



Regional: Pacific Private Sector Development Initiative, Phase IV

Project Name	Pacific Private Sector Development Initiative, Phase IV	
Project Number	53072-001	
Country	RegionalCook IslandsFijiMicronesia, Federated States ofKiribatiNauruNiuePalauPapua New GuineaMarshall IslandsSamoaSolomon IslandsTimor-LesteTongaTuvaluVanuatu	
Project Status	Proposed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA: Pacific Private Sector Development Initiative, Phase IV Technical Assistance Special Fund	US\$ 2.00 million
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Partnerships Private sector development	
Sector / Subsector	Finance - Finance sector development - Inclusive finance Public sector management - Economic affairs management - Law and judiciary - Reforms of state owned enterprises	
Gender Equity and Mainstreaming	Gender equity	
Description	<p>The Pacific Private Sector Development Initiative (PSDI) IV will deepen reforms and initiatives aimed at creating a modern functioning private sector in the region. Building on the successes, strengths and lessons learned from phases I, II and III, this regional knowledge and support technical assistance (TA) will continue to support Pacific developing member countries (DMCs) with substantive reform agendas in the key thematic areas of financing growth; business law reform; state-owned enterprises (SOE)s reforms and public-private partnerships (PPP)s; and competition policy and consumer protection frameworks. Economic empowerment of women is proposed to be revitalized as a cross-cutting priority in PSDI IV rather than a stand-alone thematic area. The proposed new phase of PSDI is consistent with ADB's Strategy 2030, which recognizes the development challenges facing the DMCs including small island developing states, and outlines ADB's approach towards improving the business environment in these countries to help attract private sector investment and generate growth. The TA is in line with the priorities of ADB's Pacific Approach 2016-2020 and is included in the Pacific Regional Operations Business Plan, 2019-2021. PSDI has been operating successfully for past 12 years. This long-term arrangement has helped deliver positive outcomes, resulting in demands for further assistance with an expanded focus. Proposed PSDI IV will deliver on these demands and a new thematic area, aimed at supporting advocacy and reforms efforts by the Pacific regional organizations will be introduced together with labour mobility, as an additional cross-cutting priority.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Development challenges continue to prevent the private sector from harnessing economic integration opportunities, resulting in _speed-limits_ to growth in the Pacific. Financial markets are underdeveloped, constraining finance opportunities to potential investors, entrepreneurs and viable businesses. In Pacific, foreign investment promises to be an imperative source of capital that stimulates economic development, creates employment opportunities and develops human capital resources however, rigid and slowly evolving business laws and regulations makes modern commerce difficult barriers to entry, anti-competitive behavior, regulatory capture and poor decision making are common challenges. SOEs, which are amongst the largest commercial entities in most Pacific DMCs providing essential services are inefficient resulting in high cost of doing business, low or negative rate of return on public investments and comparatively low contribution to economic growth. Many Pacific DMCs are small island developing states and dispersion and distance to markets limits economies of scope and scale. These countries are challenged with promoting competition and obtaining efficiency gains through economies of scale, leading to weak competition and consumer protection frameworks. Tourism, a key economic sector for many Pacific DMCs is continuously challenged with competition from other markets, low visitor arrivals, lack of effective marketing platforms and low rate of local participation in the supply chains. Women in the Pacific are vulnerable to wide range of gender related issues including inequality in accessing employment, wages and ownership of assets. Many barriers to women's empowerment are systemic, rooted to the discriminatory laws, social norms, and customary practices alongside low levels of support, and a lack of awareness on business start-up procedures, limiting their ability to engage in business and economic activities to the same extent as men.</p>	
Impact	Stronger, sustainable, and inclusive private sector-led growth and employment in Pacific DMCs.	
Outcome	Policy and legislative reforms in Pacific DMCs to encourage stronger gender inclusive private sector-led growth.	
Outputs	Access to inclusive business finance improved in participating Pacific DMCs	
Geographical Location	Cook Islands - Nation-wide; Fiji - Nation-wide; Kiribati - Nation-wide; Marshall Islands - Nation-wide; Micronesia, Federated States of - Nation-wide; Nauru - Nation-wide; Niue - Nation-wide; Palau - Nation-wide; Papua New Guinea - Nation-wide; Samoa - Nation-wide; Solomon Islands - Nation-wide; Timor-Leste - Nation-wide; Tonga - Nation-wide; Tuvalu - Nation-wide; Vanuatu - Nation-wide	
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
Stakeholder Communication, Participation, and Consultation		
During Project Design		
During Project Implementation		
Responsible ADB Officer	Vimlesh Vikash Bharat	

Responsible ADB Department	Pacific Department
Responsible ADB Division	Pacific Liaison and Coordination Office in Sydney, Australia
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines

Timetable	
Concept Clearance	22 Jul 2019
Fact Finding	-
MRM	-
Approval	-
Last Review Mission	-
Last PDS Update	23 Jul 2019

Project Page	https://www.adb.org/projects/53072-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=53072-001
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