
I. INTRODUCTION

The President of the Asian Development Bank (ADB), Mr. Tadao Chino, announced that *“fighting poverty and improving living standards of all the people in the region will be the over-arching objective of the ADB”* during the 32nd Annual Meeting in Manila in May 1999. This announcement crystallized the focus of ADB’s long-term aim of fostering economic development in its Developing Member Countries (DMCs). As part of its efforts to address poverty issues in the Pacific Developing Member Countries (PDMCs), ADB initiated RETA 5907: Poverty Assessment in PDMCs. This report was prepared under RETA 5907. Given that around 33 percent of ADB’s lending to the PDMCs is from the ADF,³ the poverty focus is particularly appropriate for its operations in the Pacific.

The strategies outlined in the following are based upon the analysis of the current situation in each PDMC. The framework used has been derived from the approaches described in the ADB publication *Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy* and the work of Duncan and Pollard⁴. The description of the current situation in each country is from other works also prepared under RETA 5907, plus various country documents and other sources as listed in the bibliography.

Sections II, III, and IV provide a general description of the situation in the PDMCs. Section V includes assessments of the situation in each of the PDMCs, plus a listing of the key issues and strategic foci for the PDMCs as a group.

³ The Asian Development Fund (ADF) is the soft window in the Asian Development Bank’s (ADB) lending portfolio. Loans from the ADF are highly concessionary.

⁴ Duncan & Pollard op cit