ADB

Pacific Transport

Update 2013

Asian Development Bank

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For more information, contact:

Robert Guild
Director
rguild@adb.org

Richard Phelps
Principal Infrastructure Specialist
rphelps@adb.org

Sarosh Khan
Senior Transport Specialist
saroshkhan@adb.org

Daisuke Mizusawa
Infrastructure Specialist
dmizusawa@adb.org

David Ling
Transport Specialist
dling@adb.org

Transport, Energy, and Natural Resources Division, Pacific Department

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Pacific Transport Update 2013

Overview

The Pacific region embraces many nations with great variance in land, topography, area, population, resources, and development constraints and prospects, but all face transport challenges to achieving adequate global, regional, and local connectivity to markets and essential services. This update describes the Asian Development Bank's (ADB) assistance to Pacific developing member countries in improving many facets of their transport systems.

Investment in transport is important to address the vast distances, diseconomies of scale, and high cost of accessing markets faced by remote and isolated communities. Transport routes to overseas markets are among the world's longest. Services to remote communities often do not meet international safety standards. Investment in transport is needed to expand trade and private investment, improve deteriorating infrastructure, and build capacity to ensure reliable, accessible, and safe services.

Transport development that is inclusive and sustainable is critical to meeting the development challenges of the Pacific. A progress report on the Millennium Development Goals reports that the majority of Pacific countries are off-track in their attempts to achieve goals on poverty, environmental sustainability, and gender.[1] Better connectivity is an important element in addressing these challenges.

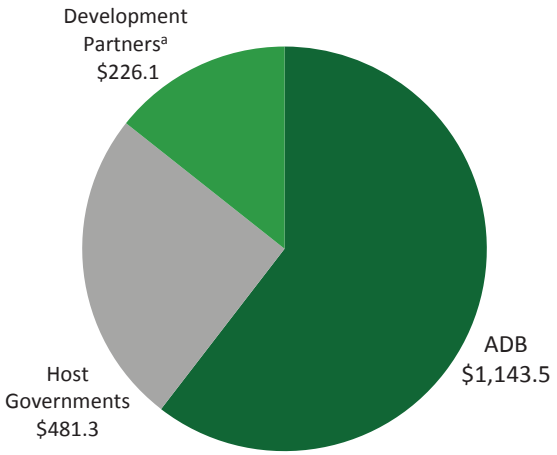
ADB's transport strategy in the Pacific is therefore focused on improving access to domestic and international markets, delivery of social services, and integrated networks for inclusive development. Road subsector objectives have been directed to improving access by rehabilitating roads, while supporting the establishment of road funds providing cost-recovery mechanisms for maintenance. For the maritime subsector, ADB's objectives have been to improve port capacity, efficiency, and safety through the establishment of maritime authorities, and also to improve shipping services to remote outer islands and river towns. ADB initiatives in the aviation subsector have included improvements in airport infrastructure, capacity, and safety. The overall transport sector strategic positioning has been focused and selective, aiming to foster connectivity and improve outer islands and rural communities' access to markets, which are key thrusts of ADB's Pacific Approach and country programming strategies.[2]

Physical investment must be complemented by equally strong support for capacity development and institutional and policy reform. In addition to subsector interventions, crosscutting efforts are improving resilience to climate change and natural disasters, and ensuring environmental sustainability, network integration, and cross-border linkages. Gender is also addressed through HIV and AIDS awareness, universal access considerations in infrastructure design and services, and inclusive road maintenance practices through community-based approaches.

Most Pacific island states lack the capital to support needed investments; and the smaller, less-developed countries also lack the capacity to plan, develop, and manage transport improvements. In response, ADB transport operations have increased significantly over the years. From 1969 to 2010, transport support amounted to $932.3 million. In 2013 alone, ADB's transport portfolio under implementation amounts to about $1,851 million, and represents a more balanced mix in the subsector support. From 1969 to 2010, the portfolio's largest share was in land transport (62.8%), followed by maritime (26.5%), and civil aviation transport (10.7%). In 2013, ADB financing of the land transport proportion of investment reduced to 52.4%, maritime transport increased to 26.0%, and aviation transport maintained a similar proportion at 19.5%.

[1] Pacific Islands Forum Secretariat. 2013. *Pacific Regional MDGs Tracking Report*. Suva.
[2] ADB. 2009. *ADB's Pacific Approach 2010–2014*. Manila.

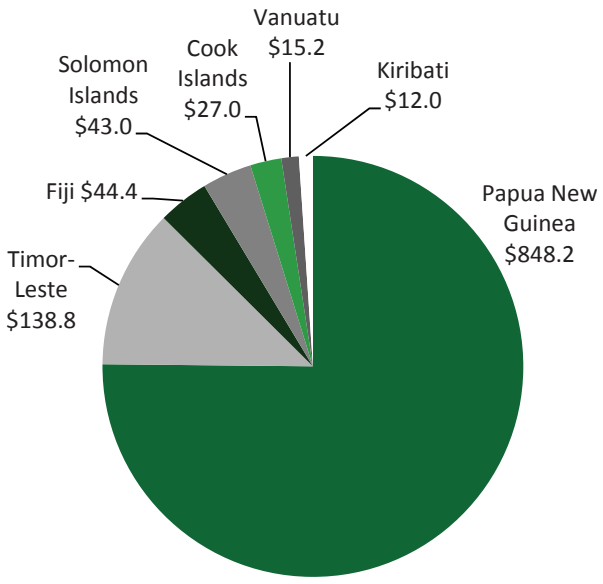
Figure 1. Funding Source for Ongoing Projects and Technical Assistance, 2013
($ million)



[a] Breakdown of Development Partners cofinancing are as follows: Australia, $111.3; New Zealand, $59.4; World Bank, $20.0; Pacific Region Infrastructure Facility, $14.4; Organization of the Petroleum Exporting Countries, $10.0; European Union, $8.7; Others, $2.3.

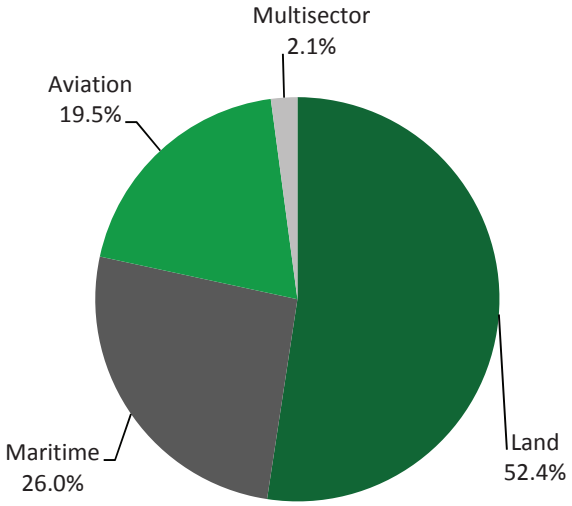
Source: ADB estimates.

Figure 2: Ongoing ADB Projects in the Transport Sector, by Country, in 2013
($ million)



Source: ADB estimates.

Figure 3: Ongoing ADB Funding in the Transport Subsectors in 2013



Source: ADB estimates.

Of ADB transport sector support in the Pacific in 2013, most (94.7%) occurs in four Pacific countries: Papua New Guinea (PNG) (74.4%), Timor-Leste (12.5%), Solomon Islands (3.9%), and Fiji (3.9%).

In a recent independent evaluation review, ADB support to the transport sector in the Pacific received an overall successful rating.[3]

ADB has also been involved in the establishment of regional initiatives such as the Pacific Region Infrastructure Facility and the Pacific Aviation Safety Office, demonstrating the commitment of other development partners and governments in the Pacific for joint action through initiatives to coordinate external support and promote sector priorities.

ADB expects to maintain a prominent role in Pacific transport infrastructure investments while supporting efforts to expand capacity and institutional and policy reform. Building on prior achievements, the pipeline of ADB transport projects for 2014–2016 totals about $484 million. This includes proposed support for road and bridge rehabilitation in PNG, Solomon Islands, Timor-Leste, and Vanuatu; port development in the Federated States of Micronesia, PNG, Solomon Islands, Timor-Leste and Vanuatu; and airport improvements in PNG.

This update describes each country's portfolio of transport projects, and technical assistance, under implementation in 2013. Details of current project are listed in the following tables.

[3] ADB. 2011. *Transport Sector in the Pacific Developing Member Countries (1995–2010)*. Manila.

Ongoing Transport Project Portfolio, 2013

Country	Project	ADB Funding ($ million)	Cofinancing ($ million)	Total ($ million)
Cook Islands	Avatiu Port Development Project	21.0	3.6	24.6
	Economic Recovery Support Program—Subprogram 2	6.0	0.0	6.0
	Subtotal	**27.0**	**3.6**	**30.6**
Fiji	Third Road Upgrading (Sector) Project (Supplementary Loan)	26.8	45.8	72.6
	Emergency Flood Recovery (Sector) Project	17.6	2.4	20.0
	Subtotal	**44.4**	**48.2**	**92.6**
Kiribati	Road Rehabilitation Project	12.0	42.9	54.9
	Subtotal	**12.0**	**42.9**	**54.9**
Papua New Guinea	Civil Aviation Development Investment Program—Project 1	222.1	57.0	279.1
	Highlands Region Road Improvement Investment Program—Project 1	211.3	101.3	312.3
	Lae Port Development Project	189.1	102.3	291.4
	Bridge Replacement for Improved Rural Access Sector Project	86.8	10.0	96.8
	Road Maintenance and Upgrading (Sector) Project (Supplementary)	53.0	25.1	78.1
	Maritime and Waterway Safety	41.0	6.9	47.9
	Pilot Border Trade and Investment Development Project	25.9	0.2	26.1
	Community Water Transport Project	19.0	9.1	28.1
	Subtotal	**848.2**	**311.9**	**1,160.1**
Solomon Islands	Domestic Maritime Support (Sector) Project	15.6	14.2	29.8
	Second Road Improvement (Sector) Project	15.0	16.0	31.0
	Transport Sector Development Project	12.0	72.5	84.5
	Solomon Islands Road Improvement (Sector) Project	0.4	20.0	20.4
	Subtotal	**43.0**	**122.7**	**165.7**
Timor-Leste	Road Network Upgrading Sector Project	50.0	73.2	123.2
	Road Network Development Sector Project	46.0	6.9	52.9
	Road Network Upgrading Project	39.8	13.7	53.5
	Our Roads Our Future—Supporting Local Governance and Community-based Infrastructure Works	3.0	13.0	16.0
	Subtotal	**138.8**	**106.8**	**245.6**
Vanuatu	Interisland Shipping Support Project	10.2	16.5	26.7
	Port Vila Urban Development Project	5.0	34.1	39.1
	Subtotal	**15.2**	**50.6**	**65.8**
	Total Loans and Grants	**1,128.6**	**686.7**	**1,815.3**
	Total Technical Assistance (details in next page)	**14.9**	**20.8**	**35.7**
	Total Loans, Grants, and Technical Assistance	**1,143.5**	**707.4**	**1,850.9**

Source: ADB.

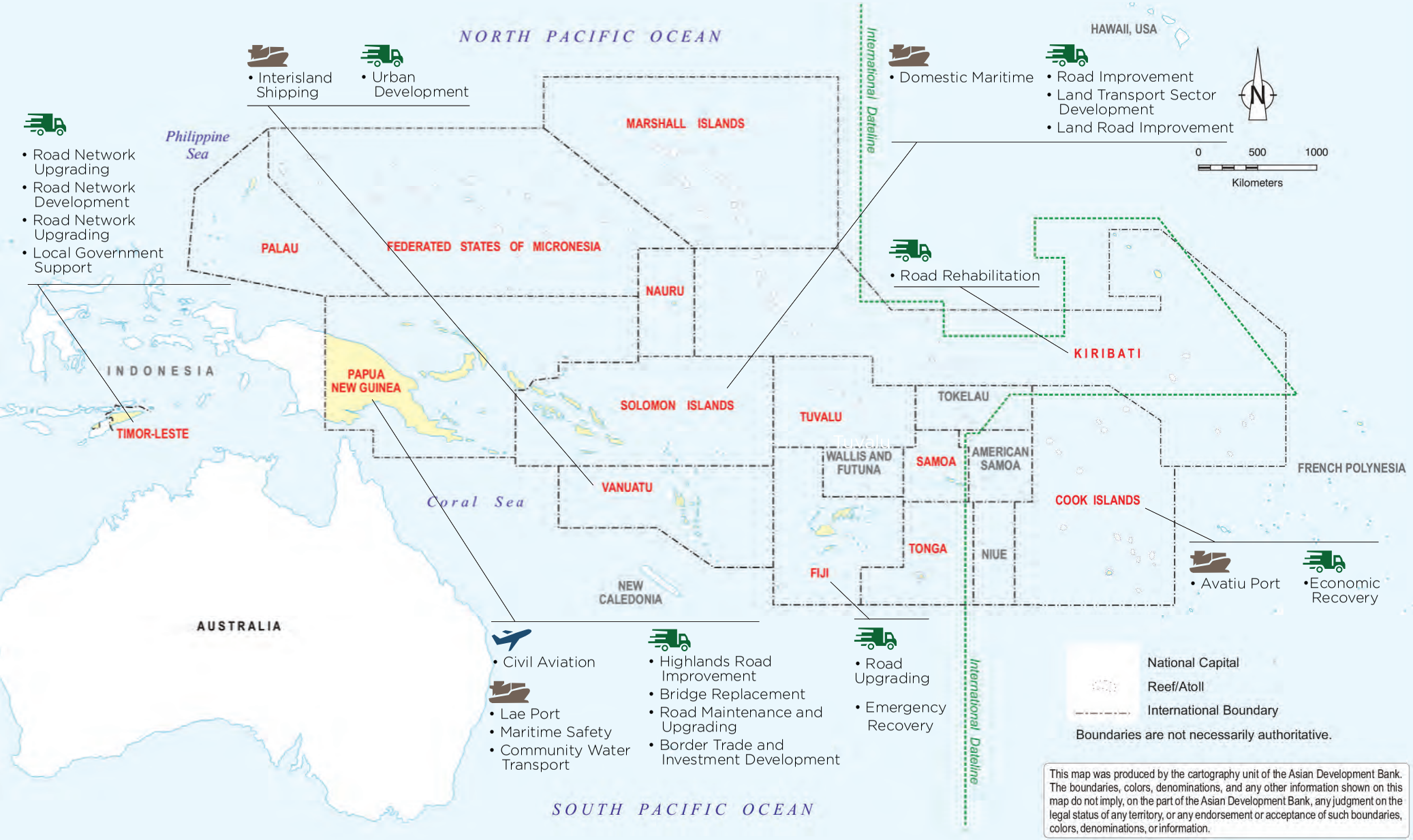
Ongoing Transport Sector Technical Assistance Portfolio, 2013

Country	Project	ADB Funding ($ million)	Cofinancing ($ million)	Total ($ million)
Cook Islands	Infrastructure Services Delivery Improvement	0.6	0.1	0.7
	Asset Management for Sustainable and Improved Infrastructure Services Delivery	0.2	0.1	0.3
	Subtotal	**0.8**	**0.2**	**1.0**
Federated States of Micronesia	Pohnpei Port Development Project	0.6	0.0	0.6
	Subtotal	**0.6**	**0.0**	**0.6**
Papua New Guinea	Regulating and Sustaining Road Transport and Private Sector Participation in Road Development	1.0	0.0	1.0
	Improving Road User Charges and Private Sector Participation in Road Development	0.8	0.0	0.8
	Major Bridges Study	0.8	0.0	0.8
	Subtotal	**2.6**	**0.0**	**2.6**
Solomon Islands	Supporting the Transport Sector Development Project	0.8	0.2	1.0
	Strengthening Country Safeguard Systems in the Transport Sector	0.6	0.0	0.6
	Subtotal	**1.4**	**0.2**	**1.6**
Timor-Leste	Infrastructure Project Management	3.0	0.0	3.0
	Infrastructure Management	0.5	0.0	0.5
	Strengthening and Use of Safeguards Systems: Developing Resettlement Safeguards Capacity in the Transport Sector	0.4	0.1	0.5
	Road Network Upgrading (Sector) Project (Project Preparatory Technical Assistance)	0.3	0.0	0.3
	Subtotal	**4.2**	**0.1**	**4.3**
Vanuatu	Establishment of the Maritime Safety Administration	0.5	1.0	1.5
	Subtotal	**0.5**	**1.0**	**1.5**
Regional	Capacity Strengthening and Institutional Development for Border Management and Trade and Tourism Development in the Pacific	2.5	0.2	2.7
	Strengthening Climate Risk and Resilience Capacity of Pacific Developing Member Countries	0.9	0.0	0.9
	Establishment of the Pacific Region Infrastructure Facility Coordination Office	0.5	11.3	11.8
	Institutional Strengthening for Aviation Regulation	0.9	0.0	0.9
	Establishment of the Pacific Infrastructure Advisory Center (ADB-administered Australian Technical Assistance grant)	0.0	7.8	7.8
	Subtotal	**4.8**	**19.3**	**24.1**
	Total Technical Assistance	**14.9**	**20.7**	**35.6**

Source: ADB.

Ongoing Transport Projects in the Pacific

Legend: Air Maritime Land



This map was produced by the cartography unit of the Asian Development Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.

COOK ISLANDS

ADB Photo

The economy of the Cook Islands has provided limited employment opportunities fostering out-migration, and consequently small population. The country has a limited and natural resource base. Stretched across 15 islands containing 240 square kilometers (km^2) of land, agricultural production is limited, natural resources and manufacturing even more so, and it is isolated from foreign markets. Tourism is the main source of foreign exchange, accounting for two-thirds, or more, of the country's economic activity. More than 100,000 foreigners have visited the islands annually in the last 5 years, at a consistently growing rate.[4] The outlook of the Cook Islands economy has also been improving: after the gross domestic product (GDP) contracted in 2008 and 2010, it rose 1.0% in 2011 and 4.6% in 2012, and is likely to grow 3.2%–3.5% per year in both 2013 and 2014.[5]

The government announced its key priorities during its National Development Economic Summit in 2011 and infrastructure was highlighted as its first priority. The National Sustainable Development Plan 2011–15 focuses on tourism as the country's economic driver, and that leads to an integrated maritime and aviation infrastructue improvement program.

ADB operations in the Cook Islands complement assistance from other development partners, with the focus on building and maintaining transport infrastructure and developing the outer islands. An ADB technical assistance project that has supported effective infrastructure planning, cofinanced by New Zealand, has led to the upgrading of Avatiu Port, the country's principal international gateway. Efficient port infrastructure underpins continued economic growth. Additional support is improving investment in transport infrastructure and other sectors, planning and financial processes, and asset maintenance.

ADB is also committed to supporting the government's strategic goal of a safe, secure, and resilient community. Secure and efficient port infrastructure in Rarotonga incorporates climate change resiliency measures in port infrastructure design, protocols, and operation.

Nearly 40% of ADB's historical lending to the Cook Islands has been in transport and in information and communication technology (ICT).

Transport Sector Projects in Cook Islands

Subsector	Project		ADB Funding ($ million)	Implementation Period
Land, Aviation, and Maritime Transport	Avatiu Port Development Project	Loan	21.0	Nov 2008–Dec 2012
	Economic Recovery Support Program—Subprogram 2	Loan	6.0	Sep 2013–Dec 2013
	Infrastructure Services Delivery Improvement	Technical Assistance	0.6	May 2009–Mar 2013
	Asset Management for Sustainable and Improved Infrastructure Service Delivery	Technical Assistance	0.2	Aug 2013–Sep 2014
		Total	**27.8**	

[4] Cook Islands Ministry of Finance and Economic Management estimates.

[5] ADB. 2013. *Asian Development Outlook 2013 Update* (with additional references to earlier editions of *Asian Development Outlook*). Manila.

Project Portfolio

Avatiu Port Development Project

Economic growth through secure and efficient port infrastructure in Rarotonga, with constraints and safety risks removed

Project Amount	$24.6 million
Funding Sources ADB Government	 $21.0 million $ 3.6 million
Executing Agency	Cook Islands Ports Authority

The project has enhanced the safety of operations in Avatiu Port and expanded its capacity to handle larger and greater number of cruise ships and vessels. The port will be in compliance with international maritime structure standards. The project included widening the harbor entrance, dredging to increase the depth alongside the wharf, enlarging the ship turning area, reconstructing and redesigning the quay, repairing the adjacent wharf deck, relocating cargo storage, and providing navigation aids. The port was officially commissioned on 25 April 2013.

The project will lower the transport costs of commodities, such as food, fuel, and construction materials. The number of cruise liners is expected to increase from 2 to 25 per year, which will increase opportunities for tourism and other benefits to the entire economy.

Economic Recovery Support Program—Subprogram 2

Provides infrastructure investment resources and advice

Project Amount	$6.0 million
Funding Source ADB	 $6.0 million
Executing Agency	Ministry of Finance and Economic Management

The second subprogram of the Economic Recovery Support Program provides support to the Cook Islands in addressing infrastructure investment shortfalls.

The government has prioritized investment projects including the main airport, roads, key buildings, and water supply. ADB assistance increases the national budget's capital expenditures in line with infrastructure policies, while focusing special attention on extending benefits to vulnerable groups.

The subprogram also supports management improvements in the Ministry of Finance and Economic Management.

Beatrice Olsson

Technical Assistance

Infrastructure Services Delivery Improvement

Developing capacity for effective delivery of environmentally sustainable infrastructure and infrastructure services

Technical Assistance Amount	$0.67 million
Funding Sources Japan Special Fund (administered by ADB) Government	 $0.60 million $0.07 million
Executing Agency	Ministry of Finance and Economic Management

While the government has successfully pursued prudent fiscal policies, infrastructure maintenance and investment have been neglected. This has resulted in aging infrastructure and inadequate public services, which affects future private sector–led growth, especially in the critical area of tourism and related industries. ADB's Infrastructure Services Delivery Improvement technical assistance project responds to these needs with support for public infrastructure by fostering effective and efficient planning and customer-oriented service delivery.

The technical assistance has established common processes for developing infrastructure management plans, including improved project prioritization and programming, effective and efficient financial management, improved operations and maintenance, opportunities for private sector participation, and transparent accounting. The sector focus included land, water, and air transport, as well as energy, water supply, sanitation, and solid waste infrastructure.

Asset Management for Sustainable and Improved Infrastructure Services Delivery

Asset management framework, management information system, capacity building and training

Technical Assistance Amount	$0.30 million
Funding Sources ADB Government	 $0.23 million $0.07 million
Executing Agency	Ministry of Finance and Economic Management

The Asset Management for Sustainable and Improved Infrastructure Services Delivery technical assistance project ensures sustainability of previous reforms. The actions include establishing an asset management governance structure to support the new underpinning legislation, while improving the government's technical capabilities. This technical assistance will also produce an asset management framework for government and state-owned enterprises, both in the capital, Rarotonga, and in selected outlying islands. The result will be efficient, profitable, and professional management of infrastructure assets.

Beatrice Olsson

Beatrice Olsson

FIJI

Fiji has a diverse economy that includes sugar production, gold, timber, fisheries, garment manufacturing, and tourism, all which are important foreign exchange generators. Growth in recent years has been driven by tourism, but tourist arrivals fell in the first quarter of 2013, partly due to the impact of Cyclone Evan in December 2012, and partly reflecting economic weaknesses in Fiji's two largest tourist markets: Australia and New Zealand. Gold production declined markedly year-on-year during the first half of 2013, with waning competitiveness driving output lower. Sugar production is expected to increase in 2013, but concerns remain over productivity and the structural decline of the industry. Fiji's economy has seen steady growth in recent years, recording a 1.9% increase in 2011 and 2.2% in 2012. Growth is forecast to increase to 2.8% per annum in 2013 before falling back to 2.4% in 2014.[6] Domestic consumption and investment in transport infrastructure, particularly roads, are the key factors sustaining economic growth.

The prevailing political situation in Fiji, the fallout from the global economic crisis in 2008, and Fiji's vulnerability to natural disasters have curtailed the country's investment and growth potential and contributed to an increase in rural poverty. Private investment declined to 2% of GDP in 2011 (an all-time low), but has since recovered to approximately 13% of GDP in 2013. Overall, investment is estimated at 28% of GDP in 2013. Much of the country's economic and social infrastructure needs replacement and upgrading. Project management capacity is limited, and infrastructure projects in Fiji suffer from slow implementation.[7]

Land transport is the dominant mode of transport in Fiji. The road network is relatively well developed and comprises around 7,072 kilometers (km) of roads, but poor road conditions remain a major concern. The government has implemented a policy of gradually upgrading national roads from gravel standard to two-lane sealed highway. There have been significant changes to the institutional arrangements in the roads sector, with the newly established Fiji Roads Authority taking over the management of roads from the Department of National Roads in 2012. The Ministry of Transport aims to develop an integrated transport system that is safe, efficient, affordable, accessible, and economically and environmentally sustainable.

ADB has been engaged in the transport sector in Fiji for more than 2 decades. About 44% of ADB's cumulative lending to the country has been for transport. Road rehabilitation and upgrading throughout the country have helped disadvantaged groups participate in the cash economy, reduced transport costs and journey times, increased access to employment opportunities and services, and lowered poverty rates in communities along these roads.

ADB's reengagement approach guides operations. Ongoing activities have continued under this approach, but no new lending operations have been approved except for emergency assistance for rehabilitation of infrastructure damaged by flooding in 2009, and emergency assistance in response to widespread flooding in 2012.

Transport Sector Project in Fiji

Subsector	Project		ADB Funding ($ million)	Implementation Period
Land Transport	Third Road Upgrading (Sector) Project (Supplementary Loan)	Loan	26.8	Mar 2009–Dec 2013
	Emergency Flood Recovery (Sector) Project	Loan	17.6	Aug 2009–Feb 2014
		Total	44.4	

[6] ADB. *Asian Development Outlook 2013 Update* (with additional references to earlier editions of *Asian Development Outlook*). Manila.
[7] ADB. *Asian Development Outlook 2013 Update* (with additional references to earlier editions of *Asian Development Outlook*). Manila.

Project Portfolio

Third Road Upgrading (Sector) Project

Contributing to the government's objectives of economic and social development by reducing transport sector constraints

Project Amount	$72.6 million
Funding Sources	
ADB	$26.8 million
Government	$45.8 million
Executing Agency	Ministry of Works and Transport

The project, which is due for completion in December 2013, has supported the government's program to improve the national road network and the management of roads. More specifically, the Third Road Upgrading (Sector) Project upgraded 50 km of Kings and Lodoni roads, in the east and northeast of Viti Levu, the main island.

This project will improve access to services and markets, thereby providing better opportunities for economic and social development. The majority of the rural population is engaged in subsistence farming, and previous experience has shown expansion of income-generating opportunities in the surrounding valley and reduction in transport costs benefit farmers. Easier access to Suva will also make the transport costs to health and educational services more affordable to the population located in underdeveloped and disadvantaged areas. The link between the international port of Suva and the jetty at Natovi has also improved. About 13,000 residents in the area now have improved access to services and markets on sealed roads.

Emergency Flood Recovery (Sector) Project

Restoring economic and social activities in affected areas, and reducing future economic losses and social disruption from extreme weather

Project Amount	$20.0 million
Funding Sources	
ADB	$17.6 million
Government	$ 2.4 million
Executing Agency	Ministry of National Planning

This project is rehabilitating public infrastructure damaged by torrential rains and flooding.

The rehabilitation includes 8 km of main sealed highway and 50 km of secondary rural roads, including stabilization of 8 major landslides, road resurfacing, reconstruction of 30 culverts, repairs and improvements to 10 wet crossings, and the rehabilitation of 40 agricultural drainage schemes and water supplies. Support is also provided to incorporate climate proofing in design and construction.

The rehabilitation of damaged roads is expected to restore accessibility to rural areas and allow a full resumption of economic activities and social services. The project will directly benefit the rural population in affected areas, many of whom are poor, by restoring access to economic opportunities and social services, and safeguarding public health.

Beatrice Olsson

Ophie Iriberri

KIRIBATI

Kiribati's 110,000 people live upon sandy atolls and one raised coral island measuring a total of 800 km^2, scattered across 3.5 million km^2 of the Pacific Ocean. The land is not very fertile, suitable for raising tree crops such as copra and fruit and a few root crops such as taro. More than two-fifths of the country's, and most of the urban population live in the capital, Tarawa. Limited natural resources hamper development. Tourism, fishing licenses, remittances from abroad, and development assistance, as well as a trust fund from an earlier phosphate boom, provide most of the country's foreign exchange earnings. Much of Kiribati's economy is driven by the public sector and development partner-financed projects. Foreign assistance is equal to perhaps a quarter of GDP. The Kiribati economy grew 3.3% in 2011 and 2.5% in 2012, compared with the –0.5% and –0.7% declines in 2009 and 2010. The economy is forecast to grow by 2.0% in 2013 and 2.3% in 2014.[8]

Given the importance of foreign assistance to Kiribati, the government has prioritized cooperation and coordination with Kiribati's development partners. ADB and the World Bank are jointly supporting the Government of Kiribati to rehabilitate roads. The road project is expected to improve the socioeconomic condition of the people of South Tarawa's communities.

Kiribati also benefits from technical support provided through the Pacific Infrastructure Advisory Centre, which also facilitates cofinancing from the Pacific Region Infrastructure Facility (PRIF). PRIF served as the coordinating body for the Road Rehabilitation Project's preparation, financing and technical assistance. The government's ongoing key national priority, adapting to climate change, is receiving comprehensive support from development partners. ADB will provide assistance in line with ADB's climate change implementation plan.

Transport Sector Project in Kiribati

Subsector	Project		ADB Funding ($ million)[a]	Implementation Period
Land Transport	Road Rehabilitation Project	Loan	12.0	Dec 2010–Jun 2015
		Total	12.0	

[8] ADB. *Asian Development Outlook 2013 Update* (with additional references to earlier editions of *Asian Development Outlook*). Manila.

Project Portfolio

Road Rehabilitation Project

Improving the socioeconomic conditions of the people of South Tarawa by providing access to a safe, sustainable, well-maintained road network

Project Amount	$54.9 million
Funding Sources	
ADB	$12.0 million
World Bank	$20.0 million
Pacific Region Infrastructure Facility	$14.4 million
Government	$ 8.5 million
Executing Agency	Ministry of Finance and Economic Development

This project is rehabilitating and upgrading 34.9 km of paved roads and 6.3 km of principal feeder and access roads in South Tarawa. This important road network joins the airport and seaport of Betio through the administrative capital of Bairiki and runs the length of an extremely narrow and densely populated area that is home to more than two-fifths of Kiribati's people. By improving the very poor condition of the country's most important road, the project is serving as a critical link. The project is also establishing community-based road maintenance groups to undertake maintenance of rhe paved road.

Sally Shute-Trembath

The complementing multi-donor Pacific Region Infrastructure Facility will provide technical assistance to establish a dedicated road fund from user charges, and will also train community-based groups to establish microenterprises to provide maintenance services under contracts.

The road rehabilitation project is expected to double travel speeds from 20 km per hour to 40 km per hour, reduce road casualties, and increase the funds available for maintenance by 50%. The project will address road safety through the provision of speed humps and foothpaths. The project also considers climate change by directing run-off to soak pits to increase groundwater during intense droughts.

ADB Photo

FEDERATED STATES OF MICRONESIA

The Federated States of Micronesia (FSM) hosts a population of about 106,000 people living on 607 islands with a combined land mass of 702 km^2 stretched over 2.6 million km^2 of ocean. The economy remains underdeveloped. Fisheries and tourism provide income, but hold potential for much more growth. Financial assistance from the United States (US) under its Compact of Free Association supports the import of goods and investments in infrastructure. The economy grew 0.9%–2.5% per annum between 2009 and 2012; it is expected to grow 1.0% per annum in 2013 and 1.5% in 2014.[9] Poverty reduction remains a challenge. A review of progress on the Millennium Development Goals shows that the FSM is off-track on two of the eight goals, with the number of households living below the poverty line actually rising from 1998 to 2005.[10]

Large construction projects drive the country's growth. Recent improvements to airports by Japan and the proposed Pohnpei Port upgrade offer short-term stimulus and the long-term prospect of interisland connectivity, resource development, and tourism development. To drive inclusive growth, the FSM's Infrastructure Development Plan highlighted the need for infrastructure investment of an average of $35 million per year until 2023. To meet these needs, about $20 million per year is expected from US Compact funds and $15 million from other sources.

ADB is supporting transport infrastructure development. It places strong emphasis on partnerships in its FSM operations. Close coordination among development partners is critical to helping the FSM achieve its development priorities and maximize the benefits of the funds provided by the country's development partners. ADB works closely with the US Department of the Interior in infrastructure and performance monitoring. Japan is also an important development partner in FSM, supporting airport expansion and cofinancing some of ADB's technical assistance.

Transport Sector Project in the Federated States of Micronesia

Subsector	Project		ADB Funding ($ million)[a]	Implementation Period
Maritime Transport	Preparing Pohnpei Port Development Project	Technical Assistance	0.6	Aug 2012–Aug 2013
		Total	**0.6**	

[9] ADB. *Asian Development Outlook 2013 Update* (with additional references to earlier editions of *Asian Development Outlook*). Manila.
[10] Pacific Islands Forum Secretariat, 2013. Pacific Regional MDGs Tracking Report. Suva.

Technical Assistance

Preparing the Pohnpei Port Development Project

Improving transport connectivity for efficient and safe movement of people and goods in Federated States of Micronesia

Technical Assistance Amount	$0.6 million
Funding Source ADB	$0.6 million
Executing Agency	ADB

The proposed port development project is expected to improve port operational efficiency, safety, and management capacity of the Pohnpei Port Authority (PPA).

The project preparatory technical assistance assessed needs, provided options to strengthen port operations, upgrade port superstructure and infrastructure, and lift the financial performance of the PPA. Due diligence conducted for the project includes technical, governance, environmental, economic and financial, poverty, and social assessments and surveys, and safeguards necessary to avoid, minimize, or mitigate adverse social and environmental impacts that might arise from an infrastructure development project.

The counterpart agencies for this technical assistance are the PPA; Department of Transportation, Communication and Infrastructure, the FSM government; and the Office of Transportation and Infrastructure, Pohnpei State. The project builds on a scoping study conducted in 2010 to examine the current operations of the port, financed by the Pacific Region Infrastructure Facility.

Sarosh Khan

Douglas Lucius

PAPUA NEW GUINEA

Papua New Guinea (PNG) has achieved annual economic growth ranging from 6% to 11% between 2008 and 2012,[11] accompanied by high employment growth, all propelled by large natural resource projects and exports of mineral, hydrocarbon, agricultural, forestry, and fishery products. Growth is expected to drop to 5.5% in 2013 and 6.0% in 2014 as the large PNG liquefied natural gas construction project winds down. ADB is helping PNG translate its natural resources wealth into inclusive growth by improving access to basic services and markets, especially in rural areas where 85% of the population lives. The nation's geography and widely dispersed population pose challenges to connectivity and accessibility.

National funding for infrastructure is limited and unreliable. Despite an astounding 57% increase in the transport budget in 2011–2012, and a further 36% increase on top of that in 2013, the government's commitments remain below the funding required to execute the national transport plans. This represents serious risks to the maintenance and sustainability of transport infrastructure.

ADB support for transport infrastructure totals $851 million to improving land, water, and air transport so as to provide safer and more efficient movement of people and goods. This includes a series of large-scale road and bridge projects executed under difficult conditions in the Highlands Region and the replacement of old bridges around the country. About 2,100 kilometers (km) of road works are expected to reduce travel time in the most populous rural region in the country and increase the provision of transport services. In maritime transport, ADB is supporting the large-scale expansion of the nation's largest port, installation and maintenance of navigation aids, other improvements to maritime safety, and the introduction of more small-scale shipping services. These maritime projects will raise the largest port's volume throughput by 50%, nearly double the number of navigational aids, and provide access to operational piers and jetties for an additional 1 million people in remote coastal and river communities. In air transport, ADB supports upgrades and improved maintenance practices at 14 regional airports and 7 national airports.

ADB is strengthening capacity to ensure the sustainability of investments. Through dedicated revenue streams for infrastructure maintenance, promoting cost recovery mechanisms, and promoting the development of civil works contractors, while introducing innovative "build and maintain" contracts and performance-based contracts for airports and roads. An ADB technical assistance program supported the preparation of the comprehensive National Transport Strategy and Medium Term Transport Plan (2013–2017), launched in July 2013.

ADB is also actively working with government and other development partners to improve aid effectiveness in the transport sector in PNG through policy dialogue, closer harmonization of aid programs, and more sector-wide approaches. ADB is the largest lending assistance provider in PNG, with cofinancing from Australia, Japan, New Zealand, Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development, and private sources.

Looking ahead, ADB will continue to expand its programs in land and air transport and to help build capacity within infrastructure agencies in PNG, mitigate the risks of climate change, including through financing of demonstration projects.

[11] ADB. *Asian Development Outlook 2013 Update* (with additional references to earlier editions of *Asian Development Outlook*). Manila.

Transport Sector Projects in Papua New Guinea

Subsector	Project		ADB Funding ($ million)[a]	Implementation Period
Land Transport	Highlands Region Road Improvement Investment Program—Project 1	Loan	102.3	Dec 2008–Jun 2015
	Highlands Region Road Improvement Investment Program—Project 2	Loan	109.0	Jan 2014–Dec 2017
	Bridge Replacement for Improved Rural Access Sector Project	Loan	86.8	Sep 2011–Jun 2017
	Road Maintenance and Upgrading (Sector) Project (Supplementary)	Loan	53.0	Jun 2006–Feb 2013
	Pilot Border Trade and Investment Development Project	Loan	25.9	Nov 2009–Jun 2018
	Regulating and Sustaining Road Transport and Private Sector Participation in Road Development	Technical Assistance	1.0	Jun 2012–Dec 2013
	Improving Road User Charges and Private Sector Participation in Road Development	Technical Assistance	0.8	Dec 2009–Nov 2013
	Major Bridges Study	Technical Assistance	0.8	Sep 2011–Sep 2014
Maritime Transport	Lae Port Development Project	Loan	189.1	Dec 2007–Jun 2014
	Maritime and Waterways Safety Project	Loan	41.0	Sep 2012–Sep 2018
	Community Water Transport Project	Loan	19.0	Dec 2003–Jun 2013
Aviation	Civil Aviation Development Investment Program—Project 1	Loan	92.1	Dec 2009–Jun 2014
	Civil Aviation Development Investment Program—Project 2	Loan	130.0	Jan 2014–Sep 2017
		Total	**850.8**	

Douglas Lucius

Project Portfolio

Highlands Region Road Improvement Investment Program (HRRIIP)

Making ports, markets, and livelihood opportunities more accessible, saving travel time and transport costs

Project Amount	$750.0 million (Tranche 1: $140.0 million) (Tranche 2: $172.6 million)
Funding Sources ADB Government Other External Financiers	 $400.0 million (Tranche 1: $102.3 million) (Tranche 2: $109.0 million) $200.0 million (Tranche 1: $ 37.7 million) (Tranche 2: $63.6 million) $150.0 million
Executing Agency	Department of Works
Implementing Agencies	Department of Works, National Roads Authority

Around 40% of the population of PNG live in the Highlands Region, an area that was completely inaccessible except by airplane a few decades ago; road connections now allow inhabitants to maximize income-generating opportunities, and also allow commercial development of the region's natural resources.

The Highlands Region core road network covers about 2,500 km of major national and some provincial roads carrying the bulk of the region's traffic. HRRIIP finances the improvement of about 1,400 km of the network. The design and supervision of road improvement works include the preparation and administration of long-term road maintenance contracts and capacity development of road agencies, which are an integral part of the Highlands program. Tranche 1 finances the rehabilitation of 115 km of roads in the Highlands, as well as capacity development in the National Roads Authority. Sustainable performance based contracts will follow.

The program's road improvements are expected to reduce the average travel time to markets, schools, and health facilities by 25%; and to increase the number of public transport (personal motor vehicle) services by 100% upon project completion. The economic benefits from the improved roads are expected to include increased sales of diverse cash crops, rehabilitation and establishment of coffee gardens, additional livestock raising, increased business for market vendors and store owners, and new opportunities for small and medium-sized enterprises.

ADB and the Government of PNG expect to sign an agreement on a second tranche HRRIIP loan for $109 million in early 2014.

Bridge Replacement for Improved Rural Access Sector Project

Developing a better connected, more efficient, and safer road network in selected rural areas

Project Amount	$96.8 million
Funding Sources ADB Government	 $86.8 million $10.0 million
Executing Agency	Department of Works
Implementing Agency	Department of Works

The project will improve PNG's two-lane national road network by replacing temporary modular steel or Bailey bridges, and other deteriorated bridges, with permanent two-lane structures. The reusable Bailey bridges will be reassembled on rural roads to improve access in remote locations. The project is the first phase of the government's proposed bridge replacement program, and covers 5 out of the 16 priority national roads (specifically, the Magi, Hiritano, Ramu, Sepik, and New Britain highways.) The project scope may be expanded in the future to finance subsequent phases of the bridge replacement program. The project will also develop the capacity of the Department of Works bridge asset management system, and improve road safety awareness in rural areas where accident rates are high.

The bridge replacement project will contribute to poverty reduction and socioeconomic development in the project areas by improving the rural population's access to livelihood opportunities and basic social services, reducing travel time, and making trips safer. It will increase economic opportunities for rural households, promote school attendance, and facilitate access to health services.

Ganiga Ganiga

Road Maintenance and Upgrading (Sector) Project (Supplementary)

Economic and social integration through improved road access for communities and businesses in five Highlands provinces

Project Amount	$78.1 million
Funding Sources	
ADB	$53.0 million
Government	$25.1 million
Executing Agency	Department of Works

The project upgraded and/or rehabilitated 270 km of feeder road sections in five Highlands provinces to reduce travel costs and time to major commercial and service centers, and to improve communities' and businesses' access to economic and social opportunities in the Highlands. The project also strengthened the institutional capacity of the Department of Works to undertake road maintenance and operation of an asset management system. This is supplementary assistance to an existing project and has saved considerable project start-up costs.

The Road Maintenance and Upgrading (Supplementary) Project's feeder roads service a population of 600,000. The improvements contributed to poverty reduction by providing job opportunities, increasing farmers' cash crop incomes, and facilitating social services. The roads completed under this project created an estimated 1,500 local employment opportunities.

Ganiga Ganiga

Pilot Border Trade and Investment Development Project

Supporting West Sepik Province to develop into a dynamic growth center through increased trade and tourism

Project Amount	$26.1 million
Funding Sources	
ADB	$25.9 million
Government	$ 0.2 million
Executing Agency	Border Development Authority

The project will remove infrastructure bottlenecks along the northern transport corridor linking West Sepik Province in Papua New Guinea to Papua Province of Indonesia; improve the trade and investment environment in the province; encourage entrepreneurial capacity; and support local communities in terms of education, health, and HIV/AIDS prevention. The infrastructure improvements include border facilities such as immigration, customs, storage, quarantine, security, and public facilities; it also includes telecommunications investments. Roads, parking lots, and bus shelters enhance these developments.

The project is expected to double both trade volume and government revenues between 2007 and 2017.

Ganiga Ganiga

Lae Port Development Project

Catalyzing industrial and commercial development and promoting trade by relieving a binding constraint on key port infrastructure

Project Amount	$291.4 million
Funding Sources ADB Government Japan Fund for Poverty Reduction OPEC Fund for International Development Cooperation Fund for HIV/AIDS	 $189.1 million $ 94.0 million $ 1.5 million $ 6.0 million $ 0.8 million
Executing Agency	Independent Public Business Corporation
Implementing Agency	Morobe Provincial Administration

Lae Port in PNG handles half of the nation's marine cargo, even though its represents only one-third of the capacity of the country's principal ports. The project is developing new port facilities, including a berth, tidal basin, and terminal works; buildings and storage areas; roads and drainage; and water, electricity, and sewerage services. These improvements will raise the port's throughput by 50%, increase the cargo-handling capacity of the port by 1.4 million revenue tons per year, and increase the annual number of ship calls from 600 to 900. During implementation of the project, more than 1,000 jobs will be created; after completion, it will provide additional opportunities for employment in maritime services and support a larger industrial and commercial base.

To complement the project, the Australian Agency for International Development is assisting in strengthening institutional capacity to manage its capital and maintenance investment programs and improve port operations. Gender-responsive HIV and AIDS awareness and prevention programs are also being implemented. Relocated people received support for improved livelihoods.

Maritime and Waterway Safety Project

Providing communities with safer and enhanced access to socioeconomic opportunities

Project Amount	$47.9 million
Funding Sources ADB Government	 $41.0 million $ 6.9 million
Executing Agency	National Maritime Safety Authority
Implementing Agency	National Maritime Safety Authority

This new project will support the replacement, installation, and maintenance of more than 100 navigational aids along PNG's coastline; conduct hydrographic surveys; expand the automatic identification system network; and provide safety awareness and training practices in rural and remote communities.

The Maritime and Waterway Safety Project will lower risks and thus reduce vessel accidents and losses, thereby increasing the safety and efficiency of domestic and international shipping. Vessel damage and loss of life in 2018 should decrease. The direct benefits to the 65% of PNG's population who live in coastal regions include improved passenger and cargo services, with greater access to health, education, and other services.

Peter Nagum

Community Water Transport Project

Supporting sector reform, the establishment of a National Maritime Safety Authority, and providing water transport to remote and disadvantaged communities

Project Amount	$28.1 million
Funding Sources ADB OPEC Fund for International Development Government	 $19.0 million $ 4.0 million $ 5.1 million
Executing Agency	Department of Transport

The project reduced poverty in the marginalized maritime and river-based communities by providing water transport services to remote areas. The Community Water Transport Project also supported implementation of the maritime sector reorganization and reform program, particularly through the establishment of the National Maritime Safety Authority. The project scope included (i) establishing the Community Water Transport Trust Fund to finance water transport subsidies, (ii) restoring water transport infrastructure, (iii) improving small-craft safety, (iv) maximizing utilization of water transport through community support services, (v) implementing maritime sector reforms and establishing National Maritime Safety Authority, and (vi) providing project management services.

The Community Water Transport Project reduced travel constraints and thus improved the living standards in remote maritime and river-based communities. People have better access to supplies, staple foods, and educational and health services, plus markets for their products.

Peter Nagum

Civil Aviation Development Investment Program

Supporting the development of safe, efficient, reliable, sustainable, and affordable aviation services and infrastructure

Project Amount	$640.0 million (Tranche 1: $109.1 million) (Tranche 2: $170.0 million)
Funding Sources ADB Private Sector Government	$480.0 million (Tranche 1: $ 92.1 million) (Tranche 2: $130.0 million) $ 75.0 million $ 85.0 million (Tranche 1: $ 17.0 million) (Tranche 2: $40.0 million)
Executing Agency	Department of Transport

The bulk of the country's international and domestic passenger and freight traffic is sustained by 21 airports. These airports are undergoing safety and security improvements to meet international aviation standards, as well as capacity expansion. All-weather access to PNG will be improved, as will access to noncommercial destinations. Long-term maintenance contracts are being prepared and administered.

The first tranche of the Civil Aviation Development Investment Program is covering improvements to the Jacksons International Airport in Port Moresby and to airports in Mount Hagen, Wewak, Hoskins, and Gurney. The project also supports improvements in airport facilities and services: rehabilitation of airport infrastructure, including runways, taxiways, and aprons; upgrading of runways and passenger terminals to accommodate larger aircraft; and improvement of communication, navigation, surveillance, and firefighting equipment. Improved maintenance systems for facilities will be in place. In support of improved subsector management, strengthening and reform of the Civil Aviation Authority and its operational units will be undertaken.

ADB and the Government of PNG expect to sign an agreement in early 2014 for a second tranche of ADB financing of $130 million.

Technical Assistance

Improving Road User Charges and Private Sector Participation in Road Development

Providing communities with safer and enhanced access to socioeconomic opportunities

Technical Assistance Amount	$0.8 million
Funding Source Japan Special Fund	$0.8 million
Executing Agency	National Road Authority

This technical assistance supported two components in the road sector: (i) increasing road user charges to enable financing of national road network maintenance and (ii) reducing barriers to international and national private sector contractors to enable their participation in long-term opportunities for road improvement and maintenance in PNG.

To develop road user charges, the technical assistance assessed the maintenance needs, available funding, and resource gap; prepared proposals for the National Road Authority (NRA) to generate and collect user charges under the NRA Act; identified additional road user-related resources to be mobilized for road maintenance; prepared policy and legislative reforms as needed; and assisted the NRA to secure endorsement by the Government of PNG.

The private sector participation component of the same technical assistance included a review of the government's policies governing national and international contractors and identification of barriers. It also included proposals for reforms, and organized seminars and workshops to create awareness among national contractors and entrepreneurs on long-term opportunities for road improvement and maintenance works. The technical assistance team developed the detailed implementation plan for road user charges.

Regulating and Sustaining Road Transport and Private Sector Participation in Road Development

Supporting implementation of policy and institutional reforms to improve the sustainability of road investments

Technical Assistance Amount	$1.0 million
Funding Source ADB	$1.0 million
Executing Agency	National Road Authority

The technical assistance supported the Department of Transport in establishing the Road Traffic Authority (RTA) to consolidate the functions of the Land Transport Department and National Road Safety Council. The RTA is reponsible for updating the technical aspects of regulations governing, among others, fees, fines, and vehicle weight limits, and implement the required rules and procedures. The technical assistance supported the RTA from launch to operations. The National Road Authority (NRA) has also assisted in implementing road user charges for collection of revenues. The additional revenue will come from enhanced levies on fuel, NRA annual charges, and use of the government's infrastructure tax credit scheme.

This project will increase the number of registered vehicles and licensed transport services and raise the NRA's revenue generation.

Peter Nagum

Major Bridges Study

Supporting the preparation of cost-effective and sustainable design of bridges to provide safe river crossings

Technical Assistance Amount	$0.8 million
Funding Source ADB	$0.8 million
Executing Agency	National Road Authority

Major bridges on 5 out of the 16 priority national roads require innovative bridge design for improved access to ports, markets, economic activities, and basic social services. This technical assistance supports studies of major rivers and identification of potential bridge sites based on life–cycle cost analysis. Bridge sites will take into consideration climate change as well as its environmental and social impacts.

The Major Bridges Study technical assistance project is part of an ADB-supported comprehensive bridge replacement project that is improving the two-lane national road network in PNG by replacing narrow modular steel and other deteriorated bridges with permanent two-lane structures.

Peter Nagum

Daisuke Mizusawa

Sally Shute-Trembath

SOLOMON ISLANDS

The Solomon Islands' economy has been generally strong, but highly volatile until recently. Annual GDP growth ranged from 1.0% in 2009 to 10.6% in 2011. Growth appears to be stabilizing: 4.8% in 2012, with forecasts of 2.5% in 2013 and 4.0% in 2014.[11] Solomon Islands' exports include timber, gold, cocoa, copra, and other agricultural products, with revenues very sensitive to commodity price changes. Limited institutional capacity creates further challenges to sustained growth in the Solomon Islands.

ADB's work in Solomon Islands has a major focus on transport infrastructure, guided by the National Transport Plan, developed under ADB assistance. Key elements of the plan include integrated planning, protection of environmental and social sustainability, and increased resiliency in the face of natural disasters.

Several phases of road improvement projects are rehabilitating about 90 kilometers (km) of gravel roads and bridges. Maritime projects are supporting regulatory and institutional reform designed to create more frequent, reliable, and safe shipping services in Solomon Islands. ADB's projects have adopted an integrated approach to improving land, maritime, and aviation transport infrastructure and services in the most remote and poorest areas of the country.

Partnerships with other development partners, especially the Government of Australia, the European Union, and Government of New Zealand, have been important and helped ADB leverage its resources to deliver transport infrastructure and develop capacity in Solomon Islands.

Transport Sector Projects in Solomon Islands

Subsector	Project		ADB Funding ($ million)[a]	Implementation Period
Land Transport	Second Road Improvement (Sector) Project	Loan	15.0	Nov 2009–Mar 2013
	Solomon Islands Road Improvement (Sector) Project	Loan	0.4	Aug 2006–Jan 2013
Maritime Transport	Domestic Maritime Support (Sector) Project	Loan	15.6	Nov 2008–Jun 2019
Land/Maritime/ Aviation	Transport Sector Development Project	Loan	12.0	Dec 2010–Jul 2016
	Supporting the Transport Sector Development Project	Technical Assistance	0.8	Dec 2010–Mar 2014
	Strengthening Country Safeguard Systems in the Transport Sector	Technical Assistance	0.6	Nov 2012–Sep 2014
		Total	44.4	

[12] ADB. *Asian Development Outlook 2013 Update* (with additional references to earlier editions of *Asian Development Outlook*). Manila.

Project Portfolio

Second Road Improvement (Sector) Project

Removing transport accessibility constraints on economic growth and social development by providing road connectivity and improving reliability of access during natural hazards

Project Amount	$31.0 million
Funding Sources	
ADB	$15.0 million
Australia	$11.1 million
New Zealand	$ 0.3 million
European Union	$ 3.4 million
Government	$ 1.2 million
Executing Agency	Ministry of Infrastructure Development

The project provided road connectivity between rural areas and the main regional centers, reducing susceptibility to closures from natural hazards, reducing transport costs, and making transport of people and goods more reliable and safe. This aim was to encourage increased cultivation of land with agricultural potential; improve marketing of cash crops for national and international trade; improve access to health and education; and reduce travel fatalities and injuries, particularly among young people, women, and the elderly.

The project activities improved a network of 20 km of national, provincial, and secondary roads; replaced or upgraded about 30 water crossings (bridges, culverts, and fords across streams and rivers); and relocated selected roads for climate proofing. Another important activity was maintaining roads using labor-based techniques under national private sector contracts involving local communities. It further implemented project management, supervision, and capacity development, including a community education and awareness campaign. Finally, the project generated employment opportunities for rural communities by increasing the number of national contractors and requiring female participation in road maintenance contracts.

Solomon Islands Road Improvement Project

Improved accessibility in rural areas while strengthening the government's capacity to implement project

Project Amount	$20.4 million
Funding Sources	
ADB	$ 0.4 million
Australia	$ 9.4 million
New Zealand	$10.6 million
Executing Agency	Department of Transport

This project has improved road transport in rural areas while increasing the Ministry of Infrastructure Development's capabilities for project appraisal, maintenance management, supervision, and monitoring.

ADB's Road Improvement Program has rehabilitated 100 km of rural roads and bridges, increasing rural residents' accessibility to markets, social services, job opportunities, and economic opportunities. Meanwhile, the project placed considerable emphasis on capacity building and institutional strengthening.

Ministry of Infrastructure Development, Solomon Islands

Domestic Maritime Support (Sector) Project

Reducing economic disadvantage in remote rural areas by providing frequent, reliable, and safe interisland shipping services

Project Amount	$29.8 million
Funding Sources	
ADB	$15.6 million
Australia	$ 3.9 million
New Zealand	$ 2.5 million
European Union	$ 5.3 million
Government	$ 2.5 million
Executing Agency	Ministry of Infrastructure Development

The project is improving the safety and efficiency of domestic maritime transport services; this is being achieved by reconstructing and rehabilitating about 12 rural wharves, and establishing a franchise shipping scheme that supports provision of services to remote communities otherwise considered commercially unviable. The associated technical assistance has established the Solomon Islands Maritime Safety Administration, to ensure that shipping regulations are implemented in accordance with international standards. The project will increase services through these routes with subsidies to private sector operators. This is expected to allow increased agricultural production and better trade terms for remote communities.

Ministry of Infrastructure Development, Solomon Islands

Transport Sector Development Project

Improve access to socioeconomic opportunities for remote rural populations

Project Amount	$84.5 million
Funding Sources	
ADB	$12.0 million
Australia	$30.0 million
New Zealand	$30.0 million
Government	$12.5 million
Executing Agency	Ministry of Infrastructure Development

This project is rehabilitating and maintaining transport infrastructure, including roads, wharves, and airstrips; increasing the efficiency of project implementation and management; and upgrading the technical and managerial capacity of the Ministry of Infrastructure Development staff.

The sector-based approach of the project will bolster country ownership; increase reliance on country systems for reporting, budgeting, financial management, and procurement; strengthen the links between the transport sector plan and the budget framework; and improve development coordination. The project provides additional benefits for the socially vulnerable, including women, children, and the disabled in project design; examples include female employment in road construction and maintenance, skills training, and equal pay clauses.

Daisuke Mizusawa

Technical Assistance

Supporting the Transport Sector Development Project

Developing and implementing a reform and capacity development plan for the Ministry of Infrastructure Development to enhance project management and implementation capacity

Technical Assistance Amount	$1.0 million
Funding Sources Japan Fund for Poverty Reduction (administered by ADB) Government	 $0.8 million $0.2 million
Executing Agency	Ministry of Infrastructure Development

This capacity development technical assistance is implementing key reforms to the institutional structure of the Ministry of Infrastructure Development through institutional reforms, advice, and training. It is developing measures to improve project management and implementation. This includes training Ministry staff in engineering, procurement, financial management, and the implementation of social and environmental safeguards.

Strengthening Country Safeguard Systems in the Transport Sector

Strengthening the Government of Solomon Islands' country safeguard system framework and implementation capacity in the transport sector

Technical Assistance Amount	$0.6 million
Funding Source Japan Fund for Poverty Reduction (administered by ADB)	 $0.6 million
Executing Agency	Ministry of Infrastructure Development

ADB technical assistance will strengthen the Solomon Islands' country safeguard system framework in key transport ministries and thus improve the design and implementation of transport projects. Once in place, all relevant parties can pursue international best practices on safeguards and safeguard outcomes, and smoothly implement projects. Safeguards protect the environment and the people from the risks of development, and promote the long-term sustainability of project outcomes by minimizing, mitigating, or compensating for adverse project impacts.

Ministry of Infrastructure Development, Solomon Islands

Peter Stalker

TIMOR-LESTE

Timor-Leste is one of the fastest-growing economies in Asia and the Pacific, with an annual GDP growth rate ranging from 9.5% to 14.6% between 2008 and 2012.[13] The economy will likely grow 9.5% in 2013, 10.0% in 2014. The vehicle fleet is expanding rapidly (even doubling in some years) but only about 8% of the core road network has been assessed to be in fair condition. Road transport therefore has high prominence in government plans and programs.

Timor-Leste has initiated a new development phase funded by offshore petroleum revenue that supports sustainable economic growth by spending petroleum earnings on human and physical capital. The public sector is initiating large investments in infrastructure, inspired by successful efforts to expand electricity to Timor-Leste's rural villages. Infrastructure development is one of the three pillars in Timor-Leste's Strategic Development Plan, 2011–2030, along with social capital development and economic development. The government's 2013 infrastructure development program outlines a strategy emphasizing roads, sea ports, aviation, water, sanitation, drainage, electrification, and telecommunications.

The land transport component includes improved national, regional, and rural roads; rehabilitation and maintenance of 450 bridges; and a national ring road. Water transport plans include building two new ports and expanding several more.

ADB is committed to help the government fast-track the country's development by supporting infrastructure upgrades. ADB's $143 million of support focuses mainly on roads. This reflects ADB's well-established presence in the subsector.

ADB, the International Finance Corporation, Japan International Cooperation Agency, and the World Bank are cooperating closely on major infrastructure projects. ADB also cooperates with civil society organizations in Timor-Leste to strengthen the effectiveness, quality, and sustainability of the services it provides. ADB partnered with CARE to implement socially inclusive and gender-responsive transport initiatives.

Transport Sector Projects in Timor-Leste

Subsector	Project		ADB Funding ($ million)[a]	Implementation Period
Land Transport	Road Network Upgrading Sector Project	Loan	50.0	Sep 2013–Jun 2020
	Road Network Development Sector Project	Loan	46.0	Nov 2009–May 2015
	Road Network Upgrading Project	Loan	39.8	Mar 2012–Jun 2017
	Our Roads Our Future—Supporting Local Governance and Community-Based Infrastructure Works	Grant	3.0	Nov 2009–Jan 2014
	Infrastructure Project Management	Technical Assistance	3.0	Jun 2007–Dec 2014
	Infrastructure Management	Technical Assistance	0.5	Dec 2012–Dec 2014
	Strengthening and Use of Country Safeguards Systems: Developing Resettlement Safeguards Capacity in the Transport Sector in Timor-Leste	Technical Assistance	0.4	Oct 2012–Sep 2013
	Road Network Upgrading (Sector) Project (PPTA)	Technical Assistance	0.3	Aug 2012–July 2013
		Total	143.0	

PPTA = project preparatory technical assistance.

[13] ADB. *Asian Development Outlook 2013 Update* (with additional references to earlier editions of *Asian Development Outlook*). Manila.

Project Portfolio

Road Network Upgrading Sector Project

Support upgrading of priority sections of the national road network

Project Amount	$123.2 million
Funding Sources ADB Government	 $ 50.0 million $ 73.2 million
Executing Agency	Ministry of Infrastructure

The Road Network Upgrading Sector Project was approved in September 2013. It will support Timor-Leste's efforts to upgrade and climate proof about 117 km of national roads. In particular, this project will finance the upgrading of the trans-island road from Manatuto to Natarbora, connecting the north and south coasts in approximately the center of the country. The civil works contractors will maintain the upgraded road sections for 2 years after physical completion, and include performance-based road maintenance contracts. Public transport and freight movement is expected to increase several times over, thanks to these improvements.

This project provides technical assistance to improve the Ministry of Public Works' road maintenance program. In addition, it will assist with the preparation of detailed designs and environmental and social due diligence for 169 km of future national road upgrading efforts. This same project will also generate awareness of road safety and social issues among the public.

Road Network Development Sector Project

Making socioeconomic facilities in the project areas more accessible and cross-border activities more efficient, reduce travel time and costs, and improve planning and project implementation in the road sector

Project Amount	$52.9 million
Funding Sources ADB Government	 $46.0 million $ 6.9 million
Executing Agency	Ministry of Infrastructure

The Road Network Development Sector Project is financing part of a medium-term road network development program. It is upgrading 67 km of national roads in the western part of the country, one on the north coast and the other on the south coast. The project is also establishing a road maintenance program; improving the capacity of national contractors to implement road maintenance, as well as the Ministry of Public Works' ability to administer projects and its road maintenance program; increasing road safety awareness; and introducing climate-proofing measures as a standard procedure in road design and construction.

The project will reduce travel time and increase the efficiency of cross-border activities. The improved access to local and regional markets and towns will allow farmers to expand and diversify their agricultural production, support economic growth, and reduce poverty. Better access to health facilities will improve the people's well-being, in particular for women and children. Better roads will also ease travel to schools.

ADB Photo

Road Network Upgrading Project

More efficient movement of people and goods, a more reliable and safer road network

Project Amount	$53.5 million
Funding Sources ADB Government	 $39.8 million $13.7 million
Executing Agency	Ministry of Finance and Council for Infrastructure Administration Fund

The Road Network Upgrading Project is reconstructing and upgrading about 59 km of principal national roads in the country's northwest, connecting Liquica and Gelno to the national capital, Dili; expanding the road maintenance program of the Ministry of Public Works; building public transport facilities along the project roads; and climate-proofing project roads.

The primary beneficiaries of the project are expected to be vehicle owners and passengers, nonmotorized transport road users, and households living near the upgraded road links who sell cash crops and other agricultural produce. Additional project beneficiaries include passenger and goods transport service providers and commercial truck drivers; small businesses and traders, including vendors at local markets; buyers of coffee and other produce; and small and medium-sized enterprises in the district capitals and towns. Access to education and health facilities will also be improved.

Our Roads Our Future—Supporting Local Governance and Community-Based Infrastructure Works

Developing a new model of infrastructure provision that integrates livelihoods, employment, sustainable funding and capacity development

Project Amount	$3.0 million
Funding Source Japan Fund for Poverty Reduction (administered by ADB)	$3.0 million
Executing Agency	Ministry of Public Works

The project piloted a model for basic community infrastructure services, including the rehabilitation of rural roads. Specific project objectives are to provide roadside communities benefits in the form of employment, technical knowledge, and life skills, and to develop a sustainable community participation model. The project focuses on a sustainable funding mechanism and capacity development activities at the local government level, and strong interface between local governments and communities.

In addition to providing the public with greater access to social services and economic activities, the Our Roads Our Future project will increase the capacity of local governments to rehabilitate and maintain roads, while also developing communities literacy, numeracy and business skills, and their awareness of health and gender issues.

ADB Photo

Technical Assistance

Infrastructure Project Management

Enhanced opportunities for economic participation and improved access to basic social services

Technical Assistance Amount	$16.0 million
Funding Sources ADB ATF–Australian Technical Assistance Grant Counterpart	 $ 3.0 million $10.0 million $ 3.0 million
Executing Agency	Ministry of Public Works Ministry of Transport and Communication

The technical assistance supports the Ministry of Public Works and Ministry of Transportation and Communication to prepare and procure contracts for consulting services, goods, and works in line with annual capital development work plans. It also supports contract implementation. A capacity-building and training specialist oversees the preparation, implementation, and monitoring and evaluation of a staged capacity-building plan for project management in the relevant ministries. The project also provides a scholarship and technical upgrading program.

Infrastructure Management

Design institutional arrangements at the local and co mmunity levels to maintain rural feeder roads

Technical Assistance Amount	$0.5 million
Funding Source Infrastructure Project Management	 $0.5 million
Executing Agency	Ministry of Public Works

This multi-sector capacity development technical assistance project provides consulting services to strengthen the Ministry of Public Works (MPW) and will assist MPW to produce a results-based, long-term strategic plan.

The Infrastructure Management project will strengthen the MPW's operational capacity and establish a sustainable process that delivers roads, bridges, water, sanitation, and power infrastructure. This begins with preparation and agreement of an MPW capacity development framework assessing existing skilla and sequenced actions to improve the MPW's capacity. Specifically, it clarifies the institutional responsibilities needed for a sound approach to the government's expanded infrastructure development plans. This leads to streamlining MPW's project preparation processes, project administration and maintenance contracts.

ADB Photo

Strengthening and Use of Country Safeguards Systems: Developing Resettlement Safeguards Capacity in the Transport Sector

Supporting the Government of Timor-Leste to develop the country's capacity on land acquisition, compensation, and other aspects of resettlement safeguards for projects in the transport sector

Technical Assistance Amount	$0.40 million
Funding Sources ADB Government	$0.35 million $0.05 million
Focal Agency	Ministry of Public Works
Partner Agencies	Ministry of Finance Ministry of Justice National Directorate of Land, Property and Cadastral Services

The technical assistance supported the Government of Timor-Leste to improve the legal framework and the implementation capacity with respect to land acquisition and resettlement safeguards in the transport sector. While the transport sector was the basis for strengthening the country safeguard systems (CSS), projects in other sectors also benefited from the strengthened CSS and increased capacity of relevant government agencies, particularly the Ministry of Public Works; the Ministry of Justice; and the National Directorate of Land, Property and Cadastral Services.

The support prepared the legal analysis for CSS strengthening and institutional capacity assessment, guidelines on land acquisition and resettlement safeguards in the transport sector, and an action plan for strengthening the legal framework and implementation capacity on land acquisition and resettlement safeguards in the transport sector.

Road Network Upgrading Sector Project: Project Preparation

Project preparation technical assistance to design and test the soundness of the larger Road Network Upgrading Sector Project.

Technical Assistance Amount	$0.35 million
Funding Source ADB Government	 $0.30 million $0.05 million
Executing Agency	Ministry of Infrastructure

This technical assistance supported the design and due diligence of the Manatuto-to-Natarbora alignment for the larger Road Network Upgrading Sector Project.

The technical assistance provided ADB with the information necessary to determine the project's viability and prepare the inputs necessary to prepare a sector project. The project was approved in September 2013.

ADB Photo

VANUATU

Johnson Wabaiat

Vanuatu exports copra, kava, beef, and other agricultural products in addition to fish and seafood; there is limited light manufacturing for domestic consumption. Tourism is growing rapidly. Vanuatu has experienced 1.4%–2.0% annual GDP growth in 2010–2012, but positive advances in tourism support higher GDP growth forecasts of 3.2%–3.4% for 2013 and 2014.[14]

There are 220,000 people living on 12,000 km^2 covering Vanuatu's 82 islands. Two-thirds of employment is in agriculture. There remain gaps in inter-island transport.

The ADB country strategy focuses on (i) transport, (ii) urban infrastructure, especially in Port Vila, and iii) energy. ADB works closely with development partners to develop innovative approaches, and uses cofinancing partnerships to reduce financing costs. ADB, in partnership with the Government of New Zealand, has developed an interisland shipping project focused on better access to markets and social services in the outer islands, stronger safety regulations and better compliance, and improved shipping infrastructure. In addition, ADB, in partnership with the Government of Australia, contributes to urban development in greater Port Vila and adjacent peri-urban areas.

Transport Sector Projects in Vanuatu

Subsector	Project		ADB Funding ($ million)[a]	Implementation Period
Land Transport	Port Vila Urban Development Project	Loan	5.0	Dec 2011–Dec 2017
Maritime Transport	Interisland Shipping Support Project	Loan	10.2	Nov 2011–Jun 2017
	Establishment of the Maritime Safety Administration	Technical Assistance	0.5	Nov 2011–Sep 2016
		Total	**15.7**	

[14] ADB. *Asian Development Outlook 2013 Update* (with additional references to earlier editions of *Asian Development Outlook*). Manila.

Project Portfolio

Interisland Shipping Support Project

Improving access to socioeconomic opportunities through more reliable, safe, and adequately frequent interisland shipping services

Project Amount	$26.7 million
Funding Sources	
ADB	$10.2 million
New Zealand Government	$12.6 million
	$ 3.9 million
Executing Agency	Ministry of Finance and Economic Management

The Interisland Shipping Support Project includes infrastructure investments in Port Vila and five outer islands, and shipping support and coordination schemes to catalyze the provision of services to remote noncommercial destinations.

Port Vila's shortage of berths represents an increasingly severe constraint on national commerce over time. The project will build a new interisland shipping terminal, with sufficient berth capacity to simultaneously handle a mix of conventional vessels and landing craft. To improve rural access, four new outer island jetties are being constructed, and three existing jetties will be rehabilitated to international standards. The project is also providing shipping support and coordination, including a shipping scheme that provides subsidies for a number of voyages at designated frequencies on otherwise commercially unviable routes. In addition, vessels are to meet safety standards and provide facilities for women.

The project will benefit the entire country in terms of frequency of service, accessibility, mobility, and safety. The project will especially benefit people needing health care and those traveling for education.

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Port Vila Urban Development Project

For sustainable urban development in Port Vila, by improving infrastructure including road network

Project Amount	$39.1 million
Funding Sources	
ADB	$ 5.0 million
Australia	$31.0 million
Government	$ 3.1 million
Executing Agency	Ministry of Finance and Economic Management

This project is rehabilitating 22 km of the capital's road network for motorized and nonmotorized sustainable forms of transport. The transport phase also includes a traffic and pedestrian management plan and road safety education. The Port Vila Urban Development Project also combines road and drainage improvements to provide a total 7 km^2 of drainage basins and a stormwater drainage system which will improve drainage in the highest priority flood-prone areas in the greater Port Vila area. Government agencies and communities will receive training in the management of road, sanitation, and drainage systems. The project represents the most significant investment in Port Vila since independence 33 years ago.

The Port Vila Urban Development Project will decrease people's travel time and increase mobility, improve sanitation and health conditions, and provide flood protection. The project particularly targets disadvantaged households in settlement communities, while providing women income-generating opportunities and a strong voice in decision making.

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Technical Assistance

Establishment of the Maritime Safety Administration

Supporting the Ministry of Infrastructure and Public Utilities in restructuring its departments; and strengthening its management, operations, and regulatory role

Technical Assistance Amount	$1.5 million
Funding Sources	
ADB	$0.5 million
New Zealand	$1.0 million
Executing Agency	ADB

This technical assistance accompanies the Interisland Shipping and Support Project. Establishment of the Maritime Safety Administration will improve institutional capacity for maritime safety compliance, including vessel registration, inspection, and survey; licensing of seafarers; and administration of ports and harbors. The technical assistance will provide draft amendments to legislation while outlining an improved delegation of responsibility and authority to ensure compliance with safety regulations and draft implementing regulations; it will also restructure the Ministry of Infrastructure and Public Utilities and train its staff. Special efforts will be made to increase the participation of, and benefits to, women.

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Johnson Wabaiat

ADB Photo

REGIONAL

The Pacific island nations share many distinctive challenges in terms of geography, climate, and capacity that are addressed with regional approaches. A regional, integrated approach facilitates trade and transport connectivity, by identifying trade corridors, enhance estimation of trade flows, and improve country capacity to lift logistics performance. ADB and development partners fund a variety of technical assistance providing solutions to development policies and planning challenges. Several regional approaches support one or more countries to improve their institutions and strengthen their capacity, especially trade, transport, tourism, climate change, and resource management.

Two of these island nations have land borders, Papua New Guinea (PNG) and Timor-Leste. An ADB technical assistance is improving the coordination necessary to maintain efficient cross-border links with their single land neighbor, Indonesia.

The importance of commercial air traffic to island nations and their limited capacity require joint assistance from a transnational agency dedicated to improving aviation safety and security, establishing harmonized procedures, and ensuring the body's financial sustainability.

Much of Pacific island nations' transport infrastructure are exposed to rising sea levels, flooding, vector-based diseases, and even landslides. ADB is providing the region assistance in reducing these nations' vulnerability to the threats climate change pose to roads, bridges, piers, and airports.

The Pacific Regional Infrastructure Facility (PRIF), a partnership between development partners and country governments, supports coordination and financing of investments and technical assistance, to develop innovative approaches to address infrastructure needs. A team of experts funded by development partners and ADB support scoping studies, preparation of projects and streamline their delivery, improve the performance of infrastructure assets, coordinate assistance from different donors, improve the larger policy and management framework, and encourage private sector participation.

Regional Transport Sector Projects

Subsector	Project		ADB Funding ($ million)[a]	Implementation Period
Land/Maritime Aviation	Capacity Strengthening and Institutional Development for Border Management and Trade and Tourism Development in the Pacific	Technical Assistance	2.5	Mar 2010–Dec 2013
	Strengthening Climate Risk and Resilience Capacity of Pacific Developing Member Countries	Technical Assistance	0.9	Jun 2011–Jun 2013
	Establishment of the Pacific Infrastructure Advisory Center	Technical Assistance	0.0	Jan 2009–Dec 2013
	Establishment of the Pacific Regional Infrastructure Facility Coordination Office	Technical Assistance	0.5	Apr 2013–Apr 2016
Aviation	Institutional Strengthening for Aviation Regulation	Technical Assistance	0.9	Dec 2010–Jan 2014
		Total	4.3	

Strengthening Climate Risk and Resilience Capacity of Pacific Developing Member Countries (Phase 1)

Supporting climate-resilient infrastructure development planning, budgeting, and implementation by PNG and Tonga governments

Technical Assistance Amount	$0.95 million
Funding Source Strategic Climate Fund	$0.95 million
Executing Agency	ADB

The outcome of the technical assistance will be two strategic programs for climate change resilience for investments agreed by the governments of PNG and Tonga. The Climate Change Resilience Sector Project for Tonga was approved in late 2013, while the project for PNG is scheduled for approval in 2014.

The project will (i) strengthen capacity of key government agencies, the private sector, and civil society focused on incorporating climate change adaptation into national and infrastructure sector planning, budgeting, and design; and (ii) prepare two investment programs that will identify investment options for enhancing climate resilience in key infrastructure sector programs and projects, with cost estimates and indicators for monitoring progress. Stakeholders are actively involved with the consultants in the design of the investment programs.

Institutional Strengthening for Aviation Regulation

Increasing aviation security and safety in member countries by ensuring that aviation laws, regulations, technical documentation, and procedures are current, compliant with the International Civil Aviation Organization requirements, and harmonized across the region

Technical Assistance Amount	$0.9 million
Funding Source ADB	$0.9 million
Executing Agency	ADB

The project is expected to increase safety and security compliance rates, reduce compliance costs, and increase financial sustainability of the Pacific Aviation Safety Office (PASO). The intended outcome is the revision and harmonization of national aviation legislation and regulations.

The project will support regional harmonization of aviation legal frameworks and financial sustainability of PASO by (i) assisting with revisions to national aviation legislation and regulations through detailed drafting of instructions, legal advice, and model frameworks for each member country; (ii) ensuring that PASO member countries have the ability to generate sufficient revenues for oversight through revised national financial options and authorizing regulations; (iii) ensuring that PASO achieves financial sustainability through revised financial procedures; and (iv) conducting a comprehensive audit of PASO financial performance.

Vision RI

Capacity Strengthening and Institutional Development for Border Management and Trade and Tourism Development in the Pacific

Establishing efficient systems of border crossings between PNG and Indonesia, and between Timor-Leste and Indonesia, to improve cross-border trade and enhance subregional integration through increased travel

Technical Assistance Amount	$2.7 million
Funding Sources	
Japan Special Fund (administered by ADB)	$1.5 million
Regional Cooperation and Integration Fund (ADB)	$1.0 million
Japan Fund for Poverty Reduction (administered by ADB)	
Governments of PNG and Timor-Leste	$0.2 million
Executing Agency	ADB

All countries in the Pacific region are island countries. Only two Pacific DMCs—Timor-Leste and PNG—have land borders, and they both share borders with Indonesia. The technical assistance is enhancing these countries' institutional capacity for border management by (i) strengthening the capacity of the border services in PNG agencies to provide efficient and quality border services and transit facilities, and (ii) establishing internal coordination mechanisms in the border provinces. The technical assistance is also focusing on cross-border trade and tourism by examining the potential for cross-border trade in goods and services; strengthening trade-related institutions; and assisting in pursuing border pass agreements with Indonesia, including developing and/or improving systems for establishing border markets. Strengthening capacity for developing and implementing cross-border transport links is also a priority.

Tim Little

Tim Little

PACIFIC REGION INFRASTRUCTURE FACILITY

ADB Photo

The Pacific Region Infrastructure Facility (PRIF)[15] is a partnership between development partners and Pacific country governments for coordination and financing of investments and technical assistance to support infrastructure development in Pacific countries. PRIF was established in 2008 by ADB, the Government of Australia, the Government of New Zealand, and the World Bank Group; the European Commission and European Investment Bank became members of the partnership in 2010 and Japan International Cooperation Agency became a member in 2013. Current PRIF partner countries are the Cook Islands, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. PRIF is governed by a team of representatives from each development partner and managed by a secretariat. The Government of Australia has provided about $200 million in new grant resources, while ADB and the World Bank have provided a pipeline of projects suitable for PRIF cofinancing.

Pacific Infrastructure Advisory Center

Advisory assistance to analyze, plan, and implement PRIF-funded interventions; and to contribute to improved policy, regulation, design, and management of infrastructure and private sector participation in PRIF countries

Technical Assistance Amount	$19.6 million
Funding Sources	
Australia	$15.9 million
New Zealand	$2.4 million
ADB	$0.9 million
Governments	$0.8 million
Executing Agency	ADB

The PRIF Coordination Office (PCO), is administered by ADB, on behalf of the PRIF development partners, to coordinate the technical assistance and project preparatory support to partner countries.

PCO responds quickly to requests from PRIF partner countries for advice and support on initiatives taken by a country to (i) improve the delivery and performance of infrastructure assets; (ii) mobilize technical assistance resources for support to assistance in economic infrastructure sectors; (iii) act as facilitator and coordinating unit among the PRIF development partners on infrastructure activities by gathering, analyzing, and sharing information among partners; (iv) contribute to improved policy, design, regulation, financing, management, and maintenance of infrastructure by offering new and innovative approaches to policy, planning, and implementation of development priorities consistent with national development goals; and (v) encourage private sector participation in PRIF partner countries.

[15] http://www.theprif.org

The *Pacific Transport Update 2013* was prepared by the Pacific Department under the guidance of Xianbin Yao, Director General, PARD; Noriko Ogawa, Deputy Director General, and Robert Guild, Director, Transport, Energy and Natural Resources Division. The preparation team included Rishi Adhar, Cecile Caparas, Ganiga Ganiga, Sarosh Khan, David Ling, Daisuke Mizusawa, Shigehiko Muramoto, Jagath Peththawadu, Richard Phelps, Ma. Antonietta Salvador, Sally Shute-Trembath and Emma Veve; and staff consultant Douglas Lucius. The team would also like to thank the Department of External Relations for their contributions in preparing the report.

Pacific Transport Update 2013

The Asian Development Bank (ADB) is working to assist the development of the transport sector in 14 Pacific developing member countries (DMCs) through technical assistance and concessional loan or grant financing. ADB is providing support for land, maritime, and aviation subsectors to improve access to domestic and international markets, delivery of social services, and integrated networks for inclusive development. ADB is currently implementing transport projects in eight Pacific DMCs: the Cook Islands, Fiji, Kiribati, the Federated States of Micronesia, Papua New Guinea, Solomon Islands, Timor-Leste, and Vanuatu. This document provides a summary of the existing portfolio of transport projects and technical assistance approved and under implementation in 2012, and an overview of technical assistance requested for 2013–2015.

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.8 billion people who live on less than $2 a day, with 903 million struggling on less than $1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
www.adb.org

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