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. 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.

The Asian Development Bank (ADB) has concentrated its development program in Tuvalu on efforts to improve macroeconomic growth and stability, investment in renewable energy, transport infrastructure, health coverage, and disaster recovery. To date, ADB has committed 44 public sector loans, grants, and technical assistance totaling $133.6 million to Tuvalu. Cumulative loan and grant disbursements to Tuvalu amount to $54.06 million. These were financed by concessional ordinary capital resources, and the Asian Development Fund, and other special funds. ADB’s ongoing sovereign portfolio in Tuvalu includes 11 grants worth $95.4 million.

In 2020, ADB provided a $1-million grant from the Asia Pacific Disaster Response Fund and a $208,000 technical assistance grant to help Tuvalu procure medical supplies and equipment in addressing the coronavirus disease (COVID-19) pandemic. 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. An additional grant of $1.5 million in 2021 helped procure and distribute COVID-19 vaccines in Tuvalu.
Under the Pacific Disaster Resilience Program, Tuvalu was able to quickly access $3 million in January 2020 in the aftermath of Tropical Cyclone Tino. Another $4 million under Phase 3 of the program was disbursed in November 2022, due to extreme drought conditions in the country.

To improve maritime transportation, ADB has committed $48.7 million in grant financing since 2016 for the Outer Island Maritime Infrastructure Project to construct three boat harbors on three outer islands. In 2022, ADB committed $30 million to improve domestic shipping and connectivity by replacing an aging interisland vessel with a more reliable, resilient, and carbon-efficient one.

In 2020, ADB committed $6 million in assistance to promote renewable energy under the Pacific Renewable Energy Investment Facility to help transform the power systems in Funafuti and on the outer islands.

ADB also committed $4 million to prepare the Funafuti Wastewater and Sanitation Project. The ensuing project planned for 2024 will increase access to safe water and improve sanitation to reduce the incidence of waterborne diseases in the capital.

The bank has also provided general budget support to Tuvalu totaling $7.6 million, disbursed in 2008, 2012, and 2015.

ADB’s Pacific Private Sector Development Initiative, cofinanced by the governments of Australia and New Zealand, has been active in Tuvalu since 2008. This regional technical assistance works to improve the business enabling environment in the Pacific region.

ADB also supports Tuvalu through the Pacific Region Infrastructure Facility, which is a multi-partner coordination and technical assistance facility established in 2008 to help improve the quality and coverage of infrastructure in the Pacific.

**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 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. Restrictions associated with COVID-19 delayed the timely implementation of projects and other ADB activities in Tuvalu. Borders were reopened in December 2022 and international travel has now resumed.
KNOWLEDGE WORK

ADB brings added value beyond its role in project financing. It acts as a knowledge broker, engaging in regional issues, including climate change and ocean health. The bank 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 the COVID-19 pandemic.

ADB also produces knowledge products on macroeconomic forecasting and public sector management issues, including 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 financing partner governments or their agencies, multilateral financing institutions, and private organizations to participate in financing ADB projects. The additional funds provided 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 2018 to 31 December 2022 is available at [www.adb.org/countries/tuvalu/cofinancing](http://www.adb.org/countries/tuvalu/cofinancing).

FUTURE DIRECTIONS

ADB’s Pacific Approach, 2021–2025 serves as the country partnership strategy for 12 small Pacific island countries, including Tuvalu. The country operations business plan, 2021–2023 also takes a multicounty approach to identify commonalities and opportunities for operational efficiencies. It supports the three-pronged strategy of helping small island nations reduce costs, manage risks, and create economic value.

ADB’s program of assistance to Tuvalu will focus on improving outer-island port facilities, building disaster resilience, promoting renewable energy sources, and sustaining good fiscal management. Regional approaches to energy efficiency, climate change adaptation, and economic infrastructure will also be explored.
**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 3,775 staff from 66 members as of 31 December 2022.

ADB maximizes the development impact of its assistance to its 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 met strong demand for its assistance in 2022. It unlocked greater resources for its members through the private sector and partnerships. ADB provided financing for climate change mitigation and adaptation initiatives, education quality and access, affordable health care, and more sustainable and climate-resilient food systems. In 2022, 97% of ADB operations contributed to gender equality. ADB fostered greater regional collaboration on issues such as health threats and tax cooperation. ADB also responded to demand for tailored knowledge solutions from its members.

**ADB operations.** In 2022, ADB committed $20.5 billion in loans, grants, equity investments, guarantees, private sector programs, and technical assistance to both the public and private sectors of its borrowing members. ADB bolstered its total support with cofinancing of $11.4 billion.

As of 31 December 2022, ADB’s cumulative commitments in 45 countries stood at $358.4 billion covering 4,189 loans, $12.6 billion in 566 grants, and $5.5 billion in technical assistance grants, including regional technical assistance grants. In addition to loans, grants, and technical assistance, ADB uses guarantees, equity investments, and private sector programs to help its developing member countries.

Total commitments in nonsovereign loans, equity investments, and guarantees from ADB’s own funds in 2022 amounted to $11.1 billion for 37 transactions in economic and social infrastructure, finance sector, and agribusiness.

In 2022, ADB mobilized $1.7 billion of long-term project cofinancing and $5.3 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 $12.8 billion as of 31 December 2022.

**FINANCING PARTNERSHIPS**

Total sovereign and nonsovereign cofinancing commitments, 2022

- $11.39 billion for 165 projects, of which:
  - $11.2 billion, 75 investment projects,
  - $126.49 million, 87 technical assistance projects,
  - $60 million transaction advisory services mandates for 3 projects.

Cumulative sovereign and nonsovereign cofinancing commitments, 1970–2022

- $151.87 billion for 3,292 projects, of which:
  - $147.81 billion, 1,163 investment projects,
  - $2.92 billion, 2,120 technical assistance projects,
  - $1.13 billion transaction advisory services mandates for 9 projects.

**PROCUREMENT**

**ADB’s Procurement Contracts, 2022**

**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:

- $15.23 billion in 2021
- $16.19 billion in 2022
- $247.06 billion covering 228,149 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:

- $706.65 million in 2021
- $535.61 million in 2022
- $15.45 billion covering 74,995 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 million
*Paid-in capital subscription: $106,000

*United States dollar figures are valued at rate as of 31 December 2022.

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**ADB Alternate Governor:** Tauisi M. Taupo
**ADB Director:** Rachel Thompson (Australia)
**ADB Alternate Director:** Lisa Wright (Australia)
**ADB Director’s Advisors:** Sweety Kalbesang (Palau) and Sabuhi Jafarov (Azerbaijan)

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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 2022 unless otherwise indicated.