

## Evaluation Approach Paper

### Thematic Evaluation Study: ADB Support to Pacific Small Island States

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#### A. Rationale

1. This independent evaluation assesses Asian Development Bank (ADB) support for 10 Pacific countries comprising the Cook Islands, Federated States of Micronesia (FSM), Kiribati, Nauru, Palau, Republic of the Marshall Islands (RMI), Samoa, Tonga, Tuvalu, and Vanuatu. It also assesses ADB's support for regional cooperation and integration that, in addition to these countries, includes Fiji, Papua New Guinea (PNG), Solomon Islands, and Timor-Leste.

2. The Pacific region receives the highest aid per capita in the world. In 2011, it received \$237 per person, four times higher than Africa, which sits at second place with \$49 per person. However, with the exception of Palau, all Pacific developing member countries (DMCs) are off-track against one or more of the Millennium Development Goal (MDG) targets.<sup>1</sup>

3. To contribute to development effectiveness, the evaluation will investigate the extent to which ADB support is relevant to the development challenges facing the Pacific's smallest, and in some cases fragile, states. It will focus on how ADB works in the region to reduce vulnerability, support regional cooperation and integration, and promote inclusive economic growth. ADB's response to climate change and gender issues in the Pacific will also be examined as well as support for state capacity building and partnerships, and other themes included in ADB's *Pacific Approach 2010–2014*.<sup>2</sup>

4. The evaluation will inform ADB shareholders, Board of Directors, Management, and other stakeholders about the complexities and risks of operating in small island states. ADB will use the evaluation to inform future Pacific support.

#### B. Background

##### 1. Complexity in Small Countries

5. The Commonwealth defines small states as sovereign states with fewer than 1.5 million people.<sup>3</sup> However, except for PNG (7.5 million), Timor-Leste (1.2 million), Fiji (0.85 million), and Solomon Islands (0.55 million), the countries covered by this evaluation all have populations

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<sup>1</sup> Independent Evaluation Department. 2013. *Thematic Evaluation Study: ADB's Support for Achieving the Millennium Development Goals*. Manila: ADB.

<sup>2</sup> ADB. 2009. *ADB's Pacific Approach 2010–2014*. Manila.

<sup>3</sup> Commonwealth Secretariat. 2012. *Small States: Economic Review and Basic Statistics Volume 16*.

below 300,000 (Appendix 1) and are among the smallest states in the world (from now referred to as Pacific small island states). However, no agreed definition of small island state exists.<sup>4</sup>

6. Despite their small populations, Pacific small island states are a highly diverse group, differentiated by size, geography, culture, history, life expectancies and so on. If size were measured by numbers of languages spoken, fragmentation,<sup>5</sup> or ocean resources, Pacific countries would certainly not be small. Vanuatu, for instance, has 60 populated islands and over a 100 languages. The 33 islands of Kiribati are scattered over an ocean area roughly the size of India.<sup>6</sup> Hence, “large ocean” may be a better definition than “small island” states.

7. Small states— island states particularly— conjure images of tropical paradise, yet, due to their relative isolation and tiny populations, they face extreme development challenges.<sup>7</sup> All are disproportionately vulnerable to external shocks, including natural disasters, climate change, and economic downturns. Seven out of the 10 Pacific small island states were identified by ADB to be Fragile and Conflict-Affected Situation (FCAS) countries during the evaluation period including FSM, Kiribati, Nauru, RMI, Tuvalu, Palau, and Vanuatu.<sup>8</sup>

8. In the absence of significant reductions in greenhouse gas emissions and the necessary levels of adaptation by Pacific island communities, the viability of the most vulnerable of these countries in the very long term is uncertain. Small land masses, high ratios of shoreline to land area, remoteness in a vast ocean, insularity, and susceptibility to natural hazards implies an amplification of existing economic and environmental vulnerabilities when these are coupled with anticipated long-term climate change impacts.<sup>9</sup>

9. With the exception of the Cook Islands, Palau, Samoa, and Vanuatu, recent economic growth performance among the Pacific small island states has been poor. Small states in the Pacific have suffered low growth since 2000, while small states elsewhere have grown three times faster. This suggests that Pacific small island states face other disadvantages that limit how quickly they grow and develop.<sup>10</sup> With equally poor performance in education and health, most struggle to achieve the MDGs. Except for the Cook Islands, Samoa, and Palau, all are off track on two or more of these goals (footnote 2). Emerging issues such as climate change, access to water, population growth, and migration to urban centers dampen future results.

10. Pacific small island states that have performed well in terms of growth are those that implemented reform programs with ADB, International Monetary Fund (IMF), Australian and other bilateral support. Other non-reforming Pacific small island states performed less well.

11. This suggests that sound macroeconomic and social policies promote growth and development in small countries as much as in large ones. Yet, in small countries— particularly island states— other constraints impede investment and growth. Pacific literature suggests that

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<sup>4</sup> J. Connell. 2013. *Islands at Risk? Environments, Economies, and Contemporary Change*. Cheltenham, UK: Edward Elgar Publishing Limited.

<sup>5</sup> Pacific countries often consist of hundreds of smaller islands and communities.

<sup>6</sup> <http://www.worldbank.org/en/news/feature/2011/10/26/kiribati-pushing-against-the-tide>

<sup>7</sup> C. Becker. 2012. Small Island States in the Pacific: the Tyranny of Distance? *IMF Working Paper*. Washington, DC: International Monetary Fund.

<sup>8</sup> From 2013, Vanuatu and Palau are no longer on the shared ADB/World Bank list of Pacific FCAS countries.

<sup>9</sup> IED. 2013. Climate Change in the Pacific Region. *Literature Review*. November. Manila: ADB.

<sup>10</sup> Y. Yang, S. Singh, H. Chen, and B. Singh. 2012. *The Pacific Speed of Growth: How fast can it be and what determines it?* IMF and the University of the South Pacific.

cultural characteristics, for instance, are more important than they appear to be in more advanced countries.

12. Strong cultural traditions and kinship affect land use, law and order, and the courts' impartiality, which impedes investment and the creation of efficient markets. These strong cultural and kinship systems undermine donor-funded projects and other investments where success depends on changing behaviors and business practices. Ignoring this important element of Pacific Island societies can create major impediments to reform processes whether national or region wide. Without understanding these cultural traditions, donor support may not always work as planned.

13. The incidence of violence against women in the Pacific is high with over 60% of women and girls having experienced violence by a male partner or family member.<sup>11</sup> Such behavior limits the participation of women in social, political and economic life, negatively impacts on child development, and is a major cost for health, education, judicial and police services. While progress has been made in expanding women's access to justice in the Pacific much more needs to be done to ensure broader political representation and equal opportunities.

14. Regional cooperation and integration has been a longstanding objective for the Pacific for over 60 years. Regionalism is considered the means through which Pacific island countries can address the challenges associated with small populations and remoteness. However, a review of the Pacific Plan, the strategy agreed to by Pacific leaders in 2005 as the key framework for Pacific regionalism, shows slow progress.<sup>12</sup>

15. Two developments offer opportunities to accelerate regionalism. The first is through stronger economic connections with Asia which offers the opportunity to demolish distance, and the second is growth in telecommunications, which promises to extinguish the constraint of isolation. The question remains as to whether regionalism is an adequate answer to the challenges faced by smaller island states and the extent to which ADB support is relevant to it.

## **2. A Dedicated Pacific Approach**

16. *The Pacific Approach 2010–2014* guides ADB's overall strategic direction for its operations in the Pacific. From July 2011, it also became the shared country partnership strategy (CPS) for each of the 10 Pacific small island states. The *Approach* differs from previous 5-year regional strategies in that not only does it identify what ADB should do, e.g., infrastructure, but what approach it should take to ensure sustainable development results, e.g., pre-project implementation support, capacity support, and involvement of women in project design, among other things.

17. The *Approach* recognizes the need to improve development effectiveness in the Pacific. Self-evaluation shows that performance in the Pacific lags behind ADB-wide averages (Table 1). However, these results exclude TA by far the dominant support instrument. For that reason a more comprehensive review of Pacific program performance would need to include a wider assessment of TA.

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<sup>11</sup> <http://www.pacificwomen.org/focus-areas/ending-violence-against-women/>

<sup>12</sup> Pacific Plan Review. 2013. *Report to Pacific Leaders*. Volume 1. Suva, Fiji: Pacific Island Forum Secretariat.

**Table 1: Evaluation Results<sup>a</sup> for Pacific Small Island States Sovereign Operations, cumulative 1973–2013**

Country	Rated Projects and Programs	Proportion (%)		
		HS/GS/S	LS	US
Samoa	21	43	38	19
Tonga	16	69	25	6
Cook Islands	11	64	27	9
Republic of the Marshall Islands	9	22	44	33
Vanuatu	8	38	38	25
Federated States of Micronesia	5	40	60	-
Kiribati	4	25	50	25
Tuvalu	3	67	33	-
Nauru	1	-	-	100
<b>Total Small Island States</b>	<b>78</b>	<b>47</b>	<b>36</b>	<b>17</b>
<b>Total Pacific</b>	<b>150</b>	<b>45</b>	<b>39</b>	<b>16</b>
<b>Total ADB</b>	<b>1,616</b>	<b>64</b>	<b>28</b>	<b>8</b>

GS = generally successful, HS = highly successful, LS = less than successful, S = successful, US = unsuccessful.

<sup>a</sup> Based on aggregate results of project/program completion reports (PCRs), validation reports (PVRs) and project/program performance evaluation reports (PPERs) using PVR or PPER rates in all cases where both PCR and PVR or PPER ratings are available

Source: Independent Evaluation Department.

18. While the objectives of the Pacific Approach are multifold, its main objective is to improve the quality of both lending and nonlending instruments, and to increase ADB efficiency through regional approaches and partnerships with other donor agencies. The main components of the Pacific Approach are summarized in the results chain (or theory of change) below (Table 2).

19. The *Pacific Approach* calls for greater attention to the capacity of institutions, the involvement of women in decision-making, integration climate change into projects and programs, and the importance of policies, institutions, and human capacity in sustaining development outcomes and impact. It also argues for greater ADB in-country presence, pre-project implementation support, and longer-term support and co-financing in partnership with other development agencies. There is an emphasis on larger and longer term TA and grants rather than loans. As seven of the Pacific small island states were FCAS countries during the evaluation period, the *Operational Plan for Enhancing ADB's Effectiveness in Fragile and Conflict-Affected Situations* (2013) is also relevant to ADB operational effectiveness.<sup>13</sup>

<sup>13</sup> Previously, ADB. 2007. *Achieving Development Effectiveness in Weakly Performing Countries: The Asian Development Bank's Approach to Engaging with Weakly Performing Countries*. Manila.

**Table 2: ADB Pacific Approach 2010–2014: Results Framework**

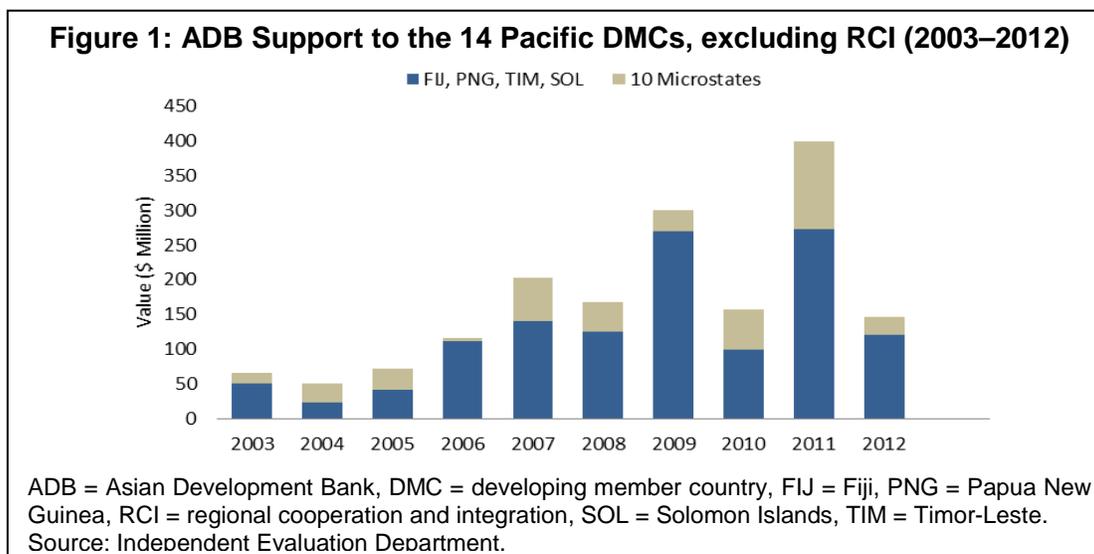
<b>IMPACT:</b> What the strategy aims to achieve	<b>SUSTAINED, IMPROVED, AND RESILIENT STANDARDS OF LIVING</b>			
<b>OUTCOMES:</b> What needs to happen in order to achieve impact?	Increased resilience to climate change	Good governance	Improved connectivity	Increased regional cooperation and integration
<b>Country Level Intermediate Results:</b> What changes occur as a result of the Pacific Approach?	Improved enabling environment for private investment; increased enterprise development		SOE reform and outsourcing of public services	
<b>ADB Intermediate Results:</b> What changes can we see in how ADB operates in the Pacific?	<b>Lending</b> Improved quality at entry; aligned with government priorities; gender and climate change effectively mainstreamed	<b>Non-Lending</b> Knowledge solutions; political economic analysis informs intervention design; capacity assessments undertaken for all projects	<b>Partnerships</b> ADB builds partnerships with other donors, private sector, and civil society to achieve improved development outcomes	
<b>Modalities:</b> What changes occur in the operational portfolio	<b>Increased country presence</b>	<b>Fewer, larger, more predictable, longer term, flexible interventions</b>	<b>Long term co-financing commitments</b>	
<b>Inputs:</b> Pacific Approach operational priorities	Energy	Transport/ICT		Water/Sanitation
	Education	Private Sector Development		Governance

ADB = Asian Development Bank, ICT = information and communication technology, SME = small and medium enterprise, SOE = state-owned enterprise.

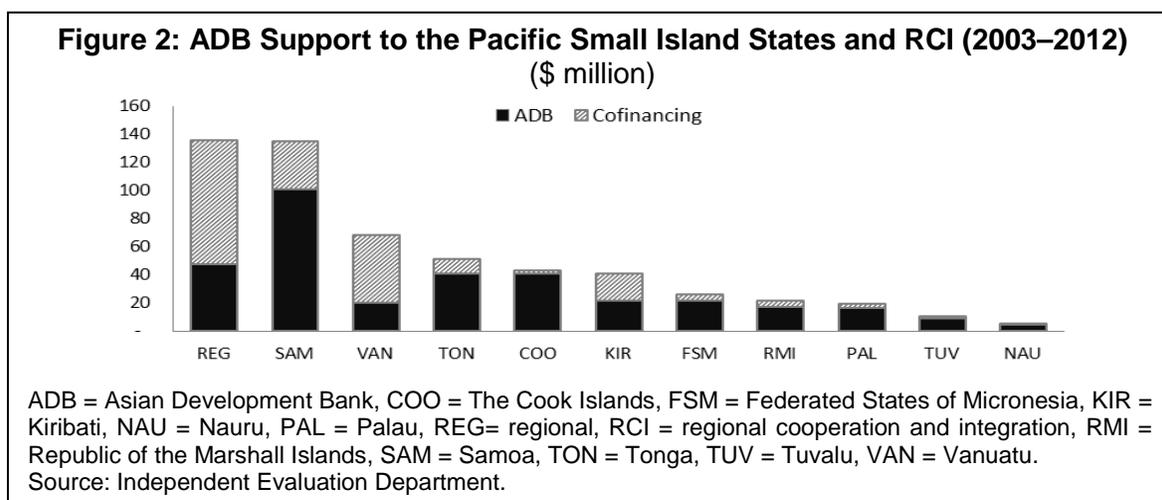
Source: Independent Evaluation Department.

## 2. ADB's Program

20. ADB provides development support to 14 Pacific island countries with the greatest share allocated to Fiji, PNG, Solomon Islands, and Timor-Leste (Figure 1).



21. Over the 10 years, 2003–2012, ADB's Pacific support reached \$1.8 billion in approvals, about 3% of total ADB loans, grants, and technical assistance (TA). Of this, nearly \$420 million or 23% was for Pacific small island states, and \$136 million was regional cooperation and integration. All figures include co-financing (Figure 2).<sup>14</sup>



22. Loans dominate the ADB Pacific small island state portfolio by value but not by count. By value, 23 loans account for nearly 50% of total support (Table 3). However, grants plus TA outnumber loans by five to one (Figure 3). TA is also the main modality for providing support for regional integration and cooperation.

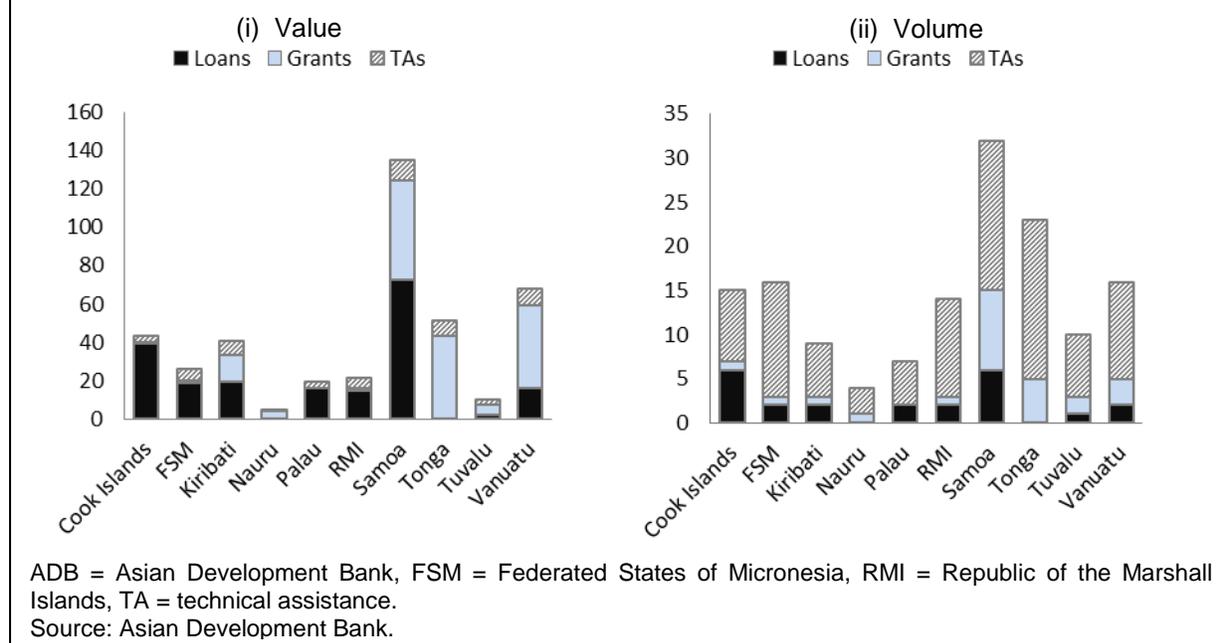
<sup>14</sup> The Regional Program also benefits Fiji, PNG, Solomon Islands, and Timor-Leste.

**Table 3: ADB Pacific Small Island State Support, 2003–2012**

Type	Value (\$ million)	Count	% Share	
			Value	Count
OCR	46.7	6	11	4
ADF	151.5	17	36	12
Grants	166.2	24	40	16
TA	55.3	99	13	68
<b>Total</b>	<b>419.7</b>	<b>146</b>	<b>100%</b>	<b>100%</b>

ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = ordinary capital resources, TA = technical assistance.

Source: Asian Development Bank.

**Figure 3: ADB Microstate Support by Value and Volume, 2003–2012**  
(\$ million, excluding the regional program)

23. One third of the loan portfolio is classified as multisector (Table 4), with the bulk of these loans supporting economic recovery and emergency assistance in response to natural disasters and economic shocks (particularly in the Cook Islands, Samoa, and Tonga). If these are considered as one-off responses and excluded from this particular analysis, then transport, water, and energy make up 70% of the loan portfolio by value.

**Table 4: Pacific Small Island State Loans by Sector, 2003–2012 (\$ million)**

<b>Sector</b>	<b>Loan Count</b>	<b>Value</b>	<b>Share</b>
Education	2	10.0	5
Energy	1	26.6	13
Multisector	7	64.7	33
Public Sector Management	2	14.5	7
Transport and ICT	5	50.6	26
Water and Other Municipal Services	6	31.8	16
<b>Total</b>	<b>23</b>	<b>198.2</b>	<b>100%</b>

ICT = information and communication technology.

Source: Asian Development Bank.

24. Water supply is the most important Pacific small island state intervention by value, 29% or \$121.6 million. However, public sector management, with an emphasis on policy reform and capacity building is the most frequent intervention by count (Table 5). TA is an important instrument for ADB Pacific small island state engagement, therefore, and central to ADB's strategy for improving development effectiveness.

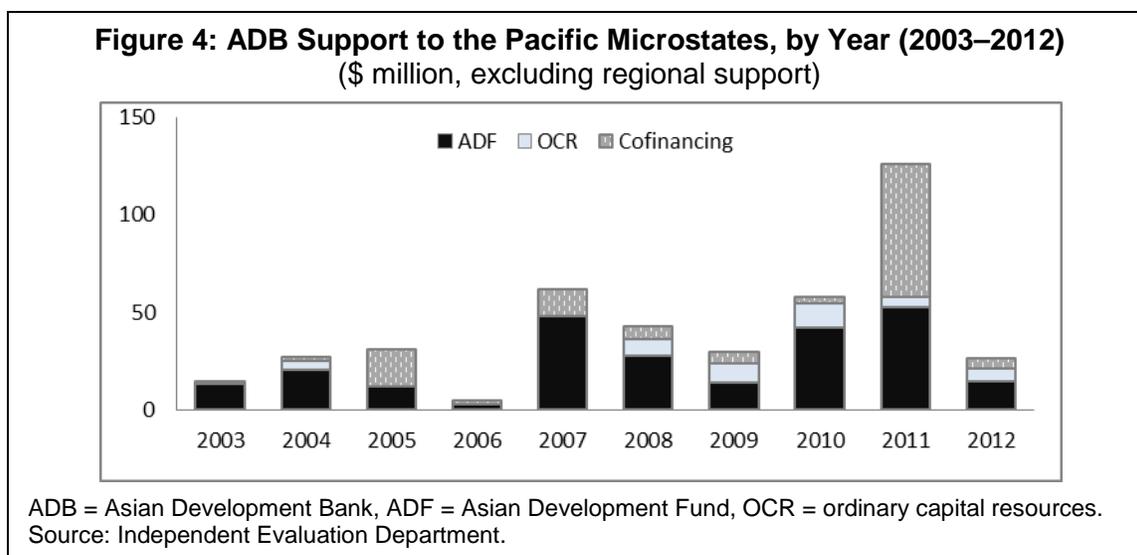
**Table 5: Share of Loans, Grants and TA by Sector, Value and Count (2013–2012)**

<b>Sector</b>	<b>% Share</b>		<b>Count</b>		
	<b>Value</b>	<b>Count</b>	<b>Loans</b>	<b>Grants</b>	<b>TA</b>
Water and Other Municipal Infrastructure and Services	29	18	6	9	11
Multisector	19	10	7	3	5
Transport and ICT	16	8	5	3	4
Energy	14	9	1	3	9
Public Sector Management	11	34	2	3	44
Education	8	9	2	3	8
Finance	1	5			8
Agriculture and Natural Resources	1	4			6
Health and Social Protection	0	1			2
Industry and Trade	0	1			2
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>23</b>	<b>24</b>	<b>99</b>

ICT = information and communication technology, TA = technical assistance.

Source: Asian Development Bank.

25. More recently, support for the Pacific small island states has grown, with the value of loans, grants, and TA almost doubling during 2008–2012 (Figure 4). Along with an increase in ADB operations, three factors explain this increase: recognition by ADB that fragile states need specific consistent support; co-financing from Australia and New Zealand; and new funding for emerging issues such as climate change special funds.



26. The value of regional support doubled over the evaluation period, reaching \$135.1 million, of which \$88.5 million, or 65%, is funded through co-financing.

27. However, nearly half of the regional program supports public sector management and programs that generate benefits across multiple sectors. This indicates the degree of ADB support for policy reform, capacity building, and institutional development across the region.

28. Notable regional interventions are programs that pursue common development and policy reform objectives across the region, often by locating project expertise in one country which provides support to several others. Examples include the Private Sector Development Initiative, which, at \$60.8 million, is the single largest regional support program, now in its third phase and almost entirely funded by Australia and New Zealand. A full list of regional TA is provided in Appendix 2.

### C. Scope, Limitations, and Timing

29. The focus of this evaluation is the Pacific Department's (PARD's) regional and smallest country programs. These programs share one CPS and are therefore not individually subject to independent evaluation through the country assistance program evaluation (CAPE) process or CPS validation reviews. Nor, since joining ADB, have these programs been subject to independent evaluation.<sup>15</sup> While the largest programs—Fiji, PNG, Solomon Islands, and Timor-Leste—are evaluated separately through CAPEs, they are included in this evaluation as beneficiaries of the regional program.<sup>16</sup>

30. A CAPE for PNG, the single-largest PARD portfolio, is included in the Independent Evaluation Department's (IED's) 2014–2016 Work Program.<sup>17</sup> CPS final review validations were completed for Solomon Islands and Timor-Leste in 2011.

<sup>15</sup> FSM, Nauru, and RMI have never had a CPS while the CPSs for The Cook Islands, Samoa, Tonga, and Tuvalu concluded in 2012, Palau in 2013, and Kiribati and Vanuatu end in 2014.

<sup>16</sup> Fiji, PNG, Solomon Islands, and Timor-Leste account for almost 70% of the Pacific country portfolio. PNG alone accounts for around 45%.

<sup>17</sup> To be finalized by end-2014

31. This evaluation is not resourced to conduct full CAPEs in each of the Pacific small island states. Instead, it will focus on the key development themes and approaches identified in ADB's *Pacific Approach 2010–2014*. Themes include climate change, gender, good governance, private sector development, greater regional connectivity, and regional integration. Some of these have already been assessed through IED Pacific sector assistance program evaluations (SAPES), which will be used to inform this evaluation.

32. PARD has undertaken its own mid-term review (MTR) of its performance against the objectives of the *Pacific Approach 2010–2014*.<sup>18</sup> However, this covers ADB's support for all 14 Pacific Island countries the largest share of which supports programs in Fiji, PNG, Solomon Islands, and Timor-Leste.<sup>19</sup> IED had initially proposed to validate this study, but it does not include performance ratings on which a validation review could be based.<sup>20</sup> Nor is performance judged by country, which is the way IED would normally validate a CPS final review.

33. The evaluation period covers 10 years from 2004 to 2013, the time period a CAPE would normally cover. ADB's Pacific support grew over this period, including to the Pacific Island States. Hence, an assessment of ADB's response to emerging challenges during this period, e.g., climate change, gender, and regional cooperation and integration is possible. It is also possible to assess the extent to which operational design reflects the *Pacific Approach* and that related to FCAS countries, particularly ADB's use of partnerships to achieve Pacific development objectives. However, it may be too early to judge the impact of these approaches on development outcomes.

34. The cost of achieving results in small, fragile, and isolated countries is high compared with larger, non-fragile countries.<sup>21</sup> Achieving results in the Pacific may take more time and require additional resources such as pre-project implementation support and greater in country presence. The evaluation will assess the extent to which ADB allocates additional resources to achieve results in Pacific fragile states and what results this has achieved or is likely to achieve. In addition it will assess partnerships in the region and the extent to which greater cooperation with other donors can contribute towards greater efficiency and effectiveness in achieving Pacific regional and country development outcomes.

#### **D. Evaluation Objective**

35. The objective for the evaluation is to assess the relevance of ADB's support to the development needs of the Pacific small island states, the operational response to the *Pacific Approach 2010–2014*, and the preliminary results achieved. It will also assess ADB's support for Pacific regional integration and cooperation.

#### **E. Evaluation Questions**

36. The evaluation's overarching questions and sub-questions are derived from the *Pacific Approach* theory of change set out in Table 2.

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<sup>18</sup> To be released early in 2014.

<sup>19</sup> New sovereign activities in Fiji were suspended in 2007. However, emergency support, additional financing for ongoing activities, private sector, and regional TA projects continued.

<sup>20</sup> A CPS review includes ratings for strategic positioning, program relevance, efficiency, effectiveness, sustainability, and development impact, as well as rating ADB and borrower performance.

<sup>21</sup> Independent Evaluation Group. 2014. *World Bank Group Assistance to Low-Income Fragile and Conflicted-Affected States*. Washington, DC: World Bank.

- (i) Is ADB's approach relevant to the development needs of the Pacific small island states given climate change, natural disasters, economic shocks, and the needs of vulnerable groups particularly women?
- (ii) How has ADB responded to the objectives of the *Pacific Approach* (2010–2014) and what results have been achieved or are likely to be achieved moving forward?
- (iii) To what extent is a multi-country approach, including support for regional cooperation and integration more relevant, efficient and effective for Pacific small island states development than a country focused approach?

37. An evaluation matrix showing these questions plus additional sub-questions together with the data and sources of information required to help answer them is set out below. Detailed methodology is described below.

## **F. Design and Methodology**

38. To answer the evaluation's main questions and sub-questions, the evaluation uses a combination of methods. The link between these methods and the questions is provided in the evaluation framework below (Table 6).

### **1. Literature Review** (completed)

39. The literature review has resulted in three reports covering Pacific regionalism, climate change, and the economic vulnerability of small states. These reports helped to inform this evaluation approach paper and will also inform the country case studies and the final evaluation report.

### **2. Synthesis of Evaluation Studies**

40. This exercise will use previous IED Pacific evaluations in transport, governance, and energy to find evidence to help answer the main evaluation questions and sub-questions. It will also use other IED studies where Pacific countries are included as case studies, e.g., evaluations on gender, fragile and conflict affected states, and climate change. PCR and PVRs will also be used. Where possible, the evidence identified by evaluation reports outside ADB will be used to support findings.

### **3. Portfolio Analysis**

41. The portfolio analysis will look at recent trends in ADB's support to the Pacific including to Fiji, PNG, Solomon Islands, and Timor-Leste to assess how resources are allocated across the region. The assessment will look for evidence that ADB has changed its way of operating in the Pacific, i.e., in accordance with the ADB's approach to operating in FCAS countries and the *Pacific Approach*. For example, is ADB working in partnership with other donors particularly through co-financing? Is there a shift from loan to grant financing and longer term TA? The analysis will also look for evidence of how climate change and gender are mainstreamed in operational design. An assessment of the regional portfolio will also be undertaken to identify the objectives of these interventions and which countries benefit from them. The review will cover the years 2004–2013.

**Table 6: Evaluation Framework**

<b>Overarching Questions and Sub-Questions</b>	<b>Information Required</b>	<b>Information Sources</b>	<b>Data Collection Methods</b>	<b>Data Analysis</b>	<b>Strengths and Limitations</b>
<p><b>Is ADB's approach relevant to the development needs of the Pacific small island states given climate change, natural disasters, economic shocks, and the needs of vulnerable groups particularly women?</b></p> <p>What impact is climate change having/expected to have on the Pacific region?</p> <p>What impact do natural disasters have on the economic development of the Pacific islands?</p> <p>How are the Pacific islands affected by external economic shocks?</p> <p>What is known about vulnerable groups in the Pacific, particularly women, youth and outer-islanders and the support they need to participate in the economy?</p>	<p>Pacific climate change forecasts, sea level rises and likely consequences on migration, agriculture, health, and water</p> <p>Estimates of economic costs of natural disasters; disaster management and preparedness approaches in the Pacific</p> <p>Impacts of external economic shocks on growth</p> <p>Information on position of women in Pacific societies</p>	<p>Literature</p> <p>Country case studies</p> <p>Interviews</p>	<p>Literature review</p>	<p>Cost of ADB's response to natural disasters and economic shocks</p>	<p>Context only</p>
<p><b>How has ADB responded to the objectives of the Pacific Approach (2010–2014) and what results have been achieved or are likely to be achieved moving forward?</b></p> <p>Have climate change and gender issues been effectively mainstreamed and what have been the results?</p> <p>Has quality at entry improved, what has contributed to this and has it improved results?</p> <p>To what extent are non-lending modalities more appropriate than loans to support Pacific development?</p> <p>Is policy based lending an effective instrument in the Pacific for supporting policy reform?</p> <p>Does working in partnership with other donors produce better results and does it mobilize more aid for the Pacific?</p> <p>Has ADB used political economy analysis to inform program design and if so what difference has this made to operational inputs and program objectives?</p> <p>How does FCAS status make a difference to the way ADB works in the Pacific?</p>	<p>Evidence in project design (RRPs)</p> <p>ADB's quality-at-entry analysis</p> <p>Portfolio review</p> <p>Review of TA interventions and ADB project capacity assessments.</p> <p>Review of joint financing</p> <p>Review of Pacific knowledge work</p> <p>Review of relevant ADB FCAS literature</p> <p>Pacific financial allocations (ADF, OCR)</p>	<p>RRPs, knowledge products, PA MTR, PARD staff, IED reports, PCR, PVR</p> <p>Country Performance Assessments</p> <p>PARD portfolio review data</p>	<p>Synthesis of IED evaluation reports</p> <p>Staff interviews</p> <p>Country Case studies</p> <p>ADB's QAE report</p>	<p>Climate change in the portfolio</p> <p>Analysis of gender in the portfolio</p> <p>Partnership and joint financing in the portfolio</p> <p># Specialist staff in PARD</p> <p>PARD staff turnover</p> <p>FCAS vs non-FCAS support</p>	<p>Limited by the extent to which we can interview beneficiaries directly</p> <p>Data on ADB costs per intervention</p> <p>Data on FCAS vs non-FCAS countries</p>
<p><b>To what extent is a multi-country approach, including support for regional cooperation and integration more relevant, efficient and effective for Pacific small island state development than a country focused approach?</b></p> <p>To what extent has regionalism been successful in the Pacific?</p> <p>What types of interventions are best supported at a regional level?</p> <p>Are regional interventions a more efficient approach for producing results than a country specific interventions following individual country strategies?</p>	<p>Literature review; findings from the evaluation of the region's Pacific Plan</p> <p>Review of PSDI and other regional interventions in the smallest states</p>	<p>PARD RCI Portfolio</p>	<p>PARD Interviews</p>	<p>How much of the RCI portfolio is spent by country?</p>	<p>Country visits will not include Fiji, PNG, Solomon Islands, and Timor-Leste</p>

ADB = Asian Development Bank, ADF = Asian Development Fund, FCAS = fragile and conflict-affected situation, IED = Independent Evaluation Department, MTR = midterm review, OCR = ordinary capital resources, PARD = Pacific Department, PCR = project completion report, PNG = Papua New Guinea, PVR = PCR validation report, QAE = quality-at-entry, RCI = regional cooperation and integration, RRP = report and recommendation of the President.

#### 4. Country Studies

42. The country studies will be a combination of desk review and country visits, though these will not be on the same scale as CAPES. Desk reviews will be carried out for each group of countries listed below, supplemented by at least one country visit in each group.

43. Country visits will include one from each of the following:

Large small states	Vanuatu, Samoa, Tonga
Microstates	Tuvalu, Nauru
Tourism Dependent	The Cook Islands, Palau
Trust fund/aid dependent	FSM, RMI, Kiribati

44. The case studies will follow a common set of questions with a particular focus on the relevance of ADB's support to vulnerability issues; ADB's response to the *Pacific Approach* especially climate change, gender and partnerships; and whether regional interventions are a more efficient and effective approach than country interventions. Evidence will be collected before country visits are undertaken. IED will prepare country portfolio reviews and ADB task managers and country teams will be interviewed prior to country visits.

#### G. Communication Strategy

45. To inform the next 5-year *Pacific Approach*, draft evaluation reports will be shared with relevant stakeholders for comments before the final evaluation report is completed. In addition, evaluation findings will be presented at internal ADB events, e.g., *Insight Thursday*, and external events, particularly in the Pacific region, Australia, and New Zealand. Presentations to IED staff will be made to share experience of the methodology used.

#### H. Resources and Timing

##### 1. Resources

46. One international consultant will be contracted to synthesize existing IED Pacific sector evaluations, and at least two international consultants will be required to undertake country case studies. The portfolio review will be completed by Evaluation Officer Grace Agapito. The evaluation team leader, Joanne Asquith, will develop the country study framework, undertake one study, and draft the evaluation report. IED will consider adding another evaluation specialist to the team. Caren Joy Mongcopa will provide team administrative support.

47. **External peer reviewers.** The Approach Paper has benefited from comments by Anthony Hughes (Solomon Islands based economist) and Keith Leonard (European Bank for Reconstruction and Development, formerly ADB's regional director in the Pacific Subregional Office in Suva, Fiji). Karl Hughes and Tomoo Ueda provided comments from within IED.

48. Timing of tasks is summarized in Table 7.

**Table 7: Timing of Evaluation Tasks**

<b>Tasks</b>	<b>Milestones</b>
Evaluation Approach Paper approved (post interdepartmental circulation)	Mid March 2014
Portfolio Review (partly completed)	End April 2014
Evaluation Synthesis	End May 2014
Country Case Studies	End August 2014
Draft Evaluation Report	End October 2014
Internal and External Peer Reviews	November 2014
Interdepartmental Circulation	November 2014
Circulation of Final Report	December 2014
Development Effectiveness Committee	February 2015

### **I. Indicative Budget**

49. The cost estimate for this evaluation study is \$169,000, which will be sourced from TA proceeds and administrative budget. The evaluation requires the input of five international and one national consultant (ADB HQ-based). The literature review was completed by two international consultants recruited under the 2013 budget. A national consultant, also hired in 2013, worked on the portfolio analysis. The remaining consultants will be recruited individually in accordance with ADB's Guidelines on the Use of Consultants. The budget summary is set out in the Supplementary Appendix. The cost of IED staff and their travel is not included in the budget.

Attachments:

Appendixes

1: Smallest States in the World by Population Size

2: Pacific Regional Technical Assistance

Supplementary Appendix (*not public*): Cost Estimates

## SMALLEST STATES IN THE WORLD BY POPULATION SIZE

No.	Country	Population (estimated July 2013)	Land Area (in km <sup>2</sup> )	Population Density (in km <sup>2</sup> )
<b>1</b>	<b>Nauru</b>	<b>9,434</b>	<b>21</b>	<b>449.24</b>
<b>2</b>	<b>Cook Islands</b>	<b>10,447</b>	<b>236</b>	<b>44.27</b>
<b>3</b>	<b>Tuvalu</b>	<b>10,698</b>	<b>26</b>	<b>411.46</b>
<b>4</b>	<b>Palau</b>	<b>21,108</b>	<b>458</b>	<b>46.09</b>
5	Monaco	30,500	2	15,250.00
6	San Marino	32,448	61	531.93
7	Liechtenstein	37,009	160	231.31
8	Saint Kitts & Nevis	51,134	261	195.92
<b>9</b>	<b>Marshall Islands</b>	<b>69,747</b>	<b>181</b>	<b>385.34</b>
10	Dominica	73,286	754	97.20
11	Andorra	85,293	468	182.25
12	Antigua and Barbuda	90,156	443	203.51
13	Seychelles	90,846	455	199.66
14	St. Vincent and the Grenadines	103,220	389	265.35
<b>15</b>	<b>Kiribati</b>	<b>103,248</b>	<b>811</b>	<b>127.31</b>
<b>16</b>	<b>Micronesia</b>	<b>106,104</b>	<b>702</b>	<b>151.15</b>
<b>17</b>	<b>Tonga</b>	<b>106,322</b>	<b>748</b>	<b>142.14</b>
18	Grenada	109,590	344	318.58
19	Saint Lucia	162,781	616	264.25
20	Sao Tome and Principe	186,817	1001	186.63
<b>21</b>	<b>Samoa</b>	<b>195,467</b>	<b>2,944</b>	<b>66.40</b>
<b>22</b>	<b>Vanuatu</b>	<b>261,565</b>	<b>12,200</b>	<b>21.44</b>
23	Barbados	288,725	431	669.90
24	Iceland	315,281	103,000	3.06
25	Belize	334,297	22,966	14.56

km<sup>2</sup> = square kilometer.

Note: The table excludes Niue, the smallest country in the world with fewer than 2,000.

Source: CIA World Fact Book. The list excludes Vatican and other small countries that are not independent states.

### PACIFIC REGIONAL TECHNICAL ASSISTANCE

Project Number	Project Name	Amount (\$)	Date Approved
6522	Establishment of the Pacific Infrastructure Advisory Center	5,528,000	8-Jan-09
7684	Institutional Strengthening for Aviation Regulation	900,000	9-Dec-10
7280	Pacific Economic Management—Response to the Global Crisis	2,000,000	13-May-09
7681	Pacific Economic Management—Enhanced Economic Management	1,000,000	6-Dec-10
7269	Supporting ADB's Engagement in Fragile Situations	750,000	14-Apr-09
8065	Enhancing ADB's Engagement in Fragile and Conflict-Affected Situations	800,000	29-Mar-12
6507	Strengthening Public Financial Management in Pacific DMCs	1,500,000	11-Dec-08
6475	Enhancing Engagement with Pacific DMCs	2,940,000	6-Aug-08
6466	Pacific Financial Technical Assistance Centre 2011–2014	1,000,000	12-Jul-11
6463	Strengthening Pacific Economic Analysis and Policy Development	1,900,000	9-Jun-08
6436	Results-Based Project Management for Pacific Development Member Countries	800,000	18-Dec-07
7794	Implementing the Pacific Regional Audit Initiative (PRAI)	1,300,000	29-Mar-11
7827	Strengthening Climate Risk and Resilience Capacity of Pacific Developing Member Countries, Phase 1	750,000	21-Jun-11
7753	Strengthening Coastal and Marine Resource Management in the Coral Triangle of the Pacific – Phase 2	15,068,180	14-Dec-10
7798	Promoting Energy Efficiency in the Pacific (Phase II)	8,754,545	31-Mar-11
7394	Strengthening the Capacity of Pacific Developing Member Countries to Respond to Climate Change (Phase 1)	4,965,000	23-Nov-09
6496	Regional Partnership for Climate Change Adaptation and Disaster Preparedness	1,000,000	27-Oct-08
7329	Promoting Access to Renewable Energy in the Pacific	3,000,000	11-Aug-09
7656	Promoting Evidence Based Policy Making for Gender Equity in the Pacific	1,450,000	25-Nov-10
7800	Building Capacity for Statistics in the Pacific	1,000,000	30-Mar-11
7787	Pacific Regional Information and Communications Technology Connectivity Project	900,000	14-Mar-11
7399	Information and Communication Technology-Based Inclusive Growth and Poverty Reduction in the Pacific	570,000	3-Dec-09
7901	Strengthening Regulatory Capacity for Information and Communication Technology Development in the Pacific	750,000	31-Oct-11
7282	Creation of the Pacific Information Superhighway with the University of the South Pacific Network	1,000,000	May-09
7430	Private Sector Development Initiative (Phase 2)	12,000,000	10-Dec-09
6353	Private Sector Development Initiative	9,839,350	21-Nov-06
8066	Quality Primary Education in the North Pacific	1,350,000	29-Mar-12
7458	Designing Demand-Based Technical and Vocation Education and Training Framework for the Pacific	745,000	18-Dec-09
7910	Solid Waste Management in the Pacific	450,000	15-Nov-11
6503	Capacity Strengthening and Institutional Development for Border Management and Trade and Tourism in the Pacific	2,500,000	8-Mar-10
	<b>Total (30 Interventions)</b>	<b>86,510,075</b>	

DMC = developing member country

Source: Asian Development Bank.