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At the Asian Development Bank's (ADB) 32nd Annual Meeting held in Manila, Philippines in May 1999, the President, Mr. Tadao Chino, announced that, "... fighting poverty and improving living standards of all the people in the region will be the overarching objective of the Asian Development Bank." This clearly stated objective for ADB's future operations gave greater focus to the nature of economic development it seeks to promote within its developing member countries (DMCs).

In December 2000, ADB published *A Pacific Strategy for the New Millennium* to address the issues and challenges confronting its Pacific DMCs (PDMCs). The strategy focused on poverty reduction as a unifying theme. The three pillars of ADB's poverty reduction strategy (good governance, inclusive social development, and pro-poor, sustainable economic growth) were to underpin the design of project interventions and capacity building measures.

To implement the Pacific strategy, ADB initiated a series of technical assistance projects to identify the nature, magnitude, location, and determination of poverty. *Poverty: Is It an Issue in the Pacific?* was published in March 2001 and revealed an increasing and increasingly serious situation: weak economic growth, growing populations, rising unemployment, declining per capita incomes, questionable standards of governance, poor and often deteriorating standards of service delivery, and a frequent lack of clear national priorities and development strategies were causing both hardship and poverty in the Pacific. *Hardship and Poverty in the Pacific* aims to further the analysis, awareness, and understanding of the nature and extent of poverty and to draw attention to the importance of developing and, more importantly, implementing measures and strategies to ensure equitable growth and hardship alleviation in the PDMCs.

Since mid-2002, ADB has signed poverty partnerships with 11 PDMC governments that confirm each government's commitment to (i) better define and assess the concept of hardship and poverty, (ii) monitor progress towards the achievement of the Millennium Development Goals, (iii) design appropriate strategies for reducing hardship and poverty, and (iv) incorporate these strategies, consistent with each government's own priorities, into country development plans. The work this paper summarizes was instru-

mental in the preparation of the Pacific Strategy 2005-2009 that has recently been approved.

This report was prepared by Steve Pollard, Principal Economist, PARD, and David Abbott, Development Economist, Secretariat of the Pacific Community. The authors wish to recognize the participatory poverty and hardship assessments that were carried out by Lulu Zuniga and Dr. Wendy Mee (in the Marshall Islands) and the comments and contributions of the many people of the Pacific who were consulted in these assessments.

A handwritten signature in black ink, appearing to read 'J. Hovland', enclosed within a hand-drawn, irregular triangular shape.

Jeremy Hovland
Director General
Pacific Department