



# TOGETHER WE DELIVER GRANTS FOR A BRIGHTER FUTURE

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Asian Development Fund





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Note:

In this publication, “\$” refers to United States dollars.

ADB recognizes “Laos” as the Lao People’s Democratic Republic.

On the cover: **Harvest time.** Farmers in Champasak Province in the Lao People’s Democratic Republic are adopting environmentally friendly techniques to improve the quality and value of their crops (photo by Xaykhame Manilasith).

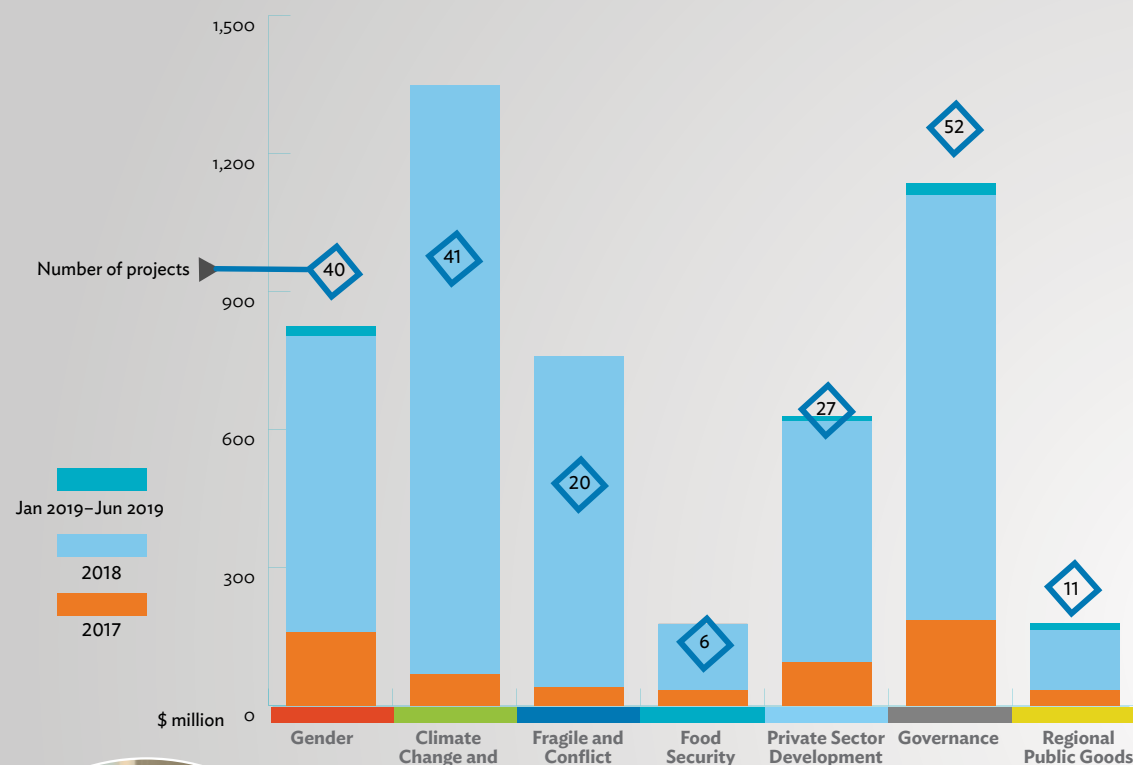


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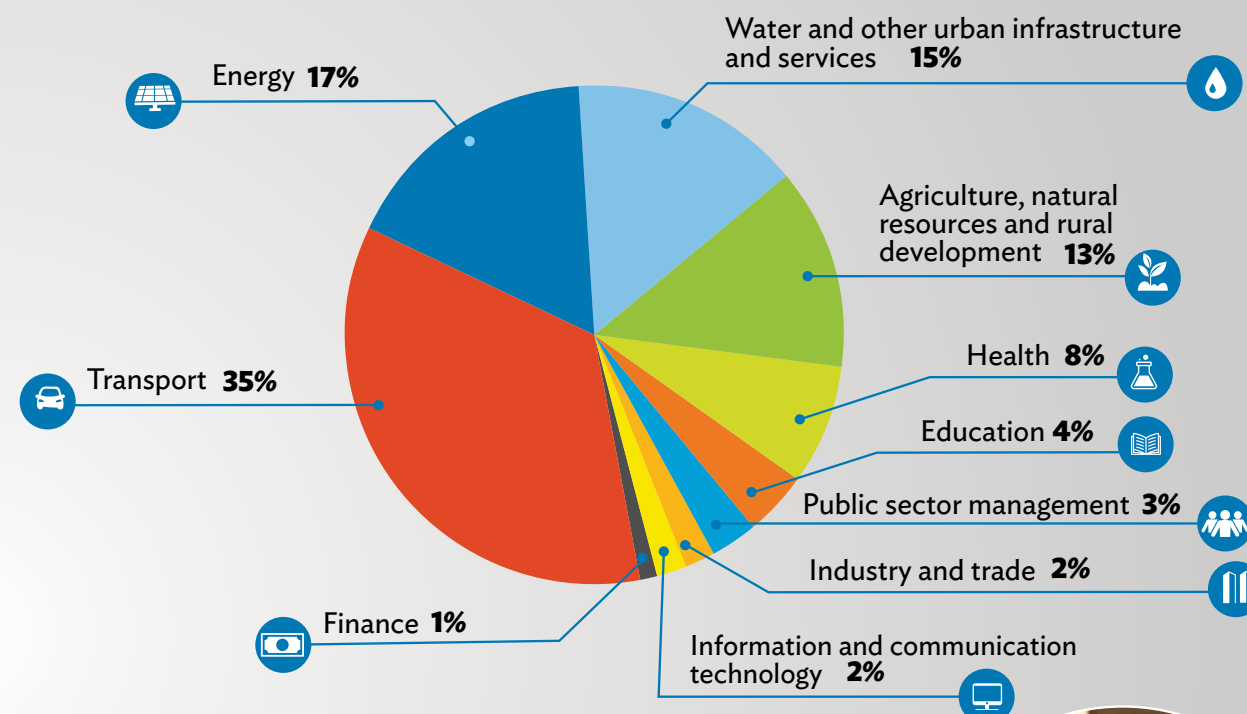


# Results of ADF Grants at a Glance

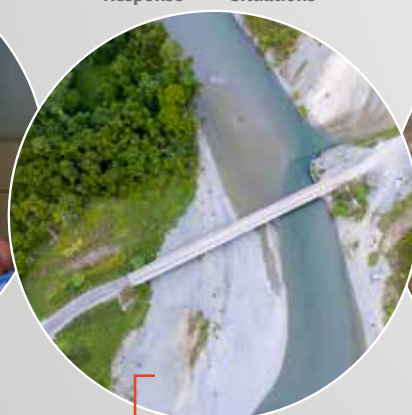
ADF 12 Grant Commitments per Priority Area, Jan 2017–Jun 2019



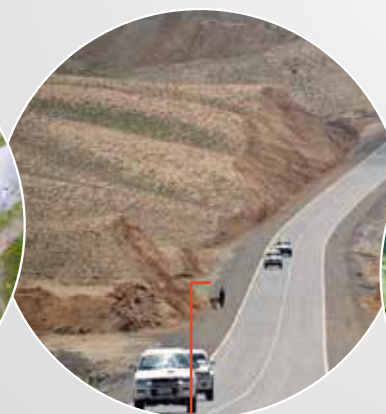
ADF 12 Grant Commitments per Sector, Jan 2017–Jun 2019 (% by volume)



More than **940,000** women and children benefiting from new and improved infrastructure



More than **1.7 million** people with strengthened climate and disaster resilience



More than **1,000 km** of roads built or upgraded in FCAS countries



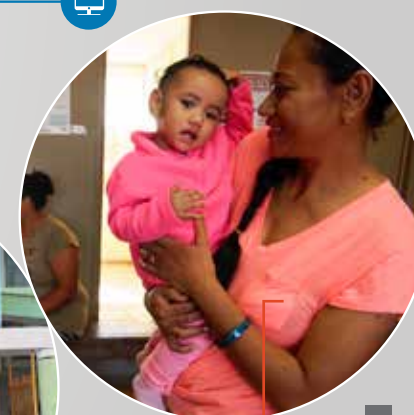
More than **150,000** farmers using quality farm inputs and/or sustainable mechanization



**84** measures supported in implementation to improve capacity of public organizations to promote private sector



More than **20,000** government officials with increased capacity



**26** measures supported in implementation to improve regional public health and education services

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**Adequate water supply.** Irrigation channels built under the ADF-assisted Northern Rural Infrastructure Development Project ensure healthy seedlings at a farm in Namdai 6, Luang Namtha, in the Lao People's Democratic Republic (photo by Charlene Laxamana).



# INTRODUCTION



**Small business.** A market vendor at Talamahu Market in Nuku'alofa, Tonga (photo by Lester Ledesma).

**T**he concessional assistance countries of the Asian Development Bank (ADB) have benefited from the rising tide of growth and transformation in Asia and the Pacific that has “lifted all boats,” and the steep decline in the proportion of people in extreme poverty that has accompanied it. Nevertheless, it is in this subset of ADB developing member countries that many of the poor and vulnerable are still found.

These countries had large gaps in performance against the Millennium Development Goals and may struggle to achieve their successors, the Sustainable Development Goals. They are also highly exposed

to the growing impacts of climate change and other challenges such as disasters, significant gender inequalities, quality infrastructure gaps, and limited private sector development.

The Asian Development Fund (ADF) provides grants to support activities that reduce poverty and improve the quality of life in these poorest and most vulnerable countries, which are jointly referred to in this publication as “ADF countries.” With the final year of the ADF 12 period approaching, this special edition of ADB’s annual *Together We Deliver* publication is dedicated to telling the story of how ADF grant financing is uplifting lives across the region.





**Prone to flooding.** Bordered in the east by the windswept Pacific Ocean and in the west by the placid Te Namo Lagoon, Tuvalu's island geography makes it especially susceptible to the effects of rising sea levels (photo by Lester Ledesma).



**Sunset bay.** Late afternoon at the Nuku'alofa waterfront in Tonga (photo by Lester Ledesma).

To achieve its goals, ADF 12 focuses its support on seven key priorities: (i) mainstreaming gender in operations, (ii) strengthening support for countries with fragile and conflict-affected situations (FCAS), (iii) promoting food security, (iv) supporting private sector development, (v) improving governance and capacities, (vi) strengthening preparedness and response to climate change and disasters, and (vii) promoting regional public goods. These priorities are also closely linked with ADB's Strategy 2030, adopted in 2018, and support the commitments to deliver the Sustainable Development Goals and the international climate change agenda.

The chapters in this edition explore how ongoing and completed projects applied grant financing under ADF 12, and in some cases earlier ADF cycles, to deliver badly needed quality infrastructure, services, and training to millions of people across the region.

Each chapter showcases the results—both expected and achieved—of multiple projects in different countries that support a particular ADF 12 priority. The featured projects may contribute to more than one priority area. Each chapter opens with quantitative data to illustrate the aggregate effect of the ADF grant financing.

The first chapter examines how skills training is a crucial ingredient for helping women find decent jobs and lead productive and secure lives. Discover how single parent of two, Ainura Osmonakunova, who has physical disabilities, took advantage of skills training tailored to her needs in the Kyrgyz Republic and can now support her family; and how young women in the Lao People's Democratic Republic (Lao PDR) are breaking the mold with the help of ADF grant-funded training.

The next chapter looks at how stepped-up ADF 12 grant assistance for strengthening preparedness and response to climate change and disasters delivered rapid relief to Tonga after a devastating cyclone and helped Solomon Islands build resilient infrastructure in the aftermath of destructive floods. Preempting flood devastation in a changing climate is the focus of an ongoing ADF grant project in Phuentsholing, Bhutan's second-largest city.

FCAS countries such as Afghanistan continue to face daunting hurdles that make the goal of eradicating poverty elusive. However, with sensitively designed ADF support, thousands of Afghans have received assistance to start or grow businesses and can now travel more quickly and cheaply on upgraded roads and enjoy reliable grid-supplied electricity. Hear how



**Harvest time.** Afghan farmers harvest wheat from their agricultural lands in the Yakawlang–Dar-i-Suf Road Project area in Bamyān Province, Afghanistan (photo by Jawad Jalali).

this has benefited Afghans such as Hasina Faqeer, who runs a pickle business and received training and information on how to improve the quality of her products.

Increasing food production and improving safety standards are vital to ensuring that farmers earn good incomes, children get a healthy start in life, and food is safe to eat. ADF 12 assistance is renewing dilapidated irrigation systems on tens of thousands of hectares of land in the Kyrgyz Republic and the Lao PDR, producing higher yields. Elsewhere, support to improve food safety standards is resulting in reduced waste, healthier communities, and higher incomes.

This volume also includes a special chapter to illustrate how ADF grants can be used in nontraditional emergency situations. In 2017, as hundreds of thousands of desperate people flooded into camps in Cox's Bazar District, Bangladesh, ADB responded by preparing a rapid-response grant in just 2 months to provide much-needed infrastructure in a time of crisis. The \$100 million grant has been improving conditions in the camps by delivering essential basic services—water and sanitation, street lighting, cyclone shelters, and power—restoring hope and dignity to hundreds of

thousands of people.

Private businesses, particularly small and medium-sized enterprises, are a key driver of diversified growth and a generator of jobs in the region. ADF grants are improving conditions to help kindle these businesses and enable them to thrive. Read about how ADF assistance in the Kyrgyz Republic and the Lao PDR is sparking public–private partnerships and start-ups, and helping enterprising individuals grow their businesses.

Another enabler of sustainable development is strengthening governance standards to improve financial management, business processes, and services delivery. Making sustained gains in public sector management is challenging but vital in small Pacific island countries, where resources and capacity are scarce. Find out how ADF 12 grant assistance to Tonga helped improve the government's cost management, enhance the investment environment, and establish a performance management system for civil servants. Similar ongoing reforms in Nauru and Tuvalu are described.

The ADF 12 set-aside funds provided to assist countries in delivering regional public goods, including for disease prevention and health security, have been put to good use. The final chapter describes how an ADF 12 vaccines project in Samoa, Tonga, Tuvalu, and Vanuatu will help protect women against cervical cancer and reduce the toll of two major childhood diseases; and how an ongoing sanitary and phytosanitary handling project is helping Cambodia and the Lao PDR better compete in a globalized world.

As ADB prepares for ADF 13, grant assistance will continue to help people from the poorest and most vulnerable countries—especially those in FCAS and small island developing states with debt sustainability issues. ADF grants will play a crucial role in supporting ADB's Strategy 2030 and helping countries to meet the Sustainable Development Goals. ■

# GENDER MAINSTREAMING IN OPERATIONS

Despite great strides in many areas, ADF countries still have a long way to go before women and girls can enjoy the full opportunities and benefits of gender equality.

For example, while maternal mortality ratios have decreased, they remain more than twice the average for the ADB developing member countries (DMCs) overall, and may not meet the related Sustainable Development Goal target by 2030. More work and support are needed to lay the foundations required to ensure that a greater share of secondary school graduates each year are female. More needs to be done to achieve the Sustainable Development Goal on gender equality. This includes addressing gender-based violence, unpaid care and domestic work, gendered social norms, reproductive and sexual health rights, legal reforms for gender equality, women's voice and leadership, and women's access to economic resources and technology.

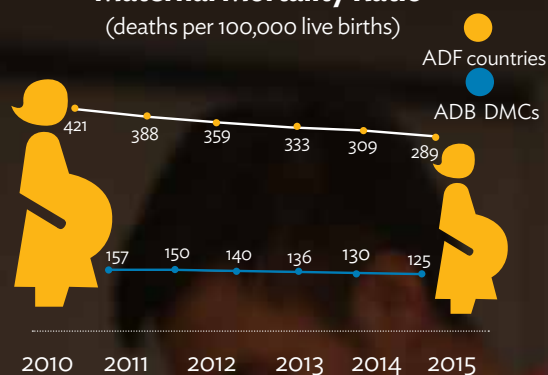
ADB is addressing this unfinished agenda, particularly through its ADF-funded operations. About 66% of all grants under ADF 12 so far (January 2017–June 2019) have supported gender equity and mainstreaming—i.e., they have financed projects and programs that directly address gender equality and women's empowerment by narrowing gender disparities. This compares with 32% during the ADF XI period (2013–2016).

These ADF-funded operations are improving the living standards, well-being, and prospects of millions of women and girls by upgrading crucial infrastructure and educational and other services. They are helping to create new opportunities that were previously unavailable to the female half of a country's population.

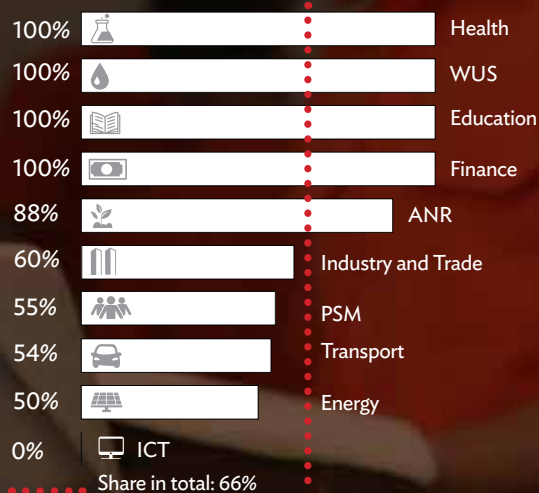
The following pages highlight several examples of ADF-funded gender mainstreaming activities and successes in the areas of health, education, and professional training.

## Maternal Mortality Ratio

(deaths per 100,000 live births)



## ADF 12 Grants Supporting Gender Equity and Mainstreaming



More than

**3.1 million  
women and  
girls**

benefiting from new and improved infrastructure

ADB = Asian Development Bank, ADF = Asian Development Fund, ANR = agriculture and natural resources, DMC = developing member country, ICT = information and communication technology, PSM = public sector management, WUS = water and other urban infrastructure and services. Note: Data on gender elements and beneficiaries are based on ADF 12 grant operations committed between January 2017 and June 2019.





**Woman in charge.** Sompong Vitsetsin teaches students about refrigeration cooling systems at the Champasak Technical-Vocational College near Pakse City in the Lao People's Democratic Republic (photo by Xaykhame Manilasith).

# GAINING SKILLS FOR A BETTER LIFE

Ainura Osmonakunova, a 32-year-old mother of two, confronts daily challenges in her life. She was born with a physical disability that forced her to leave school in Sokuluk village in the Chuy Region of the Kyrgyz Republic in fifth grade. Unable to find work, she was divorced 3 years ago and left to raise her children on a monthly disability allowance of just Som3,700 (\$53). Rent consumed the first Som3,000 (\$43).

Ainura lacked the skills required to venture into the work force. “Things were so hard,” she says. “We struggled to survive.” With no other options available, she was forced make the painful decision to send her 11-year-old son away to a government facility where he would get meals and an education for free.

Ainura’s fortunes began to change when she heard about the free training being offered to disadvantaged youths and adults under a skills development project financed in part by a \$10 million ADF grant.

She and 11 other women with disabilities from Sokuluk village signed up and took part in training in May and June 2018. Their physical disabilities made travel a challenge, so instructors came to them.

One year on, Ainura applies the manicurist skills she learned to make Som1,000–Som1,500 (\$14–\$21) a week working at home. “It feels wonderful to earn a living doing something you love,” she says. Once she recovers from recent surgery, she expects her home business income to rise to as much as Som1,000 (\$14) a day.

Ainura plans to keep building her skills and to pass on her training to other women with disabilities in Sokuluk. She is focused most, however, on what once seemed impossible.

“I plan to bring my son home next year,” she says, “and to use my new skills to help provide him with the education he needs to realize his own life goal—to become an orthopedist and help people like me.”



## Passing on skills.

Ainura Osmonakunova says she hopes to pass on the skills she learned under an ADF-assisted project to other women with disabilities in her town (photo by Danil Usmanov).

“It feels wonderful to earn a living doing something you love. I plan to bring my son home next year, and to use my new skills to help provide him with the education he needs to realize his own life goal—to become an orthopedist and help people like me.”

**Ainura Osmonakunova**  
manicurist

The Second Vocational Education and Skills Development Project that helped transform Ainura's life began in 2013 and was completed in 2019. Almost half of the 17,500 people trained with financing from the Skills Development Fund the project established were women. More than 450 students with disabilities took specially designed computer, woodworking, manicure, and sewing courses, and 74% of all graduates found jobs within 3 months of graduating.

This training continues with the support of \$30 million in ADF 12 grants through the Skills for Inclusive Growth Sector Development Program. Of the 3,800 people trained in the first 6 months of 2019, 43% were women.

They included Mubina Samitova and Akmoor Rysbaeva, two 19-year-old friends who first met at a school for deaf children in the southern Osh Region. The two enrolled in a professional cookery course in April 2019 alongside 11 other young hearing-impaired women and men and gained practical experience in the kitchens of local cafés.

"I can't wait to start working," said Mubina, confident after their graduation in June that she will soon be employed and plying her new skills. "You not only get to make your own money cooking, you also feel alive." Akmoor is thinking long-term. "Eventually, I want to open my own little restaurant," she says, "and call it Akmoor's."

The ADF 12 project is also funding the establishment of five pilot centers of excellence across the country. They will provide specialist training tailored to regional priorities and the professional skills development needs of the Kyrgyz Republic to 4,000 students and cover 15 occupations or specializations, including tourism, food processing, and energy. Other systemic changes to improve the nature of training will benefit a much greater number of students across the country, including many more women who, like Ainura, Akmoor, and Mubina, are eager to break out of traditionally defined roles.



**Confronting challenges.** Ainura Osmonakunova, a disabled mother from Chuy Region in the Kyrgyz Republic, says the training she got to become a nail artist under an ADF-assisted skills development project has given her hope for a better future for herself and her children (photo by Danil Usmanov).



**New skills, brighter future.** These students at a lyceum in the Kyrgyz Republic are among more than 17,500 people, half of them women, who received training in computer literacy, woodworking, manicuring, and sewing under the ADB-supported Skills Development Fund in 2017–2018 (photo by Danil Usmanov).



**Learning together.** Akmoor Rysbaeva (left) and Mubina Samitova took a professional cookery course under the ADF-assisted Skills for Inclusive Growth Sector Development Program (photo by Danil Usmanov).





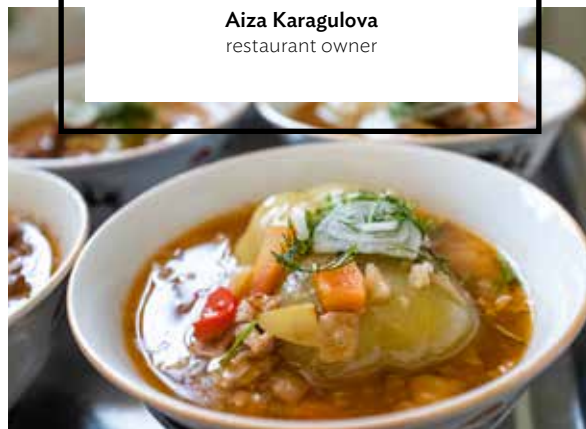
## REALIZING DREAMS

Aiza Karagulova's story is similar in some ways to those of new cookery graduates Mubina and Akmoor. She benefited from the same ADF 12 funding, and she also found her calling in the restaurant trade. One difference, however, is that it was in a café kitchen where her prospects once seemed to have hit rock bottom.

Now 34 and a mother of three, Aiza left her hometown in Alay District, Osh Region, to find seasonal work in the Russian Federation. When separation from her family became too hard to bear, she returned in 2015 and found a job as a waiter and then as a low-level unskilled worker in the kitchen. The work was grueling, the schedule demanding, and the pay a mere \$3 a day. She was back home but hardly ever seeing her children.

“Despite the difficulties I’ve faced, I’m proud of what I have achieved, and I want to show other young women here that they can realize their dreams too.”

**Aiza Karagulova**  
restaurant owner



**Café start-up.** Aiza Karagulova (top) learned cooking and restaurant skills under ADB's Skills for Inclusive Growth Sector Development Program, which enabled her to open a café where she cooks and serves dishes (above) to customers (photos by Danil Usmanov).

Aiza's future felt bleak until she spotted a local newspaper advertisement for the free vocational training provided under the Skills for Inclusive Growth Sector Development Program.

She has never looked back. She quit her job, enrolled in a cooking and restaurant course, completed it successfully in May 2019, and immediately started her own restaurant business.

She's had no regrets since the day she first rented a vacant café space in Alay. "I serve lunch to up to 35 people a day and make a profit of about Som12,000–Som14,000 (\$172–\$200) a month," she says. "I can do a lot more now to support my family." That includes providing funds for her children's education and helping her in-laws who are out of work.

Aiza already employs a female staff member during peak hours and expects to do more hiring as her business expands.

"Despite the difficulties I've faced," she says, "I'm proud of what I have achieved, and I want to show other young women here that they can realize their dreams too."

## NEW HOPE FOR MATERNAL AND CHILD HEALTH

Rohila Boboeva, a 33-year-old gynecologist, battles each day with overcrowding and a lack of proper tools to meet the needs of mothers and infants in the maternity ward she manages at the Rasht District Central Hospital in Tajikistan.

Some days, that battle is lost. In the first 6 months of 2019, two babies died despite the best efforts of medical staff because of limitations imposed by the hospital's outdated facilities and lack of equipment.

Rohila says emergencies pose particularly dangerous problems. "For example, when the placenta separates from a mother's uterus prematurely, the first 5 minutes are critical for saving the woman and her baby. Yet precious time is lost to transferring the patient downstairs from the second to the first floor because there's neither



**Better facilities needed.** Rohila Boboeva, a gynecologist who manages the maternity ward at Rasht District Central Hospital in Tajikistan, says upgrades to facilities and equipment under the ADF-assisted Maternal and Child Health Integrated Care Project are badly needed to improve patient care, particularly during emergencies (photo by Nozim Kalandarov).



“Some men in conservative districts stop their wives from visiting local hospitals and clinics. The communication and outreach plan will strengthen understanding and encourage the use of local services by people in our communities, especially women.”

**Isfandiyyor Mahmudzoda**  
project manager

**Maternity care.** Rohila Boboeva examines Munira Pirjonova, a patient in the maternity ward at the Rasht District Central Hospital (photo by Nozim Kalandarov).

are too narrow to accommodate patient stretchers, and such basic equipment as modern X-ray and lung ventilation machines is lacking. So are financial resources, even though the hospital is expected to serve 400,000 people across five districts.

“The doctors and nurses do their utmost,” Rohila says, “but the facilities cannot safely meet the community’s needs.”

Rohila’s hospital is not alone, a fact recognized by ADB’s approval of a \$32 million ADF 12 grant to help deliver better quality health care in three districts, including Rasht, that have the highest rates of maternal and child mortality.

Underinvestment has left many of the country’s hospitals and health centers with outdated buildings and obsolete equipment. Communication between primary care providers and hospitals, staff capacity, and patient follow-up are poor, lacking, or absent. As a result, Tajikistan lags the subregional and global averages for maternal and child health indicators, as well as on progress toward the Sustainable Development Goal target for reducing child mortality rates.

a fully equipped surgery room in the maternity ward nor a hospital elevator.”

Urgent or not, specialized maternity treatment requires a 180-kilometer road transfer to Dushanbe, the country’s capital.

Built in the 1970s, the hospital helps deliver up to 15 babies a day. As well as caring for mothers and children after birth, the maternity ward must treat pregnant women struggling with health issues.

Expectant mother Munira Pirjonova, 22, learned how important this is. “I’m making sure this pregnancy is monitored,” she said during a 3-week stay in the ward in 2019, after losing her baby at home in the Rasht District village of Kochon because of the complications of high blood pressure during her first pregnancy.

Rohila says the ward’s 24 beds are old, unsuitable, and insufficient in number. Doorways and corridors

The Maternal and Child Health Integrated Care Project funded by the ADF 12 grant is improving hospital and health-care center infrastructure and equipment and helping staff and oversight agencies plan and deploy human resources more effectively. It is developing a system to provide continuous medical education for doctors and midwives to improve the quality of health care on an ongoing basis.

The project includes a campaign to reach 85% of the pregnant women in the project area and change the sociocultural attitudes and behavior that can deter women from seeking timely maternal and child health care.

“Some men in conservative districts stop their wives from visiting local hospitals and clinics,” says Isfandiyyor Mahmudzoda, who is managing the project for the executing agency, the Ministry of Health and Social Protection. “The communication outreach plan will strengthen understanding and encourage the use of local services by people in our communities, especially women,” he adds.



# BREAKING THROUGH THE BLUE-COLLAR GENDER BARRIER

Sompong Vitsetsin stands out a little at the Champasak Technical-Vocational College, but it is not because she doesn't know exactly what she's doing.

"People may see it as an occupation for men," says the 25-year-old electronics instructor, whose students are almost entirely male, "but women can do it just as well."

Sompong teaches the maintenance of electric motors at the school near Pakse City in the south of the Lao People's Democratic Republic (Lao PDR) and treats her "odd one out" status as a challenge to be relished and a barrier to break through.

Such confidence is a sign of the changing times in the Lao PDR. Occupations once off-limits for women are attracting a growing cohort of female students looking for jobs with better income and the chance that many technical trades offer to set up their own businesses.

Nonetheless, although women accounted for nearly 43% of total enrollment at the country's public technical and vocational education and training (TVET) colleges during the 2016/17 school year, the numbers remained heavily skewed toward courses in traditionally female-dominated skill areas such as tailoring, basic business administration, and hospitality service.

Two ADF-supported projects to strengthen TVET in the Lao PDR have been working to change this by encouraging young women to consider courses largely now the domain of young men.



**Trades for all.** Sompong Vitsetsin with students in her refrigeration cooling systems class at the Champasak Technical-Vocational College near Pakse City in the Lao People's Democratic Republic (photo by Xaykham Manilasith).

"People may see it as an occupation for men, but women can do it just as well."

**Sompong Vitsetsin**  
electronics instructor

Approved in 2010 and completed in 2017, the Strengthening Technical and Vocational Education and Training Project took on some of the obstacles to creating a place for women in the so-called blue-collar occupations. It set a minimum 20% quota for female participation in courses designed to develop the skills then most in demand by the economy. A quarter of the vouchers allocated under an assistance program for poorer students were reserved for women, as were half of the spaces in dormitories built to encourage the poor from remote and rural areas to attend TVET schools.

The Second Strengthening Technical and Vocational Education and Training Project, approved in 2017 with a \$25 million ADF 12 grant, is building on the first through stipend assistance for disadvantaged



**Driven woman.** Phonesavat Xaysan, an automotive repairs teacher, instructs her students in motorcycle maintenance at the Champasak Technical-Vocational College (photo by Xaykham Manilasith).

students, school infrastructure upgrades, and teacher training.

Because young women in the countryside have been largely dissuaded by family and cultural pressures from considering vocational courses traditionally viewed as male-only, the project has included a vigorous homestay program by TVET colleges that sent about 150 teachers out to inform and engage young women in these areas.

“It is one of the most effective ways we have to reach these students,” says Bouakhay Souphaone, Champasak Technical-Vocational College’s director. “Our teachers interact with them right in the community and raise awareness about our college and the courses we provide.”

Phonethip Thepboualy has taken part in the rural campaign. “There was only one girl in my class when



**Future of the industry.** Sirixay Vongvichith, an auto repairs student at the Champasak Technical-Vocational College, says with the skills she learns from her course she plans to set up her own garage to fix tractors and other machinery (photo by Xaykham Manilasith).

I started as a female teacher in 2010,” says the plumbing and woodwork specialist who credits the outreach, the voucher system, and the strong job market for TVET graduates with the right skills for a steady rise in female enrollment. “Only 6 years later, there were 16.”



“There was only one girl in my class when I started as a female teacher in 2010. Only 6 years later, there were 16.”

**Phonethip Thepboualy**  
TVET instructor

**Rising female numbers.** Phonethip Thepboualy, a plumbing and woodwork teacher at the Champasak Technical-Vocational College, says she has seen a steady rise in women taking her classes since she started in 2010 (photo by Xaykhame Manilasith).

The project has strengthened the TVET curricula and the colleges’ links and communication with the private sector on current labor needs. About 90% of graduates with electronic, plumbing, and automotive sector training readily find work, according to project manager Phouvieng Phoumilay.

“I love this subject,” says Sirixay Vongvichith, a 20-year-old woman taking an auto mechanics course. “I plan to set up my own garage after graduation. With my training and the strong demand for tractor and other machine repair, I can see a good business opportunity.” ■





**Exposed to the elements.** The many remote and low-lying islands in the Pacific are highly vulnerable to disasters and climate change (photo by Lester Ledesma).



### Carbon Dioxide Emissions per Unit of Value Added (kg per PPP \$ of GDP)



### ADF 12 Grants Supporting Climate Change and Disaster Resilience



# STRENGTHENING PREPAREDNESS AND RESPONSE TO CLIMATE CHANGE AND DISASTERS

Climate change poses extreme challenges for ADF countries. The climate change and disaster risks and impacts to which their economies and people are especially vulnerable are growing in number and magnitude. Yet these countries lack the resources to either prepare for these events or recover quickly or fully after they are hit.

ADB responded by stepping up assistance through ADF 12 grant operations that are specially tailored to meet their needs.

The ADF Disaster Response Facility, piloted under ADF XI, has been regularized. It helps governments react promptly to calamities. A separate but complementary financing mechanism established under ADF 12 is helping reduce the risks of and build resilience to these disasters.

ADF 12 assistance is providing environmental sustainability benefits to more than 2 million people. This is made possible by the substantial share of ADF 12 funds allocated to climate change and disaster resilience-related operations, which exceeded 83% during January 2017–June 2019.

Moving to a low-carbon development path is critical to slowing climate change. More work is needed to help the ADF countries cut their contributions to the same climate shifts that have intensified their exposure to natural hazards and impacts of climate change. While the carbon intensity of economies eased in ADB developing member countries overall during 2006–2012, it moved upward in the ADF countries.

The stories that follow explain how the ADF is helping people and communities affected by climate extremes better manage climate change risks and reduce losses from climate-related disasters.



## 16,626 hectares

of land being improved through flood management



## 1.9 million tons

of CO<sub>2</sub> equivalent of  
**greenhouse gas emissions**  
being reduced every year



## 2 million people

benefiting from strengthened environmental sustainability

ADB = Asian Development Bank, ADF = Asian Development Fund, ANR = agriculture and natural resources, CO<sub>2</sub> = carbon dioxide, DMC = developing member country, GDP = gross domestic product, kg = kilogram, PPP = purchasing power parity, WUS = water and other urban infrastructure and services. Note: Data on gender elements and beneficiaries are based on ADF 12 grant operations committed between January 2017 and June 2019.



**Protecting old and new.** An ADF-assisted project will help protect the old town of Phuentscholing, and a new urban center being built, from floods and riverbank erosion (photo by Bhutan Resident Mission).

## PROTECTING TOWNSHIPS

The southern Bhutan border town of Phuentscholing is brimming with development potential. It is the country's biggest commercial and industrial hub and sits at the busiest crossing point on Bhutan's frontier with its major trading partner and southwestern neighbor, India. However, a shortage of suitable land for construction hampers the town's development, and regular flooding by nearby rivers and tributaries threatens lives and infrastructure.

The problem is a combination of erosion of land laid bare by development activities and the worsening effects of climate change. Extreme weather events, particularly severe storms and heavy rains, strike each year, swelling rivers, triggering landslides and rockfalls, blocking roads, and sending flash floods surging through Phuentscholing's streets and into its businesses and homes sometimes in the middle of the night.



**Safeguarding the town.** Phuentscholing Mayor Uttar Kamar Rai (right) visits the site of the Phuentscholing Township Development Project where a new urban center will be created (photo by Bhutan Resident Mission).

Tenzin Dorji has been hurt by the flooding twice, first when his brick factory was inundated in 2015. "The 2016 flood was even worse," says the father of three. "The factory, my auto maintenance shop, and my home were all flooded. Most of my equipment was destroyed."

Like most of Phuentscholing's more than 27,000 people, the 69-year-old has welcomed the \$24.2 million ADF grant provided to construct river walls and an early warning system to mitigate the risk faced by Phuentscholing's residents.

A major focus of the Phuentscholing Township Development Project is to provide a safer space in which the town can grow by helping develop a new urban center with raised ground levels in an area





**A new township development.** Information posters line the walls near the construction site of the Phuentsholing Township Development Project in Bhutan (photo by Bhutan Resident Mission).

sheltered by embankments. This will increase the town's resilience to the growing climate change effects while also reducing overcrowding in the exiting town.

"Everyone will benefit, in both the existing and the new township," Tenzin says. "And the warning system gives people time to move to higher ground."

"Everyone will benefit, in both the existing and the new township. And the warning system gives people time to move to higher ground."

**Tenzin Dorji**  
brick factory owner



**Better urban living.** Contractors at the site of the Phuentsholing Township Development Project (photo by Bhutan Resident Mission).

Chimi Wangmo, who is visually impaired, is pleased with new urban services the project will provide, including footpaths, streetlights, a water treatment plant, and wastewater and solid waste management facilities.

Chimi, 56, leaves her husband and daughter at home for a while each night to feed stray dogs in the streets. "The streetlights will make this safer and more convenient," she says. Other residents look forward to health and livelihood benefits from the new urban center—"the many new things that will come," as Sarita Rai puts it. "My village will have a market on our doorstep," says the 26-year-old mother. "I'll be able to sell our vegetables and dairy products there." She has a 3-year-old son and is pleased by the prospect of a new school and hospital being built nearby.

Uttar Kamar Rai, Phuentsholing's mayor, is looking toward long-term benefits beyond the extremely valuable immediate flood-protection and disaster-resilience improvements. These include the additional room the new urban center will give the town to reduce overcrowding and expand its population. "We also have a vision," he says, "to make Phuentsholing an ecotourism city through greening activities and the adoption of clean, environmentally friendly technology."



**Surviving the storm.** Vi Litili from Houma village, Tongatapu in Tonga stands in front of her old school, which was destroyed during Cyclone Gita along with her home and belongings (photo by Lester Ledesma).



**Still recovering.** One year after Cyclone Gita, buildings without roofs and with other damage (above and right) are still visible across Tonga (photo by Lester Ledesma).

## RAPID RESPONSE

Late on 12 February 2018, Tonga was battered by the most powerful cyclone to directly hit the islands of Tongatapu and ‘Eua in more than 3 decades.

Vi Litili had never been so scared in 53 years of living in a Pacific island country not unused to such storms. “There were 10 of us living in the house when my roof blew off, including my mother, my two children, and my four grandchildren,” she says. “It was dark. We clung to each other. You could hear people screaming and the wind howling. The morning took forever to come.”

Cyclone Gita left a trail of destruction across the main island of Tongatapu and nearby ‘Eua. Thousands of homes, public buildings, and other

infrastructure were badly damaged or destroyed. The disaster was followed by the threat of disease. Gita had severely damaged the water supply.

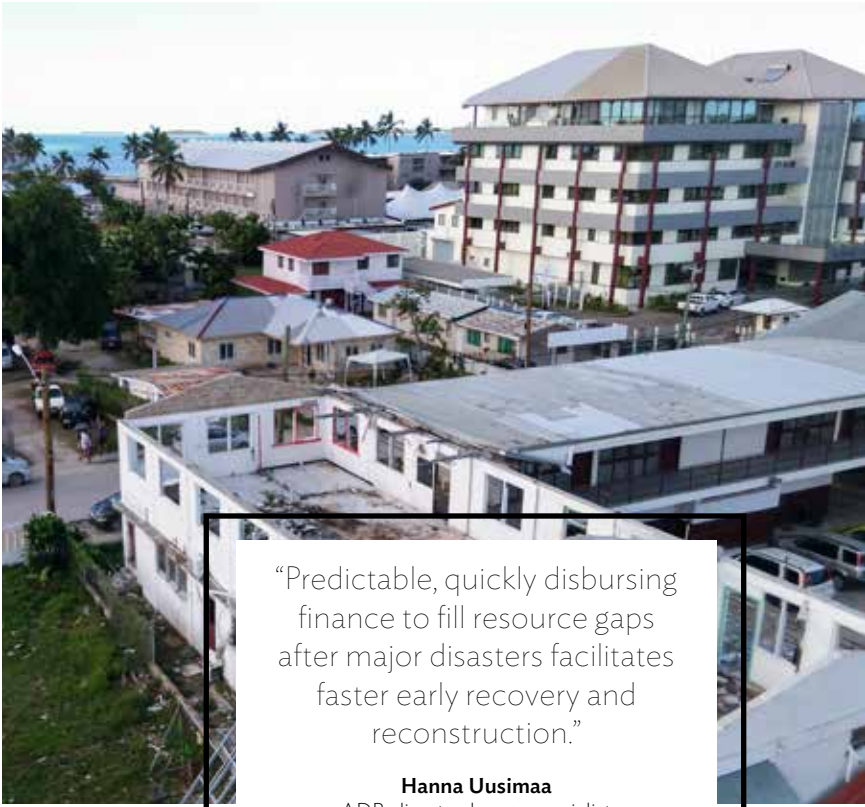
When dawn broke, Vi’s family was left with nothing. “Most of the houses no longer had roofs. All our clothes and belongings were washed away.”

ADB responded within 3 days of Gita with support for the Government of Tonga in such immediate emergency tasks as meeting the humanitarian needs of the country’s people.

It was the first test of the Pacific Disaster Resilience (PDR) Program set up to help island states such as Tonga get back on their feet after natural calamities, and included assistance for the medium- and longer-term job of restoring essential services and repairing damaged infrastructure.

Set up in December 2017, the PDR program allocates \$15 million in policy-based loans and ADF grants for Samoa, Tonga, and Tuvalu when disasters occur and also supports priority actions for disaster risk management.

“Predictable, quickly disbursing finance to fill resource gaps after major disasters facilitates faster early recovery and reconstruction,” says Hanna Uusimaa, a climate change specialist in ADB’s Pacific Department. “This will significantly reduce the secondary economic and social



“Predictable, quickly disbursing finance to fill resource gaps after major disasters facilitates faster early recovery and reconstruction.”

**Hanna Uusimaa**  
ADB climate change specialist

costs normally caused by delays in recovery activities following a disaster event.”

Moana Fakava-Kioa knows how important immediate action is. The night Gita struck, she was at her desk at the National Emergency Management Office (NEMO), part of Tonga’s Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change and Communications, which coordinates all emergency management activities in the country and plays a major role in raising awareness about disaster preparedness.

“It was a tough experience for me,” says NEMO’s principal assistant secretary, “because I needed to serve my country but was terribly worried about my family at home.”

With the support of the ADF-funded PDR program, NEMO and multiple government agencies focused



**Saving lives.** Moana Fakava-Kioa, who works for a government agency coordinating emergency management activities in Tonga, says straight after the cyclone the focus was on saving lives and responding to people’s immediate needs (photo by Lester Ledesma).



**New home.** Anne Daphne Taufa in front of the house built to replace the one she lost during Cyclone Gita (photo by Lester Ledesma).

first on saving lives and meeting the immediate needs for a new supply of potable water and tents and tarpaulins for those who had lost their homes.

ADB also works closely with its development partners in Tonga and elsewhere to coordinate support in the wake of disasters.

The swift PDR program response set a good example. According to Pohiva Tu’i’onetoa, Tonga’s minister of finance and national planning and an ADB governor, it “motivated other development partners to speed up their funding and help for the government in the Cyclone Gita recovery.”



# RECONNECTING AFTER DISASTER



**Unprecedented floods.** Loti Yates, director of the National Disaster Management Office in Solomon Islands, says that the tropical depression that developed into Cyclone Ita triggered unprecedented levels of flooding in the capital Honiara, resulting in deaths and major damage to infrastructure across the island of Guadalcanal (photo by Robert Taupongi).

Four years before Gita struck Tonga, heavy rains, brought by a tropical depression that developed into the powerful Cyclone Ita, swept through Solomon Islands with catastrophic effects.

The tropical depression dumped huge amounts of rainfall on the island of Guadalcanal in April 2014, triggering massive flooding, killing 23 people, and leaving devastation in its wake.

Another 52,000 were affected. The island's infrastructure, including water supply systems, major roads, and bridges, was mostly damaged or destroyed. Honiara, the capital city, was particularly hard hit.

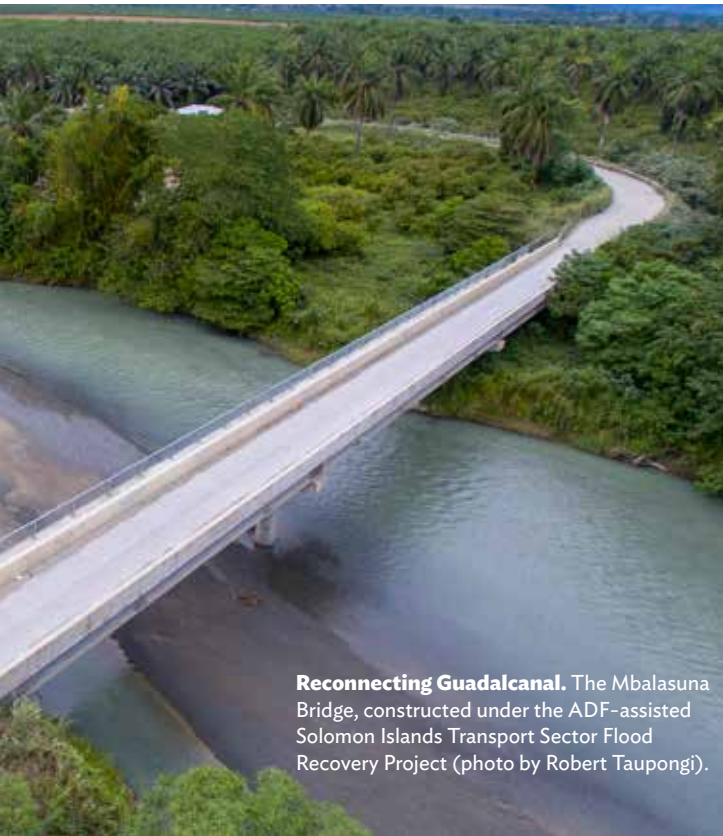


"It was the most severe flooding I had ever seen," says Loti Yates, director of the National Disaster Management Office (NDMO), who was in the city at the time. "And it was the first time I can remember a big, highly populated area being so badly impacted."

"Many people panicked trying to get home, especially those in Honiara," he says. The Mataniko River had burst its banks near the capital's business center and the informal settlement where many of the city's low-income families lived. Few had experience with such dangerous flooding, and some were trapped by the rising waters. "That is where most of the deaths occurred."

Travel between different parts of Guadalcanal and within the capital itself became difficult or impossible. Sections of the province's single east-west highway had been erased by flooding rains. The bridge over the Mataniko River, which divides Honiara into two, was washed out. "We couldn't access the airport, the hospital, or any of the shops or services," says Mike Qaqara, acting director of transport infrastructure management services in the Ministry of Infrastructure Development.

"It was 4 or 5 a.m. when the floodwaters came pouring in," recalls Clifton Muaki, who was a 14-year-old Form 1 student when he and more than 500 others were forced to scramble to evacuate their dormitories at Selwyn College in West Guadalcanal. Their teachers had managed to wake them in time, and they reached



**Reconnecting Guadalcanal.** The Mbalasuna Bridge, constructed under the ADF-assisted Solomon Islands Transport Sector Flood Recovery Project (photo by Robert Taupongi).



**Fast evacuation.** Clifton Muaki was one of more than 500 students at Selwyn College in West Guadalcanal, Solomon Islands, who had to hurriedly evacuate their dormitories after floodwaters surged in during heavy rains (photo by Robert Taupongi).



**Learning lessons.** Many students in Tonga were affected when their schools were badly hit by Cyclone Gita (photo by Lester Ledesma).

Honiara just before the school was cut off and the classrooms and staff housing were inundated.

ADB's response to a government request for help came through the August 2014 approval of a loan and ADF grant financing totaling \$13.2 million for the Transport Sector Flood Recovery Project.

By completion in June 2018, it had helped reinstate bridge approach roads, culverts, and stream crossings and rebuilt three elevated bridges, reestablishing a seamless east–west road link on Guadalcanal and within Honiara. All works incorporated climate- and disaster-proof design.

More than simply restoring basic links to the usual standards, the project took a build-back-better approach. Household surveys show that travel times to markets, schools, health care services, and for business and trade are now shorter than ever before. In addition, getting from A to B is not as dependent as it was before the 2014 disaster on the current state of the weather.

The Mberanda and Mbalasuna bridges—two of the three built with decks higher than historical and most projected flood levels—provide direct benefits to about 7,300 households and 39,000 people in East Guadalcanal.





**Safer schools.** Daniel Manengelea is principal of Ruavatu Provincial Secondary School in East Guadalcanal, which has established a committee for safety preparedness and drills are now conducted for evacuations in the event of future floods (photo by Robert Taupongi).



**Quick response.** Regina Pokana, sustainability and quality manager in a palm oil company in East Guadalcanal, helped evacuate employees during the floods (photo by Robert Taupongi).

“Communities in the east and west can still get to town now even when some main rivers are flooded,” says the Ministry of Infrastructure Development’s Mike Qaara. “That means sick people can reach clinics and hospitals in town for treatment during heavy storms.”

Daniel Manengelea, principal of Ruavatu Provincial Secondary School in East Guadalcanal, has noticed

that the two bridges have made life much easier and likely more profitable for the area’s farmers. “People previously had no choice but to carry their heavy market-bound loads of coconuts, pawpaw, and potatoes through the river in wheelbarrows to get to a truck on the other side,” he says. “It took time, and produce was often spilled and lost in the waters. If you missed the truck to town, that was it. Now, with the better roads and bridges, there are several market trips a day.”

The project ensured that women would also benefit from the reconstruction activities. Contractors were required to give 10% of all laboring jobs to women, and the bridge designs included pedestrian walkways with railings, and stairs to allow safer access to the river water beneath the bridges, especially for women and the elderly.

The Government of Solomon Islands knows that another such emergency is inevitable, so it has taken major steps since 2014 to strengthen its disaster management capabilities, including raising public awareness of the dangers of building shelters on riverbanks and improving resilience to disasters across multiple sectors.

“Most people have moved their food gardens to higher ground or inland,” says Daniel, “and our school has established a committee for safety preparedness and drills for emergency evacuation. The students will know what to do if new flooding occurs.”

Regina Pokana, sustainability and quality manager, was part of the team that helped evacuate employees from a local palm oil company in East Guadalcanal during the flooding and says plans are in place to respond quickly in the event of another weather emergency.

“We’ve marked the new bridges to track current water levels,” she says. “If the river rises above a certain point, our evacuation plan goes into motion.”

Much remains to be done, according to the NDMO’s Loti Yates. “The NDMO can only inform and advocate for greater preparedness and try to help people help themselves,” he says. “At the end of the day, disaster preparedness is everybody’s responsibility.” ■





**Always ready.** The Ruavatu Secondary School in East Guadalcanal, situated in a flood-prone area, prepares its students for disasters by establishing a committee for safety and conducting emergency drills (photo by Robert Taupongi).

“Communities in the east and west can still get to town now even when some of the main rivers are flooded. That means sick people can reach clinics and hospitals in town for treatment during heavy storms.”

**Mike Qaqara**  
government official

# STRENGTHENING SUPPORT FOR FRAGILE AND CONFLICT-AFFECTED SITUATIONS

Asia and Pacific nations struggling with fragile and conflict-affected situations (FCAS) have made important development progress. However, they continue to trail the rest of ADB's developing member countries (DMCs) in overall socioeconomic development.

FCAS countries generally lag far behind other DMCs in progress toward the Sustainable Development Goals for access to education and infrastructure provision, such as water and sanitation facilities and paved roads. Eradication of poverty remains a more distant prospect for them than it has become in the rest of the region.

ADB applies lessons from long experience in FCAS to respond to their extraordinary challenges and particular development needs. Operations and approaches are tailored to complex and difficult operating environments and targeted at key areas where ADB assistance can deliver the most effective sustainable development impact under conditions that result from fragility and conflict.

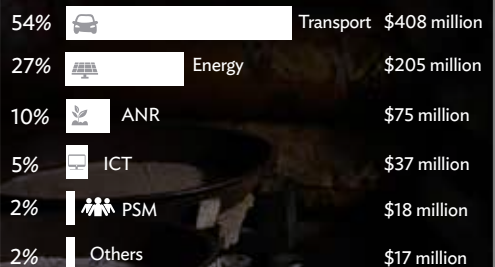
From January 2017 to June 2019, FCAS countries were allocated almost half of all ADF 12 grant funding. ADB has taken important steps to address FCAS in its DMCs. Procurement procedures and project start-up have been improved in the eight small island developing states in the Pacific affected by fragility. Recognizing the unique and challenging operating environment in Afghanistan, ADB has developed the Enhanced Project Delivery Approach to improve project performance, in addition to the FCAS toolkit and technical assistance for capacity building. In Myanmar, ADB is adopting a conflict-sensitive approach that will build institutional capacity and ensure that the benefits of its projects reach all people in a fair and equitable manner.

Afghanistan is beset by most of the issues and obstacles that complicate development efforts in FCAS countries, starting with security challenges, political risks, and institutional capacity issues. One-third of its people are undernourished. Yet, as this chapter shows, ADF grants are helping thousands in ADB's poorest DMC start and grow businesses, move through the country more easily, and gain access to electricity and funding that can make life more productive and comfortable.

## Access to Paved Roads (kilometers per 10,000 people)



## ADF 12 Grants Supporting Fragile and Conflict-Affected Situations



**391 kilometers**  
of **roads** being built or upgraded

ADB = Asian Development Bank, ADF = Asian Development Fund, ANR = agriculture and natural resources, DMC = developing member country, FCAS = fragile and conflict-affected situations, ICT = information and communication technology, PSM = public sector management.

Note: Data for ADF 12 grants supporting FCAS and roads being built or upgraded are based on ADF 12 grant operations committed between January 2017 and June 2019.





**Setting up.** An Afghan shopkeeper in downtown Kabul prepares to sell his goods (photo by Jawad Jalali).



# HARVESTING MORE VALUE

Zabihullah Ahsan and the dry and fresh fruit processing business he runs in Pul-e-Charkhi in Kabul have far more downtime each year than he would like.

“The off-season, which is when the fruit and vegetables we need for processing are not being grown, lasts 5 months,” says the 59-year-old company president. “And right now, we don’t have the facilities we need to store and keep already harvested crops fresh that long.”

That will change with construction of a packhouse and cold storage facility with the support of ADB’s Horticulture Value Chain Development Sector Project, which is being financed by a \$75 million ADF grant.

“We’ll sell into the domestic market all year round,” Zabihullah says, “and be able to fetch the higher off-season prices.” The upgrade and expansion could also benefit the company’s exports to Europe, the Middle East, and South Asia. Importantly, in a DMC with such high levels of poverty and unemployment, it will also create 35 full-time jobs.

The ADF-enabled project helps both agribusinesses and farmers, many of them poor.



**Introducing commercial agriculture.** Rafi Noorzai, an agribusiness development specialist with the project management unit, says the Horticulture Value Chain Development Sector Project is one of the most important projects for the Afghan economy and farmer community (photo by Afghanistan Resident Mission).



**Adding value.** Hasina Fageeri, who runs a pickle business, says ADB’s Horticulture Value Chain Development Sector Project has given her and other women training and information to improve the standard of their products and access new markets (photo by Afghanistan Resident Mission).

Support goes to strengthening multiple links in the value chain, and activities ranging from the addition and upgrading of processing infrastructure and equipment to providing better planting material to the country’s many smallholder farmers.

Afghanistan’s agribusinesses are benefiting from new precooling rooms and packhouses with sorting,



“I’m hoping that the project can help me run my agribusiness better. Then I can help other women who are looking for jobs.”

**Nazari**  
dry fruits company owner

**Opportunities for women.** Nazari, owner of a dry fruits company, is hoping that she can run her business better and open up jobs for other women (photo by Afghanistan Resident Mission).

grading, and processing equipment; storage facilities; and even a tissue culture laboratory. Horticultural processing firms, professionals, and students have been trained in adding value and international best practices. Help for farmers has included the installation of greenhouses and storage facilities, assistance in starting up orchards and vineyards with certified plant inputs, and the development of small irrigation systems.

The project is rolling out a long-term branding and marketing strategy to boost Afghanistan's profile in the international horticultural goods market. It has targeted a rise in horticultural output from less than 4 million tons in 2017 to 5 million tons in 2025. The sector's annual contribution to the economy is expected to reach \$2 billion annually by then—nearly double what it was in 2016—helped by a halving of chronic post-harvest crop losses from their 2017 level.

Women already do a lot of the basic work in Afghan agriprocessing, and the project is making sure that they not only benefit as employees from ADF support but can also build and run agribusinesses of their own.

“Some women have already invested and want to expand,” says Hakima Zulfiqari, who works for an organic agricultural production company. “Typically, they have less capital on hand than men, so what they need are more opportunities.”

The project's grant funding will be divided equally between female- and male-operated enterprises. Creating more jobs for women is also a target. By 2024, women are expected to make up 80% of the employees of companies receiving project financing, up from 60% in 2018.

“We told the government and donors that the involvement of women is vital to the agriculture sector,” says Hasina Faqeer, the owner of a pickle business that has received project support. She is happy with the project's response. “Our views have been listened to and heard at the project workshops, and we're getting training and other assistance to improve our product standards and access new markets.”

“I'm hoping that the project can help me run my agribusiness better,” says Nazari, owner of a dry fruits company. “Then I can help other women who are looking for jobs.”

## THE MISSING LINK

Getting around Afghanistan has always been hard, especially by land. Moving essential goods in and exports out has not been much easier.

Rugged terrain, a sparse network of poorly maintained roads, harsh winters, and the realities of armed conflict have left the country's thinly spread population and widely dispersed communities isolated from each other. The services and economic opportunities needed to improve lives and social stability have likewise remained out of reach.

Underdeveloped, worn-out, barely passable roads have kept the sick from hospitals, children from schools, and crops from markets. Domestic and international trade has been stifled, and government reach chronically curtailed. Progress on endemic poverty has been slow, halting, and sometimes forced into reverse.

The demanding geography, security issues, and the associated high costs have long frustrated efforts to fully develop Afghanistan's roads.



**Moving along.** Goatherds guide their flock along the road (photo by Afghanistan Resident Mission).



**Safer travel.** A section of the North–South Corridor Road, rehabilitated with ADF grant assistance, which connects Yakawlang District in the northwest of Bamyan Province to Bamyan City, the provincial seat (photo by Jawad Jalali).

“There should be more job opportunities in the roadside communities when the work is done, and better access to schools and health services.”

**Abdul Jalil**  
university student

Nonetheless, a series of ADB operations with ADF funding have played an important part in an almost 15-year campaign to bring smoother, faster, cheaper, and safer surface transport throughout the nation and to and from neighboring countries and regions.

The Qaisar–Dari Bum Road Project in the northwest region, financed by a \$330 million ADF 12 grant approved in 2017, will provide the last missing link to complete the rehabilitation of Afghanistan’s long-neglected Ring Road—the country’s major circular highway. National Highway 1, a route in use since the 4th century BC, connects all of the country’s major centers and is the main conduit for passenger and freight traffic around the nation. The long-awaited improvements will be making overland travel and trade between Afghanistan and neighboring Iran, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan easier and more efficient.

As well as constructing the two-lane, 151-kilometer stretch of this national highway between Qaisar and Dari Bum, the project will provide access roads, small irrigation facilities, schools, clinics, and other basic infrastructure for 60 local communities.

“The roads to the big centers aren’t paved, travel is slow and costs a lot, and when they get to market



**High hopes.** Sharifullah Sherzamam, from the project management unit, believes that the improvement of the Ring Road will bring economic growth to Afghanistan (photo by Afghanistan Resident Mission).

our crops are often badly damaged,” says university student Abdul Jalil, 25, whose village of Baghbanan is within the project area. “Our province, Badghis, is deprived economically, so I hope the road improvements will help it flourish. There should be more job opportunities in the roadside communities when the work is done, and better access to schools and health services.”



Mahane, 70, a veteran of long, bumpy, dusty trips from her village of Tagab Ismael to market and back, also has high hopes for immediate benefits. “The road works should be good for our small community,” she says, “I may even set up a small family business—start a dairy farm, or raise chickens.”

Vehicle operating costs on the project roads are projected to drop by 30%. By 2023, with the provision of the Ring Road’s missing link, the number of provincial capitals and major towns connected to the regional highway network is to increase by 15% from 2017.

Local communities clearly support the direct and immediate benefits, but Sharifullah Sherzadam, the manager of the project’s Qaisar–Laman component, points out some likely broader and more long-term results. “This project and the Ring Road improvements overall will integrate the country’s northwest with the rest of Afghanistan. That will stimulate economic growth and further infrastructure development.” The 35-year-old also sees the overall Ring Road undertaking as a way to open up Afghanistan not only to its closest neighbors but, through them, to the wider world and opportunities beyond.

## LIFE AND DEATH ON THE ROAD

The journey on the rutted road from his village of Shahidan in Bamyan Province to the distant health center was in some respects an entirely normal one for shopkeeper Ghulam Ali—that is, dusty, jarring, and painfully slow. On this day, however, he was bringing a seriously ill family member to seek emergency care. “The road was too rough,” the 42-year-old recalls. “The vehicle couldn’t move quickly. It took hours, and my relative died on the way.”

The outcome might be different now that ADB’s North–South Corridor Project, supported by a \$40 million ADF grant, has been completed.

The difficult trip Ghulam had to make can now be done in about a quarter of the time. Overall transport costs on the project roads are also lower. Vehicle operating costs have dropped by more than 45%, and bus fares have decreased by 80%.

“We were plagued by dust before we got the two-lane asphalt road,” recalls tinsmith Qurban Ali, 45, another resident of Shahidan. “Few people would visit us here, and business was very poor,” he says. “But business has picked up now, the public transport vehicles make more trips, and getting to and from places we need to go is far more comfortable.”



**Better connections.** Qurban Ali, a tinsmith from Shahidan, a village in Yakawlang District, says he has seen business pick up since the unsealed road to the village was upgraded to two lanes with an asphalt surface (photo by Afghanistan Resident Mission).



**Loading up.** An Afghan porter arranges sacks of potatoes on his truck in Bamyan City, Afghanistan (photo by Jawad Jalali).



**More frequent journeys.** Mohammad Sharif, a truck driver from Sholgara District in Balkh Province, says the road improvements under the North-South Corridor Project have enabled him to triple the number of weekly round trips he makes to Mazar-e-Sharif (photo by Jawad Jalali).

The project addressed both local and bigger national and international road transport needs. It rehabilitated 134 kilometers of road linking Mazar-e-Sharif, Afghanistan's second-largest city, and Dara-i-Suf District in the north and 87 kilometers connecting Bamyan and Yakawlang in the country's center. Scanners, computers, cargo handling machines, and other equipment were installed to speed up the processing and transfer of goods at the Spin Boldak border crossing with Pakistan in the south. An HIV/AIDS and human trafficking awareness and prevention campaign reached more than twice the targeted number of beneficiaries, with more than 5,600 people attending awareness sessions.

In the past, bad roads endangered the physical safety of travelers and played havoc with the incomes and quality of life of those who needed to use them.

"We used to lose more than half of each truckload of fruit or any other crop we transported to heat during the slow journey and damage from the rough surface," says Abdurrahim, a 51-year-old farmer in Dara-i-Suf District in Samangan Province and one of the farmers who make up almost 90% of the people in the project areas.

## STABLE, SECURE POWER

Ask Afghans what their greatest need is after food and personal safety, and the answer is highly likely to be electricity.

Decades of armed conflict laid waste to Afghanistan's energy infrastructure. Kabul, a focus of particular destruction, was sometimes described as the only dark capital in the world.

Thanks in part to an ADF IX grant of \$23.5 million, the lights are back on.

The Power Transmission and Distribution Project helped build more than 100 kilometers of the 420-kilometer transmission line from Uzbekistan, Afghanistan's closest northern neighbor. The new line, which spans some of the most challenging terrain on earth, brings reliable power to Kabul and smaller towns in the northern and eastern provinces.

"I remember the dark times only too well," says Mohammad Ismail, 32, who owns a private school in Paktia Province. "Our students couldn't study or do homework at night. When we used diesel-powered generators to give them some light it was unhealthy for everyone and expensive."

The project's improvements, including rehabilitation of low-voltage distribution substations, have almost halved transmission and distribution losses and reduced the price



**The benefits of electricity.** A steady new supply of power transmitted from Uzbekistan has improved the livelihoods and the comfort of millions of Afghans (photo by Jawad Jalali).

of grid electricity to \$0.05 per kilowatt-hour, or about one-ninth of what it cost to generate the same amount of power with diesel fuel.

“The power used to stop and start all the time, and as a result, so would our production,” says Samiullah Haidari, who is an investor in a PVC factory in the village of Shaikhan in Paktia Province. “Now that we can count on a steady supply, we’ve been able to scale up output, run two shifts, and hire more workers; we’re looking at producing furniture as well.”

With the need for wood-fired cooking reduced, and the respiratory problems it often causes avoided, a survey by a nongovernment organization has shown a 50% improvement in household health in the project areas. Malaria cases are also down, with electric fans now usable in summer to blow both the heat and the mosquitoes away.

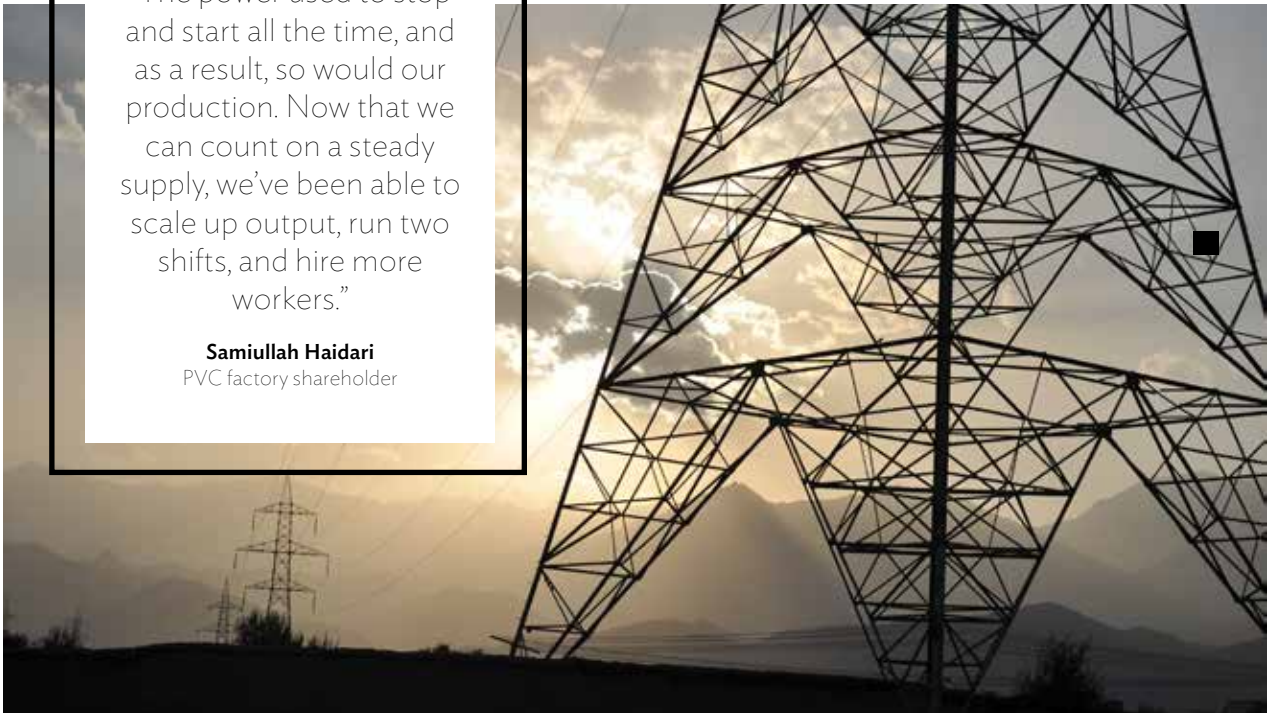
“We had a little electricity before the project—2 or 3 hours a day from a generator,” says Haji Shirkhan, a resident of Paktia’s capital of Gardez, “but we still had to wash clothes by hand and it was impossible for our children to study at night.” The 52-year-old community council member and his family now have electrical appliances, including a washing machine, and his children are happy to be able to study at a time of their choosing, even after dark. “Power has brought many positive changes to our lives.” ■



**Bright lights.** Downtown Kabul lit up at night as a result of electricity supplied through a transmission link to Uzbekistan (photo by Jawad Jalali).

“The power used to stop and start all the time, and as a result, so would our production. Now that we can count on a steady supply, we’ve been able to scale up output, run two shifts, and hire more workers.”

**Samiullah Haidari**  
PVC factory shareholder



**Connected.** Electricity transmission towers on the outskirts of Kabul (photo by Jawad Jalali).



# PROMOTING FOOD SECURITY

**T**oo many children in ADF countries still start their life journey under the weight of impaired growth and development due to poor nutrition. The effects of stunting can be cruel and lasting—poor cognition, struggles with schoolwork, low adult incomes, and an elevated risk of chronic disease. As with ADB DMCs overall, progress on reducing stunting has been limited in ADF countries in recent years. One of the many causes of stunting is a lack of access to adequate nourishing food.

ADF financing continues to use a range of approaches to address the unfinished business of achieving food security. It has also been focused on helping to make sure that all the food that is available is safe. From January 2017 to June 2019, 11% of ADF 12 grant financing by volume went to projects supporting food security, a substantial increase from less than 6% during ADF XI (2013–2016).

Operations to upgrade infrastructure on thousands of hectares of arable land, unclog the bottlenecks in food supply, build climate-friendly agribusiness value chains, and support regional agricultural trade all work to ensure that enough food is grown, processed, and moved to where it is needed at prices people can afford. Measures taken under some of these projects to improve food handling and safety standards also respond to the crucial food security issue of wastage.

The stories that follow show how this work is also improving the lives of hundreds of thousands of farmers—and how sound food handling ensured under an ADF project can make communities healthier, local restaurant owners and otherwise jobless workers better-off, and tourists and hungry customers happier.

## Prevalence of Stunting among Children under 5 Years of Age

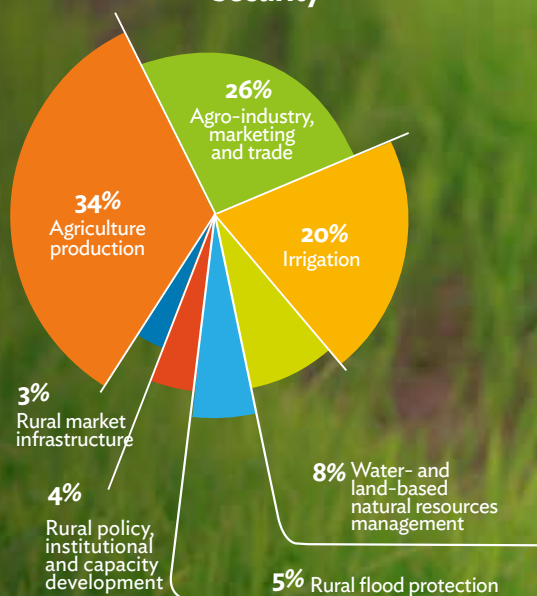


ADB DMCs

ADF Countries

Note: Based on latest available data (2006–2016)

## ADF 12 Grants Supporting Food Security



**38,715 hectares**  
of land being improved  
through irrigation


ADB = Asian Development Bank, ADF = Asian Development Fund, DMC = developing member country. Note: Data for ADF 12 grants supporting food security and land improved through irrigation are based on ADF 12 grant operations committed between January 2017 and June 2019.



**Doubling income.** Farmer Chankha Khouphetmany says she has seen her family's income nearly double since the completion of an ADB-financed gravity-fed irrigation system in her village of Yangpiang in the Lao People's Democratic Republic (photo by Xaykham Manilasith).



# YEAR-ROUND CROP SECURITY



“The irrigation, the better crop, and the added income mean I can help my younger daughter get a higher education.”

**Chankha Khoupetmany**  
farmer

**Irrigated fields.** Rice paddies in Yangpiang, a village in Sing District, Luang Namtha Province, the Lao People’s Democratic Republic, receive irrigation water through one of 26 gravity-fed systems installed under the first phase of the ADF-assisted Northern Rural Infrastructure Development Sector Project (photo by Charlene Laxamana).

**Year-round supply.** Chankha Khoupetmany says a year-round water supply resulted in more income and a better life for herself and her two daughters (photo by Xaykham Manilasith).



For a rice farmer, a full and prosperous life is one in which crops can be grown successfully year-round, not just in the wet season. For a country like the Lao People’s Democratic Republic (Lao PDR), where mountainous terrain, drought, and a lack of infrastructure restrict arable land and farming seasons, often threatening the year’s lone crop, 12 months of good growing helps ensure food security as well.

Chankha Khoupetmany, who produces rice on a single hectare of land in Yangpiang village in the Lao PDR’s northernmost province of Luang Namtha, knows that what’s needed is a year-round supply of water.

“We had no available irrigation in past dry seasons,” says the enthusiastic 41-year-old mother of two. “We pumped what water we could get from a creek.”



Her land produced about 4 tons of rice in those days, earning about \$1,374 a year. Since a gravity-fed irrigation system was built in the area—one of 26 such schemes established under the first phase of the ADF-funded Northern Rural Infrastructure Development Sector Project—her plot’s production has almost doubled to 7 tons and her family’s annual income is now \$2,294.

An ADF 12 grant of \$35.6 million is funding 22 more of the irrigation systems, as well as new farm access roads, training to enable water user groups to manage the infrastructure, and assistance that will help farmer groups connect with buyers and markets.

In a country where 25% of teenage girls are married, projects like this one can have knock-on benefits. “Without this extra money,” says Chankha, “I would have had to ask my 19-year-old daughter to get married and give up her plans to study.” Her elder daughter is taking railway management courses in the People’s Republic of China (PRC) and has her eye on a job on the cross-country North–South Railway expected to be finished in 2021. “The irrigation, the better crop, and the added income mean I can help my younger daughter get a higher education too.”

The risks of drought are particularly severe for the majority of farmers and food crops dependent on the rains and unirrigated land. When the last drought struck, the production on the 6 hectares Sanou Peemeu plants with sugar cane, rice, maize, and vegetables dropped precipitously.

“My family and I had to draw on our emergency savings to get by,” she says. She is hopeful that planned talks between ADB and her indigenous Akha community on possible support for Nam Lek village through additional financing for the ADF 12 project will lead to a good supply of water and reliable yields and income all year round.

Besides better and more dependable incomes for the country’s farmers, irrigation strengthens food security region-wide. Added production resulting from expanded irrigation is expected to be exported to the Lao PDR’s neighbors, the PRC and Thailand.

The Luang Namtha provincial government has been encouraged by the results and examples of the ADF-financed projects to step up its own irrigation investments. There is a lot of room for expansion. Less than 7% of the country’s land is arable, and of the 1.5 million hectares classified as such, only about one-fifth is irrigated.



**Ready for planting.** A farmer tilling his rice fields in Luang Namtha Province, the Lao People’s Democratic Republic (photo by Xaykhame Manilasith).



**Drought stricken.** Sanou Peemeu, an indigenous Akha farmer, hopes that ADF-financed irrigation will come to her farm one day and prevent her heavy food crop and income losses during droughts (photo by Xaykhame Manilasith).



“Good harvests will mean decent profits. Our children will no longer need to seek seasonal work”

**Nadibjan Kyrgyzbaev**  
farmer

**Inefficient irrigation.** Mizrabjan Abjabarov, a farmer in Nookan District in southwestern Kyrgyz Republic, says water losses from an inefficient irrigation system mean harvests during dry periods that barely cover his costs (photo by Danil Usmanov).

## FIXING THE FLOW

Mizrabjan Abjabarov is already served by irrigation infrastructure. His problem, and that of many of the food and cash crop farmers in parts of the Kyrgyz Republic, is that the system is very old, dilapidated, and often badly obstructed by silt or leaking.

“I lose more than 30% of the water actually provided,” says the 53-year-old, who cultivates corn and cotton in the Nookan District of the Jalal-Abad Region in the country’s southwest. “When there’s drought, my harvest shrinks, and what I sell barely covers my expenses. I have to take out loans to buy seed for the next season. Sometimes I even have to sell my cattle.”

Aging, inefficient canals and broken-down equipment in irrigation systems first installed long ago under the former Soviet Union are commonplace in the Kyrgyz Republic and some other DMCs in Central Asia. Even when the water input is available, a lot of it never makes it through

run-down and neglected systems to the fields where it is needed.

Irrigation is critical for sustained agricultural production in the Kyrgyz Republic, which engages about 30% of the population and contributes about 15% of gross domestic product.

“Poor irrigation is our main source of pain,” says Kazimjan Myrzahmedov, chief engineer of the Nookan District Water Management Board. “Our farmers can’t grow more crops because they are not getting a consistent supply or enough water.”

According to Kazimjan, steady deterioration of irrigation systems has also shortened the growing period in Nookan from about 135 days a year to “between 90 and 100.” Added to this, farmers are struggling to cope with more frequent and severe droughts.

In response to the farmers’ plight, an ADF 12 grant of \$16.8 million is helping finance the Climate Change and Disaster-Resilient Water Resources Sector Project.

Nookan is one of the districts in the Ferghana Valley in the southwest and the Chui River Basin in the north where irrigation systems will be rehabilitated and



**Upgrading supplies.** Kazimjan Myrzahmedov, chief engineer of Nookan District Water Management Board in the Kyrgyz Republic, says farmers need more consistent, ample water supplies to grow more crops (photo by Danil Usmanov).



**Better future.** Nadibjan Kyrgyzbaev, a farmer in the Kyrgyz Republic, says improved irrigation systems will mean better crops and a brighter future for his children (photo by Danil Usmanov).

made more resilient to extreme weather events that are expected to increase and intensify due to climate change.

“We hope to be able to cultivate an additional 1,200 hectares in our district,” says the chief engineer. Canals and other irrigation structures will be built and modernized to service about 20,000 hectares of land in areas vulnerable to droughts, flooding, and landslides. Water user groups of local farmers will be trained to operate the systems and maintain them.

Veteran Nookan farmer Nadibjan Kyrgyzbaev, 63, sees a brighter future for his children as a result. “Good harvests will mean decent profits. Our children will no longer need to leave to seek seasonal work in the Russian Federation.”



**Harvest time.** Farmers in Champasak Province in the Lao People’s Democratic Republic are adopting environmentally friendly techniques to improve the quality and value of their crops (photo by Xaykham Manilasith).

## LINKING FARMERS AND AGRIBUSINESSES

An efficient, fully developed agricultural value chain pays dividends at both its production and food security ends.

ADF-funded projects are building these chains.

Besides increasing the supply and efficient channeling of food to consumers, this allows smallholders and the rural poor to produce high-quality products they can sell at prices good enough to raise their incomes.

The Climate-Friendly Agribusiness Value Chains Sector Project in the Lao PDR is rehabilitating small irrigation systems and rural roads and supporting improvements in post-harvest storage and processing facilities for agribusinesses. The \$40.5 million ADF 12 grant is also financing upgrades to facilities and services for crop research and food safety and testing.





"If I earn more, I'll invest in a proper storage building that will keep more of my crops fresh until sale and get me a better price. I'll finally be able to spend more on my children's education."

**Bounsalong Xayaphouthone**  
farmer

**Improving yields, cutting waste.** Bounsalong Xayaphouthone, cabbage farmer in Champasak Province, the Lao People's Democratic Republic, says a more consistent water supply and better storage facilities for his fields would improve his yields and income (photo by Xaykham Manilasith).

Wastage and the creeping effects of climate change often stand in the way of higher and more reliable farm incomes and production of food.

Bounsalong Xayaphouthone, a cabbage farmer in the southern province of Champasak, is forced to limit cultivation to his land near a river when droughts occur. The pump he had to buy to draw water for his crop during one dry spell came with the added burden of a high-interest loan.

When conditions and yields are good, he faces a different challenge—getting all of his crop further up the value chain to earn a full return. "I have to keep my cabbages in a truck," says the 49-year-old, who has no other storage facilities. "I may harvest 1 ton, but I quickly lose half of it to spoilage. The rest I'm forced to sell at low prices."

The Northern Rural Infrastructure Development Sector Project is helping farmers switch to drought-resistant crop varieties and more climate-friendly organic production methods that make use of biofertilizer—living microorganisms that promote plant growth. At least 100,000 people in 20,000 households are expected to benefit from the ADF 12 operation, with incomes increasing by at least 30%.



**Better irrigation.** The Northern Rural Infrastructure Development Sector Project provided improved water sources for farmers in Luang Namtha, Lao People's Democratic Republic (photo by Xaykham Manilasith).

Bounsalong hopes that ADB support for these techniques and for irrigation systems will one day boost his production, allow him to get more cabbages to buyers and processors undamaged, and make it less difficult to support his family and give them a better life.

"If I earn more, I'll invest in a proper storage building that will keep more of my crop fresh until sale and get me a better price," he says. "I'll finally be able to spend more on my children's education."

## SAFER EATING

Even in the earlier 2000s, Phouangmala Keophet's restaurant would have seemed at first glance to have all the right ingredients, starting with location.

It was to be found in Luang Prabang, a world heritage site and a magnet for the growing numbers of tourists to the Lao PDR each year. Not only that, it was right on Sisavangvong Road, the bustling main street where countless passing visitors to the city's iconic Buddhist temples and beautifully restored French colonial buildings could not help but notice it.

Phouangmala even had extra back-up kitchen staff—up to 30 other staff members from another business she ran—to help out during busy times of the year.

Their lack of skills proved to be a problem, however. Poor food handling, spoiled ingredients, and insect issues soon had prospective diners steering clear. Things didn't improve much even after 2008, when tourism was taking off, and Phouangmala decided to concentrate on the restaurant.

"Our employees simply had no experience in proper food service or preparation," says Phouangmala, now 44. There were food storage and freshness issues."

"Our suppliers know that if they grow high-quality crops, they can be sure their produce will be bought."

**Phouangmala Keophet**  
restaurant owner

**Healthier food, no waste.** Phouangmala Keophet, a restaurant owner in the ancient city of Luang Prabang, says the ADF grant-supported training helped her eliminate food wastage and improve food handling and hygiene (photo by Xaykham Manilasith).

Bad reviews kept customers away. Complaints triggered a visit from the Ministry of Health's Food and Drug Department, which threatened to close the restaurant down. This is when Phouangmala heard of an opportunity to train kitchen and other restaurant staff in food handling. She didn't hesitate.

The course, made available under the ADF grant-assisted Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project, not only taught two of her managers and two other staff members how to store and handle food hygienically, it led to more efficient stocking and almost total elimination of the 50% spoilage rate that had previously been eating away at the bottom line.

"The ADB project came along just in time," Phouangmala says now. Customer numbers have risen 90%. Annual income has more than doubled. She says the restaurant's insistence on high-quality produce has also benefited local farmers. "Our suppliers know that if they grow high-quality crops, they can be sure their produce will be bought."

The know-how her staff received under the ADF operations has been passed on to the employees of a second restaurant run by her husband.

The project's second phase, financed by an additional ADF 12 grant of \$10 million, will expand the training and other food safety activities, including the inspection and surveillance guidelines, to three more provinces in Lao PDR—Oudomxay, Savannakhet, and Vientiane. ■



**Newly trained.** One of the restaurant staff trained in food safety practices under the ADB project (photo by Xaykham Manilasith).



# EMERGENCY ASSISTANCE IN **BANGLADESH**



**900,000 displaced persons** across 33 camps in Cox's Bazar District



The Bangladesh Emergency Assistance Project:  
**\$100 million**  
ADF grant support

## PROJECT OUTPUTS:



**300 bathing facilities**  
for women built; 300 more being constructed



**110 kilometers**  
of internal and access  
**roads** being built and upgraded



**40** mini piped  
**water supply systems** installed



**6,000 streetlamps**  
installed

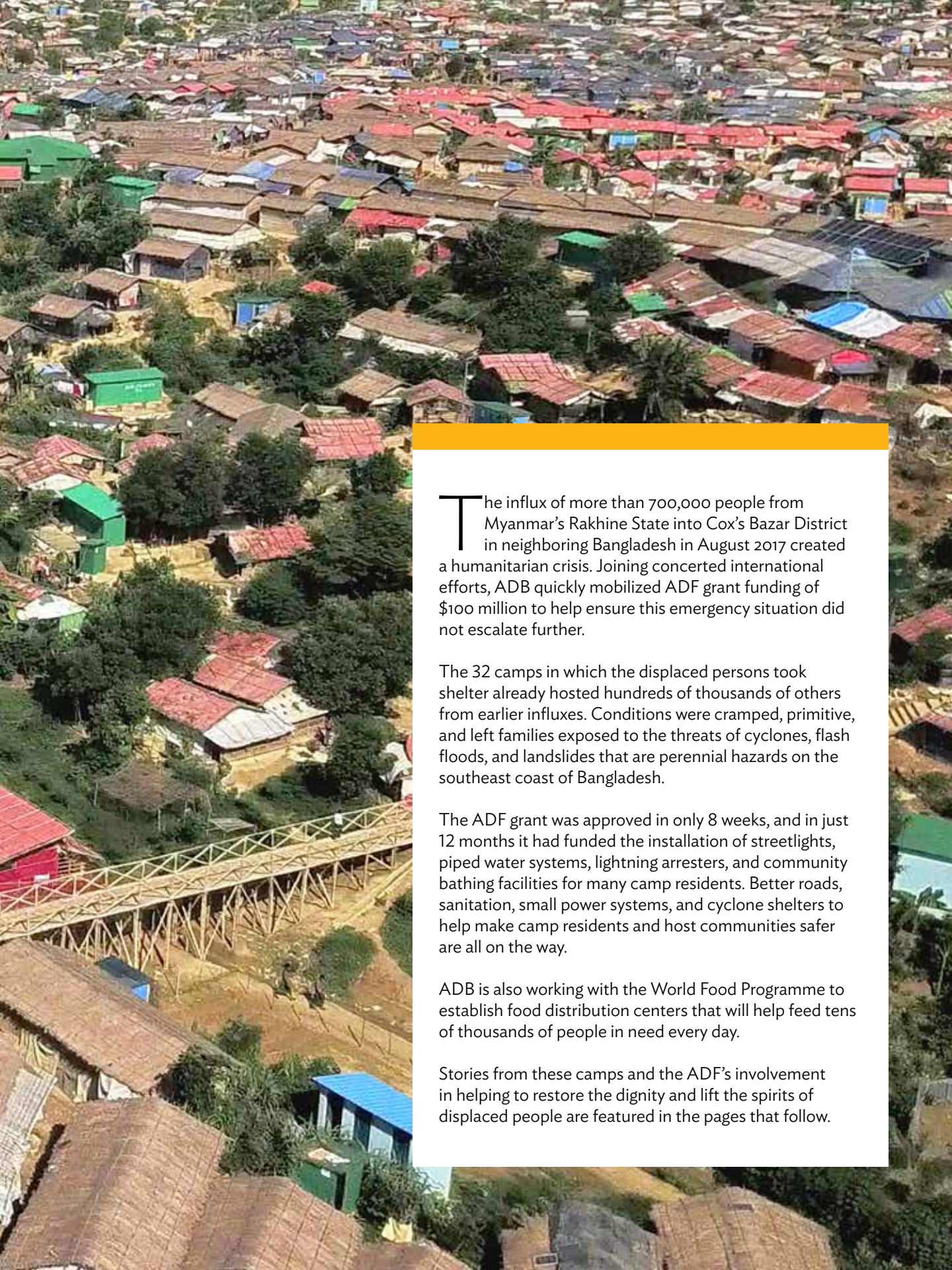


**200 lightning arresters**  
installed

ADF = Asian Development Fund.

**Crowded camps.** Close to a million displaced persons are living in camps in Cox's Bazar District (photo by Abir Abdullah).





The influx of more than 700,000 people from Myanmar's Rakhine State into Cox's Bazar District in neighboring Bangladesh in August 2017 created a humanitarian crisis. Joining concerted international efforts, ADB quickly mobilized ADF grant funding of \$100 million to help ensure this emergency situation did not escalate further.

The 32 camps in which the displaced persons took shelter already hosted hundreds of thousands of others from earlier influxes. Conditions were cramped, primitive, and left families exposed to the threats of cyclones, flash floods, and landslides that are perennial hazards on the southeast coast of Bangladesh.

The ADF grant was approved in only 8 weeks, and in just 12 months it had funded the installation of streetlights, piped water systems, lightning arresters, and community bathing facilities for many camp residents. Better roads, sanitation, small power systems, and cyclone shelters to help make camp residents and host communities safer are all on the way.

ADB is also working with the World Food Programme to establish food distribution centers that will help feed tens of thousands of people in need every day.

Stories from these camps and the ADF's involvement in helping to restore the dignity and lift the spirits of displaced people are featured in the pages that follow.





**Nowhere else to go.** The influx of more than 700,000 displaced persons in Cox's Bazar District, Bangladesh in 2017 added to the 200,000 already living in the resettlement camps (photo by Abir Abdullah).



**In need of safe water.** A woman collects drinking water in Kutupalong camp, Ukhiya Subdistrict, Cox's Bazar District (photo by Abir Abdullah).

Exhausted and in shock, the many thousands who sought refuge in the camps in Bangladesh's Cox's Bazar District in August 2017 arrived to scenes of destitution.

The little shelter available was ramshackle; existing roads, pathways, and sanitation facilities were inadequate; and food and water were in short supply. Soon, forest areas the size of four football fields were being clear-cut each day for fuel because there was no power.

As camp populations exploded, demand surged, and commodity prices spiked. Diarrhea, cholera, and diphtheria—diseases that can prove epidemic in conditions of overcrowding, stress, malnutrition, and poor sanitation—were soon being reported.

ADB's response in mid-2018 through the ADF-funded Bangladesh Emergency Assistance Project aimed to meet the needs of the displaced persons and help take some of the strain off the surrounding host communities, now outnumbered three to one by the new arrivals and forced into competing with them for access to already scarce resources and services.

ADB is rolling out the project alongside assistance from other development partners under the United Nations Inter Sector Coordination Group.

A year after it started, the camps have more than 6,000 additional streetlamps, 200 lightning arresters to protect people and buildings against strikes, 300 community bathing facilities, and 40 new mini piped water systems.

The 10 cyclone shelters being built in and around the camps will be used by the displaced persons and the host communities during heavy storms. The rest of the time they will be used as schools and for other functions. Also still to come are upgrades to improve roads in and around the camps, including on a 50-kilometer stretch of the main supply link between Cox's Bazar and Teknaf, on the border with Myanmar. The project will install 50 solar microgrid systems, a 50-kilometer distribution line, and an electricity substation to provide power to the camps, leading to reduced damage to forest reserves and critical ecosystems.

The fecal sludge management plant that ADB is financing under the project to produce clean drinking water and energy for cooking for the camps will be the first in Bangladesh.

# FOOD DISTRIBUTION COLLABORATION



**Easier food access.** Mujtaba Khatun says having a food distribution center near her home will save her time, money, and worry (photo by Abir Abdullah).

ADB's partnership with the World Food Programme to set up 10 distribution centers to provide tens of thousands of people in the camps with food each day will be greatly welcomed by Mujtaba Khatun.

She now makes a 2-hour journey twice a month to get food supplies from a center 1.5 kilometers away. When she can't afford the transport fare, Mujtaba must carry the heavy sacks of rice and liter cans of oil all the way back.

"It's hard physically," says the 30-year-old, "but I'm also very anxious and alert during these trips about protecting my two children. It's so easy for them to get lost on the way to and from the pick-up center, and yet I can't leave them back at the camp without worrying about their safety."

One of the new ADF-funded distribution centers will be built close to where she lives. The task of collecting food for her family will be cut from the current 2 hours to about 15 minutes.

"It will be a great relief to know I can walk a shorter distance to get food for my children and at the same time keep them safe," says Mujtaba, who is also looking forward to the planned opening of a small market in the same vicinity as the center where she will be able to buy fresh vegetables and fish.



**Meeting water needs.** ADB-funded piped water systems, like these water tanks in Kutupalong camp, will serve the needs of 240,000 people (photo by Abir Abdullah).

## MEETING WATER NEEDS

Like Mujtaba, Jane Alom is familiar with the long walks and heavy loads often necessary in camp conditions to even partially fulfill a family's most basic daily needs.

"The nearest tube well was more than a kilometer away," says the 45-year-old father of four in his shelter at a camp in Ukhia Subdistrict. "There were long queues, and we often waited up to half an hour."

Sometimes, two collections a day were not enough. "We could only carry a limited amount of water," he says, "much of which got used for the toilet. We had to cut back on bathing and brushing our teeth. Our bodies and clothing often smelled."

The challenges facing Jane's family are far from over, but the installation under the ADF-financed operation of a new mini piped water system with standpipe distribution points and round-the-clock supplies close to where they live has reduced the discomforts of their daily lives and raised the likelihood that they can remain healthy.

"We can bathe regularly now," Jane says, "and keep our home clean."

The water facilities ADB and the ADF have helped install will meet the full needs of 240,000 people daily and are expected to reduce the incidence of waterborne diseases in the camps by 20% by 2021.



# LIGHTING THE WAY, PROTECTING PERSONAL DIGNITY

Camp life can inspire many fears. Among them, for Joynuba and her four children, has been fear of the dark. Most of the camps into which the displaced persons arrived had no streetlights.

“We were really afraid to go outside at night,” says the 25-year-old mother. “The toilets were a long way from our house. We worried about attacks by snakes, insects, and even wild elephants.” So, when Joynuba’s son injured his hand one night, they stayed home rather than face the darkness and seek treatment from a doctor.

The ADF-supported project has brightened things up with 2,000 new streetlights connected to mini grids and 4,000 new stand-alone LED lights. All this lighting is powered by built-in solar panels.

“We feel much safer,” says Joynuba. “We go out anytime now, even to the market at night. We’re no longer afraid.”

The project is also helping protect a human value and right often worn thin by the conditions in the camps—personal dignity.

Women like 58-year-old Bahar Begum, a mother of four, endured a dangerous, draining 13-day journey to cross the border and reach the camps. They had neither time nor opportunity to bathe properly as they moved and yet found no private bathing facilities when they arrived.

“It was shameful to wash in the open,” says Bahar, “so we were unable to clean ourselves properly.”

This problem, a common one for thousands of women throughout the camps, has been solved for Bahar and many others by the project’s ADF-funded construction of new community bathing facilities for women and children. The project has



**Safer camps.** ADB-financed solar-powered streetlights have made the camps safer for residents (photo by Abir Abdullah).



**Bathing in comfort.** Bahar Begum says the installation of ADB-funded community bathing facilities has made life easier for women (photo by Abir Abdullah).

built 300 to date, and 300 more are being added.

“We now have our privacy,” Bahar says. “We can wash regularly and in safety.”

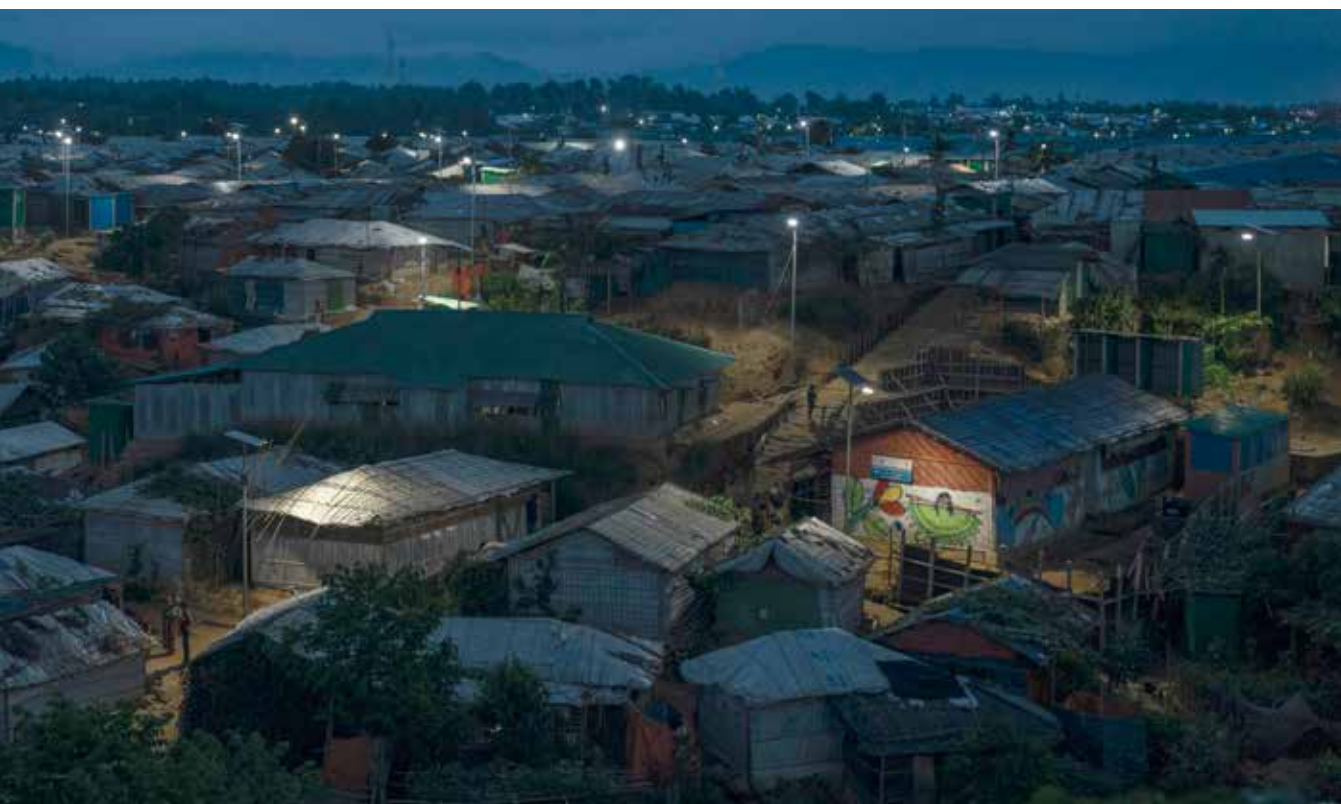




“We feel much safer. We go out anytime now, even to the market at night. We’re no longer afraid.”

**Joynuba**  
camp resident

**Lighting the way.** Joynuba says until the ADB-financed streetlights were installed she and her family were afraid to move around outside at night (photo by Abir Abdullah).



**A safer environment.** Streetlamps light the pathways of the Ukhiya Subdistrict megacamp in Cox’s Bazar District, Bangladesh (photo by Abir Abdullah).



# SMOOTHER AND SAFER TRAVEL



“Once they fix the road and widen it, I think many of my friends will come back to school because it will be easier and safer.”

**Taslima Akter**  
student

**Safer way to school.** Student Taslima Akter, who lives in a host community near the camps, says better roads will make her and her siblings’ trips to school safer and more comfortable (photo by Abir Abdullah).

Taslima Akter lives in a community near one of the camps. On weekdays, she and her 10-year-old brother and 8-year-old sister must walk 2.5 kilometers each way to and from Folia Para Primary School. When the weather is good, it takes 30–40 minutes. When the monsoon comes, it is a long, dirty, dangerous journey.

Roads that turn into muddy traffic-clogged quagmires in the rains are a burden on camp dwellers and host communities alike. Accidents increase, school desks empty, small businesses and livelihoods suffer, and the overall sense of well-being of the resident and displaced populations dips substantially until the monsoon ends.

“We have to wade through sections of deep mud,” says Taslima, 13. “Our clothes are always a mess.”

She also fears for herself and her younger siblings. “There are so many vehicles and we have to hug



**Bumper to bumper.** Traffic jam in the narrow streets at Ukhia Subdistrict, Cox's Bazar District (photo by Abir Abdullah).





**Better roads for better income.** Street vendor Md Shahjahan selling jackfruits in Kutupalong camp, Ukhia Subdistrict, Cox's Bazar District (photo by Abir Abdullah).



**Reducing damage and costs.** Restaurant owner Jahir Ahmed says road improvements will help him to cut costs and reduce food damage (photo by Abir Abdullah).

the side of the road. All three of us know we could get hit and injured.”

That fear keeps many students away from school, she says, and records show that attendance at local schools has dropped as the traffic and road conditions have worsened.

Taslima expects this trend to reverse once the project's ADF-funded road upgrades are completed. The works include upgrading 30 kilometers of internal camp roads and 30 kilometers of rural feeder roads, which will make transport between food storage and distribution centers, field hospitals, primary schools, and the cyclone shelters quicker and more efficient; and resurfacing the 50-kilometer road that serves as the camps' main supply route.

The road Taslima and her younger brother and sister take to class each day is among those slated for improvement. “Once they fix the road and widen it,” she says, “I think many of my friends will come back to school because it will be easier and safer.”

Small businesses in the host communities and the camps themselves are also enmeshed by the awful road conditions during monsoon season. Deliveries of food and other crucial supplies often take double

or triple the usual time to arrive when the main road is muddy and washed out, according to restaurant owner Jahir Ahmed, who set up his café near a camp in Ukhia Subdistrict about 15 months ago. Transport costs also rise. Fish and vegetables are damaged or go bad due to delays.

“We serve up to 300 people a day now,” says Jahir, 45, “but we hope to make that more than 1,000 after the road is improved. It helps that transport costs will drop, which means we can offer lower prices.”

Md Shahjahan, who sells jackfruits, oranges, and other seasonal fruits at Mochara Bazar Camp, shares Jahir's complaints, as well as his hopes. He highlights the expected benefits from road improvement that he can pass on to camp inhabitants. “Bad roads and high costs mean I have to charge more for my goods,” he says. “After the road is upgraded, I can lower my prices for people here and at the same time boost my sales.”

Restaurant owner Jahir knows that the poor transport infrastructure in the area can also take a high human toll. When the ambulance bound for hospital on the main road scheduled for improvement under the project was held up in traffic, his brother's wife lost her baby.

# SHELTER FROM THE STORM

The coast on which hundreds of thousands have found refuge from uncertainty and hazards elsewhere is not without perils of its own.

Tashlima Begum lives in Ukhia Subdistrict not far from the camps. Two years ago, she and her two children had to flee for their lives when her home was inundated by flash flooding. These floods, along with cyclones and landslides, are fairly common occurrences in the Bay of Bengal, and are expected to become more frequent and severe with climate change.

“We managed to scramble up a nearby hill with just the clothes we were wearing,” says 25-year-old Tashlima. “We lived up there for 6 days,

“The building of the cyclone shelters means we can all be safe during bad floods.”

**Tashlima Begum**  
host community member



**Better access to roads.** Displaced persons in the resettlement camps in Kutupalong, Ukhia Subdistrict, Cox's Bazar District, need roads for safer travels to food distribution centers, health centers, and other facilities (photo by Abir Abdullah).



**Storm shelters.** Tashlima Begum, who lives in a host community near a camp in Ukhia Subdistrict, says new ADB-financed storm shelters will keep her community safe during natural disasters, including floods and cyclones (photo by Abir Abdullah).

including 3 in the open before we got hold of a plastic tarpaulin that gave us a little shelter.” Everything they had was washed away, including vital livestock and a crop of vegetables. Tashlima and her family rebuilt their house from scratch.

Like the local host communities and people, the camps and their residents face real risks from flooding, landslides, or both. The land they occupy is either low-lying or on or near steep slopes. Heavy rains and landslides destroyed more than 1,800 dwellings in mid-July 2019.

Project remedies include slope protection works on more than 5 kilometers of hillsides, construction of 5 kilometers of storm water drains, and the development of a gender-sensitive disaster risk management plan.

Tashlima is especially happy about the cyclone shelters, which will protect people from both the camps and the surrounding communities during extreme weather events. Her family's own traumatic experience is understandably at the top of her mind. “The building of the cyclone shelters means we can all be safe during bad floods.”





**Camp life.** Children enjoying water from a standpipe (photo by Abir Abdullah).

## THE PATH AHEAD

While the future looks less uncertain for the residents of the camps than it did a year ago, ongoing support is needed in multiple areas.

The living conditions remain precarious, the threats from disasters and health emergencies persist, and the 100 babies born on average each day are adding to overcrowding and the burden on still limited services.

“The first phase is being implemented well and quickly,” says Manmohan Parkash, country director of ADB’s Bangladesh Resident Mission. “Coordination among the donors and development agencies, including the United Nations Development Programme and the World Bank, has been good. If a second phase of the project comes, it could even be better.” ■



**Bath houses.** The bathing facilities for women and children built under the Bangladesh Emergency Assistance Project are painted blue and placed strategically across the megacamp in Ukhia Subdistrict, Cox’s Bazar District (photo by Abir Abdullah).

# SUPPORTING PRIVATE SECTOR DEVELOPMENT

Businesses, especially small and medium-sized ones, have created hundreds of millions of jobs in Asia and the Pacific since the 1960s and powered some of the fastest economic growth and poverty reduction in history.

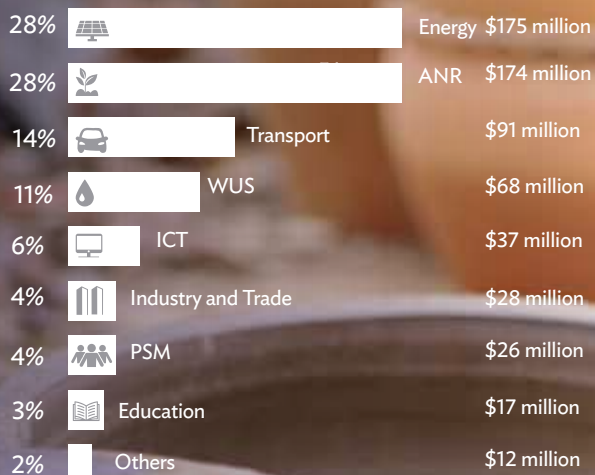
ADB's policy of committing ADF funds to help spark and foster activity in DMC private sectors has been paying dividends. While the ADF countries may lag in other respects, they have kept pace with the business development in ADB's other DMCs. For example, the time to start a business almost halved from 2008 to 2017 in ADF countries, before increasing in 2018 because of newly-enacted stringent anticorruption measures in one ADF country.

About 39% of ADF 12 grant funding from January 2017 to June 2019 was allocated to helping develop DMCs' private sectors. These operations, combined with technical assistance to ADF countries financed by the Technical Assistance Special Fund 6, are backing about 70 reform measures in major policy and regulatory areas that, among other things, will encourage the establishment of public-private partnerships (PPPs) and reduce the tax and other cost burdens weighing on small and medium-sized enterprises (SMEs).

## Time to Start a Business (days)



## ADF 12 Grants Supporting Private Sector Development



## 69 measures

being supported in implementation to improve capacity of public organizations to promote private sector

ADB = Asian Development Bank, ADF = Asian Development Fund, ANR = agriculture and natural resources, DMC = developing member country, ICT = information and communications technology, PSM = public sector management, WUS = water and other urban infrastructure and services. Notes: Data for ADF 12 grants supporting private sector development are based on ADF 12 grant operations in ADF countries between January 2017 and June 2019. The total number of measures supported is based on ADF 12 grant operations and technical assistance to ADF countries committed between January 2017 and June 2019.





**Higher sales.** Infrastructure improvements in Luang Prabang Province supported by an ADF-assisted project have helped boost sales for potters in the village of Ban Chan Neua (photo by Xaykhame Manilasith).

# PARTNERING WITH THE PRIVATE SECTOR



**Building partnerships.** Hanchoro Murzaliev (right), head of investment policy in the Ministry of Economy, considers ADB's public-private partnership framework to be among the best in the region (photo by Danil Usmanov).

“PPPs open new possibilities, because the private sector is able to buy new technologies and practices and bring them in from other countries.”

**Hanchoro Murzaliev**  
head of investment policy,  
Ministry of Economy, Kyrgyz Republic

The Kyrgyz Republic's development issues are not uncommon in the ADF countries. It relies heavily on its natural resources and on remittances from too many citizens forced to find better work and pay abroad. It needs to ensure decent affordable health care and other basic services but often lacks the public sector means or know-how to do so.

Diversifying economies, creating new jobs, and delivering frontline public goods and services are all areas in which the private sector can

play a potent role. Recognizing this, the republic's government has made development of the private sector—a major driver of growth—a prime goal.

The ADF's support in this effort has come mainly through ADB's ongoing Second Investment Climate Improvement Program. The program has included help for the government in constructing the policy, legal, and financial framework needed to encourage, negotiate, and close agreements for sound PPPs. The program's current third phase is being financed by a \$25 million ADF grant.





**Public-private partnerships for better health care.** Following policy reforms supported by an ADF grant, hemodialysis centers were constructed in the Kyrgyz Republic using public-private partnership model with International Finance Corporation support (photo by Danil Usmanov).

Hanchoro Murzaliev, head of investment policy at the Ministry of Economy, calls ADB's contribution to PPP development "huge," and the PPP framework the partnership has created "among the best in our wider region."

He particularly likes the hi-tech and rapid modernization advantages generated by private sector involvement in service delivery. "PPPs open new possibilities, because the private sector is able to buy new technologies and practices and bring them in from other countries."

The framework and further reforms facilitated by the program paved the way for pilot PPP projects that have almost instantly upgraded the quality of an important medical procedure in the country while also bringing down the costs.

Hemodialysis centers opened in 2018 in the Bishkek, Jalal-Abad, and Osh regions. Developed with International Finance Corporation support as the DMC's first PPPs, they have introduced up-to-date equipment and filtration methods for the treatment of patients with kidney diseases.



**Making partnerships possible.** Mederbek Ismailov, head of the Strategic Planning Department in the Kyrgyz Republic's Ministry of Health, says that policy reforms supported by the Second Investment Climate Improvement Program paved the way for pilot public-private partnership projects in the country (photo by Danil Usmanov).

"This milestone was achieved using the ADB program's policy matrix," says Mederbek Ismailov, who heads the Strategic Planning Department at the Ministry of Health. "The program helped make these projects happen."

Success has led to 18 new private dialysis center start-ups across the country. "There's now a wider range of quality services," says Mederbek, "and more competition has lowered prices for hemodialysis services nationally by about 25%."

# HELPING SMALL BUSINESSES GROW



**Improving equipment.** Edil Jarbolov upgraded his equipment with a loan received under the ADB-supported Guarantee Fund for small and medium-sized enterprises (photo by Danil Usmanov).

The ADF-funded Second Investment Climate Improvement Program in the Kyrgyz Republic also set up a credit guarantee fund for SMEs. These small and mid-scale growth dynamos already accounted for two-fifths of the country's gross domestic product but were running out of the financing needed to continue to contribute to growth and job creation.

Edil Jarbolov and his wife, who raised horses for 20 years, are part of a special breed themselves. Entrepreneurs who start small and build from there have helped drive economic growth worldwide for centuries, including the spectacular expansions in many of ADB DMCs over recent decades.

The Guarantee Fund, set up under the program with a \$3 million ADF grant, had as of June 2019 guaranteed



**Modernized business.** Elebes Rustamov, an employee of a flour mill in the Kyrgyz Republic, shows off the company's new equipment procured through a small and medium-sized enterprise loan supported by the Guarantee Fund (photo by Danil Usmanov).

893 bank loans totaling \$57 million to SMEs whose businesses would otherwise have stalled because of their inability to meet stiff collateral requirements or afford the high interest rates.

More than one-quarter of the guarantees have gone to women-owned and -led SMEs, and three-quarters of the loans went to SMEs outside the capital, Bishkek. The fund's capital has quadrupled to \$16.5 million since inception.

"We wouldn't have seen anything like this growth and development without ADB's financial and technical assistance at the start," says Malik-Aidar Abakirov, chair of the fund's board. "The fund's success is also attracting interest from other countries. Tajikistan authorities are looking at creating the same model,





**Work made easier.** Baktygul Sadyrbekova, an employee at the Jorbolovs' dairy farm, uses an automated milking machine (photo by Danil Usmanov).

with the first guarantees expected to become available to Tajik SMEs by late 2019.”

When the Jarbolovs had a new idea, the fund was there to help. They had always raised a few cows on their Chuy Region farm and sold excess milk, but by 2015 the rising profits from these sideline sales had become too hard to ignore. They decided that dairy farming was the way to a bigger business and better future. By 2018, they had 50 cows.

“I’d made do with old equipment until then,” says Edil, 52, “and a cooling tank I’d made myself. But it wasn’t keeping the milk fresh enough, and buyers were sometimes rejecting it.”

The Jarbolovs lacked collateral, but the Guarantee Fund accepted an application, and a fund-insured bank loan bought the state-of-the-art dairy equipment the business needed to move forward.

“Production has doubled to about 1,800 liters a day,” Edil says. “Sales are up threefold to about Som44,000 (\$630) a day, half of which is profit.”

Next steps are to repay the loan, which Edil believes will be easy now, and finance the children’s education—as well as think about buying another 100 cows.



“We wouldn’t have seen anything like this growth and development without ADB’s financial and technical assistance at the start”

**Malik-Aidar Abakirov**  
chair of the Guarantee Fund

**Upgraded dairy farming.** Milking cows feed on fresh hay at the Jarbolovs’ farm (photo by Danil Usmanov).

# BUILDING A DREAM

“When the road is fixed and we have other improvements, we expect our annual average occupancy rate to rise from 50% to 70%.”

**Thepmai Thongsaly**  
guesthouse co-owner



**Business partners.** Sengaloun Khamphan and her husband Thepmai Thongsaly at their restaurant and guesthouse business on Don Khone Island in southern Lao People's Democratic Republic (photo by Xaykham Manilasith).

The people and economy of a string of Mekong River islets known as the Four Thousand Islands in the south of the Lao People's Democratic Republic (Lao PDR) hope to benefit from a larger, if still slim, share of the 350 million international tourists who arrived in Asia and the Pacific countries in 2018.

As Sengaloun Khamphan, a chef, and her husband Thepmai Thongsaly, a former teacher, have shown, the lush surroundings, lovely waterfalls, French colonial-era attractions, and rare Irrawaddy freshwater dolphins ensure that those who come don't regret it.

Sengaloun's and Thepmai's restaurant and guesthouse experience exemplifies the immense potential for social and economic development ADB aims to help tap through ADF support for sustainable, inclusive tourism industries across the DMCs.

With the right infrastructure, policies, regulatory protections, and marketing, tourism can be a

dynamic job and business grower and catalyst for all sectors of a population, often in areas where work and greater incomes are needed most.

Thepmai and Sengaloun, both 43, moved to beautiful Don Khone Island in 2002. “We started small, with only the restaurant,” says Thepmai, “followed later by a single bungalow. Now we have 30 cottages.”

Improvements along the way to access to the island and upgrades of road, ferry landing, and other facilities have helped, as have environmental improvements and training for community-based tourism.

These measures, part of ADB's ADF-assisted Greater Mekong Subregion (GMS) Tourism Infrastructure for Inclusive Growth Project, have spurred a sharp rise in homestay and other tourism-based businesses in the southern part of Champasak Province where their island is located. Department of Information, Culture and Tourism data show the number of guesthouses up by a third from 2012 to more than 200 by 2018, and fivefold growth in the number of restaurants.



It has also meant more jobs. In peak season, Sengaloun and Thepmai employ 25 people.

It remains a family business, says Sengaloun, with an efficient division of hard work. “My husband does the booking, marketing, and accounting,” she says; “I handle the investments and manage the business on a day-to-day basis, including preparing the food and taking care of the guests. While we share, we make our own decisions on a lot of matters. But on the big things we always talk it out and find the answer together.”

The second phase of the project is financed by a \$47 million ADF 12 grant and will make it easier and safer for tourists to get around the Four Thousand Islands area through further upgrades to roads and river ports.

This stage will provide an all-weather surface for the 11-kilometer road running through Don Khone Island and other improvements, such as footpaths, a cycle track, and public lighting.

“Customers complain a lot about the dirt road now,” Thepmai says. “When the road is fixed and we have the other improvements, we expect our average annual occupancy rate to rise from 50% to 70%.”

More business and more revenue will mean more hiring, as well as moving ahead with plans to expand the business to other sites. They will also be able to support their son’s dream of going to Australia to take a degree course that could prove handy for the family later on—business administration.



**In need of repair.** The 11-kilometer road between Don Khone and Don Det islands will be upgraded to an all-weather surface under the second phase of the ADF-assisted Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project (photo by Xaykham Manilasith).

## FEAT OF CLAY



**Smoother school trips.** Vanhkham Panhyavong, daughter of potters Thongvanh and Ting, says she is looking forward to smoother trips to school once the access road to her village is sealed under the second phase of the Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project (photo by Xaykham Manilasith).

Legend has it that the village of Ban Chan Neua in the Lao PDR began its long pottery tradition 400 years ago after King Fa Ngum asked for pots to be created in celebration of a great victory that had helped to unite the country.

These days, the Panhyavongs’ customers are tourist businesses, such as hotels and restaurants, and the tourists themselves.

The pottery trade may go back many generations in the Panhyavong family, but the pick-up in business is a relatively recent development and mostly due to infrastructure improvements under ADF-financed first Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project.

The project’s upgrade of the Mekong River Xieng Men Ferry landing provided better vehicular and passenger access to Luang Prabang Town where the bulk of the local tourists and most of the Panhyavongs’



**Pottery showcase.** The craft display and demonstration center in Ban Chan Neua village, known for its pottery-making for centuries, was constructed and its surroundings landscaped with support from the ADF grant-funded project (photo by Charlene Laxamana).



**Centuries-old tradition.** Thongvanh Panhyavong, a potter in Ban Chan Neua village, Luang Prabang Province, works on his craft (photo by Xaykham Manilasith).

business customers are found. Village potters Thongvanh and Ting Panhyavong estimate that the improvements have increased their sales by up to 80%. Working together, the couple now earns the equivalent of \$343–\$457 a month.

Things should improve further under the project’s second phase, which will seal the rough 3.5-kilometer road between Ban Chan Neua and the ferry landing that has taken a heavy toll in damage on Thongvanh’s and Ting’s meticulously crafted pieces during years of trips for deliveries and to find customers in town.

More tourists are also likely to make their way to Ban Chan Neua itself, another boost for a village where life has never been easy. A display and demonstration center built under the project for the village potters is expected to be a particular attraction. If business picks up enough, Thongvanh says, his family may buy some land.

Thongvanh’s and Ting’s daughter is also more than ready for some easier travel to and from school. “The road is never smooth, and it turns to mud in the rainy season,” says 14-year-old Vanhkham. “I can’t take a motorcycle or ride my bike. I have to walk, and it’s slow and dirty.”

Meanwhile, she is learning the pottery trade and says that she hopes to continue the family’s traditional business after she finishes her studies.



## ROAD TO SUCCESS



**Linking to Uzbekistan and beyond.** The road between Ayni and Panjakent, which provides an important link to Uzbekistan and is part of Central Asia Regional Economic Cooperation Corridor 6, runs through the scenic, previously isolated Zarafshon Valley (photo by Nozim Kalandarov).

Nature is a business partner in Sayod Bokiev's roadside drinks shop, or perhaps an unpaid employee. His shelves are set into the side of a Tajikistan mountain, and the water that streams endlessly down its rock face at the site keeps his store of soft drinks and other beverages perpetually cool. "My natural refrigerator," the jovial 34-year-old calls it.

The uptick in thirsty customers in the last few years, on the other hand, is entirely the result of human planning and endeavor, with help from a \$100 million ADF grant.

Improving roads is good for businesses large and small. The reconstruction of 113-kilometer route through mountainous Zarafshon Valley between Tajikistan's Ayni and Panjakent districts and the Uzbekistan border—and past Sayod's store—is proving no different.

Sayod has hired an assistant and even opened up a second store. His stock of drinks arrives faster on the much-improved road, which is part of the 10,000-kilometer Central Asia Regional Economic



**Not your average store.** Sayod Bokiev's roadside shop, with shelves set into a rock face and drinks cooled by mountain water, sits alongside the road between Ayni and Panjakent in Tajikistan, which was reconstructed with ADF assistance (photo by Nozim Kalandarov).

Cooperation Corridor 6 that continues west all the way to Europe. It also costs less to ship his supplies in.

"We see a lot more traffic and have many more visitors now," he says. "In fact, a neighbor is building a mini hotel next to my shop. My goal is to do well enough from this business to stay here in Tajikistan rather than having to seek opportunities abroad."

The project, completed in 2017, also upgraded border crossing facilities and built and improved feeder roads and community infrastructure. It has opened up access to markets, social services, and critically needed new livelihood and business opportunities for more than 300,000 people.

"I used to depend entirely on what my husband sent home from migrant work in the Russian Federation," says 30-year-old businesswoman and mother of two Shahlo Tanaberdieva. "When the road was improved, I decided to open a clothing store. The upgrade made it faster and safer for me to travel from Panjakent here to Dushanbe City and stock up on clothing in the wholesale markets for resale. It's enabled me to earn money for myself and my family." ■



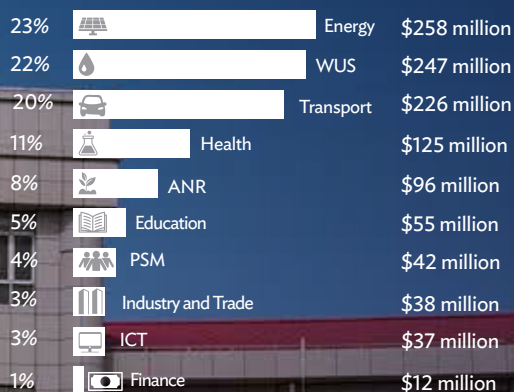
**Improving governance.** Tonga's new government office block in St George's Palace at Pangai Si'i, Nuku'alofa central business district (photo by Lester Ledesma).



## Worldwide Governance Index Government Effectiveness Scores



## ADF 12 Grants Supporting Improvement of Governance Capacities



**11,234**  
**government**  
**officials**

being trained to  
increase capacities



**172 entities**

improving management  
functions and  
financial stability

ADB = Asian Development Bank, ADF = Asian Development Fund, ANR = agriculture and natural resources, DMC = developing member country, ICT = information and communication technology, PSM = public sector management, WUS = water and other urban infrastructure and services.

Notes: Data for ADF 12 grants supporting the improvement of governance capacities are based on ADF 12 grant operations in ADF countries committed during January 2017–June 2019. The total number of government officials trained and entities supported is based on ADF 12 grant operations and technical assistance to ADF countries committed between January 2017 and June 2019.

# IMPROVING GOVERNANCE AND CAPACITIES

ADB's development work cannot gain full traction or lasting results without a constant across-the-board effort to help DMCs improve governance and strengthen institutions.

These can be make-or-break issues.

New roads will crumble without sound maintenance structures. Taps go dry and the lights go off when state utilities are poorly organized, or lack expertise or accountability. Private investors won't help build economies, create jobs, and improve lives without clear ground rules. These rules, like all other necessary reforms, require well-functioning policies and laws, followed by regulations for implementation and often the creation or bolstering of agencies to ensure that they are monitored and enforced.

Most importantly in many ADF countries, development gains depend on adequate public revenue, which requires strategies and the means to collect or borrow funds without undermining economies and fiscal positions.

Support for good governance and strong institutions is a priority under ADF 12, with the share of related ADF 12 commitments from January 2017 to June 2019 standing at almost 70% by volume, up from 46% during ADF XI. The ADF 12 activities, complemented by capacity-development technical assistance projects financed by the Technical Assistance Special Fund 6, are expected to increase the capacity of more than 11,000 government officials in ADF countries. The critical issues of tax policies and debt management have received particular attention.

ADF countries' progress on governance and public sector management has been mixed. More reform work is needed on a broad range of governance and institutional issues if these countries are to achieve inclusive and sustainable economies. Most also need a greater cushion against future shocks.

The stories on the following pages tell how ADF support has helped the small island developing states (SIDS) of the Pacific make progress toward these goals. The chapter also shows how improving governance in small communities in Nepal has been instrumental in improving delivery of infrastructure services.

# BUILDING ECONOMIC RESILIENCE

Like many SIDS, Tonga is small and far from the mainstreams of regional and global economic activity. Resources and the current sources of income are limited, and the private sector is sparse.

Governance and institutional issues—such as complex laws that have discouraged potential foreign investors, and public spending that has often outstripped public revenues—have not made economic growth and development any easier. Tonga, which buys more from the rest of the world than it sells, is exposed and vulnerable to external economic shocks.

ADB and Tonga have employed a particularly effective tool—policy-based support—to work together on the country’s root governance and institutional challenges under the ADF-funded Building Macroeconomic Resilience Program. As Tonga completes each series of agreed policy reform actions, ADB provides a linked tranche of budgetary assistance.

The reforms completed under the second phase were supported by a 2017 ADF 12 grant of \$2.25 million. The phase 2 actions strengthened public financial management to boost tax revenue, adjusted the public service salary structure, raised the performance of the country’s public enterprises, and made the investment environment more hospitable to private businesses.

“The program has been critical to better management of government spending and costs,” says Lia Maka, who as chief executive officer (CEO) of the Tonga Public Services Commission has with her team overseen the government’s performance management system for the past 3 years. “It gave us the incentive to find new ways of generating revenue, including the tax increases that have now generated a lot of additional



**Handmade.** Tonga’s manufacturing sector consists of handicrafts and a few other micro-scale industries, which together contribute only about 3% to the country’s gross domestic product (photo by Lester Ledesma).

government revenue.” Civil service performance has also improved.

Following up on ADB’s previous help in drawing a new foreign investment policy, phase 2 included cabinet passage of legislation aimed at raising the role such investment plays in the economy.

Chamber of Commerce and Industry President Paul Taumoepeau is hopeful this will help but sounds a note of caution. “We’ve noticed a greater government willingness to listen to and consult with business groups,” he says. “That has helped improve the overall business environment and is what needs to happen to move the economy forward, but we still have a long way to go.”

The phase 2 reforms to Tonga state-owned enterprises (SOEs) improved their governance standards and financial viability and included the sale of government stakes to private companies to raise public revenues and bring in fresh expertise.

The government’s sale of 18% of its 82% shareholding in Tonga Cable Limited to private telecommunications company Digicel “highlights the need for strategic



partnerships in capital and expertise for SOEs,” says Ananya Basu, principal economist in ADB’s Pacific Department. It also makes Tonga Cable better equipped to meet the growing marketplace demand for data delivered through both mobile and fixed-line internet connections.

Tonga Power Limited CEO Setitaia Chen says the merger under phase 2 with the Tongan waste and water SOE is “in keeping with the government’s vision to reduce costs and improve efficiencies.” The two utilities now share the same building, office equipment, customer service responsibilities, and billing process. “We can deliver our essential services to the public more effectively as a combined entity.”



“The program has been critical to better management of government spending and costs.”

**Lia Maka**  
chief executive officer, Tonga  
Public Services Commission

**Smarter spending.** Lia Maka, chief executive officer of the Tonga Public Services Commission, says ADB’s support under the Building Macroeconomic Resilience Program has helped government agencies improve management of public spending (photo by Lester Ledesma).



**Investment hopes.** Paul Taumoepeau, president of the Tonga Chamber of Commerce and Industry, says the business environment has improved and he is hopeful of more private investment in the future (photo by Lester Ledesma).

## STRENGTHENING PUBLIC FINANCES

Nauru is even smaller than Tonga, with a population of only 9,000 people on a single small island more than 2 weeks by sea from its main trading partner, Australia. Deeply in debt, it has little arable land or fresh water, almost no private sector, and a once valuable single natural resource that has nearly run out.

Another more basic social and economic resource, a reliable power supply, was also ebbing away in the early 2000s.

Upgrading of the country’s power station and investment in new fuel-efficient generators under a separate ADB operation have helped keep the country’s electricity supply going and cut down on once long and frequent outages, but governance and institutional improvements were also needed to cement and lock in these gains.

The ADF-supported Fiscal Sustainability Reform Program has improved the government’s financial management and the



**Business reforms.** Abraham Simpson, chief executive officer of the Nauru Utilities Corporation, believes that the changes in work culture and business processes helped the state-owned company achieve financial sustainability (photo by Nauru Utilities Corporation).

business operations of the Nauru Utilities Corporation (NUC), the once failing SOE and power utility.

Program financing from a \$2 million ADF XI grant and cofinancing from the Government of Australia were contingent on the completion of a series of policy actions. The organization and power tariffs were restructured, and the staff were trained in equipment maintenance and customer service.

“This reformed our work culture and improved our processes,” says the NUC’s CEO, Abraham Simpson. “It was one of the ways we were able to put the NUC on a path toward financial sustainability.”

“Life has changed for the better,” says Beniana Foilape, who lives with her family of eight in Boe District. “There are far fewer power cuts now.”

The program built on earlier reforms in public financial and fiscal policy management and SOEs and strengthened accounting systems, introduced best practices in budgeting, and created processes to better manage public assets.

“A stronger funding mechanism for future service delivery through the Nauru Intergenerational Trust Fund is one of the program’s latest major achievements,” says David Adeang, Nauru’s former minister of finance. “The fund was established with ADB support to be a source of revenue after 2033 for investments in education, health, the environment, and infrastructure.

The former minister says that a unit now being established by the government to monitor, evaluate, and enforce actions to strengthen SOE performance will “improve the quality of life for all Nauruans.”

“Life has changed  
for the better.  
There are far fewer  
power cuts now.”

**Beniana Foilape**  
Nauru resident



**Smoother systems.** The Nauru Utilities Corporation has improved its work culture and business systems as a result of support received under the Fiscal Sustainability Reform Program (photo by Eric Sales).



## IMPROVING PUBLIC SERVICE DELIVERY



**Skills upgrade.** Frank Fiapati, director of the Government of Tuvalu's Central Procurement Unit, received training under the ADF-assisted Strengthened Fiscal Sustainability Program (photo by Lester Ledesma).

Dependence on SOEs for public services and other critical aspects of the economy is widespread in the Pacific SIDS.

Tuvalu, only slightly larger in population and size than Nauru, is no exception. The island nation has taken steps to do better through increased efficiencies in what is a tough balancing act between maintaining financial equilibrium and viability in an unpredictable fiscal environment and ensuring dependable delivery of essential services by its SOEs to its 11,000 people.

SOEs play a large role in many SIDS economies, and in Tuvalu the services they are supposed to supply rely in good part on highly unpredictable annual revenues from such income sources as fees for fishing licenses, use of the valuable “.tv” internet

domain name, and official development assistance.

Reforms under the 2015 Strengthened Fiscal Sustainability Program, financed by a \$2 million ADF XI grant and cofinancing by the World Bank and the governments of Australia and New Zealand, were sweeping but rolled out in stages.

The management of public finances was improved, and the procurement and other operational capabilities of public enterprises expanded. Rules governing the use and replenishment of the country's Consolidated Investment Fund—a source of revenue for public service spending and part of the sovereign Tuvalu Trust Fund—were stiffened to further insulate the national budget and economy from external shocks.

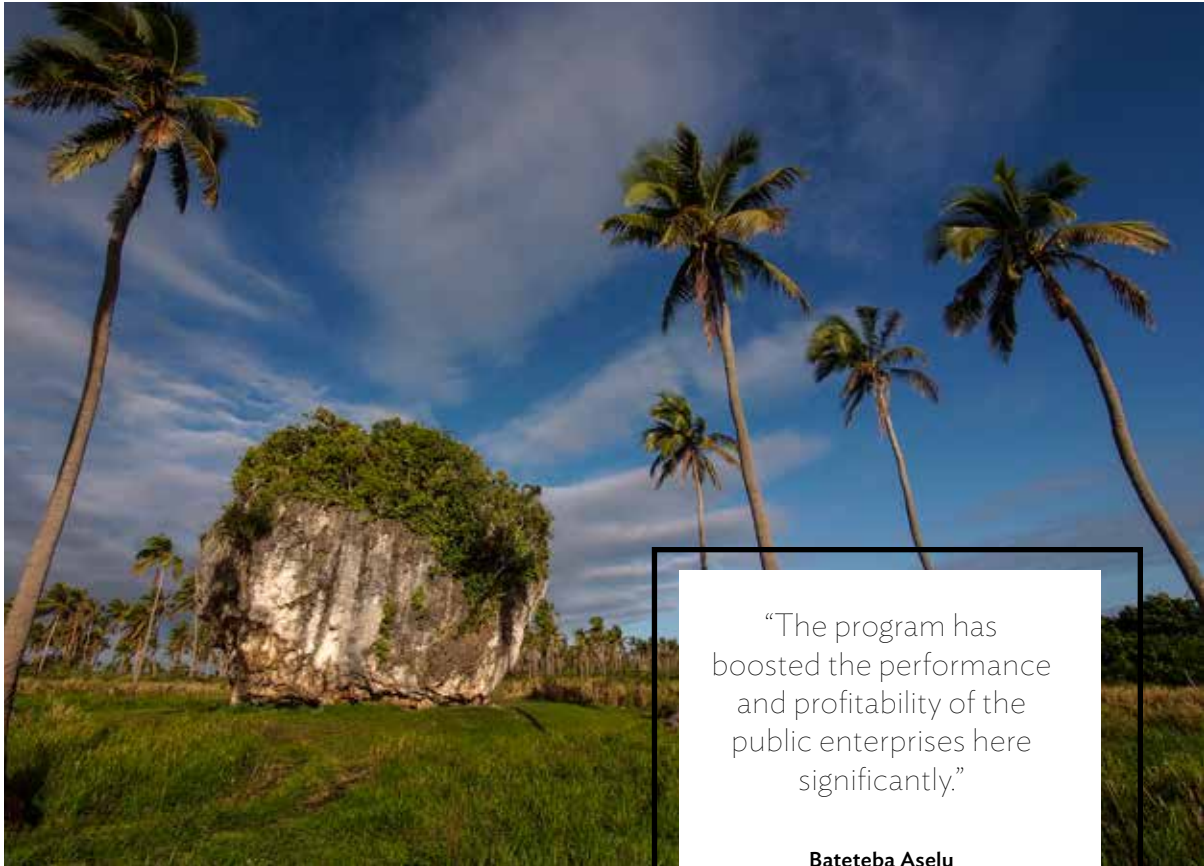
“The program has boosted the performance and profitability of the public enterprises here significantly,” says Bateteba Aselu, director of the government-owned Public Enterprise Review and Monitoring Unit that evaluates how the country's seven SOEs are doing.

A total of 35 SOE board members were given training—including, according to Bateteba, on “delivering timely financial reports.”

Program courses for four managers at the state-owned Tuvalu Telecommunications Corporation have brought “real improvements in internet and mobile services,” she says, “including good access for everyone, from children to the elderly.” Tuvalu Telecom went from a loss of 2.0% in 2015 to profit of 4.8% in 2017, and net profits have risen steadily over that period at most of the country's other SOEs.

The success through the policy reforms in making the SOEs better run and more financially sound and commercially focused has attracted the attention of the private sector.

The Tuvalu National Provident Fund, co-owned by employee and business groups, had a concession agreement with the government to manage a state-owned hotel. “We saw it as a growth opportunity,” says Penielu Teo, chair of the fund. “We regard tourism as a sector we can venture into.”



**Tsunami reminder.** ADB is helping Tonga to strengthen its economic resilience and boost its ability to withstand external shocks (photo by Lester Ledesma).

“The program has boosted the performance and profitability of the public enterprises here significantly.”

**Bateteba Aselu**  
director, Public Enterprise Review  
and Monitoring Unit

“We’re undertaking renovations and adding facilities,” says Samoa Siona, the hotel’s operations supervisor. “We want to promote Tuvalu as a tourist destination and make this the best hotel in Funafuti.”

New government procurement legislation was designed and passed under the ADF-funded program. Processes were upgraded and a website was created as a central resource for all procurement-related information—previously this had only been available to the public through radio announcements.

Frank Fiapati, director of the Central Procurement Unit, received training along with his colleagues in negotiating and managing contracts. “Procurement is more transparent now, and information more accessible,” he says, “and that’s good for our local suppliers and contractors.”



**Strengthening fiscal sustainability.** The small island country of Tuvalu improved its public financial management and expanded procurement and operational capabilities with the help of an ADF-supported program (photo by Lester Ledesma).



## COMMUNITY EMPOWERMENT

Basic services are sometimes likely to be better governed and taken care of when those that depend on them most have a say, a role to play, and responsibilities to meet in their design, financing, operation, and maintenance.

ADB has responded three times since 2000 to the extreme pressures placed on the rudimentary water and sanitation systems in Nepal's small urban centers as more and more economic migrants have arrived from the hill regions and countryside.

The \$45.1 million ADF-funded Second Small Towns Water Supply and Sanitation Sector Project, which closed in March 2019, upgraded these services for 270,000 people in 21 towns. Like the first and the third in this series of sector projects, it placed major responsibilities for governance in the hands of local people.

"The community knows what it needs, and how to address its water issues best," says 49-year-old Binda Dhal Thapa, vice chair of the water users' committee in Indrapur, Morang District. "We help each other address the water issues in our area, and we respond to them in a more timely, efficient, and sustainable way."

ADB and Nepal financed the infrastructure but sought to reinforce a sense of ownership and a stake in its operation and maintenance by requiring beneficiary



**Hearing women out.** Usmila Thapa, a homemaker and member of the water users' committee in Indrapur, Morang District, stresses the importance of involving women in governing and ensuring the efficiency of water supply in their area (photo by Narendra Shrestha).



**Hand in hand.** Binda Dhal Thapa, vice chair of the water users' committee in Indrapur, Morang District, believes that having the community govern water services is sustainable and beneficial to the people (photo by Narendra Shrestha).

communities to share the cost of service delivery 50–50 with the government.

Under this "small towns model," water user and sanitation committees were also intensively trained in operations and financial management, then empowered to make decisions about the technologies to be used in the community's systems, as well as the tariffs to be charged, and even the financing approach.

Pursuit of the goal of social inclusion required responsible financial management as well. Grants were provided to cover the costs of connecting poor and vulnerable households to water and sanitation services, but only after committees had prefinanced the connections themselves.

Women had a voice too, with places guaranteed both in training and at the committee table.

Committees decided how much up-front cash they could raise to operate a new system and how much to draw from the Town Development Fund—the central government facility that holds both ADB's and the government's contributions for the project.

"Women understand the importance of safe water, because we ourselves use it everyday in our homes," says Usmila Thapa, a 35-year-old homemaker and member of the water users' committee. "We use water to clean, take care of our families, and do other things like gardening. In Indrapur, we do our best to speak with the women and hear them out if they have any difficulties, especially with water." ■

# PROMOTING REGIONAL PUBLIC GOODS

A rapid increase in travel and trade between the countries of Asia and the Pacific comes with new risks and an urgent need to respond to them together.

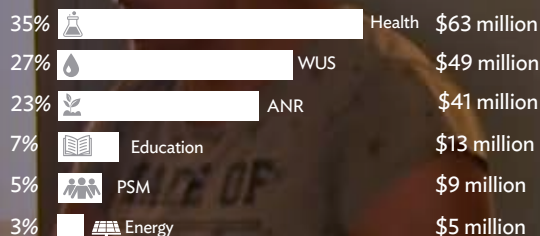
Preventing outbreaks and unchecked spread of infection and disease is a regional public good. So is ensuring that the food crossing borders is safe. All countries benefit when social and economic activity remains environmentally friendly and preserves their and their neighbors' critical natural resources and ecosystems. Everyone wins when countries join forces against the causes and effects of climate change.

ADB provides shared solutions and regionally shared ADF grants to help DMCs that lack the necessary resources to join in the pursuit of these public goods. A fund set-aside established for this purpose under ADF 12 is producing the intended results. About one-fifth of the ADF 12 grant projects by number to which ADB committed from the beginning of 2017 to mid-2019 backed cross-border and regional initiatives on public goods of common and often global value.

Technical assistance to ADF countries financed by the Technical Assistance Special Fund 6 is also bringing governments together to discuss how to work better regionally on such critical issues as health security.

These ADF-supported interventions are promoting dozens of measures and are making important progress. For example, disease surveillance is being strengthened in Bhutan, new vaccines are reaching half a million people across the Pacific, the threat of HIV/AIDS in the Greater Mekong Subregion has been further reduced, and food has been made safer in the Lao People's Democratic Republic (Lao PDR). The pages that follow feature some stories from these regional public good operations.

## ADF 12 Grants Supporting Regional Public Goods



## 52 measures

being supported in implementation to improve regional public health and education services

ADF = Asian Development Fund, ANR = agriculture and natural resources, ICT = Information and Communication Technology, PSM = public sector management, WUS = water and other urban infrastructure and services.

Notes: Data for ADF 12 grants supporting regional public goods are based on ADF 12 grant operations committed during January 2017–June 2019. The total number of measures supported is based on ADF 12 grant operations and technical assistance to ADF countries committed between January 2017 and June 2019.





**Healthier futures.** A mother with her child at a vaccination center in Tonga (photo by Lester Ledesma).

# IMPROVING DISEASE DETECTION



**Health checkup.** A doctor checks an elderly patient's blood pressure at the Jigme Dorji Wangchuck National Referral Hospital in Thimphu, Bhutan (photo by Bhutan Resident Mission).

Pandemics, of which some of the deadliest have originated in Asia and the Pacific, have to start somewhere. Detecting and treating disease near the source and early on can swiftly curtail the potential spread and growth of human suffering and economic loss across a country, a region, and sometime the entire world.

Namgay Lhamo knows how a lack of adequate medical facilities, equipment, or standards locally can have regrettable repercussions abroad, even though these were more harmful to her family in their financial effects and opportunity loss than in medical terms.

Preparing to study in Singapore, Namgay's 23-year-old son visited Bhutan's Dorji Wangchuck National Referral Hospital, one of three referral hospitals in the country, for a medical exam. "He was declared clear of tuberculosis," says the 56-year-old mother of six from the capital city, Thimphu. A Singapore medical check-up found differently, and the would-be student was forced to go home. "He lost half of his tuition fees, plus we had to buy a new plane ticket."

Bhutan is one of many ADB DMCs at high risk of disease outbreaks that without early detection could spread beyond its borders and add to the thousands of lives and hundreds of billions of dollars already lost annually to international pandemics.

The dangers have escalated worldwide with new and mutating pathogens, the emergence of antimicrobial resistance, and the expansion of vector ranges as climate change progresses.

Bhutan received \$13.3 million from the \$52.8 million grant facility set aside under ADF 12 for projects and programs related to regional health security because its health information management systems need improvement and its technology and data standards vary widely.

The Health Sector Development Program, supported by the ADF facility and additional ADF grant funding



**Accessible health care.** Namgay Lhamo, from Taba in Thimphu, Bhutan, says problems with the national referral hospital cost her family pain and money; she welcomes the new satellite clinics being built under an ADF-assisted health program (photo by Bhutan Resident Mission).



**Closer care.** Tsamchu, who lives in Kabesa, about 20 kilometers away from Bhutan's Jigme Dorji Wangchuck National Referral Hospital, says having a satellite health clinic closer to home will save her family time and money (photo by Bhutan Resident Mission).





“We have no choice other than the referral hospital right now. It will be really helpful to have a good, well-equipped health center closer to home.”

**Tsamchu**  
hospital outpatient

**Easing staff burdens.** New satellite clinics being built under an ADF-assisted health program in Bhutan will ease the burden on medical staff at the Jigme Dorji Wangchuck National Referral Hospital (above) and improve patient care (photo by Bhutan Resident Mission).

for a total of \$20 million, is improving primary health care delivery and information systems. It is also upgrading the country’s disease surveillance systems and policies to help Bhutan and the region prepare for and manage pandemics.

The program will build on Bhutan’s impressive health outcome gains in recent years—including a sharp rise in life expectancy from 43 years in 1985 to 70 in 2017 and a child immunization rate of more than 95% sustained since 2010.

Five satellite clinics to be built on the outskirts of urban areas and the upgrading of existing primary health care facilities with better equipment will make the country better able to diagnose, treat, and control infections by easing the burden on staff and facilities at the national referral hospital in Thimphu and bringing health care closer to the people.

One target is to boost the percentage of people using primary care facilities as their first option from 32% in 2012 to 60% by 2024. Another is to raise the portion of the country’s health facilities reporting notifiable diseases to the National Early Warning, Alert, and Response Surveillance System to 80% by 2024 from 63% in 2018.

These improvements, and reforms to finance vaccines, are in line with ADB’s overall ADF backing for regional health security.

The program’s medical upgrades will provide sound benefits within Bhutan’s borders as well. For example, the problems faced by Namgay Lhamo’s son didn’t end with his return from Singapore.

“He went back to the national referral hospital afterwards,” says his mother. “He needed further tests and treatment for his tuberculosis, but the machine required was broken. It’s frustrating when your child is sick and getting worse and he can’t receive the proper care.” The family paid to use a private clinic.

The expansion and upgrades of primary care facilities under the ADF program will ease the current pressure on the hospital and the frequent delays in diagnosis and treatment, says Gosa Pemba, its 57-year-old medical superintendent. “People with less severe illnesses can be cared for at the new clinics. That will give doctors here more time to do and complete quality work.”

The new satellite clinics will be closer, easier, and cheaper to visit than the national hospital for many, including the poor. “We have no choice other than the referral hospital right now,” says 72-year old Tsamchu, who lives in Kabesa, 20 kilometers away. “It already costs us \$7 to get there, and the other health clinics are even farther away. It will be really helpful to have a good, well-equipped health-care center closer to home.”



**Healthier children.** The ADF-funded immunization provided at clinics like this one in Tonga will help children and adolescent girls get immunized so they can lead full and productive lives (photo by Lester Ledesma).



“The project will reduce the burden of pneumonia and diarrhea in children and increase protection against the human papilloma virus in women.”

**Inez Mikkelsen-Lopez**  
ADB health specialist for the Pacific

**Vaccine program rollout.** This child, who received a vaccine from nurse Pauline Tuipulotu, is one of more than 500,000 people in four Pacific island countries to benefit from the ADF-supported project (photo by Lester Ledesma).

## VACCINATING FOR A HEALTHIER FUTURE

Cervical cancer is one of the leading causes of mortality for women in the Pacific, after heart disease and stroke. About 70% of all such cancer cases are caused by the sexually transmitted human papilloma virus, and can be prevented by a vaccine. Two other common preventable diseases—pneumonia and diarrhea—are responsible for about 3 in 10 deaths of children under the age of 5 in the Pacific islands.

A \$15 million grant from an ADF 12 facility for regional health security to support under-resourced health programs is helping to address this situation by partially financing the \$25 million System Strengthening for Effective Coverage of New Vaccines in the Pacific Project.

The project will introduce three quality-assured new vaccines into health systems in Samoa, Tonga, Tuvalu, and Vanuatu, which will eventually shield more than 500,000 young women and children in the four Pacific island countries against the human papillomavirus, the pneumococcus bacterium that causes pneumonia, and the rotavirus that leads to diarrhea.

“Vaccines are recognized as one of the most cost-effective health investments, and a well-performing immunization program is an essential component of a functioning public health system,” says ADB health specialist for the Pacific Inez Mikkelsen-Lopez.

“The project will reduce the burden of pneumonia and diarrhea in children and increase protection against the human papilloma virus in women,” she adds.

Government officials in the participating countries are likewise enthusiastic about the project’s many benefits. Siale Akau’ola, chief executive officer of Tonga’s Ministry of Health, says the project is training health workers, providing technological assistance, and improving storage facilities to make sure the vaccines are managed and used properly. “We look forward to building our own capacity with the opportunities this project provides,” he says.

“Our countries’ women will benefit,” says Karlos Lee Moresi, chief executive officer of Tuvalu’s Ministry of Health, “and so of course will their children. And they are our future.” Awareness raising is an important element of the project as vaccination can sometimes create fear and has its critics. “We want to empower women and others,” he says of the project’s information and awareness-raising campaign targeting women. “We want to give them the knowledge they need to understand and appreciate how important vaccines are.”

“Vanuatu is like most other Pacific countries—vulnerable to imported diseases and the other threats to regional health security,” says Gaetan Pikione, the country’s Minister of Finance and Economic Management and an ADB governor. “We embrace this project.”



## ADDRESSING GAPS IN HIV PREVENTION

If nature abhors a vacuum, so in a way does disease. A common vehicle for viruses and infections to get from where they are to where they are not is the movement of people—the kind that occurs ever more frequently each year across the world’s borders and time zones.

This has posed a challenge for the countries of the Greater Mekong Subregion (GMS). As travel, trade, and traffic between them has grown, the people in their frontier regions and along GMS transport corridors have been exposed to higher risks of communicable disease, including elevated threats of HIV/AIDS.

ADB’s \$5 million ADF-financed Greater Mekong Subregion Capacity Building for HIV/AIDS Prevention Project recognized a particularly tricky aspect of this regional HIV prevention issue. While its neighbors had fairly high rates of HIV, the Lao PDR presented a comparative vacuum. As of 2013, prevalence in its adult population was relatively low.

The project helped the governments of the Lao PDR and Viet Nam do better in reaching and helping high-

risk and vulnerable people in the border region GMS economic corridors. HIV program planning and management was supported, patient services expanded and improved, voluntary counseling and treatment provided by target district health facilities, and outreach conducted to change behaviors. Antiretroviral treatment was also dispensed, and mothers were informed how to prevent the transmission of HIV to their children.

A review under the ADF project of the Lao PDR’s national HIV strategy, policies, and legislation helped develop and update national guidelines and standard procedures for HIV prevention.

Services targeted the sectors of the population most at risk. Provincial, district, and village health staff were trained in prevention, care, and treatment. The 56 mobile clinics set up in 8 target provinces provided counseling and testing and helped workers scale up outreach and condom distribution in vulnerable districts.

Survey results in 2017 and when the project ended in 2018 showed target groups to have reduced their risky behaviors. Most importantly, the Lao PDR remains, if only comparatively for its subregion, an HIV vacuum, with an adult prevalence rate of only 0.3%.



**Spreading awareness.** An HIV/AIDS outreach program in one of the provinces in the Lao PDR (photo by Lao PDR Resident Mission).



**HIV/AIDS education.** Participants in an awareness raising program on HIV prevention in the Lao PDR review information booklets provided (photo by Lao PDR Resident Mission).

# RAISING FOOD STANDARDS FOR CROSS-BORDER TRADE

Ensuring food is safe to eat is a public good. People's health depends on it, and so does the health of economies. People and countries won't buy food if they are not certain it's safe, but they'll often buy more of it when they can be sure that it is.

Quality counts too. "Improving our sanitary and phytosanitary (SPS) handling standards is important because the countries around us have already done so," says Chitpasong Kousonsavath, coordinator of the food science course in the Faculty of Agriculture at the National University of Laos. "It's a globalized world. We simply can't stand still."

Building safe, secure systems for production and safe handling of agricultural products for international trade is an important part of ADB's regional ADF grant operations.

ADF financing for the Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project has been helping Cambodia and the Lao PDR upgrade their SPS management systems since 2012. One aim has been to boost the quality and volume of sales of agriculture, food, and forestry products to neighboring GMS countries such as the People's Republic of China (PRC) and Thailand.

Additional financing through a \$10 million grant under ADF 12 has been expanding the Faculty of Agriculture and upgrading training courses at the National University of Laos as part of an overall effort to strengthen the country's surveillance and inspection programs for plant protection, animal health, and food safety and bring its SPS standards more in line with those of other GMS countries.



**Protecting plants.** Johnny Louangphanh, who studies plant protection at the Faculty of Agriculture, National University of Laos, wants to use his skills to help farmers fight plant diseases (photo by Xaykham Manilasith).

Students in white lab coats now using state-of-the-art equipment to examine petri dishes containing samples of plants, insects, and animal products at the agriculture faculty's Nabong Campus are working in the teaching and laboratory facilities developed under the project's first phase. Their curricula, also newly developed under the project, cover plant protection, veterinary science, agricultural economics, and food technology.

In addition to more equipment and curriculum support, the new grant will continue a regional scholarship program for teachers and students, and extend internships for graduates at the ministries of agriculture and health.

Food science course coordinator Chitpasong Kousonsavath sees the students on the frontline of her country's drive to achieve sound SPS standards at home and boost the fast-growing cross-border trade in agriculture, food, and forestry products.

"We need specialized people to run laboratories, to do testing, and to work at the borders and in the food safety and quarantine sectors," she says. "That is how we can ensure that our own food is not contaminated and that the products we deliver to our neighbors meet regional standards."

Kinnaly Phommasack, who coordinates the ADF project's management at the Ministry of Agriculture,



“Improving our sanitary and phytosanitary handling standards is important because the countries around us have already done so. It’s a globalized world. We simply can’t stand still.”

**Chitpasong Kousonsavath**  
Food Science course coordinator

**Meeting regional standards.**

Chitpasong Kousonsavath, food science course coordinator at the National University of Laos, says her country must ensure it has the specialists needed to meet the sanitary and phytosanitary handling standards set by its neighbors (photo by Xaykhame Manilasith).



**Future specialists.**

Young men and women from the Faculty of Agriculture at the National University of Laos’ Nabong Campus are being trained in plant protection, veterinary science, agricultural economics, and food technology under the ongoing ADF-supported Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project (photo by Xaykhame Manilasith).



says the lack of approved labs or SPS certification meant that the Lao PDR could not previously officially export food to other countries. “With the training and a proper laboratory established by the project, we are testing foods internally and exporting rice to the PRC,” she says.

Negotiations with the PRC are underway for more purchases, and SPS certification has substantially boosted the returns the country’s rice can fetch in international markets. Kinnaly says that, when assured of safety and quality, buyers will be more willing to contract through official channels and pay a fairer price. ■







## **Together We Deliver**

### **Grants for a Brighter Future**

This edition of the Together We Deliver series highlights the wide-ranging benefits that Asian Development Fund (ADF) grants are delivering to the poorest and most vulnerable countries in Asia and the Pacific. The publication, covering projects under the current ADF 12 period, and in some cases previous ADF cycles, focuses on how the Asian Development Bank's grant operations, with generous donor support, are uplifting the lives of millions of the most vulnerable people in the region. It examines the progress being made in seven priority areas targeted for ADF support, and explores how special assistance is delivering services and hope to people living in and around camps for the displaced in Bangladesh.

The Together We Deliver series is produced by ADB's Strategy, Policy and Partnerships Department in close collaboration with the Department of Communications, the operations departments and their country offices, the sector and thematic teams, project implementing agencies, and other contributors.

### **About the Asian Development Bank**

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.



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