ABBREVIATIONS

ADB – Asian Development Bank
CPS – country partnership strategy
COBP – country operations business plan
DMC – developing member country
IED – Independent Evaluation Department

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I. INTORODUCTION

1. The interim Pacific Approach, 2015 of the Asian Development Bank (ADB) will extend the validity of the Pacific Approach, 2010–2014 until the Board of Directors endorses the new Pacific Approach in January 2016. Following the function of the Pacific Approach, 2010–2014, the interim approach serves as the country partnership strategy (CPS) for 10 small Pacific developing member countries (DMCs). This interim approach will therefore guide the country operations business plans (COBPs), 2015–2017 of these Pacific DMCs, and the Pacific regional cooperation business plans.

2. The interim approach will enable ADB to incorporate into the new Pacific Approach key findings of two important reviews: (i) implementation review of the Pacific Approach, 2010–2014 by the Pacific Department, completed in November 2014; and (ii) corporate evaluation study of ADB’s Support to Small Pacific Island Countries, prepared by ADB’s Independent Evaluation Department (IED) and completed in March 2015.

II. BACKGROUND

3. Highlights of the Pacific Approach, 2010–2014 and its application. ADB approved the Pacific Approach, 2010–2014 in 2009 to direct its engagement in the Pacific at country and regional levels. It positions ADB to maximize its development impact in a region that faces unique development challenges, particularly the vulnerability of its countries to external shocks—economic crises, climate change, and natural disasters—resulting from their size and location.

4. Under the goal of sustainably improved and resilient living standards, the Pacific Approach adopts three development agendas: inclusive and environmentally sustainable growth, good governance, and regional cooperation and integration. It also sets out four priority sectors for ADB operations: transport and information and communication technology; energy; urban development, water, sanitation; and education. The Pacific Approach emphasizes the need to understand the local context, demonstrate flexibility in operations, promote participation and ownership, share knowledge, and strengthen coordination with development partners.

5. The implementation of the Pacific Approach is complemented by country-specific strategic planning processes: (i) country partnership strategies (CPSSs) for larger Pacific DMCs (Fiji, Papua New Guinea, Solomon Islands, and Timor-Leste); and (ii) country strategic analyses for the 10 small Pacific DMCs, which assess each country’s unique development challenges, government priorities, and the role of other development partners, and defines ADB’s strategic focus in the country. These analyses are included in their COBPs as linked documents.

6. Self- and independent review of the Pacific Approach. In November 2014, ADB completed the implementation review of the Pacific Approach. The review considered the changes in the Pacific development context and operating environment, and ADB’s performance in implementing the Pacific Approach, and identified lessons for ADB to consider in

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4 CPSs for Fiji, Papua New Guinea. Solomon Islands, and Timor-Leste are slated for Board consideration in 2016.
preparing a new Pacific Approach. The review found that ADB operations in the Pacific had become more focused, which, with increased field presence, had enabled ADB to scale up its operations and improve its portfolio performance. While confirming the continued relevance of the Pacific Approach direction, the review urged ADB to continue to sharpen sector expertise, integrate disaster risk management into operations, and expand private sector development activities to boost its effectiveness. It reiterated the importance of understanding the unique local context, using a flexible and long-term approach to engaging with countries, and expanding field presence to remain relevant in the region.

7. ADB’s Independent Evaluation Department (IED) concluded the corporate evaluation study of ADB’s Support to Small Pacific Island Countries in March 2015. The study evaluated the Pacific Approach and recommended actions to improve the effectiveness of ADB operations in the 10 small Pacific DMCs, including the steps ADB should take in preparing a new Pacific Approach. IED’s recommendations called for better resourcing of the Pacific Department, broadening of ADB’s approach to climate change and disaster risk management, use of ADB’s project design facility to improve project readiness, and strengthening of its approach to capacity development in public sector management operations.

III. PREPARATION OF ADB’S PACIFIC APPROACH, 2016–2020

8. ADB began preparing the new Pacific Approach, 2016–2020, in April 2015 following the completion of IED’s corporate evaluation study. The new approach will build on the findings, lessons, and recommendations of the implementation review and the IED study. In addition, it will be informed by

(i) ADB’s corporate priorities adopted through its Midterm Review of Strategy 2020 and its action plan,\(^5\) including the emphasis on inclusive growth, environment and climate change, regional cooperation and integration, infrastructure, and private sector development;

(ii) the new Framework for Pacific Regionalism endorsed by the Pacific Leaders in July 2014,\(^6\) and medium-term priorities to be adopted by the Pacific Leaders in September 2015;

(iii) several major research products that will be concluded by mid-2015,\(^7\) together with other available regional and country diagnostic studies;\(^8\) and

(iv) outcomes of consultations with governments, regional organizations and other development partners, and other key stakeholders.


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\(^7\) ADB. *Pacific Economies: Leveraging the Benefits of Asia’s Integration and Growth for Pacific Economies.* Unpublished; ADB. *Results-Based Lending in Transport.* Unpublished.

\(^8\) These include updated country strategic analyses of the 10 smaller Pacific DMCs, and country diagnostic studies that informed the CPSs of Fiji (endorsed in November 2014) and Papua New Guinea (endorsed in March 2015).