Tuvalu is a small island developing state comprising nine atolls in the South Pacific. It is geographically isolated and highly vulnerable to climatic and economic shocks. With a small private sector and limited resources to support socioeconomic development, the public sector is its main driver of growth. The country’s national income derives from fishing license fees, trust fund investments, official development assistance, “dotTV” domain name royalties, and remittances. Disasters triggered by natural hazards increase the country’s economic volatility and can substantially alter fiscal outcomes. 

To date, the Asian Development Bank (ADB) has committed 43 public sector loans, grants, and technical assistance totaling $102 million to Tuvalu. Cumulative loan and grant disbursements to Tuvalu amount to $41.2 million. These were financed by concessional ordinary capital resources, and the Asian Development Fund. ADB’s ongoing sovereign portfolio in Tuvalu includes 11 grants worth $65.7 million.

In 2020, ADB provided $1 million in emergency grant financing from the Asia Pacific Disaster Response Fund and $208,000 in technical assistance grant to help Tuvalu procure medical supplies and equipment to protect the population against COVID-19. ADB is also helping expand coverage of new vaccines in the Pacific, including a grant of $2.5 million for Tuvalu under a regional project. Additional financing of $1.5 million was committed in 2021 to procure and distribute COVID-19 vaccines.

Under the Pacific Disaster Resilience Program, the Government of Tuvalu was able to quickly access $3 million in January 2020 in the aftermath of Tropical Cyclone Tino.

ADB priorities in Tuvalu include improving maritime facilities, strengthening disaster resilience, advancing renewable energy, upgrading water and sanitation, promoting health and COVID-19 preparedness, and enhancing prudent fiscal management.

## Tuvalu 2021 Commitments ($ million)*

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Sovereign</th>
<th>Nonsovereign</th>
<th>Total</th>
<th>COVID-19 Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>21.50</td>
<td>–</td>
<td>21.50</td>
<td>1.50</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>2.69</td>
<td>0.26</td>
<td>2.95</td>
<td>0.14</td>
</tr>
<tr>
<td>Total</td>
<td>24.19</td>
<td>0.26</td>
<td>24.45</td>
<td>1.64</td>
</tr>
</tbody>
</table>

= nil, COVID-19 = coronavirus disease, DMC = developing member country, TA = technical assistance.

Notes:
- Commitment is the financing approved by ADB’s Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB.
- Grants and TA include ADB-administered cofinancing.
- Numbers may not sum precisely because of rounding.
- Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

## Tuvalu: Cumulative Commitments

### ADB Commitments

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Amount ($ million)</th>
<th>% of Total Amount</th>
<th>COVID-19 Response ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Natural Resources, and Rural Development</td>
<td>0.13</td>
<td>0.12</td>
<td>–</td>
</tr>
<tr>
<td>Education</td>
<td>5.92</td>
<td>5.55</td>
<td>–</td>
</tr>
<tr>
<td>Energy</td>
<td>6.86</td>
<td>6.43</td>
<td>–</td>
</tr>
<tr>
<td>Finance</td>
<td>0.40</td>
<td>0.37</td>
<td>–</td>
</tr>
<tr>
<td>Health</td>
<td>6.22</td>
<td>5.83</td>
<td>3.72</td>
</tr>
<tr>
<td>Industry and Trade</td>
<td>0.24</td>
<td>0.22</td>
<td>–</td>
</tr>
<tr>
<td>Information and Communication Technology</td>
<td>0.17</td>
<td>0.16</td>
<td>–</td>
</tr>
<tr>
<td>Multisector</td>
<td>0.40</td>
<td>0.37</td>
<td>–</td>
</tr>
<tr>
<td>Public Sector Management</td>
<td>30.48</td>
<td>28.57</td>
<td>4.47</td>
</tr>
<tr>
<td>Transport</td>
<td>51.10</td>
<td>47.90</td>
<td>–</td>
</tr>
<tr>
<td>Water and Other Urban Infrastructure and Services</td>
<td>4.77</td>
<td>4.47</td>
<td>0.10</td>
</tr>
<tr>
<td>Total</td>
<td>106.69</td>
<td>100.00</td>
<td>8.29</td>
</tr>
</tbody>
</table>

= nil, COVID-19 = coronavirus disease, DMC = developing member country, TA = technical assistance.

* Grants and TA include ADB-administered cofinancing.

** Includes loans, grants, and TA.

* Using primary sector in the reporting of commitments.

† From 2020, financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

غلaffles may not sum precisely because of rounding.

1 Sovereign portfolio consists of loans, grants, equity investment, and sovereign guarantee committed and not financially closed. Regional projects with loans/grants to multiple countries are reported separately.

Published in April 2022
Phase 3 of the program will provide a $4 million disaster contingent financing grant for early recovery and reconstruction activities following disasters triggered by natural hazards and health emergencies.

To improve the safety and efficiency of maritime transportation, ADB has committed $48.7 million in grant financing since 2016 for the Outer Island Maritime Infrastructure Project, which included the construction of three boat harbors on three outer islands.

In 2020, ADB committed a $6 million assistance to promote renewable energy under the Pacific Renewable Energy Investment Facility. The project is ADB’s first initiative in Tuvalu’s energy sector and will help transform the power systems in Funafuti and on the outer islands.

In 2020, ADB committed $4 million to ensure timely and cost-effective project outcomes for the ensuing Funafuti Water and Sanitation Project, which aims to increase access to safe water and improve sanitation to reduce the incidence of waterborne diseases in the capital. The ensuing project is planned for 2023.

ADB, together with other development partners, has engaged with the Government of Tuvalu to strengthen public service delivery and improve public financial management. This has triggered disbursement of over $11 million in general budget support from ADB’s policy-based grants.

Operational challenges. The performance of ADB’s portfolio in Tuvalu can be hampered by limitations in the country’s policy development, program and project design and implementation, and management capacity.

Improvements to fiscal management—including compliance with public procurement regulations, accounting practices, monitoring and reporting, and management of infrastructure investments—remain key challenges to sound public financial management and operational effectiveness. The government’s Public Financial Management Roadmap for 2020–2024 is guiding government and development partner efforts to address related issues, and to enhance coordination and implementation of critical reforms. Given the limited pool of local expertise, ADB and development partners continue to fill capacity gaps using international sources.

Currently, restrictions associated with COVID-19 have significantly delayed the timely and smooth implementation of projects and other ADB activities in Tuvalu.

**Knowledge Work**

ADB brings added value beyond its role in project financing. ADB acts as a knowledge broker, engaging in regional issues, including climate change and ocean health. ADB organizes a venue for experts, practitioners, academics, and high-level officials to share their experiences and expertise on themes relevant to both national challenges and the Pacific’s response to COVID-19.

ADB also produces knowledge products on macroeconomic forecasting and public sector management issues, published in the Asian Development Outlook and Pacific Economic Monitor. Recent publications discussed the progress of
COVID-19 vaccinations across the Pacific, impacts of pandemic-related school closures on learning outcomes and potential earning capacity, medium-term revenue strategies to build fiscal sustainability, and addressing gaps to support recovery in the tourism sector.

**FINANCING PARTNERSHIPS**

Financing partnerships enable ADB’s partner governments or their agencies, multilateral institutions, and private organizations to participate in ADB projects. The additional funds may be in the form of loans and grants, technical assistance, and nonsovereign cofinancing.

Cumulative cofinancing commitments in Tuvalu:
- Sovereign cofinancing: $14.1 million for 3 investment projects and $0.76 million for 3 technical assistance projects since 2008

A summary of projects with cofinancing from 1 January 2017 to 31 December 2021 is available at www.adb.org/offices/south-pacific/cofinancing#tuvalu.

**FUTURE DIRECTIONS**

ADB’s Pacific Approach, 2021–2025, serving as the country partnership strategy for Tuvalu, aligns with the country’s National Strategy for Sustainable Development (Te Kete), 2021–2030. The approach focuses on building resilience against economic shocks, delivering sustainable services, and promoting inclusive and sustainable growth while recovering from the impacts of COVID-19.

ADB’s assistance program will focus on improving outer-island port facilities, building disaster resilience, and scaling up access to renewable energy sources. ADB will also prioritize water and sanitation improvement, procurement and distribution of new vaccines including COVID-19 vaccines, and good fiscal management. Regional approaches to enhance energy efficiency, climate change, information and communication technology, and economic infrastructure will also be explored through the partnership.
ADB AT A GLANCE

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. It has 68 members—of which 49 are from Asia and the Pacific and 19 outside. ADB headquarters is in Manila, Philippines and has 43 offices around the world, with 3,693 staff from 65 of its members as of 31 December 2021.

ADB maximizes the development impact of its assistance to its developing members by providing financing and tailored knowledge solutions through policy dialogue and advisory services, among others. It mobilizes financial resources through cofinancing from official, commercial, and export credit sources.

ADB pivoted swiftly to answer the needs of its developing members and will remain agile and responsive in the years ahead. It has started to see the shoots of a green recovery, but the long-term effects of the COVID-19 pandemic, climate change, and the outbreak of conflicts still threaten lives and prosperity. ADB will continue to work closely with members and development partners through these challenges to achieve a better future for all in Asia and the Pacific.

**ADB operations.** In 2021, ADB committed $22.8 billion in loans, grants, equity investments, private sector programs, and technical assistance both to the public and private sectors of its borrowing members. ADB bolstered its total support with cofinancing of $12.9 billion.

As of 31 December 2021, ADB’s cumulative commitments in 45 countries stood at $342 billion covering 4,061 loans, $11.7 billion in 521 grants, and $5.2 billion in technical assistance grants, including regional technical assistance grants.

In addition to loans, grants, and technical assistance, ADB uses guarantees and equity investments to help its developing member countries.

Total commitments in nonsovereign loans and equity investments from ADB’s own funds in 2021 amounted to $1.2 billion for 35 transactions in economic and social infrastructure, finance sector, and agribusiness.

In 2021, ADB mobilized $1.7 billion of long-term project cofinancing and $5.8 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and undisbursed commitments of nonsovereign transactions funded by ADB’s own resources stood at $14 billion as of 31 December 2021.

**FINANCING PARTNERSHIPS**

Total sovereign and nonsovereign cofinancing commitments, 2021

- **$12.93 billion for 187 projects, of which:**
  - $12.38 billion, 75 investment projects,
  - $134.67 million, 110 technical assistance projects,
  - $422.87 million transaction advisory services for 2 projects.

Cumulative sovereign and nonsovereign cofinancing commitments, 1970–2021

- **$140.43 billion for 3,165 projects, of which:**
  - $136.6 billion, 1,098 investment projects,
  - $2.8 billion, 2,061 technical assistance projects,
  - $1.07 billion transaction advisory services for 6 projects.

**PROCUREMENT**

**ADB’s Procurement Contracts, 2021**

**Goods, Works, and Related Services**

ADB’s procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations:

- $22.93 billion in 2020
- $15.6 billion in 2021
- $232.16 billion covering 225,336 contracts, cumulative procurement since 1966

**Consulting Services**

ADB’s procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations:

- $730.78 million in 2020
- $697.03 million in 2021
- $14.86 billion covering 71,348 contracts, cumulative procurement since 1966

MORE ABOUT TUVALU AND ADB

**Shareholding and Voting Power**

Number of shares held: 150 (0.001% of total shares)

Votes: 39,264 (0.295% of total membership, 0.453% of total regional membership)

*Overall capital subscription: $2.1 million
*Paid-in capital subscription: $0.11 million

*United States dollar figures are valued at rate as of 31 December 2021.

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**ADB Alternate Governor:** Taufia Patolo
**ADB Director:** Tony McDonald (Australia)
**ADB Alternate Director:** David Cavanough (Australia)

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**Useful ADB websites**
Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org

Notes: (i) Figures are estimated by ADB unless otherwise stated.
*“$” refers to United States dollars. (ii) Data are updated as of 31 December 2021 unless otherwise indicated.