



Palau: Strengthening Fiscal Resilience for Sustainable Development Program, Subprogram 2

Project Name	
Strengthening Fiscal Resilience for Sustainable Development Program, Subprogram 2	
Project Number	
57121-002	
Country / Economy	
■ Palau	
Project Status	
Approved	
Project Type / Modality of Assistance	
■ Loan	
Source of Funding / Amount	
Loan 4802-PAL: Proposed Policy-Based Loan for Strengthening Fiscal Resilience for Sustainable Development Program, Subprogram 2	
Source	Amount
Concessional ordinary capital resources lending	US\$ 12.50 million
Loan: Proposed Policy-Based Loan for Strengthening Fiscal Resilience for Sustainable Development Program, Subprogram 2	
Source	Amount
Ministry of Foreign Affairs & Trade (New Zealand)	US\$ 1.17 million

Sustainable Development Goals

- SDG 1.a
- SDG 1.b
- SDG 8.3
- SDG 16.6
- SDG 17.1
- SDG 17.4
- Sector / Subsector
- Public sector management /

Gender

Some gender elements

Description

The program will improve fiscal discipline and strengthen the strategic allocation of resources, while comprehensively building climate change mitigation and adaptation into planning and budget execution. It includes synergistic policy actions across two reform areas: (i) strengthening national- and state-level PFM to support growth and resilience, and (ii) building foundations for climate-resilient and sustainable growth.

Project Rationale and Linkage to Country/Regional Strategy

The program implements reforms to enhance fiscal and environmental sustainability in Palau. It will improve fiscal discipline and strengthen the strategic allocation of resources, while comprehensively building climate change mitigation and adaptation into planning and budget execution. The programmatic approach, comprising two subprograms, allowed for sequencing and deepening of policy reforms, taking into account implementation capacity of executing agencies. Subprogram 1 was delivered in June 2024. It introduced new policies and practices to strengthen national and subnational public financial management (PFM) and supported climate-resilient and sustainable growth. Subprogram 2 institutionalizes and embeds these reforms. The program builds on previous Asian Development Bank (ADB) programs to help Palau recover from the coronavirus disease (COVID-19) pandemic and to strengthen domestic resource mobilization and PFM. It is supported by ADB's ongoing technical assistance (TA).

Impact

Project Outcome

Description of Outcome
Progress Toward Outcome

Implementation Progress

Description of Project Outputs
Status of Implementation Progress (Outputs, Activities, and Issues)
Geographical Location

Poverty Reduction and Inclusion

Poverty Reduction and Inclusion Classification
Summary Poverty and Social Analysis
TBD

Safeguard Categories

Environment
C
Involuntary Resettlement
C
Indigenous Peoples
C

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Project Participation and Engagement

During Project Design
During Project Implementation

Contact

Responsible ADB Officer
Narain, Ashish
Responsible ADB Department
Sectors Department 3
Responsible ADB Division
Public Sector Management and Governance Sector Office (SD3-PSMG)
Executing Agencies
Ministry of Finance

Timetable

Concept Clearance
-
Fact Finding
20 Jan 2026 to 27 Jan 2026
MRM
-

Approval
03 Jul 2026
Last Review Mission
-
Last PDS Update
03 Jul 2026

Project Page	https://www.adb.org/projects/57121-002/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=57121-002
Date Generated	03 August 2026

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.