



OUR WORK IN THE PACIFIC

Cook Islands
Fiji
Kiribati
Marshall Islands
Federated States of Micronesia
Nauru
Palau

Papua New Guinea
Samoa
Solomon Islands
Timor-Leste
Tonga
Tuvalu
Vanuatu

ADB

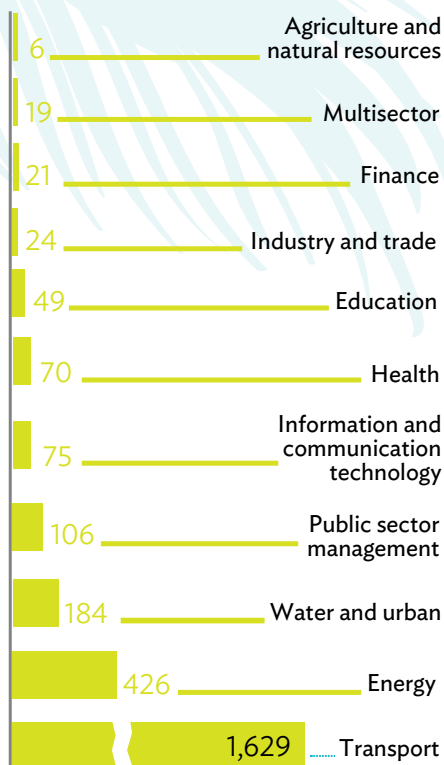
OUR APPROACH

Countries in the Pacific have rich and varied cultures, and diverse landscapes. Despite their idyllic natural features, their remote location in the vast Pacific Ocean produces a challenging context for raising living standards. In most countries, land areas are small and scattered, and populations are widely dispersed. Small economies of scale limit private sector growth and job opportunities, while frequent natural disasters and climate change create additional barriers to developing infrastructure and providing essential services. Despite these challenges, however, the Pacific community is taking tremendous strides to achieve more inclusive, resilient, and sustainable socioeconomic growth.

For over half a century, the Asian Development Bank (ADB) has partnered with Pacific developing member countries (DMCs) to help them grow and prosper. Our engagement with each country is carefully designed to reduce the costs of doing business and providing services, manage key risks, and enable value creation. Partnerships and investments are improving connectivity, delivering clean and reliable power, enhancing gender equity, supporting better education and health outcomes, and strengthening the business environment. We are also helping build domestic capacity to manage risks associated with economic shocks, natural disasters, and climate change—all toward a more sustainable Pacific community.

ADB is scaling up its assistance in the Pacific, with our active portfolio growing from \$500 million in 2004 to \$2.6 billion at the end of 2017. This support focuses on building infrastructure—transport, energy, water and sanitation, and information and communication technology (ICT). Our activities across the region seek to provide people and communities with the resources they need to thrive.

Pacific Portfolio by Sector
(as of end-2017, \$ million)



OUR PRIORITIES

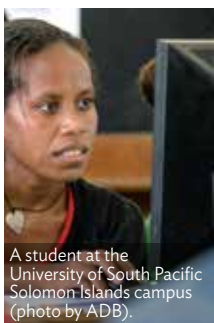
Education

High-quality education and skills are the key to connecting people to better jobs and greater earning potentials. ADB's education initiatives are helping build a skilled, productive, and fulfilled labor force by increasing access to quality education services, including basic and higher education, and technical and vocational education and training. Projects and technical assistance are leveraging ICT to deliver cost-effective education services to remote communities, and build domestic capacity to plan, manage, and implement successful policies and programs. Our education projects are

- improving the quality of basic education in the North Pacific by training teachers, expanding access to teaching and learning resources, improving assessment, and strengthening school leadership and community engagement;
- expanding access to quality higher education for 5,717 students by enhancing ICT resources on the University of the South Pacific's campuses in Kiribati and Solomon Islands; and
- providing post-secondary skills training in the construction and automotive trades for 3,000 students in Timor-Leste.

Energy

The Pacific DMCs have set ambitious renewable energy targets to reduce energy costs and improve power supply. ADB is a major renewable energy financier in the Pacific, and is currently implementing a portfolio of \$509 million across seven Pacific countries. Sector demand is increasing, and ADB's pipeline is slated to roll out more than \$1.4 billion in energy projects across 10 countries from 2018 to 2020. Our projects are constructing solar farms, tapping hydropower resources, upgrading and expanding transmission and distribution grids, and connecting households to electricity for the



A student at the University of South Pacific Solomon Islands campus (photo by ADB).



A transmission line installation in Kimbe, PNG (photo by ADB).

first time. Complementing these efforts, ADB is supporting utilities to reform operations, and assisting Pacific governments to improve energy planning and strengthen regulatory and policy frameworks. Our energy operations are

- building over 3,000 kilometers (km) of efficient transmission and distribution grids;
- connecting up to 25,000 new households to electricity for the first time;
- constructing up to 49 megawatts (MW) of solar power, 29 MW of hydropower, and 15 MW of diesel generation; and
- installing up to 37 MW hours of battery storage to support intermittent renewable energy.

Finance

Access to finance and banking services allows businesses to grow and families to manage their incomes effectively. However, finance sectors in the Pacific are underdeveloped, mainly because delivering financial services to remote communities is challenging and costly. As a result, businesses in the region often lack the necessary finance to scale up, while individuals—including women and those with low incomes in rural areas—have nowhere to safely deposit their savings. ADB is helping address these limitations by promoting the innovative use of technology, such as branchless banking and online secured transaction registries. These approaches are enabling people and businesses to save and borrow more easily. We are also helping financial service providers to operate on a more commercially sound basis and supporting reforms to strengthen financial systems. Our finance projects are

- providing financial literacy training to more than 200,000 people in Papua New Guinea (PNG), about 47% of whom are women;
- enabling people to open nearly 259,000 new savings accounts and 24,000 loan accounts in PNG;
- delivering financing for agribusinesses through partnerships with domestic financial institutions in Samoa; and
- facilitating 57,000 loans in seven countries by establishing secured transaction frameworks that make it easy for people to use moveable property as collateral.

Health

Health systems are essential to achieve universal health coverage. Although health outcomes vary across countries in the Pacific, the region as a whole is experiencing an increasing rate of both chronic disease and illnesses associated with conditions of poverty. ADB is supporting improved health outcomes and reducing the economic burden associated with disease by strengthening health infrastructure and services and leveraging digital health information systems to improve decision-making. Our health projects are

- expanding rural primary health in PNG by rehabilitating 97 health centers for HIV testing, building 32 community health posts, and training over 300 health workers in antenatal care to improve health outcomes for children and pregnant women; and
- improving data collection and use, by developing and implementing a digital health information system in Samoa.

Information and Communication Technology

Access to affordable, high-speed internet can reduce the isolation of Pacific DMCs by making it cheaper and easier to communicate, deliver services, and conduct business. ADB projects are supporting the construction of five submarine fiber-optic cables to make the internet more affordable and accessible for some of our smaller member countries. Our ICT initiatives are also strengthening telecommunication regulatory regimes; and leveraging e-health, e-governance, and e-education to provide improved services in remote areas. Our ICT operations are

- connecting populations in the Cook Islands, Kiribati, Nauru, Palau, Samoa, and Tonga to high-speed internet;
- institutionalizing ICT in education and e-learning in Samoa and Solomon Islands;
- promoting e-health in PNG, Samoa, and Tonga; and
- supporting e-governance in the Cook Islands.



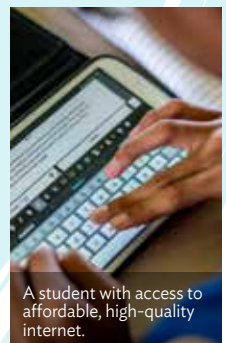
Wind farm in Yap, FSM
(photo by M. Trainor).



Graduates of financial education course in PNG
(photo by S. Shute-Trembath).



Locals on queue for check up in PNG.



A student with access to affordable, high-quality internet.



Meeting of public servants and officials in Cook Islands.

Public Sector Management

Pacific DMCs have limited domestic resources and rely heavily on external sources of income. This dependence exposes many of them to periodic global economic shocks and revenue losses following climatic events and natural disasters. ADB is helping build sound economic and public financial management practices to increase resilience to external shocks. Our support for policy and institutional reforms is strengthening revenue and expenditure management, and improving public administration and the performance of state-owned enterprises. Our public sector management operations are

- promoting public financial management, revenue and expenditure policies, and debt management reforms in the region;
- improving the business environment for private sector development across the Pacific;
- building national procurement and audit capacity, and strengthening national planning; and
- supporting disaster and climate risk management in the Cook Islands, Samoa, Tonga, and Tuvalu.



A major road in Tarawa, Kiribati.

Transport

ADB's Pacific DMCs rank better connectivity—both within and across countries—as one of their top priorities. Reflecting this, ADB has a large transport portfolio dedicated to building efficient, safe, well-maintained, and climate-resilient transport networks. Intermodal links are connecting people to essential goods and services, including markets, jobs, health facilities, and schools. Our land transport operations are constructing and rehabilitating roads and bridges to upgrade national and rural networks. Maritime projects focus on expanding port capacity, and on improving efficiency and safety by establishing interisland shipping services and maritime safety authorities. Aviation projects are improving airport infrastructure, management capacity, and safety and security. Our transport operations are

- building or upgrading more than 3,000 km of roads and 200 bridges in Fiji, Kiribati, PNG, Solomon Islands, Timor-Leste, and Vanuatu;
- rehabilitating or constructing 9 domestic ports, and over 50 wharves and jetties in Fiji, Solomon Islands, Tuvalu, and Vanuatu; and
- strengthening infrastructure and services at 18 airports in PNG, and leveraging public-private partnerships to ensure sustainable operations.



Port in Honiara, Solomon Islands.

Water and Urban Development

Pacific DMCs are experiencing rapid urban migration. Planning and constructing appropriate water supply, sanitation, and waste disposal services are essential for community health and well-being, particularly against the backdrop of increasing climate change risks. ADB is working with the public and private sectors to ensure sustainable and resilient urban design. Our investments are helping construct, rehabilitate, and climate-proof infrastructure. Our technical assistance and capacity-building activities are supporting domestic stakeholders to manage urban services, drive inclusive economic growth, and reduce vulnerability to the effects of climate change. Our initiatives are leveraging innovative technology, regional coordination, and knowledge-sharing platforms to increase the resilience of urban populations to climate change and ensure that impacts are sustainable. Our water and urban development operations are

- improving sanitation in more than 6,000 households in Kiribati, the Federated States of Micronesia (FSM), Palau, and Vanuatu;
- improving water supply to over 1,200 households in the FSM, Timor-Leste, and Tonga;
- installing or upgrading about 150 km of water supply pipes;
- improving about 700 hectares of land through drainage and flood mitigation plans; and
- reducing flood risk for about 8,000 households.



Sewerage systems rehabilitation in Kiribati.

Our activities in the Pacific support holistic and sustainable outcomes by expanding private sector development, and enhancing resilience to climate change and disasters. We leverage robust partnerships to make finance and knowledge go further.

Climate Change and Disaster Resilience

The Pacific DMCs are exposed to a wide range of worsening climate-related hazards, such as tropical cyclones, floods, droughts, storm surges, and sea level rise. The region also faces geophysical hazards such as volcanic eruptions and earthquakes. ADB has set a goal to mobilize more than \$500 million in climate finance (including both mitigation and adaptation) from 2017 to 2020—this target doubles the amount used during 2013–2016. ADB is building resilience across the Pacific by

- financing climate-resilient infrastructure in all 14 of its Pacific DMCs;
- promoting low-carbon development across all energy projects in the Pacific portfolio;
- improving disaster risk reduction, response, and resilience with (i) contingent finance lines in the Cook Islands, Samoa, Tonga, and Tuvalu; and (ii) post-disaster grants, most recently in Fiji, PNG, Tonga, and Vanuatu; and
- strengthening country and regional capacities for climate and disaster resilience, including working with the Secretariat of the Pacific Community in addressing the linkages between gender and climate change, and preparing new climate-resilient engineering standards for ports in PNG.

Gender

Strengthening gender equity and mainstreaming gender considerations into project design helps ensure that our work delivers equitable impacts to communities across the Pacific. ADB's investments in the Pacific offer an opportunity to better include women in social and economic development processes and to address gender disparity. Over half of ADB's portfolio either mainstreams gender issues or includes some gender elements. Promoting women's access to the jobs created during project implementation, ensuring that infrastructure and services meet the specific needs of women, and enhancing women's access to decision-making and finance opportunities are common elements across ADB's projects in the Pacific.

Private Sector Development

A larger and more dynamic private sector is essential for driving inclusive economic growth in the Pacific. ADB is promoting a strong and vibrant private sector through its policy-based operations and technical assistance, including the Pacific Private Sector Development Initiative (PSDI)—a regional initiative undertaken in partnership with Australia and New Zealand. PSDI works with governments and the private sector in ADB's 14 Pacific DMCs to improve the enabling environment for business. It does so by providing assistance on policy design, legislative reforms, advocacy, reform implementation, and technology-based solutions. Our private sector development activities are

- creating an upsurge in the number of business formalizations by reforming registration processes and creating online registries in four countries, to reduce the time and cost it takes to register a company;
- establishing commercially sustainable operating principles in almost 40 state-owned enterprises across the Pacific region, and strengthening corporate governance in 100 more; and
- strengthening competition frameworks in seven countries to make economies more fair and productive, and to encourage innovation.

Partnerships

ADB's activities in the Pacific leverage cofinancing from development partners, and the experience and knowledge of regional stakeholders to deliver greater impacts through collaboration. Close coordination between governments, regional organizations, the private sector, and our development partners ensures that our goals, investments, and actions are all closely aligned to produce lasting impacts. In addition to working with our development partners on specific projects, ADB organizes and participates in a number of aid coordination meetings and regional financing facilities. This approach helps us plan and implement coordinated interventions in priority areas, including infrastructure, climate change mitigation and adaptation, and social safeguards. Our goal is to build lasting relationships with national governments, the private sector, and our development partners to deliver complementary and holistic results.



Rehabilitated roads that were badly affected by floods in Fiji.



A village that has recovered from a 2009 tsunami in Samoa.



Women working in subsistence fishing get access to loans in PNG.



A solar farm in Upolu, Samoa.

OUR OFFICES IN THE PACIFIC

ADB has four field offices—the Pacific Liaison and Coordination Office (PLCO), in Sydney, Australia; the Pacific Subregional Office (SPSO), in Suva, Fiji; the PNG Resident Mission; and the Timor-Leste Resident Mission. PLCO is responsible for Nauru, Solomon Islands, and Vanuatu. SPSO is responsible for the Cook Islands, Fiji, Kiribati, Samoa, Tonga, and Tuvalu. The Pacific Department in ADB headquarters is responsible for the Marshall Islands, the Federated States of Micronesia, and Palau. ADB also has four extended missions and seven development coordination offices supported by national experts who assist in coordinating with governments and other stakeholders, and in supervising operations.

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Cover photo: Solar panels at the Rarotonga airport solar power project site, Cook Islands (photo by ADB).



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