

# ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

## Tuvalu: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
-	-	-	17.92	17.92

- = nil.

Notes: Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

## Tuvalu: Cumulative Lending, Grant, and Technical Assistance Commitments<sup>a, b, c</sup>

Sector	No.	Total Amount (\$ million) <sup>d</sup>	% <sup>d</sup>
Agriculture, Natural Resources, and Rural Development	1	0.10	0.17
Education	5	4.52	7.68
Finance	1	0.10	0.17
Health	1	2.50	4.25
Public Sector Management	17	20.68	35.16
Transport	9	30.47	51.79
Water and Other Urban Infrastructure and Services	2	0.46	0.78
<b>Total</b>	<b>36</b>	<b>58.83</b>	<b>100.00</b>

<sup>a</sup> Grants and technical assistance include ADB-administered cofinancing.

<sup>b</sup> Includes sovereign and nonsovereign loans and technical assistance.

<sup>c</sup> Using primary sector in reporting of commitments.

<sup>d</sup> Numbers may not sum precisely because of rounding.

ADB's program of assistance in Tuvalu focuses on improving outer-island port facilities, enhancing information and communication technology, building disaster resilience, promoting renewable energy sources, and sustaining good fiscal management.

## TUVALU

The fragile Pacific microstate of Tuvalu is geographically isolated, vulnerable to climatic events, exposed to economic shocks, and lacking in many of the resources needed for sustainable growth and poverty reduction. With limited opportunities for private business, the country relies on its public sector as the main driver of growth.

Tuvalu's income derives largely from fishing license fees, trust fund investments, foreign aid, and remittances. Natural disasters such as cyclones, king tides, and droughts increase the volatility of revenue flows and can substantially alter fiscal outcomes. The use of the Australian dollar means the Government of Tuvalu is reliant on fiscal policy as the macroeconomic policy lever for economic growth.

The Asian Development Bank (ADB) has been supporting Tuvalu since 1993, committing \$7.9 million in loans, \$42.3 million in grants, and \$8.6 million in technical assistance.

Cumulative loan and grant disbursements to Tuvalu amount to \$21.3 million. These were financed by concessional ordinary capital resources, and the Asian Development Fund (ADF).

### ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB's Pacific Approach, 2016–2020 serves as the country partnership strategy for Tuvalu. The country operations business plan, 2019–2021 also takes a multicountry approach and supports the three-pronged strategy of helping small island nations reduce costs, manage risks, and create economic value.

In recent years, the bank's development program in Tuvalu has concentrated



on collaborative efforts to improve governance, social development, education and human resources, and macroeconomic growth and stability. From 2008 to 2015, ADB provided a series of grants supporting sound macroeconomic and fiscal management, with improved public enterprise performance. These reforms have helped enhance Tuvalu's public procurement, private sector participation, long-term macroeconomic stability, and economic self-sufficiency. ADB, in collaboration with other development partners, is working toward a subsequent suite of reforms to sustain and build on these measures, with further policy-based programs planned.

As well as providing grants for reform programs, ADB has funded technical assistance to support public financial management, governance, education, and capacity development in Tuvalu. The country has also benefited from regional technical assistance in economic management, audit capacity, aviation safety, private sector development, infrastructure planning, climate change, and country safeguards.

In 2017, the ADB Board of Directors approved the Pacific Disaster Resilience Program, which includes Tuvalu as

well as Samoa and Tonga, providing a predictable source of post-disaster financing. Tuvalu set aside \$1 million as an ADF grant and leveraged an additional \$2 million from the ADF (grant) regional pool. This \$3 million will give Tuvalu access to immediate financing for disaster recovery and reconstruction activities.

In the transport sector, ADB has committed \$11.8 million in grant financing for the Outer Island Maritime Infrastructure Project, which will improve the safety, efficiency, and sustainability of maritime transport between the capital, Funafuti, and the outer islands. The financing includes \$3 million mobilized from the Disaster Response Facility, following Tropical Cyclone Pam in March 2015, and \$0.5 million from the Global Environment Facility. In 2018, ADB committed additional grant financing of \$15.4 million for the construction of a harbor on the northern reef island of Niutao, upgrading facilities to higher standards of climate resilience.

In November 2018, ADB approved the System Strengthening for Effective Coverage of New Vaccines in the Pacific Project, including a grant of \$2.5 million for Tuvalu. This regional project is designed to improve overall

immunization rates and support greater efficiency of primary health services in Samoa, Tonga, Tuvalu, and Vanuatu.

## NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$12.7 billion as of 31 December 2018.

## COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing

### Tuvalu: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2012	-	1
2013	100.0	1
2015	100.0	1
2017	100.0	1
<b>Total</b>	<b>75.0</b>	<b>4</b>

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

### Tuvalu: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

No. of Ongoing Loans <sup>a</sup> (as of 31 Dec 2018)	2017 (\$ million)		2018 (\$ million)	
	2017 (\$ million)	2018 (\$ million)	2017 (\$ million)	2018 (\$ million)
Contract Awards <sup>b,c</sup>	-	-	-	-
Disbursements <sup>b</sup>	-	-	-	-
No. of Ongoing Grants <sup>a</sup> (as of 31 Dec 2018)	6		6	
Contract Awards <sup>b,c</sup>	11.19	0.34	11.19	0.34
Disbursements <sup>b,d</sup>	4.39	0.78	4.39	0.78
Actual Problem Projects (%) (as of 31 Dec 2018)	-		-	

- = nil.

<sup>a</sup> Based on commitments.

<sup>b</sup> Includes closed loans/grants that had contract awards or disbursements during the year.

<sup>c</sup> Excludes policy-based lending/grants.

<sup>d</sup> Includes only Asian Development Fund and other ADB special funds.

### Tuvalu: Projects Cofinanced, 1 January 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects <sup>a</sup>	2	3.50
Grants	2	3.50
Technical Assistance Grants	1	0.22

<sup>a</sup> A project with more than one source of cofinancing is counted once.

### Tuvalu: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2017		2018		Cumulative (as of 31 Dec 2018)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	-	-	-	-	12.29	0.01
Consulting Services	0.10	0.01	-	-	0.50	0.00
<b>Total Procurement</b>	<b>0.10</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>12.79</b>	<b>0.01</b>

- = nil, 0.00 = less than \$50,000.

### Top 5 Contractors/Suppliers from Tuvalu Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Contract Amount (\$ million)
Others	2.00
Total	2.00

### Top 5 Consultants from Tuvalu Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Contract Amount (\$ million)
Individual Consultants	0.37
Total	0.37

ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's [Trade Finance Program](#) and [Supply Chain Finance Program](#).

ADB began cofinancing operations in Tuvalu in 2008. Since then, cumulative direct value-added official cofinancing commitments for Tuvalu have amounted to \$3.5 million for two investment projects and \$0.76 million for three technical assistance projects.

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at [www.adb.org/countries/tuvalu/cofinancing](http://www.adb.org/countries/tuvalu/cofinancing).

## PARTNERSHIPS

ADB is collaborating with the governments of Australia and New Zealand, the European Union, and the World Bank on policy dialogue backed by flexible budget support for Tuvalu.

ADB is a member of the International Monetary Fund Article IV mission to Tuvalu, and it liaises closely with the [Pacific Financial Technical Assistance Centre](#), particularly on macroeconomic management and fiscal conditions. The bank is also an observer at the biannual meetings of the Tuvalu Trust Fund Board.

Significant support for infrastructure planning is being provided by the ADB-administered Pacific Region Infrastructure Facility, with ADB also seen as a strategic partner to Tuvalu in developing pipeline projects to access grant financing from the Green Climate Fund.

## PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

### Share of ADB's Procurement Contracts

#### Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In Tuvalu, nine contracts worth \$12.29 million have been awarded to contractors and suppliers since 1993.

#### Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In Tuvalu, 13 contracts worth \$0.5 million have been awarded to consultants since 1993.

## OPERATIONAL CHALLENGES

Political instability and changes in government personnel pose a challenge to ADB operations in Tuvalu, as well as to the implementation of government

reforms. Political consensus to drive and manage program reforms, particularly for public enterprises, can prove difficult to maintain.

The performance of the ADB portfolio in Tuvalu can be hampered by limitations in the country's policy development, program and project design and implementation, and management capacity. Tuvalu's macroeconomic management needs strengthening, as does the coherence of its structural policies. ADB technical assistance is supporting institutional strengthening and capacity building at the ministry level, helping ensure that good practices are implemented and can be sustained. Given the limited pool of local expertise, ADB and development partners continue to fill capacity gaps using international sources.

## FUTURE DIRECTIONS

In November 2018, the ADB Board of Directors voted to increase to \$13 million the annual base allocation for its small developing member countries for 2019–2020, and this has boosted the scope for the bank to invest in Tuvalu.

ADB's program of assistance will focus on improving outer-island port facilities, building disaster resilience, promoting renewable energy sources, and sustaining good fiscal management. Regional approaches to energy efficiency, climate change, and economic infrastructure will also be explored.



## ABOUT TUVALU AND ADB

### ADB Membership

Joined 1993

### Shareholding and Voting Power

Number of shares held: 150 (0.001% of total shares)  
Votes: 39,847 (0.300% of total membership,  
0.461% of total regional membership)

Overall capital subscription: \$2.09 million  
Paid-in capital subscription: \$0.11 million

**Tony McDonald** is the Director and **Scott Dawson** is the Alternate Director representing Tuvalu on the ADB Board of Directors.

**Masayuki Tachiiri** is the ADB Regional Director of the Pacific Subregional Office (SPSO) in Suva, Fiji. SPSO was opened in 2004 and provides the primary operational link for activities between ADB and the governments of the subregion, the private sector, civil society stakeholders, and development partners. The subregional office engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in the Cook Islands, Fiji, Kiribati, Samoa, and Tuvalu.

In 2018, ADB approved the establishment of a country office in Tuvalu. The office strengthens the bank's presence in the country, working to enhance the relationship between ADB and the government, improve development partner coordination, and help build local capacity in the design and implementation of ADB-supported projects.

The Tuvalu government agency handling ADB affairs is the Ministry of Finance and Economic Development.

## ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

### Notes:

ADB welcomed Niue as its 68th member in March 2019.

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.

Data are updated as of 31 December 2018 unless otherwise indicated. Fact sheets are published annually in April.

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Manila numbers change on 8 October 2019.)

### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

Annual Report  
[www.adb.org/documents/series/adb-annual-reports](http://www.adb.org/documents/series/adb-annual-reports)

Asian Development Outlook  
[www.adb.org/publications/series/asian-development-outlook](http://www.adb.org/publications/series/asian-development-outlook)

ADB Data Library  
[data.adb.org](http://data.adb.org)