of SOEs	i. fiscal reform ii. improved public sector service delivery	i. Public sector reforms: redefine role of Government and enhance quality and delivery of policy, regulatory and developments services. ii. financial and economic reforms : increase productivity and growth of commercial and private sector iii. support improvement of social development indicators, particularly for disadvantaged and rural population.	i. Reform and reduce size of public sector, partly to adjust to economic contraction. ii. Shift balance of economic activity away from the public sector to the private sector.	i. Achieve responsible fiscal management – reduce fiscal deficit ii. Preserve real value of external assets and increase sustainable revenue stream from phosphates – NPC and NPRT iii. Improve efficiency and effectiveness of public sector. iv. Establish viable banking system and consumer confidence.
Scope/Components (Outputs)	i. public sector reform – redefine and rationalize role of Government	i. promoting and developing financial markets ii. strengthening	i. fiscal reform – strengthening public expenditure management; enhancing	i.1. Strengthen legislative and institutional framework 2.introduce	i. Reduce size and operation costs of the civil service. ii. increase	i. Fiscal management program to rein in expenditures and better

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	<p>through devolution of selected powers and responsibilities to local communities; sound financial and economic management with increased user charges, reduced subsidies and cost cutting measures such as reduction in public servants; improved public sector management and efficiency</p> <p>ii. promotion private sector-led growth</p> <p>iii. protecting and enhancing social equity and sustainability (included Transition Ministry to assist laid off public servants)</p>	<p>central bank (CBS)</p> <p>iii. strengthening regulatory framework for transition to market-oriented financial system</p> <p>iv. strengthening performance NPF</p> <p>v. privatizing or corporatizing SOEs</p>	<p>revenue generation; improving efficiency and effectiveness of resource use in public enterprise sector.</p> <p>ii. public service reform – institutional framework for performance-oriented public service; efficient and effective performance management.</p>	<p>responsible fiscal management</p> <p>3. fiscal balance and stabilization</p> <p>4. restructure public sector institutions and responsibilities</p> <p>5. institutional strengthening public sector institutions.</p> <p>ii.1 improve investment policy environment</p> <p>2. reform financial sector policies</p> <p>3. restructure government financial institutions</p> <p>4. redefine commercial functions of government</p> <p>iii.1. mitigate negative impacts on groups at risk and vulnerable to reform process</p> <p>2. enhance social services to disadvantaged groups</p>	<p>domestic revenue generation.</p> <p>iii. restructure government operations to improve efficiency and effectiveness; sell or liquidate several major SOEs</p> <p>iv. strengthen governance institutions in order to promote greater transparency and accountability and to reduce opportunities for corruption in the public service.</p> <p>v. mitigate negative social or economic impact of adjustment in public expenditure.</p>	<p>manage massive external debt. Debt restructuring, public sector downsizing, phosphate revenue enhancement, tax reform.</p> <p>ii. Asset management framework to ensure country utilizes and manages its phosphate and financial investments productively for present and future benefit.</p> <p>iii. Quality of public service delivery improved. Departments operate within reduced budget. Transparency and accountability to management of budget process and financial transactions.</p> <p>iv. Legal environment for</p>

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						independent banking operations and supervision. New bank or alternative. v. Softening impact of reforms.
Loan Amount (tranches) and Approval date	\$5 million OCR. (\$3m; \$1.83m) September 1996	\$7.5 million (\$4m; \$3.5) February 1998	\$10 million: SDR 8.02m. May 2002	\$20 million: SDR 14.977m. (\$10m+\$5m; \$5m) July 1998	\$25 million: SDR 18.8 million (\$15m, \$10m). Approved August 1998, Cancelled Oct 2000.	\$5million OCR (\$3.2m, \$1.8m, \$0.9m) {N.B second and third tranche cancelled} Approved December 1998
Technical Assistance and other support	Two TA grants – \$0.9 million (plus further \$0.6 m TA in 1997)	Two TA grants – ADB \$0.95 million. TA managed by Samoa.	TA grant \$0.7 million	TA grant \$1.2 million. It was anticipated that further financial and technical assistance would be provided after initial 3 years. [N.B no program loan has had a follow on, even though all seem to recognize need long term commitment – need to check whether OPO/PARD or ADB led change in policy.	TA loan SDR 0.752 million (\$1.0 million). TA grant \$600,000.	TA grant \$600,000. 2 subsequent TAs, \$144,000 Feb 1999, and \$300,000 Dec 2000.

	PNG PSP	FSM PSRP	FSM PSDP	RMI PSRP	RMI FFMP
Goal	Improved living standards	Transformation and development of a more efficient FSM economy.	Increase sustainable economic growth through an increased contribution of the private sector.	Return economy to financial stability, and set it on a more sustainable course for economic growth and development.	Sustainable growth and poverty reduction without continued reliance on external assistance
Objectives of Program	<ul style="list-style-type: none"> i. Improved public service delivery in key sectors ii. Increased private sector-led economic growth. 	<ul style="list-style-type: none"> i. reforming and reducing the size of the public sector to adjust to declining external resource transfers ii. shifting balance of economic activity away from the public sector to the private sector. 	<ul style="list-style-type: none"> i. Develop a sound economic and legal environment conducive to private sector development. ii. Improve access to and competitiveness of land, labor, and capital resources to increase business prospects and performance. 	<ul style="list-style-type: none"> i. fiscal stabilization and sound fiscal policies. ii. privatization of public enterprises. iii public sector reform. iv. stimulate private sector development. 	<ul style="list-style-type: none"> i. ensure sustainable income flows for future generation ii. strengthen public sector financial and economic management iii. stabilize fiscal position iv. improve effectiveness of public service v. enhance policy environment for private sector
Scope/Components (i.e. Outputs)	<ul style="list-style-type: none"> i. Building a performance oriented public service. ii. Reorienting personnel Management Systems and Processes reoriented. iii. Strengthening governance probity and oversight agencies. iv. improve mechanisms to deliver public services improved. 	<ul style="list-style-type: none"> i. reduced size and operating costs of the civil service. ii. increased domestic revenue generation. iii. restructured government operations and public enterprises, with divesture some of latter. iv. successful mitigation of negative social and economic impacts of the adjustment in public 	<ul style="list-style-type: none"> i. Continued economic and legal reforms. ii. Improved public services to support private sector development. iii. New secured transactions system. iv. Strengthened state land administration and management. v. Strengthened capacity of FSMDB. 	<ul style="list-style-type: none"> i. short term stabilization of government finances ii. long term structural stability of public finances. iii. create improved enabling environment for private sector. 	<ul style="list-style-type: none"> i. strengthened governance of the fiscal stabilization trust fund; resource allocation to trust fund. ii. strengthened public sector financial management iii. increased government revenue; restrained government expenditure; iv. improved effectiveness of public

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		expenditure. v. improved conditions for private sector development.			service. v. enhanced policy environment for private sector enhanced
Loan Amount (tranches) and Approval date	\$70 million (2 tranches of \$35 million – note 2 nd tranche cancelled) December 2001	SDR 12.979 million - \$18 million equivalent (\$10, \$8 million) April 1997	Program loan of SDR3.912 million (\$5 million equivalent) and Project loan of SDR 6.273million (\$8 million equivalent). December 2001	SDR 8.4 million- \$12 million equivalent (\$5.5, \$3.5 and \$3.0 million) January 1997	SDR 6.32 million - \$8million equivalent plus \$4 million. (\$4.3, 5.4 million, \$2.3 million) May 2001
Technical Assistance and other support	TA grant of \$850,000. Augmented and extended 9 months by AusAID(\$381,000) TA grant of \$600,000 provided for program preparation.	Two TA grants. \$540,000 to supplement policy advisory team; \$380,000 for development of investment promotion plan and review of financial sector.	None attached to loan.	Three TA grants. \$515,000 to support rationalization committee; \$575000 for strengthening transport sector and \$ 760,00 to support private sector unit.	TA grant for \$950,000 for fiscal, financial, economic advice.