



2023 KEY FINDINGS REPORT

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ABOUT THE PROJECT

The annual Pacific Aid Map — launched by the Lowy Institute in 2018 — is an analytical tool designed to improve aid and development effectiveness in the Pacific Islands region. It seeks to do this by enhancing the transparency of Official Development Finance (ODF) flows to Pacific Island states. By promoting greater transparency, the Lowy Institute hopes to increase coordination, improve accountability, and strengthen decision-making and policy debate on aid and development in the region.

This sixth annual edition of the Pacific Aid Map encompasses the period from 2008 to 2021. It includes data on more than 30,000 projects carried out by 82 development partners, totalling more than \$40 billion in ODF. The research includes data on 14 recipient states of the Pacific Islands region: Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia (Micronesia), Nauru, Niue, Palau, Papua New Guinea (PNG), Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

The Map synthesises millions of data points from official reporting mechanisms and databases. It combines this with information from thousands of publicly available documents including annual reports, financial statements, budget documents, news media reporting, and social media sources. The resulting database is the most comprehensive account ever created of both committed and disbursed ODF in the Pacific Islands region.

This 2023 Key Findings report includes an analysis of the Pacific's evolving development finance landscape and a series of profiles examining the development financing trends in each of the 14 Pacific Island countries covered in the database.

KEY FINDINGS:

1. The Pacific Islands received more than \$40 billion in ODF between 2008 and 2021, with development assistance playing a larger role in the Pacific than any other part of the world.
2. Despite record ODF in 2021 of \$4.8 billion, grant financing has been relatively stagnant while there is a rising reliance on loans for meeting the Pacific's considerable financing needs.
3. Australia is the largest donor in the Pacific, at about 40% of total ODF, followed at a distance by the Asian Development Bank, China, New Zealand, and Japan.
4. China's financing has gone from loud and brash to a self-styled strategy of 'small and beautiful', ushering in a new trend of downsized, more politically targeted ODF.
5. Multilateral development banks led the response to the pandemic crisis in 2020, but in 2021, it was Australia and Japan that dramatically ramped up their ODF support.
6. Direct budget support to Pacific Island countries has surged, increasing from an annual average of \$374 million prior to the pandemic to \$2.1 billion in 2020 and 2021.
7. The Australian Infrastructure Financing Facility is reshaping regional development financing, with infrastructure set to increasingly eclipse health and education as major donor priorities.
8. Australia has become the leading source of loans. While providing much needed development support, this comes at a time of elevated debt sustainability risks in the Pacific.
9. Climate development financing has grown steadily but remains well below that needed, especially for adaptation. Japan leads the way with the greatest focus on climate projects.
10. New data for this edition show donors have collectively been less focused on gender equality than in other regions but this is set to change given ambitious Australian targets.



To see more and use the fully interactive features of the Pacific Aid Map, visit pacificaidmap.lowyinstitute.org

TABLE OF CONTENTS

ANALYSIS	2
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KEY FINDINGS	3
---------------------	---

COUNTRY PROFILES

Cook Islands	12
Fiji	13
Kiribati	14
Marshall Islands	15
Federated States of Micronesia	16
Nauru	17
Niue	18
Oceania, Regional	19
Palau	20
Papua New Guinea	21
Samoa	22
Solomon Islands	23
Tonga	24
Tuvalu	25
Vanuatu	26

METHODOLOGY	27
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ANALYSIS: A NEW ERA OF FINANCING FOR DEVELOPMENT IN THE PACIFIC

The Pacific Islands region is entering a new era of development financing, with new priorities and new financial instruments emerging to augment the scope and magnitude of financing available to address a shifting set of development challenges facing the region.

In decades past, aid and development financing to the region had been the near exclusive preserve of traditional donors — comprising members of the OECD-DAC and multilateral institutions — with a heavy emphasis on human development and governance. But China's emergence at the beginning of the last decade as a major new donor in the Pacific Islands — and the response of traditional development partners to Beijing's arrival — profoundly reshaped the aid and development finance landscape.

The region was further altered by the onset of the pandemic in 2020 and ensuing economic turmoil. In the wake of that crisis, signs are that Pacific development financing will not be returning to pre-pandemic conditions. The Pacific Islands' financing needs for development have only continued to grow. The region faces a potential 'lost decade' of development¹ due to the pronounced and enduring economic damage of the pandemic aggravated by the escalating impacts of climate change.

However, China's development finance flows to the region appear to have peaked in 2016 and Beijing has not been a source of significant additional ODF disbursements in the region during or since the pandemic. By contrast, traditional donors have substantially stepped up their engagement with the region. The rapid adoption of sizeable budget support operations during the pandemic provided crucial emergency financing for affected countries. Traditional development partners have also significantly increased their infrastructure financing, with the new Australian Infrastructure Financing Facility for the Pacific turbocharging commitments in the region. Climate change adaptation and gender equality have also become renewed policy priorities.

Much of this new wave of financing, however, comes in the form of loans rather than grants, and Australia is now the leading source of new loans to the region. This is occurring at a time when debt sustainability in most Pacific Island countries is in question, not only due to elevated debt levels and interest rates but also the region's high vulnerability to climate change and natural disasters.

The value of the Pacific Aid Map

As the region and its development partners search for a new normal, this report presents key findings and insights from the sixth edition of the Pacific Aid Map — a testament to ongoing developments and challenges in the Pacific

Islands region, where development financing is not a story of yesterday, but rather a contemporary reality actively reshaping the region's future.

Aid and other forms of ODF play a crucial role in the Pacific Islands, more so than in any other part of the world. Collectively, the quantum of grants, concessional, and non-concessional loans in the region is higher on a per capita basis than in any other region.² Nine out of the 14 Pacific Island nations covered in this analysis are among the 16 most aid-dependent countries in the world, measured as a percentage of their national income.

The disparate geography of the Pacific Islands region poses complex challenges. Pacific Island countries are home to some of the smallest, most remote, and internally dispersed populations in the world, posing significant challenges to realising more traditional development pathways. Meanwhile, the reality of climate change presents an existential crisis to the region, with rising sea levels, coastal erosion, and extreme weather events threatening lives, livelihoods, and entire societies.

Inadequate infrastructure, constrained state capacity, and limited access to capital further inhibits economic growth and development prospects. Gender inequality is a particular barrier to Pacific Islands' development, limiting opportunities for women and stalling progress towards more equitable and sustainable socioeconomic growth. High population growth rates, a growing youth bulge, and overcrowding in urban areas, particularly in the atoll states, further compound these challenges.

While the economic circumstances of Pacific Island economies differ, one commonality is that all rely on a narrow set of income sources derived variously from tourism, agriculture, fishing licence revenue, basic commodity exports, and overseas labour mobility. This lack of economic diversification leaves societies vulnerable to economic shocks, including climate-related disasters and pandemics.

Coping with these challenges requires substantial financial resources, generally beyond the means of national governments in the region. Official development finance therefore remains an integral component of Pacific Island economies. However, there is a lack of detailed information and transparency regarding development funding at the project level in the Pacific. Bridging this information gap is essential for promoting coordination among various stakeholders, including government, development organisations, private sectors, and non-profit entities.

The Pacific Aid Map addresses this gap and serves as a critical tool for enhancing transparency, understanding, and decision-making regarding financing development in the Pacific Islands.

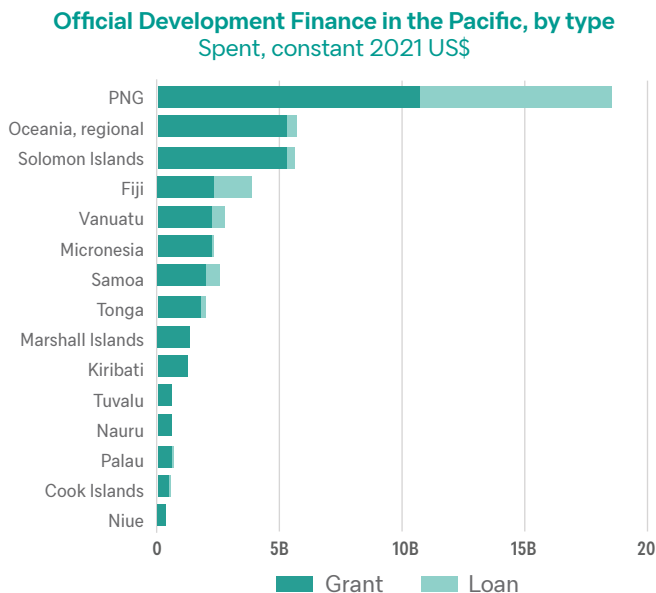
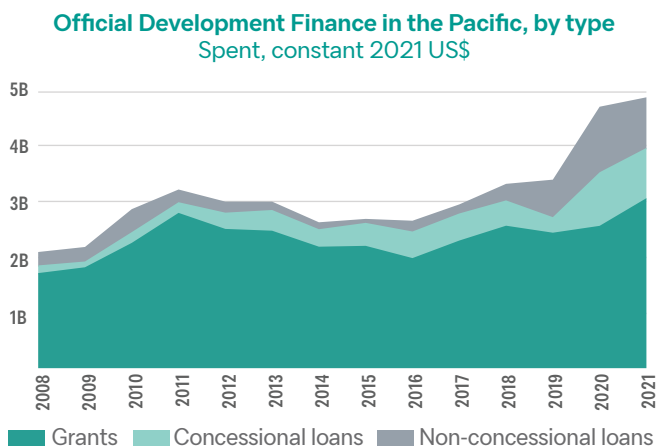
¹ Roland Rajah and Alexandre Dayant, *Avoiding a Pacific Lost Decade: Financing the Pacific's Covid-19 Recovery*, (Lowy Institute: Sydney, 8 December 2020), <https://www.lowyinstitute.org/publications/avoiding-pacific-lost-decade-financing-pacific-s-covid-19-recovery>.

² Authors' calculations, OECD DAC and AidData information.

KEY FINDINGS

1. The Pacific Islands received more than \$40 billion in ODF between 2008 and 2021, with development assistance playing a larger role in the Pacific than any other part of the world.

The Pacific Islands region received more than \$40 billion in ODF (constant 2021 US\$), or about \$3 billion a year on average. This predominantly consists of grants but increasingly also reflects sizeable loans, on both concessional and non-concessional terms. Concessional loans come with generous terms, including very low interest rates. However, non-concessional loans are provided on much less generous terms including higher interest rates generally linked to prevailing global interest rates, which have risen sharply in recent years.



The distribution of ODF is uneven across the region and over time. PNG, which accounts for 73% of the region's GDP and hosts 85% of its population, receives around 43% of total ODF. Solomon Islands receives the second-largest share, with 13%, while the other 12 countries combined receive the remaining 40% of financing. When looking at ODF per capita

however, it is the micro-states — such as Niue, Palau, Tuvalu, and Nauru — that receive the most. For the majority of Pacific Island countries, ODF represents a significant component of government revenues. The average Pacific economy receives ODF equal to roughly 14% of its GDP, the highest for any region in the world. Excluding PNG, the average Pacific country receives 33% of its GDP in ODF.

Similarly, the amount of ODF disbursed has increased significantly over time. In 2008, the total disbursed ODF amounted to around \$2 billion in the Pacific, adjusted for inflation. More than a decade later, it has more than doubled, surging to an unprecedented \$4.8 billion in 2021. The Covid-19 pandemic response has been a significant component of the ODF increase over the past few years.

Geopolitical dynamics and competition for influence have also contributed to a surge in development financing in the region. In recent years, several major donors have introduced new policies to enhance their regional engagement. For instance, in 2018, Australia announced its 'Pacific Step-Up' policy, which aimed to bolster Canberra's standing in the region through higher development aid, infrastructure investments, and security collaboration. That same year, New Zealand launched its 'Pacific Reset', and the United Kingdom introduced its 'Pacific Uplift', all involving increased ODF for the Pacific. Indonesia, an emerging donor, also revealed its 'Pacific Elevation' strategy in 2019, focusing on strengthening economic cooperation with Pacific Island countries.

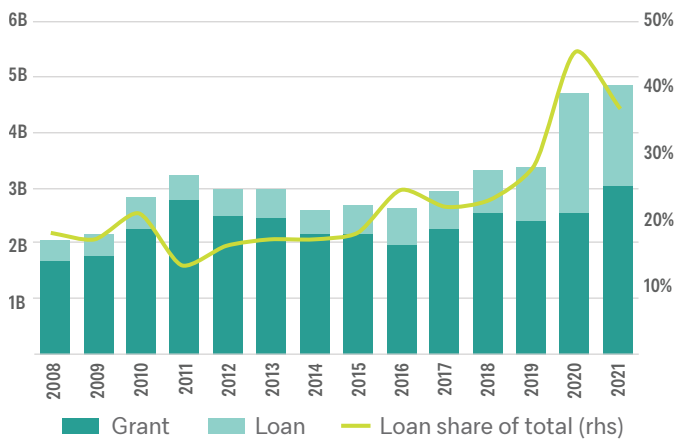
Over the 14 years of the Pacific Aid Map analysis, grants directed towards upper middle-income countries (Fiji, Tonga, Marshall Islands, Palau, Tuvalu) increased steadily, while loans for lower middle-income countries (PNG, Solomon Islands, Vanuatu, Samoa, Micronesia, Kiribati) experienced a significant uptick. This surge in loans to poorer countries can be attributed to China's emergence as a key donor, Australia's decision to begin providing large loans to the region, and the Covid-19 crisis.

2. Despite record ODF in 2021 of \$4.8 billion, grant financing has been relatively stagnant while there is a rising reliance on loans for meeting the Pacific's considerable financing needs.

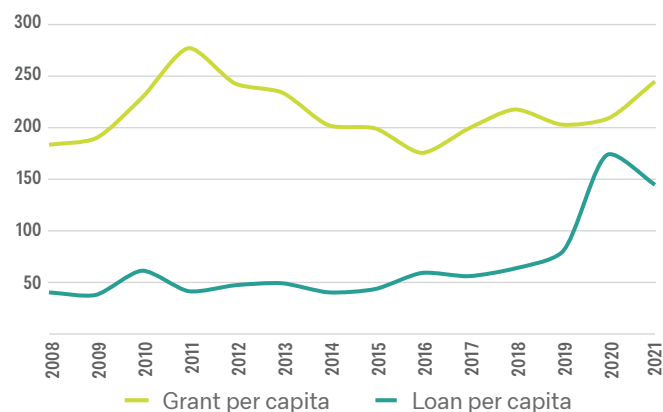
In 2021, the Pacific Islands region received its highest-ever recorded amount of ODF, totaling \$4.8 billion. While this influx of funding reflected a step up from the international community to support the region during the pandemic years, most of the increase has come in the form of loans, both concessional and non-concessional, rather than grants. Indeed, from a longer-term perspective, grant funding declined after 2011 in inflation-adjusted terms and only returned to just above the 2011 level during the pandemic. In contrast, loans financing experienced a significant increase over the period, surging especially during the pandemic.

While loan financing accounted for only 12% of all development projects agreed in 2009, this represented nearly 40% of such commitments in 2021. Particularly noteworthy is the substantial increase in the proportion of non-concessional loans, now constituting more than 60% of all lending committed to the region, primarily directed towards PNG and Fiji.

Loan financing surged during Covid
Spent, constant 2021 US\$



Per capita Official Development Finance, by flow type
Spent, constant 2021 US\$



In the decade leading up to the pandemic, ODF exhibited only sluggish growth with an average annual increase of 5%, smaller than the regional real GDP growth during the same period. Consequently, the proportion of ODF relative to regional GDP declined and only recovered to its 2008 peak during the pandemic.

Similarly, on a per capita basis, ODF in the Pacific Islands only saw marginal average annual increases of 3% prior to the pandemic. Importantly, per capita grants peaked in 2011 but have not reached that level since, not even during the pandemic, despite increasing debt and limited fiscal space.

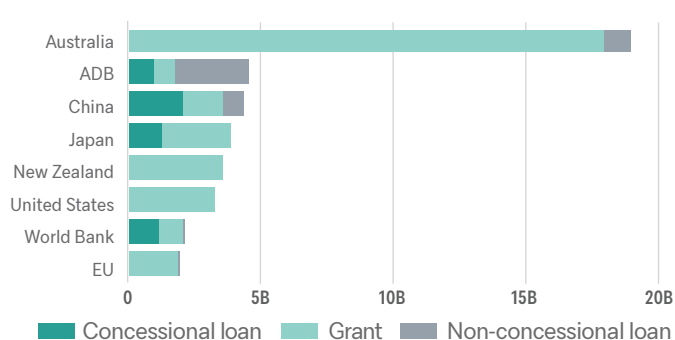
While the surge in support from international development partners during the pandemic was both welcomed and much needed, it is important to recognise that between 2008 and 2021, ODF fell significantly short when compared to the substantial financing gaps that persist in the realms of development, climate adaptation and mitigation, and a protracted recovery from the pandemic.

3. Australia is the largest donor in the Pacific, at about 40% of total ODF, followed at a distance by the Asian Development Bank, China, New Zealand, and Japan.

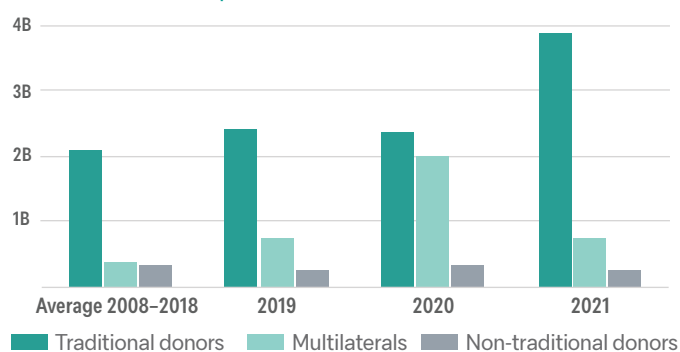
Despite an increasing number of donors in the Pacific — from 31 in 2008 to 63 in 2021 — ODF in the region shows a high degree of concentration among the most active players. Patterns of ODF often stem from historical ties. For instance, the United States contributes more than 60% of the total ODF to Marshall Islands and Micronesia, and 35% in Palau, under their Compact of Free Association (COFA) signed in the 1980s. Meanwhile, the Realm states of Cook Islands and Niue receive the bulk of their ODF from New Zealand. For all other Pacific Island countries, Australia is the leading development partner in terms of ODF disbursed.

Overall, Australia is not only the largest development partner of the Pacific Islands — with \$17 billion disbursed between 2008 and 2021, accounting for almost 40% of the total ODF in the region — it is also the largest provider of grant financing. Some 95% of Australia's ODF to the Pacific over the period has been in the form of grants. New Zealand is the second-largest provider of grant financing, with \$3.2 billion.

Official Development Finance in the Pacific, by top donor
Spent, constant 2021 US\$



Composition of Official Development Finance to the Pacific, by donor
Spent, constant 2021 US\$



The Asian Development Bank (ADB) is the second-largest development partner in the Pacific Islands and is the leading multilateral development bank operating in the region, ahead of the World Bank. Notably, in 2020, the ADB briefly took the top spot as the region's leading ODF provider by offering rapid and substantial Covid-19 support programs to PNG and Fiji.

China is the third-most significant source of ODF to the Pacific Islands, with a total of \$3.9 billion disbursed between 2008 and 2021. Chinese development finance in the region is primarily directed to countries with official diplomatic relations with the People's Republic of China, which includes Cook Islands, Fiji, Kiribati, Micronesia, Niue, PNG, Samoa, Solomon Islands, Tonga, and Vanuatu. Because China only provides ODF to a subset of Pacific countries, it can play an outsized role in these countries that belies its moderate share of total regional financing. For instance, China accounted for nearly 20% of ODF in Cook Islands, Samoa, Tonga, and Vanuatu, where Beijing has become the second-largest source of development funding. Nonetheless, in no Pacific country has China been the leading source of ODF over the period analysed. By contrast, Australia is the leading source of ODF for nine Pacific countries, the United States for the three Compact states, and New Zealand for its two Realm territories.

4. China's financing has gone from loud and brash to a self-styled strategy of 'small and beautiful', ushering in a new trend of downsized, more politically targeted ODF.

Since the onset of the pandemic, there has been surprisingly little new Chinese financing in the region. China's total development finance disbursements fell to just \$241 million in 2021, below its pre-pandemic historical average of \$285 million per year. That year, Beijing's ODF commitments — which provide a good indication of China's policy intentions and the amount of ODF potentially available — were a quarter that of the historical average.

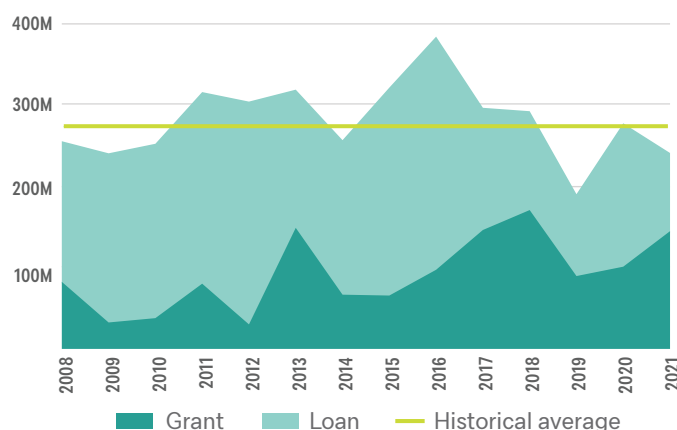
Despite its growing geopolitical clout in the Pacific Islands region, China's share of total ODF to the Pacific remains relatively small, accounting for just 9% of ODF spending since 2008. Its development financing peaked in 2016 and has been in decline ever since. This mainly reflects a fall in loans disbursements — reflecting lower demand from Pacific Island economies and increased competition from traditional development partners to provide alternative financing, but also in line with the global retrenchment in China's overseas development lending activities.³ A similar trend emerges with commitments, with only a handful of large projects signed since 2017.

Nonetheless, China's decreasing ODF engagement has not signalled a wholesale departure from the region, but rather a strategic shift to reduce risk, cement political ties, and enhance capital returns. For instance, China increased aid to Solomon Islands and Kiribati after their diplomatic switch from Taiwan in 2019, investing in popular projects such as the 2023 Pacific Games Stadium in Honiara and health and agriculture initiatives.

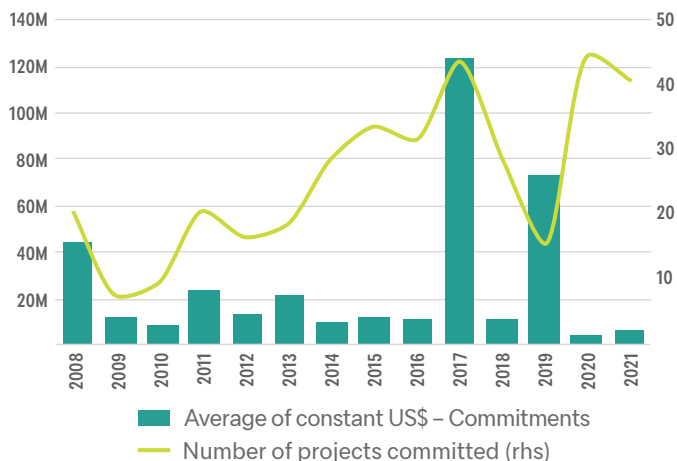
The nature of Chinese financing is also changing. While a third of its ODF was in the form of grants in 2008, this jumped to 60% in 2021. This is mostly because only two countries contracted new Chinese loans between 2016 and 2021: PNG and Vanuatu, principally for large road projects.

In November 2021, China's President Xi Jinping outlined the principles for the next phase of the Belt and Road Initiative (BRI). One of the main focuses was on risk management for BRI projects. Xi encouraged companies and their regulatory bodies to give priority to 'small and beautiful' projects in international cooperation. As a result, China has mostly shifted away from large-scale infrastructure development finance. From 2013 to 2019 — the first seven years of the BRI — the average Chinese project size in the Pacific Islands reached \$40 million. In recent years however, project sizes have significantly decreased to around \$5 million. Interestingly, the number of small projects has continued to rise, indicating China's adoption of this new framework.

Chinese Official Development Finance in the Pacific
Spent, constant 2021 US\$



'Small and beautiful' Chinese Official Development Finance projects in the Pacific



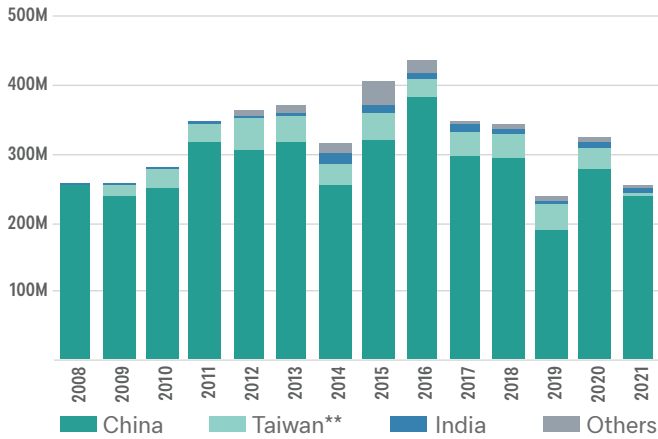
Overall, ODF from non-traditional donors — led by China and Taiwan — only accounts for 10% of the development package disbursed in the Pacific Islands since 2008.

While China's ODF disbursements in the Pacific have slowed down, Taiwan, the second-largest non-traditional donor to the Pacific Islands, has also reduced its ODF to the region, notably in Solomon Islands and Kiribati given their diplomatic switch to recognising the People's Republic of China in 2019. However, Taiwan remains a significant donor in several countries including Palau, Marshall Islands, Tuvalu, and Nauru.

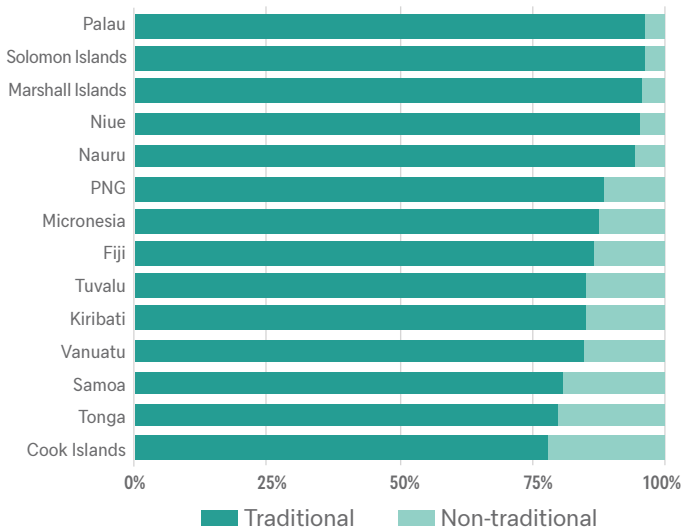
³ China's Overseas Development Finance (CODF) Database, Global Development Policy Center, Boston University, <https://www.bu.edu/gdp/chinas-overseas-development-finance/>.

Acknowledging that it is unlikely to match the financial scale of China's ODF, Taiwan has strategically pinpointed specific areas in Pacific development where its comparatively smaller investments can have a meaningful impact. For instance, Taipei focuses on areas such as agriculture, health, and industry, emphasising people-to-people relationships to counterbalance China's influence.

Official Development Finance from non-traditional donors in the Pacific
Spent, constant 2021 US\$



Non-traditional donors account for 10% of Official Development Finance in the Pacific
% total ODF, spent, constant 2021 US\$



** Taiwan is included in the Pacific Aid Map as a self-governing territory claimed by China

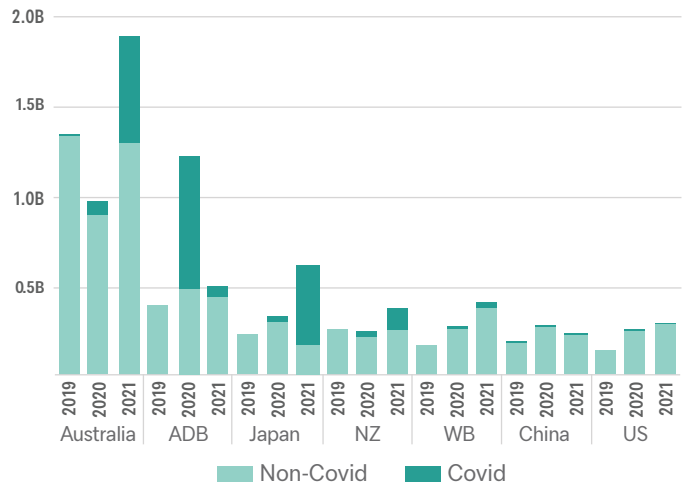
India is the third-largest non-traditional donor operating in the Pacific Islands, focusing its ODF on skills development, capacity building, and renewable energy, and leveraging its strength as a global leader in providing skilled labour for the information and communications technology industry. India's Pacific projects, totalling 153 from 2008 to 2021, allocated more than a quarter of its ODF to Fiji (27%) and 10% to PNG. India's affinity for Fiji is rooted in cultural and historical ties. However, India's ODF program in the Pacific Islands remains small and has encountered implementation delays, with only 14% (\$93 million) of its commitments disbursed during the 2008–21 period.

5. Multilateral development banks led the response to the pandemic crisis in 2020, but in 2021, it was Australia and Japan that dramatically ramped up their ODF support.

Early in 2020, the Pacific region leveraged its isolation as a shield against the Covid-19 virus, but this came at a tremendous economic cost given the region's heavy dependence on external income sources, such as tourism and labour mobility. As a result, the Pacific Islands experienced one of the most severe economic contractions worldwide.

The international community responded by offering much-needed support in various forms of Covid-related financial aid, including the G20's debt standstill initiative announced in April 2020. Overall ODF disbursements surged by a third in 2020, with the ADB leading the way by tripling its development financing to the region, particularly to PNG and Fiji. The United States nearly doubled its funding to the Pacific Islands, primarily channeling its ODF to the COFA states (Marshall Islands, Micronesia, and Palau).

Covid-related Official Development Finance
Spent, constant 2021 US\$



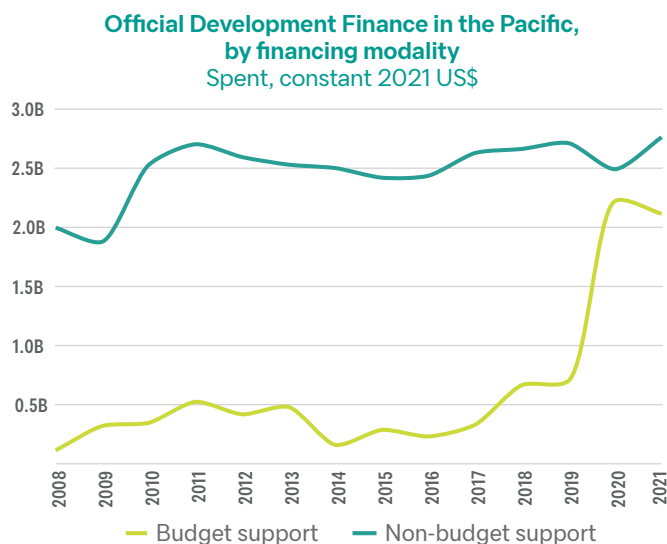
In 2021, Australia and Japan dramatically ramped up their support. Notably, Australia extended a \$466 million loan to PNG, making it the largest transaction ever recorded in the Pacific Aid Map.

Looking at project commitments, which provide insights into future development financing amounts to be disbursed, 2021 stands out as a record-breaking year. More than 51 donors committed around \$5.5 billion to the region, with a quarter of this funding specific to Covid-related initiatives. While 40% was in the form of direct budget support, suggesting rapid disbursements to address immediate fiscal liquidity needs, 23% was allocated to infrastructure projects, some of them being multi-year endeavours.

Looking beyond the pandemic response, preliminary numbers for 2022 indicate a significant increase in infrastructure development financing, fuelled by new commitments from Australia in particular. Analysis also reveals unprecedented support for climate-related programs, accounting for 39% of all ODF commitments in 2021.

6. Direct budget support to Pacific Island countries has surged, increasing from an annual average of \$374 million prior to the pandemic to \$2.1 billion in 2020 and 2021.

This increase reflects particularly substantial budget support loans to PNG and Fiji, alongside increased grants for budget support to many smaller Pacific economies.



Before the pandemic, donors had generally refrained from providing large budget support programs to Pacific Island governments, reflecting concerns regarding fiduciary risk and development effectiveness. The pandemic, however, prompted a significant shift. Direct budget support by major donors emerged as a crucial tool for delivering swift, cost-effective financial support to governments grappling with the fiscal impacts of the economic downturn. Additionally, budget support was utilised by major donors as a key tool to encourage policy reforms essential for enabling recovery and ensuring greater fiscal stability. Budget support is likely to remain a key component of donors' engagement with the Pacific Islands, supporting economic recovery from Covid-19, further global economic shocks, and the growing impact of climate change on the region.

7. The Australian Infrastructure Financing Facility is reshaping regional development financing, with infrastructure set to increasingly eclipse health and education as major donor priorities.

A major new player in the Pacific Islands infrastructure landscape is the Australian Infrastructure Financing Facility for the Pacific (AIFFP). The facility became operational in 2019 and by 2022 had committed more than \$784 million in mostly concessional infrastructure projects,⁴ corresponding to a 77% increase in overall infrastructure commitment to the Pacific Islands, but most importantly a seven-fold expansion in Australia's infrastructure investments in the region.

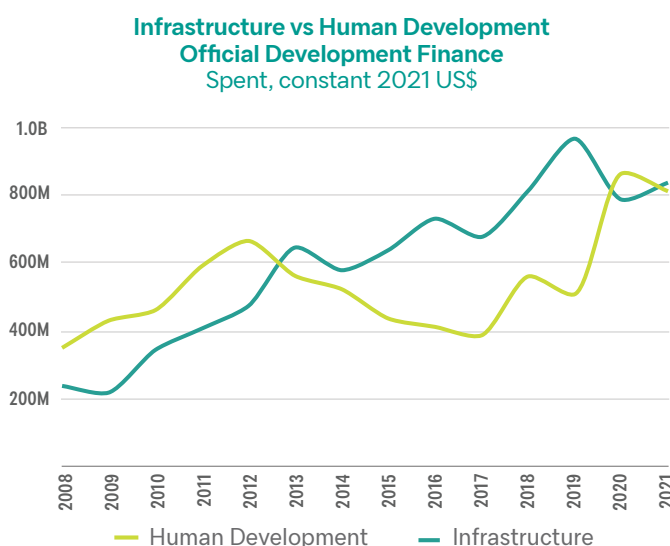
While the AIFFP is a welcome development for a region facing a considerable infrastructure financing gap, the Pacific Islands' precarious debt sustainability, alongside global interest rate rises, pose significant challenges.

While most developing regions focus on infrastructure as a driver of economic growth, in the Pacific Islands, infrastructure development is more closely linked to the provision of basic services and the reduction of vulnerability, particularly to climate change.

High disaster risk and lower bankability mean the region sees minimal interest from private investment — placing most of the infrastructure financing burden on governments and their development partners. The infrastructure financing deficit confronting the region is significant, with the ADB estimating that Pacific Island countries face an annual infrastructure investment gap of \$2.8 billion, or around 8% of GDP.⁵

Since 2008, the share of total ODF captured by infrastructure has evolved significantly in response to shifting pressures on both donors and recipients. Principal among these is the growing urgency of supporting the region's climate adaptation and disaster resilience needs, meaning climate infrastructure accounted for 40% of total infrastructure commitments in 2021. Geopolitical competition with China has also played a role, with China's entrance as a significant infrastructure player sparking increased engagement and competition from traditional donors.

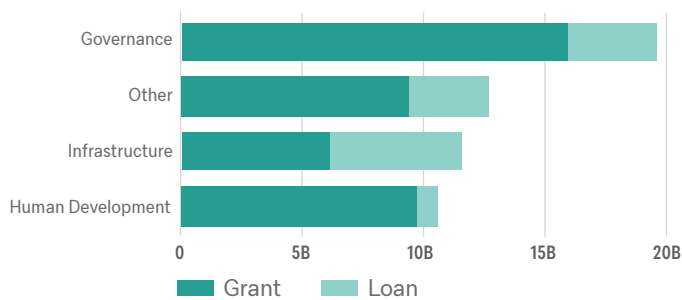
Between 2008 and 2021, infrastructure investments in the Pacific Islands totalled \$9.2 billion, with annual flows averaging around \$663 million. Infrastructure constitutes more than a fifth (21%) of all ODF investments in the Pacific Islands, making it the second-largest category of ODF flows disbursed in the region, after governance and civil society projects.



⁴ Australian Infrastructure Financing Facility for the Pacific, "October Budget 2022-23: Unlocking Opportunities and Boosting Connectivity through Quality, Climate-Resilient Infrastructure", AIFFP, 25 October 2022, <https://www.aifffp.gov.au/news/october-budget-2022-23-unlocking-opportunities-and-boosting-connectivity-through-quality-climate-resilient-infrastructure>.

⁵ Asian Development Bank, Meeting Asia's Infrastructure Needs, (ADB: Philippines, 2017), <https://www.adb.org/sites/default/files/publication/227496/special-report-infrastructure.pdf>.

Official Development Finance, by flow type
Spent, constant 2021 US\$



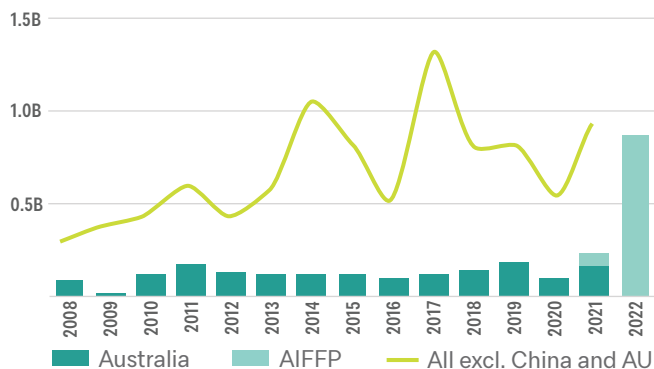
In 2008, infrastructure investment accounted for just 14% of ODF disbursements. By 2016, this share had more than doubled to 31%, with infrastructure capturing close to a third of total ODF until the onset of the pandemic in 2020. In the wake of the pandemic, however, increases in health spending have resulted in a relative decline in infrastructure spending as a proportion of total ODF. Indeed, 2020 was the first year since 2013 where human development spending — that is ODF encompassing health and education projects — was larger than infrastructure spending.

ODF commitments for 2021 suggest this pattern is temporary however, as infrastructure investments have made up close to a quarter of new commitments in the region. Meanwhile, 2021 commitments for human development settled back below pre-pandemic levels, at 15%.

The sizeable increases in infrastructure spending in the Pacific Islands since 2010 have been principally debt driven. When compared to other major investment sectors, infrastructure has the largest proportion of debt financing — with close to half (47%) of disbursements in the sector having come in the form of concessional and non-concessional financing.

With a completion rate of 48%, infrastructure also has the largest gap between disbursements and commitments in the region, compared to an average completion rate of 85% in other sectors. This is primarily the result of multiple, large-scale, unfulfilled Chinese transport and energy commitments in PNG and Vanuatu, as well as the long implementation periods for infrastructure projects more generally as compared to most other kinds of development projects.

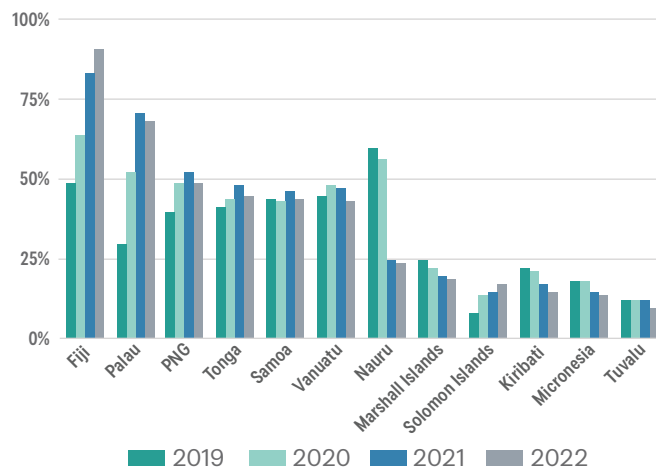
Infrastructure Official Development Finance
Commitments, constant 2021 US\$



8. Australia has become the leading source of loans. While providing much needed development support, this comes at a time of elevated debt sustainability risks in the Pacific.

With underdeveloped domestic financial markets and limited access to international borrowing, the Pacific Islands rely heavily on loans from multilateral development banks and bilateral lenders to finance their development. But sluggish GDP growth has created challenges for debt management and serviceability. Prior to the pandemic, government debt levels in most Pacific nations were on the rise, averaging 33% of GDP in 2019, although there were considerable differences among countries.

Gross public debt in Pacific Island countries
% of GDP, current US\$

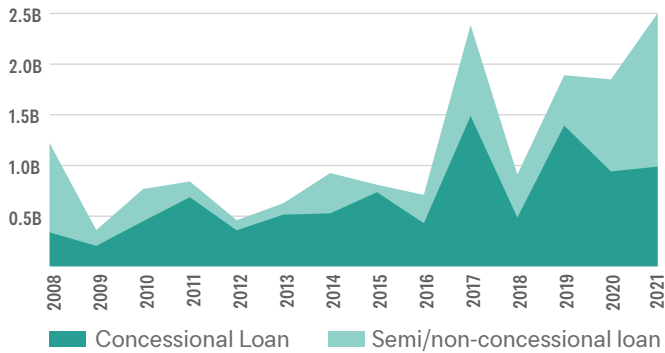


Amid the pandemic, the region experienced a rise in average government debt-to-GDP ratio, which reached 42.2% in 2021.⁶ This increase was principally driven by a decline in tax revenue and a simultaneous rise in spending, primarily attributable to significant domestic Covid-19 support packages. This was most acute in tourism-dependent economies where fiscal revenues fell significantly. The majority of the debt financing needed to support domestic public spending during the pandemic was sourced from external official lenders, notably the multilateral development banks and Australia, on concessional and non-concessional terms.

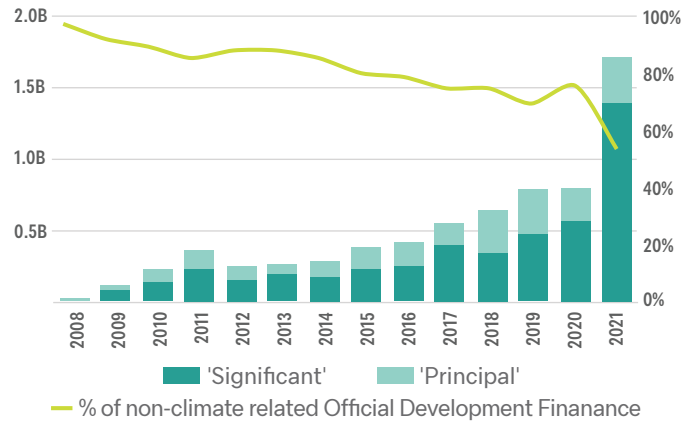
Today, a majority of Pacific countries are considered at high risk for debt distress by the International Monetary Fund (IMF), reflecting elevated debt levels and vulnerability to external shocks, including those increasingly linked to climate change. This, together with limited fiscal space, makes it challenging for countries to invest in critical climate adaptation and other pressing development needs.

⁶ *Debt Landscape and Fiscal Management Issues in Pacific Small Island Developing States*, April 2022, United Nations Economic and Social Commission for Asia and the Pacific, https://www.unescap.org/sites/default/d8files/event-documents/2022%20Debt%20Conference%20Background%20Paper_Scott%20Roger_4.4.22.pdf.

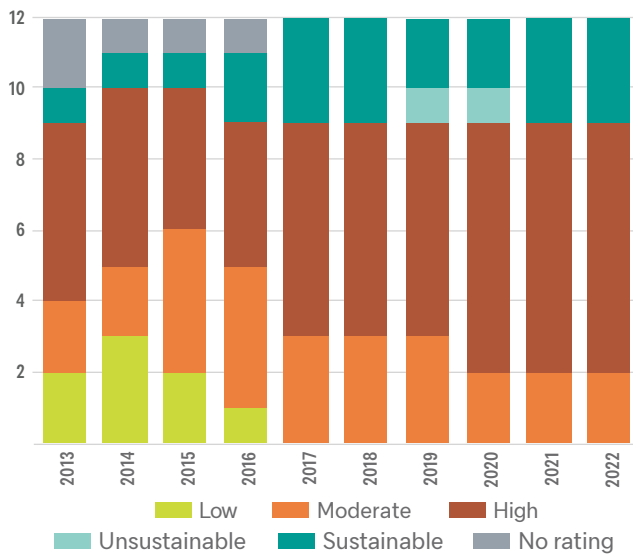
Official Development Finance lending
Committed, constant 2021 US\$



'Principal', 'Significant', and total climate development finance in the Pacific
Spent, constant 2021 US\$



Elevated debt risks across the Pacific
Overall debt risk ratings by IMF/WB, # of countries



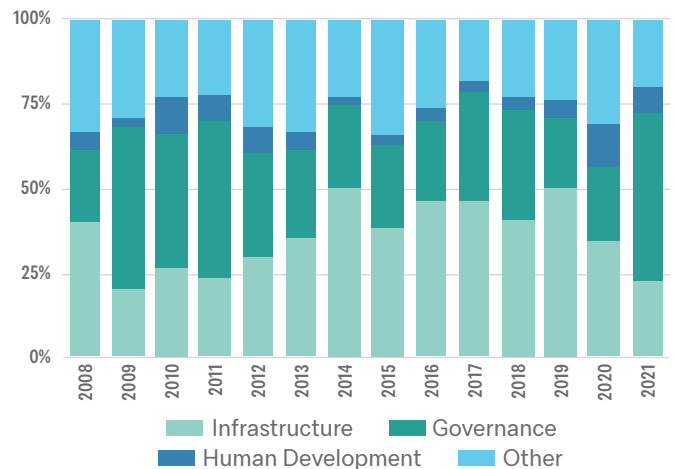
9. Climate development financing has grown steadily but remains well below that needed, especially for adaptation. Japan leads the way with the greatest focus on climate projects.

The IMF estimates that Pacific Island countries face an annual climate adaptation gap of between 6.5% and 9% of GDP, equivalent to between \$2.4 and \$3.4 billion. Due to their small size and wide-ranging development challenges, Pacific Island countries rely heavily on external financing to support their climate adaptation efforts. While there is widespread recognition of this need, spending on climate development financing remains well below the estimated climate adaptation requirements of the region's economies.

Between 2008 and 2019, climate development financing grew steadily but from a low base, with an average annual growth rate of around 20%. Average annual disbursements oscillated around \$369 million, accounting for 13% of total ODF. Slightly more than a third of projects (36%) had a 'principal' climate component, meaning climate adaptation and mitigation goals were central to those projects.

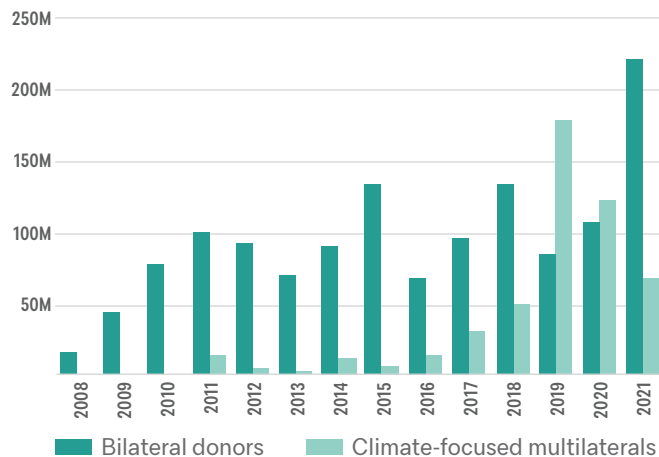
The share of total financing flows earmarked for climate goals jumped during the pandemic years. In 2021, more than a third (35%) of financing to the region was marked as being related to climate change, more than double the average share seen over the previous decade. However, this increase was mostly driven by projects with a 'significant' climate component — projects where climate adaptation and mitigation goals are important but not fundamental. This was driven by the incorporation of climate goals in pandemic recovery packages disbursed by donors in the region. Nearly half of climate-earmarked financing in 2021 was delivered through rapid budget support operations, a stark contrast to previous years when funding through this mechanism for climate-related projects was almost non-existent.

Composition of climate Official Development Finance
% of total Official Development Finance spent, constant 2021 US\$



Traditionally, climate-related projects have predominantly centred on infrastructure, a sector crucial for enhancing the Pacific's resilience. Yet, in 2021, only a fraction of climate funding was directed towards infrastructure, while half was channelled into governance projects, marking a significant shift.

Climate-focused multilaterals vs bilateral donors
'Principal' Official Development Finance spent, constant 2021 US\$



Close to 80% of total incoming climate development finance comes from bilateral development partners. The largest of these is Australia, which provided more than a third (34%) of all climate development financing between 2008 and 2021. In terms of share of total climate-related disbursements, the next-largest donors were Japan (18%), the European Union (11%), New Zealand (6%), the Global Environment Facility (5%), and the Green Climate Fund (4%). Among the largest five bilateral ODF partners in the region, Japan is the donor with the greatest proportional focus on climate projects — with climate-related ODF disbursements making up more than a third (36%) of its total support. Trailing Japan by a significant margin is Australia (14%), New Zealand (14%), China (3%), and the United States (2%).

Climate-specific multilateral organisations — notably the Green Climate Fund, the Climate Investment Funds, Adaptation Fund, Global Green Growth Institute, and the Global Environment Facility — are a key source of 'principal' climate financing in the Pacific Islands. Since 2017, climate-focused multilaterals have provided more than a third of all principally focused climate finance.

Viewed in sum, analysis of the Pacific's climate ODF trends presents a mixed picture. Total support for the region's climate adaptation efforts remains magnitudes lower than estimated requirements. Recent spending increases offers some case for optimism, but greater clarity is needed on the relevance of 'significant' climate marked funding for meeting the region's estimated financing needs.

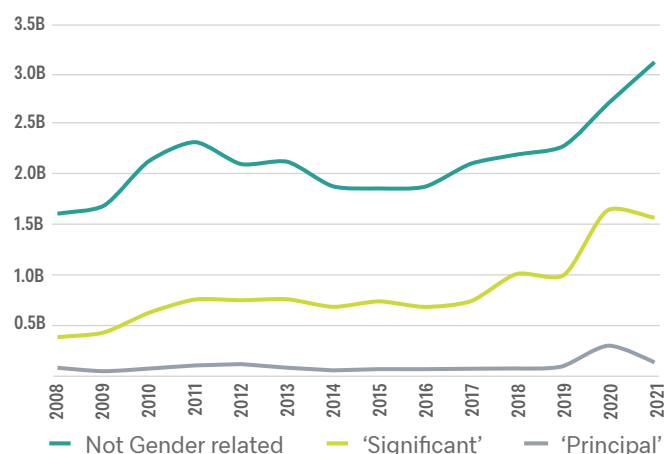
Better reporting, alongside additional funding will be a critical next step. Examining the modest increases in 'principal' development financing spending and commitments suggests that both action and ambition from donors has a long way to go.

10. New data for this edition show donors have collectively been less focused on gender equality than in other regions but this is set to change given ambitious Australian targets.

In recent years, there has been a growing focus from donors on tackling gender inequality and empowering women in the Pacific Islands. The region's development partners are allocating resources to initiatives that advocate for women's rights and improving access for women and girls to education, economic opportunities, and better healthcare, while also addressing gender-based violence.

These funding efforts reflect the growing recognition of the challenges faced by women and girls in the Pacific Islands. In Fiji and PNG, rates of female participation in the labour force are roughly half that of men.⁷ United Nations reporting suggests upwards of 60% of women and girls in the Pacific Islands have experienced violence at the hands of partners or family members. Political representation is also a concern, with the Inter-Parliamentary Union reporting that in 2021, women made up only 6% of Pacific parliamentarians, well below the global average of 25%. Improvements to gender equality in the Pacific Islands offer wide-reaching social and economic benefits, with World Bank research suggesting that average long run GDP per capita would be around 22% higher in the Pacific Islands if gender employment gaps were to close.⁸

Gender Official Development Finance in the Pacific
Spent, constant 2021 US\$



⁷ Australian Government, "Pacific Regional — Empowering Women and Girls", Department of Foreign Affairs and Trade, <https://www.dfat.gov.au/geo/pacific/development-assistance/empowering-women-and-girls>.

⁸ Stephen Ndegwa, "Advancing Gender Equality in the Pacific: A Win-Win for Women and the Economy", World Bank Blogs, 8 March 2022, https://blogs.worldbank.org/eastasiapacific/advancing-gender-equality-pacific-win-win-women-and-economy?cid=SHR_BlogSiteTweetable_EN_EXT%20via%20@WB_AsiaPacific.

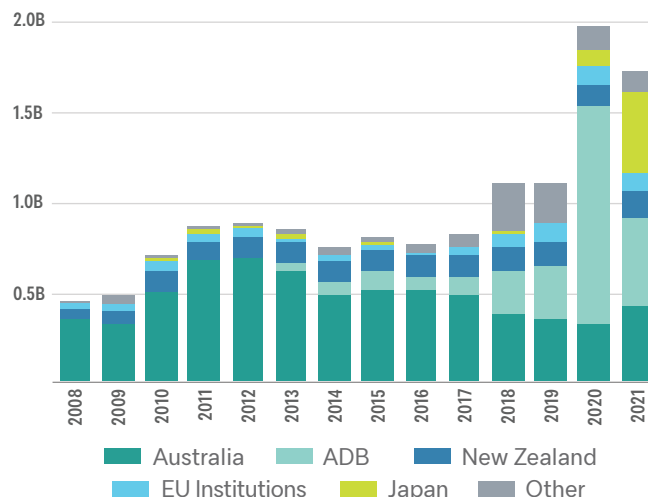
The 2023 edition of the Pacific Aid Map has introduced a new feature tracking gender equality ODF by applying a method based on the OECD Development Assistance Committee (DAC) gender equality policy marker. It classifies gender investments into three categories: ‘principal’, where gender equality is the main objective of the investment; ‘significant’, where gender equality objectives are important but not the principal reason for undertaking the investment; and ‘not targeted’ for gender equality, which means that the investment has been screened and has not been found to target gender equality.

Between 2008 and 2021, total spending on ‘principal’ gender-focused projects was \$1.38 billion, accounting for 3% of total ODF disbursed in the period, with average annual spending of around \$98 million. Pacific ‘principal’ gender development financing falls slightly below the global average reported to the Organisation for Economic Co-operation and Development (OECD) of 4%. Similarly, around a quarter of ODF disbursed in the region has a ‘significant’ focus on gender equality — 15% lower than the global OECD average — with average annual spending of \$853 million.

Overall, total annual gender financing grew by 9% from 2017 to 2019. However, large budget support programs in 2020 — notably by the ADB and Japan — incorporated significant aspects of gender equality and women’s empowerment in their design, almost doubling gender financing during the pandemic years.

Nonetheless, commitment trends present a mixed picture on gender equality and women’s empowerment financing in the region. ‘Significant’ gender equality projects reached a new peak of 33% of all ODF committed in 2021 at \$3.4 billion. However, commitments for ‘principal’ projects have returned to pre-pandemic levels.

Gender equality financing, by partners
Spent, constant 2021 US\$



Australia is the leading donor in terms of overall gender equality projects in the Pacific Islands. Its principal contributions slightly exceed the global average, while gender mainstreaming efforts (i.e., the share of projects related to gender equality) are virtually on par with the global average (37% versus 40%, respectively). New and reinstated targets set by the Australian government are expected to increase these figures. Indeed, Australia has reinstated a target for 80% of development investments to address gender equality. Additionally, Australia now requires gender equality objectives in all investments exceeding \$3 million.

With 90% of Australia’s ODF project commitments historically worth \$3 million or more (2008–21), Australia’s new target for gender equality programming has the potential to more than triple its gender financing in the Pacific Islands. This is significant. Applied to 2021 numbers, with Australia accounting for a quarter of all gender projects in the Pacific, Canberra’s commitment — if implemented — could increase the overall financing for gender equality development by 32% in the Pacific Islands.

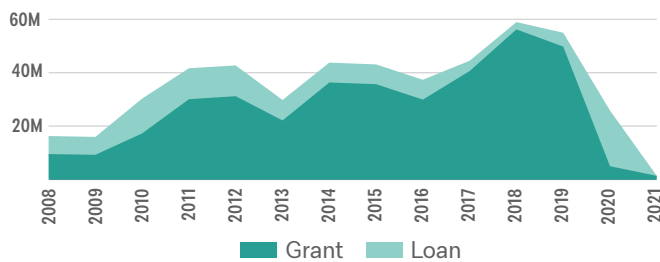
COOK ISLANDS

Cook Islands is a self-governing territory in free association with New Zealand, located in the Pacific sub-region of Polynesia. With a GDP of \$252 million, Cook Islands is one of the smallest economies in the Pacific and accounts for 0.6% of regional GDP. The country's development agenda highlights the need for improved economic resilience, greater employment opportunities, and sustainable water management.

In 2020, Cook Islands graduated from the Organisation for Economic Co-operation and Development's list of official aid recipients. As such, in 2021 it was the lowest per capita aid recipient in the Pacific. Cook Islands is the first Pacific Island state to graduate from aid since 2000 — an indicator of its strong economic performance and sound fiscal management.

Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to Cook Islands — including grants, loans, and other forms of assistance — averaged \$34 million (in constant 2021 US\$). As a share of Cook Islands total received development support, loans have declined significantly over the past decade. Between 2008 and 2010, loans made up 42% of total financing to the country; from 2011 to 2019, this share declined to 17%. The trend shifted again in 2020 with the disbursement of a US\$20 million loan from the Asian Infrastructure Investment Bank (AIIB) for Covid-19 response and economic support. Despite the addition of this loan, the Asian Development Bank (ADB) continues to rank Cook Islands' risk of debt distress as low.

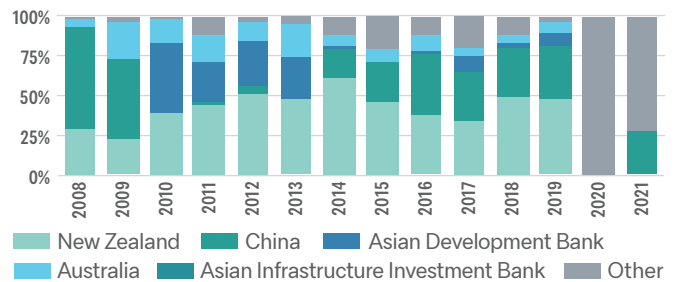
Official Development Finance to Cook Islands, by flow type
Spent, constant 2021 US\$



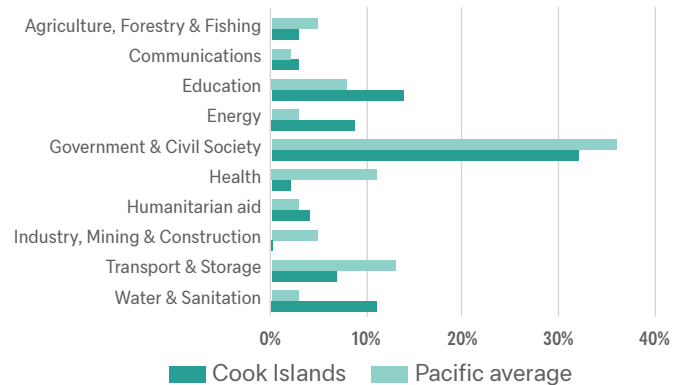
The vast majority (85%) of ODF support to Cook Islands has come from four development partners, led by New Zealand (42%), China (21%), the ADB (12%), and Australia (10%). The AIIB and the Global Environment Facility were responsible for 97% of the ODF to Cook Islands in 2020. Donor concentration in Cook Islands is among the highest in the region. ODF in Cook Islands is heavily weighted towards education, energy and water, and sanitation when compared with the regional average. From 2010, Cook Islands has seen a greater emphasis on infrastructure spending.

692 PROJECTS	US\$572M COMMITTED	US\$487M SPENT
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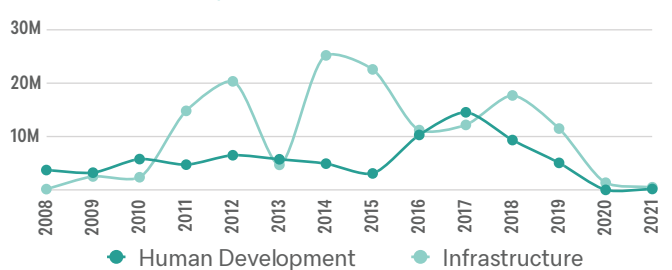
Official Development Finance to Cook Islands, by partner
Spent, share of total ODF, constant 2021 US\$



Cook Islands vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$

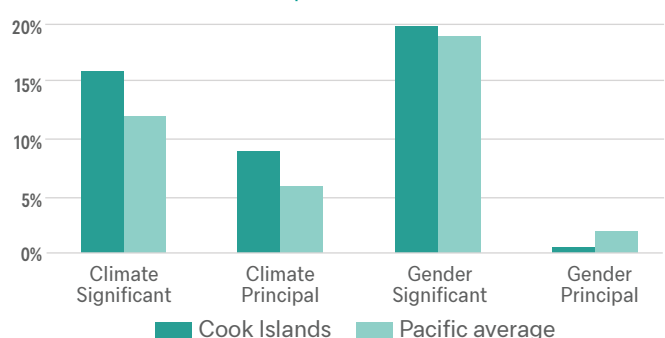


Cook Islands ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



As a share of total ODF received, projects with a 'principal' and 'significant' focus on climate change adaptation and mitigation in Cook Islands represented 25% of the total incoming flows, compared to the regional average of 18%. Projects with a gender focus accounted for 21% of overall ODF, which is similar to the regional average.

Climate and Gender ODF to Cook Islands, 2008–21
% of total ODF spent, constant 2021 US\$



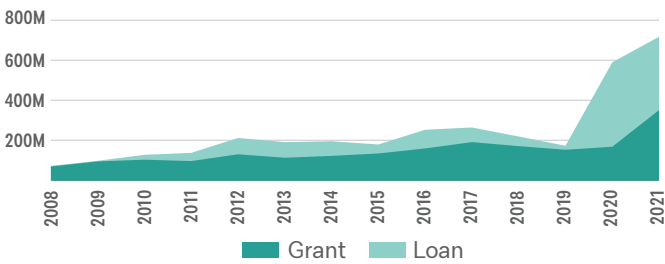
FIJI

Fiji is a small island developing state located in the Melanesian region of the Pacific Islands. With a GDP of \$4.3 billion, Fiji is the second-largest economy in the Pacific and accounts for 12.4% of regional GDP.

Historically, Fiji had one of the lowest Official Development Assistance (ODA) to Gross National Income (GNI) ratios in the Pacific Islands region, with aid accounting for only 2.5% of national income between 2008 and 2020. However, in the wake of the Covid-19 pandemic, its share of aid to national income spiked significantly to 15%. In a global context, Fiji is now among the most aid-dependent countries in the world, ranking 15th out of 134 developing countries for its ODA/GNI ratio.

The Fijian government’s development agenda highlights the need for expanded digital connectivity and climate-resilient infrastructure in rural areas. At 0.730, Fiji’s Human Development Index score ranks 99th out of 191 ranked countries.

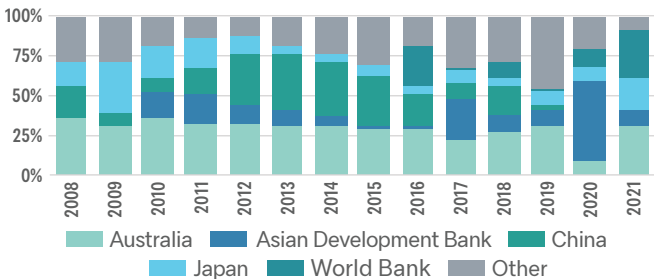
Official Development Finance to Fiji, by flow type
Spent, constant 2021 US\$



Between 2008 and 2021, annual Official Development Finance (ODF) to Fiji — including grants, loans, and other forms of assistance — averaged \$246 million (in constant 2021 US\$). Close to 40% of the development finance received by Fiji between those years came in the form of loans.

As a share of Fiji’s total received development support, loan-financed projects have increased significantly. In 2008, loans accounted for just 5% of total incoming ODF, while in 2020 and 2021 they accounted for 71% and 50% respectively. Despite this jump, the International Monetary Fund (IMF) still ranks Fiji’s risk of debt distress as moderate, in part a result of the high concessionality of the country’s debt.

Official Development Finance to Fiji, by partner
Spent, share of total ODF, constant 2021 US\$



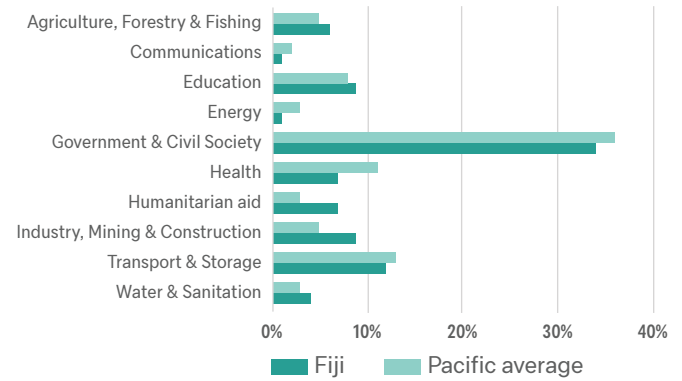
3,849
PROJECTS

US\$3.86B
COMMITTED

US\$3.45B
SPENT

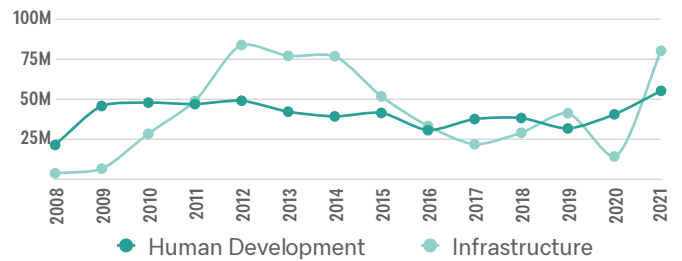
Three-quarters of the ODF support to Fiji comes from its largest five development partners, led by Australia (25%), the Asian Development Bank (16%), China (12%), Japan (10%), and the World Bank (10%). Fiji has one of the lowest levels of donor concentration in the Pacific.

Fiji vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$



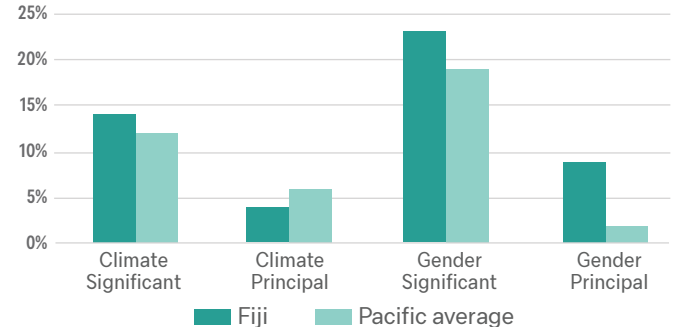
ODF in Fiji is largely consistent with regional trends in terms of sector distribution. Fiji’s only sectoral outliers relate to its higher level of incoming humanitarian assistance and spending on industry, mining, and construction. Distinct from regional trends, infrastructure spending declined in Fiji in the 2010s, only increasing in the wake of the pandemic.

Fiji ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



As a share of total ODF received, projects with a ‘principal’ and ‘significant’ focus on climate change adaptation and mitigation in Fiji represented 19% of the total incoming flows, slightly above the regional average of 18%. Similarly, at 32%, disbursements with a gender focus were above the regional average of 21%.

Climate and Gender ODF to Fiji, 2008–21
% of total ODF spent, constant 2021 US\$



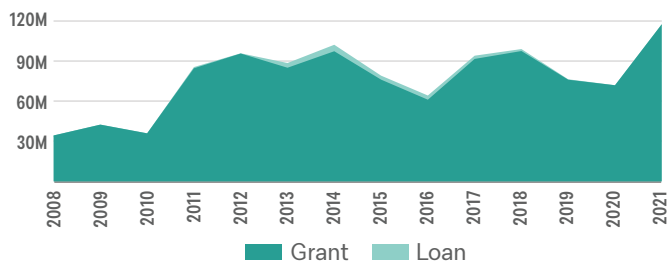
KIRIBATI

Kiribati is an atoll state located in the Pacific sub-region of Micronesia. With a GDP of \$228 million, Kiribati is one of the smaller economies in the Pacific, accounting for 0.5% of regional GDP.

Kiribati has the sixth-largest Official Development Assistance (ODA) to Gross National Income (GNI) ratio in the Pacific Islands region, with aid accounting for 18% of national income between 2008 and 2020. In a global context, Kiribati is among the most aid-dependent countries in the world, ranking 10th out of 134 developing countries for its ODA/GNI ratio.

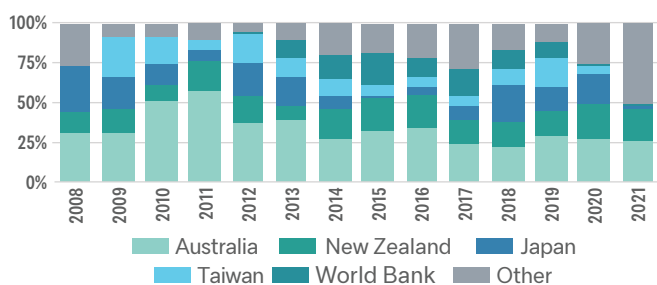
The Kiribati government's development agenda highlights improvements to education and health outcomes for its citizens, as well as the climate-proofing of public infrastructure. At 0.624, Kiribati's Human Development Index score ranks 136th out of 191 ranked countries.

Official Development Finance to Kiribati, by flow type
Spent, constant 2021 US\$



Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to Kiribati — including grants, loans, and other forms of assistance — averaged \$77 million (in constant 2021 US\$). Only 2% of the development finance received by Kiribati between those years came in the form of loans.

Official Development Finance to Kiribati, by partner
Spent, share of total ODF, constant 2021 US\$

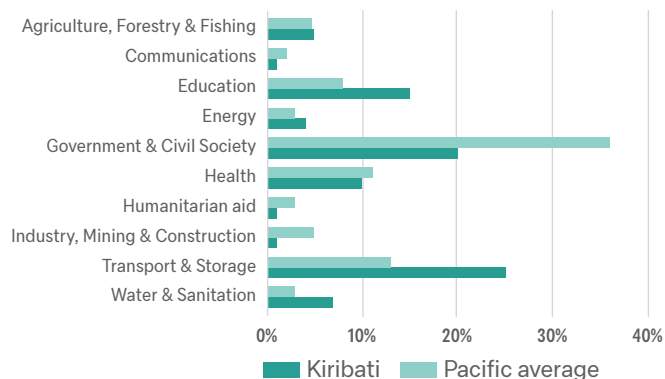


Even when adjusting for inflation, Kiribati has seen a substantial rise in total development flows over the past 14 years. In 2021, the Pacific Island state received US\$117 million in development assistance, close to three times the level of disbursements seen in 2008.

The vast majority (79%) of ODF support to Kiribati has come from five development partners, led by Australia (33%), New Zealand (16%), Japan (12%), Taiwan (10%), and the World Bank (8%).

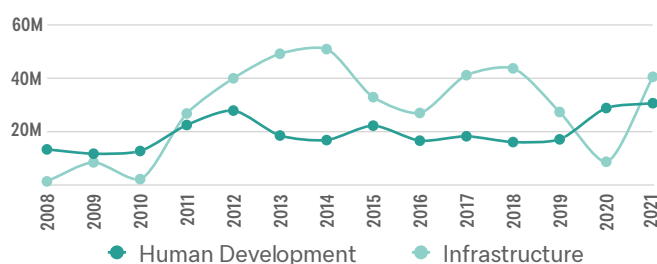
2,172 PROJECTS	US\$1.5B COMMITTED	US\$1.1B SPENT
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Kiribati vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$



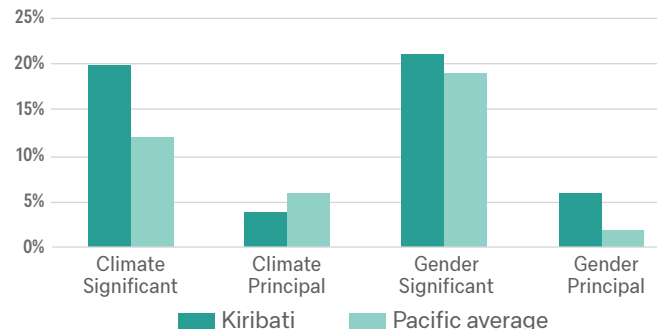
ODF disbursements to Kiribati are distinct from regional trends in terms of sector distribution. Projects focused on government and civil society only make up 20% of incoming flows, compared to the regional average of 36%. Conversely, spending on water and sanitation, transport, and education is significantly higher than regional averages.

Kiribati ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



Since 2011, Kiribati has seen significantly more spending on infrastructure than human development. While the Covid-19 pandemic briefly inverted this trend in 2020, infrastructure spending bounced back in 2021. As a share of total ODF received, combined 'principal' and 'significant' climate-related ODF to Kiribati represented 24% of the total incoming flows, above the regional average of 18%. At 27%, disbursements with a gender focus were just above the regional average of 21%.

Climate and Gender ODF to Kiribati, 2008–21
% of total ODF spent, constant 2021 US\$



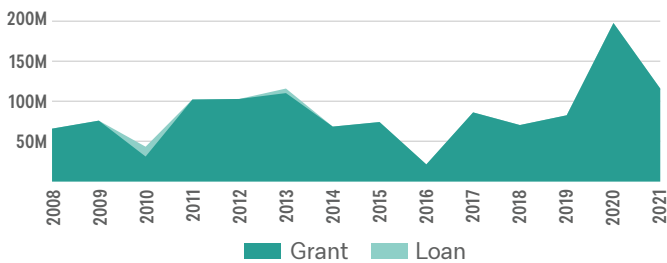
MARSHALL ISLANDS

Marshall Islands is an atoll state located in the Pacific sub-region of Micronesia. With a GDP of \$260 million, Marshall Islands is one of the Pacific's smallest economies, accounting for 0.7% of regional GDP.

Marshall Islands has the second-largest Official Development Assistance (ODA) to Gross National Income (GNI) ratio in the Pacific Islands region, with aid accounting for 36% of national income. The country maintains the same rank globally, placed 2nd out of 134 developing countries for its ODA/GNI ratio.

The country's development agenda is focused on improvements to human capital and infrastructure. At 0.639, Marshall Islands' Human Development Index score ranks 131st out of 191 ranked countries.

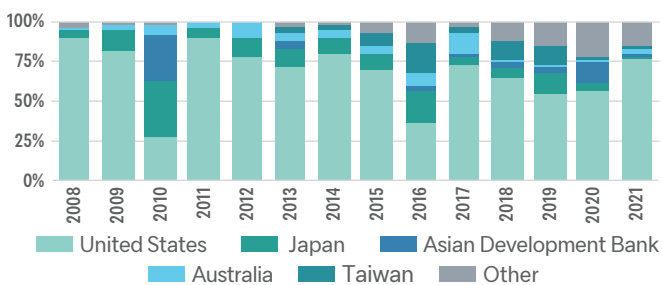
Official Development Finance to Marshall Islands, by flow type
Spent, constant 2021 US\$



Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to Marshall Islands — including grants, loans, and other forms of assistance — averaged \$87 million (in constant 2021 US\$). Less than 3% of the development finance received by Marshall Islands between 2008 and 2021 came in the form of loans.

Marshall Islands has seen a high amount of variation in its annual ODF receipts over the past 14 years. Notwithstanding a spike in 2020 due to Covid-19 pandemic support measures, the country saw a peak in incoming support in the early 2010s and a steep decline in support around 2016.

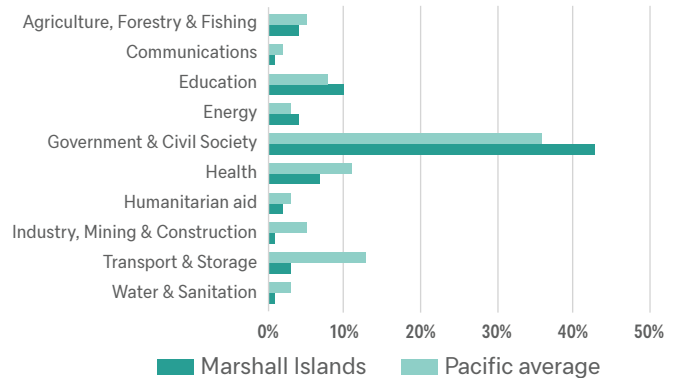
Official Development Finance to Marshall Islands, by partner
Spent, share of total ODF, constant 2021 US\$



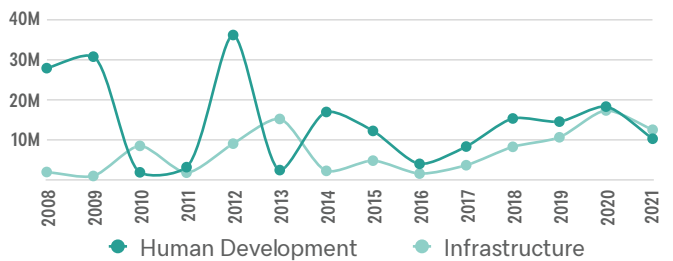
The vast majority (78%) of ODF support to Marshall Islands comes from two development partners, the United States (69%) and Japan (9%). The country sees one of the highest levels of donor concentration in the region, largely due to its compact of free association arrangement with the United States.

1,209 PROJECTS	US\$2B COMMITTED	US\$1.2B SPENT
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Marshall Islands vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$



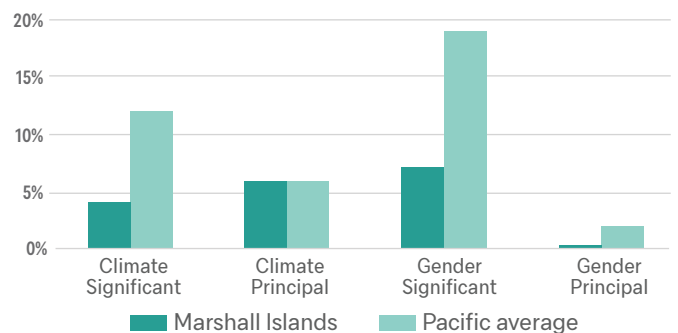
Marshall Islands ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



ODF disbursements to Marshall Islands are somewhat distinct from regional trends in terms of sector distribution. Projects focused on government and civil society make up 43% of incoming flows, which is higher than the regional average of 36%. Conversely, spending on transport and health is below regional averages. Marshall Islands is an outlier in the Pacific in that human development spending consistently eclipsed spending on infrastructure over the 2008–21 period.

As a share of total ODF received, combined 'principal' and 'significant' climate-related ODF in Marshall Islands represented just 9% of the total incoming flows, half the regional average of 18%. At 7%, the share of projects with a gender focus was the second-lowest in the region and well below the Pacific average of 21%.

Climate and Gender ODF to Marshall Islands, 2008–21
% of total ODF spent, constant 2021 US\$



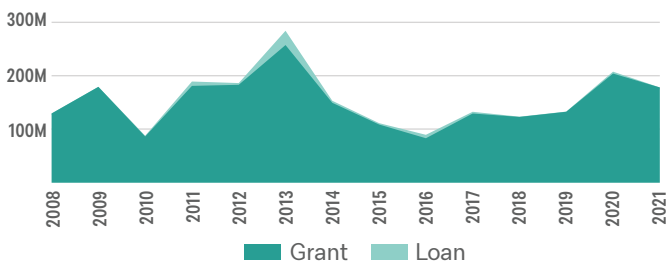
FEDERATED STATES OF MICRONESIA

Federated States of Micronesia (FSM) is an atoll state located in the Pacific sub-region of Micronesia. With a GDP of \$404 million, FSM is the seventh-largest economy in the Pacific, accounting for 1.1% of regional GDP.

FSM has the third-largest Official Development Assistance (ODA) to Gross National Income (GNI) ratio in the Pacific Islands region, with aid accounting for 29% of national income. In a global context, FSM remains among the most aid-dependent countries in the world, ranking 5th out of 134 developing countries for its ODA/GNI ratio.

The FSM government's development agenda is focused on improvements to the country's human capital and infrastructure. At 0.628, FSM's Human Development Index score ranks 134th out of 191 ranked countries.

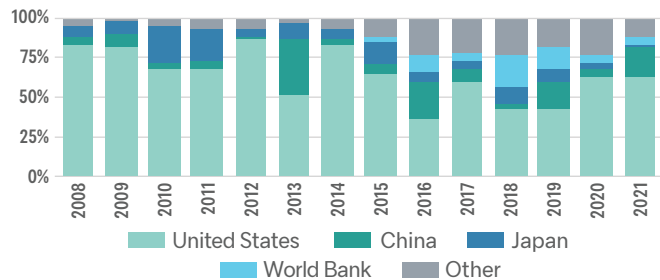
Official Development Finance to FSM, by flow type
Spent, constant 2021 US\$



Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to FSM — including grants, loans, and other forms of assistance — averaged \$145 million (in constant 2021 US\$). Less than 3% of the development finance received by FSM between 2008 and 2021 came in the form of loans.

FSM has seen a high amount of variation in its annual ODF receipts over the past 14 years. ODF to the country peaked at \$265 million in 2013 and declined heavily afterwards. Since 2020, with the onset of the Covid-19 pandemic, disbursements to FSM have risen again, to around \$180 million.

Official Development Finance to FSM, by partner
Spent, share of total ODF, constant 2021 US\$



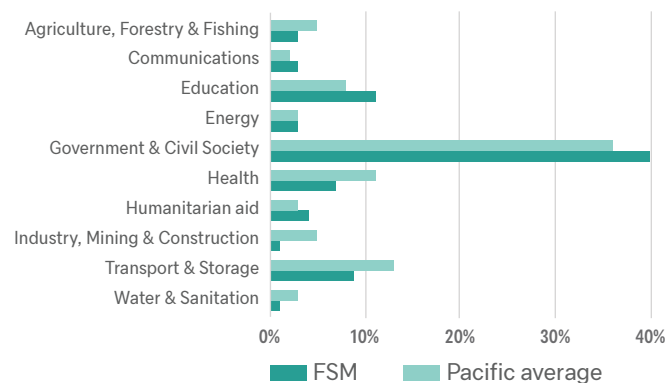
The vast majority (91%) of ODF support to FSM comes from four development partners, led by the United States (66%), China (12%), Japan (9%), and the World Bank (4%). The country sees one of the highest levels of donor concentration

1,214 PROJECTS	US\$3B COMMITTED	US\$2B SPENT
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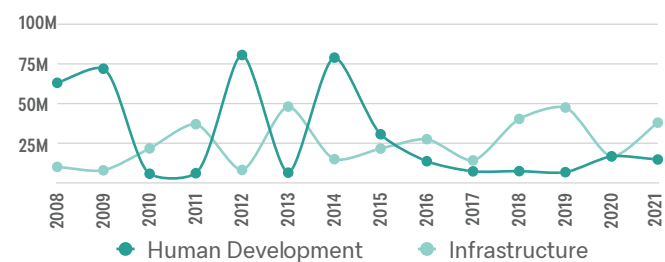
in the region, largely due to its compact of free association arrangement with the United States.

ODF disbursements to FSM are largely in line with regional trends in terms of sector distribution. Projects focused on government and civil society and education are moderately above regional averages. Conversely, spending on transport and water sectors is below regional averages.

FSM vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$

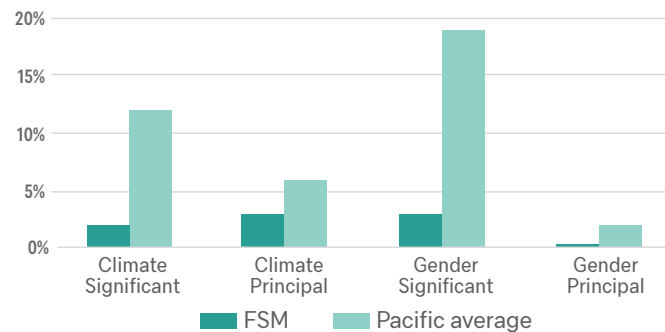


FSM ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



As a share of total ODF received, combined 'principal' and 'significant' climate-related ODF in FSM represented just 6% of the total incoming flows, less than half the regional average of 18%. At 3%, the share of projects with a gender focus was the lowest in the Pacific and well below the regional average of 21%.

Climate and Gender ODF to FSM, 2008-21
% of total ODF spent, constant 2021 US\$



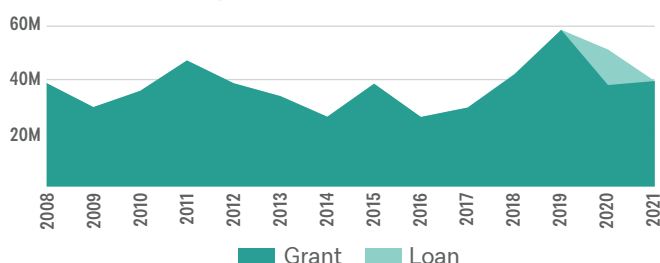
NAURU

Nauru is a small island developing state located in the Pacific sub-region of Micronesia. With a GDP of \$146 million, Nauru is the third-smallest economy in the Pacific, accounting for less than 0.3% of regional GDP.

Nauru has the tenth-highest Official Development Assistance (ODA) to Gross National Income (GNI) ratio in the Pacific Islands region, with aid accounting for 14% of national income. In a global context, Nauru is among the most aid-dependent countries in the world, ranking 18th out of 134 developing countries for its ODA/GNI ratio.

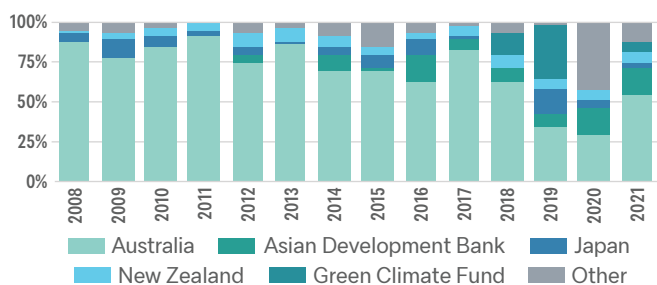
The Nauruan government's development agenda is focused on debt reduction and supporting the transport sector. At 0.745, Nauru's Human Development Index score ranks 102nd out of 191 ranked countries.

Official Development Finance to Nauru, by flow type
Spent, constant 2021 US\$



Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to Nauru — including grants, loans, and other forms of assistance — averaged \$38 million (in constant 2021 US\$). Less than 3% of the development finance received by Nauru between 2008 and 2021 came in the form of loans. Almost all loan financing to Nauru came in 2020 in the form of a support loan from Taiwan for new aircraft for the country's national airline. The International Monetary Fund (IMF) ranks Nauru's risk of debt distress as low.

Official Development Finance to Nauru, by partner
Spent, share of total ODF, constant 2021 US\$

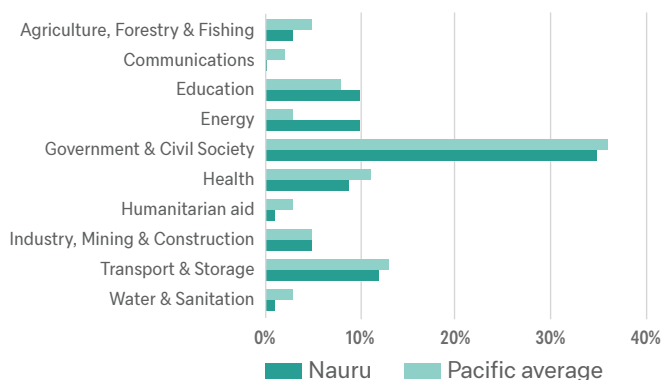


Close to nine-tenths of ODF support to Nauru comes from five development partners, led by Australia (66%), the Asian Development Bank (7%), Japan (6%), New Zealand (6%), and the Green Climate Fund (5%).

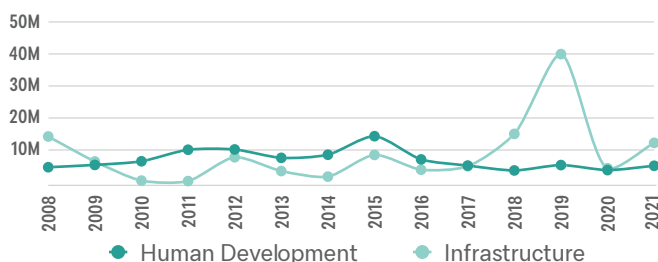
874 PROJECTS	US\$671M COMMITTED	US\$536M SPENT
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ODF in Nauru was largely distinct from regional trends in terms of sector distribution. The country sees zero spending on the communications sector but a high allocation of financing towards energy projects when compared with the rest of the region. With the exception of the transport sector loan provided by Taiwan, spending on human development has largely outpaced infrastructure spending.

Nauru vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$



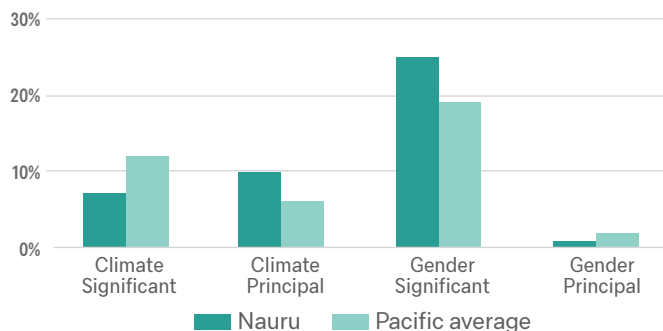
Nauru ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



As a share of total ODF received, combined 'principal' and 'significant' climate-related ODF to Nauru represented 20% of the total incoming flows, slightly above the regional average of 18%.

In contrast, disbursements with a gender focus accounted for 26%, slightly more than half the regional average of 21%.

Climate and Gender ODF to Nauru, 2008–21
% of total ODF spent, constant 2021 US\$

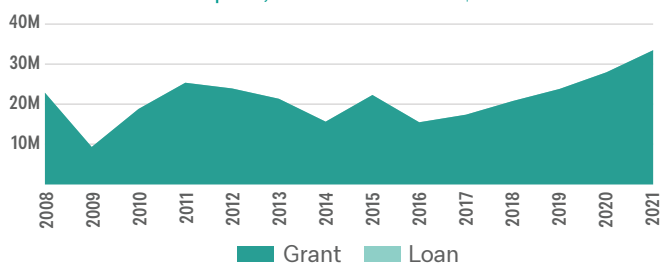


NIUE

Niue is a self-governing territory in free association with New Zealand, located in the Pacific sub-region of Polynesia. With a GDP of \$30 million, Niue is the smallest economy in the Pacific, accounting for less than 0.1% of regional GDP.

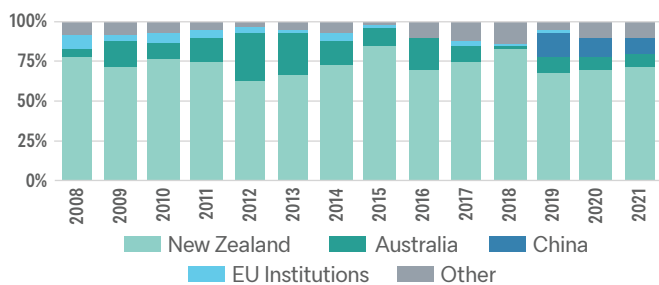
While it is classified as a small island developing state, Niue has high levels of human development and zero poverty as defined by the lower bound of the international poverty line. Niue's national development plan is focused on improving governance and rehabilitating the country's private sector.

Official Development Finance to Niue, by flow type
Spent, constant 2021 US\$



Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to Niue — including grants and other forms of assistance — averaged \$21 million (constant 2021 US\$). Niue is the only Pacific Island country to have received no loan financing. Niue is the highest per capita aid recipient in the Pacific, in large part a product of its small population size.

Official Development Finance to Niue, by partner
Spent, share of total ODF, constant 2021 US\$

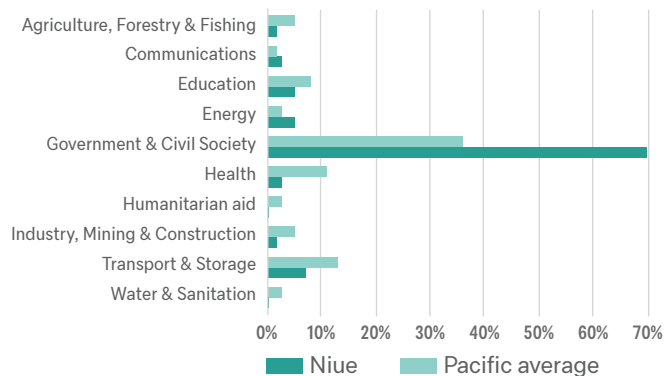


The vast majority (94%) of ODF support to Niue has come from just four development partners, led by New Zealand (74%), Australia (13%), China (4%), and the European Union (3%). Donor concentration in Niue is among the highest in the Pacific, with New Zealand's level of support representing one of the highest donor-recipient concentrations in the region.

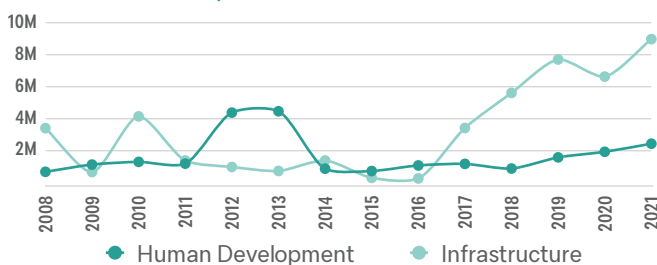
ODF in Niue was heavily weighted towards government and civil society projects, with the sector accounting for 70% of incoming assistance. This represents the highest sector concentration for any recipient in the region. Human development spending in Niue has always remained relatively low, in part due to the country's pre-existing, strong education and health services. Since 2016, the country has seen a growing emphasis on climate-resilient infrastructure.

627 PROJECTS	US\$335M COMMITTED	US\$298M SPENT
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Niue vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$

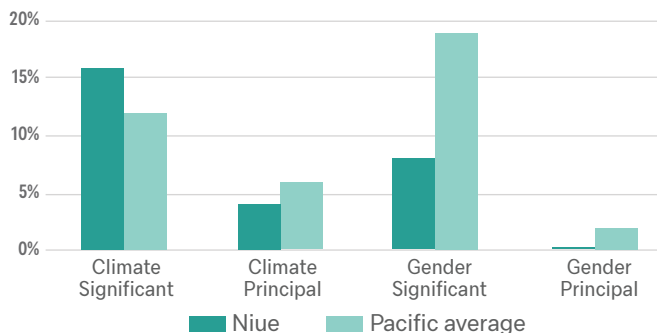


Niue ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



As a share of total ODF received, combined 'principal' and 'significant' climate-related ODF in Niue represented 20% of the total incoming flows, slightly above the regional average of 18%. Gender-related financing only accounts for 8% of incoming flows, the third-lowest in the region.

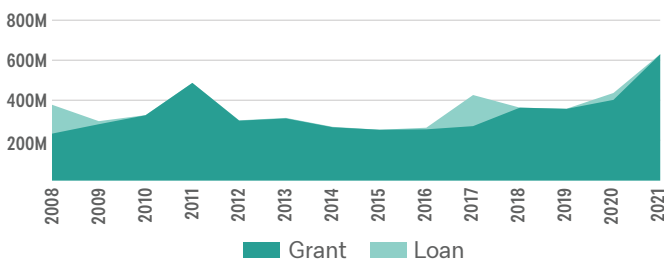
Climate and Gender ODF to Niue, 2008–21
% of total ODF spent, constant 2021 US\$



OCEANIA, REGIONAL

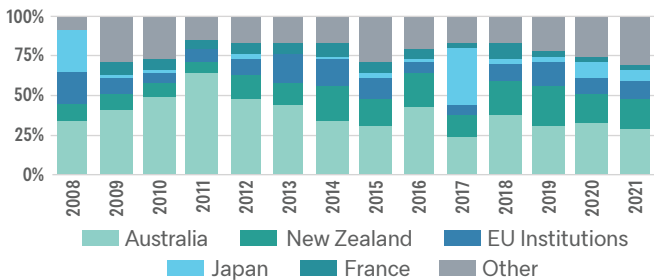
The Oceania regional recipient category captures both funding allocated to regional organisations and projects implemented across multiple countries. Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to regional projects — including grants, loans, and other forms of assistance — averaged \$365 million (in constant 2021 US\$). Funds earmarked as regionally focused constituted the second-largest recipient amount in the Pacific Aid Map, accounting for 12% of ODF flows disbursed. Only 7% of the development finance disbursed for regional projects between 2008 and 2021 came in the form of loans.

Official Development Finance to regional initiatives, by flow type
Spent, constant 2021 US\$



Australia is the largest provider of development funds to regional initiatives, accounting for 39% of development inflows. The next largest providers are New Zealand (15%), EU Institutions (11%), Japan (8%), and France (5%).

Official Development Finance to regional initiatives, by partner
Spent, share of total ODF, constant 2021 US\$

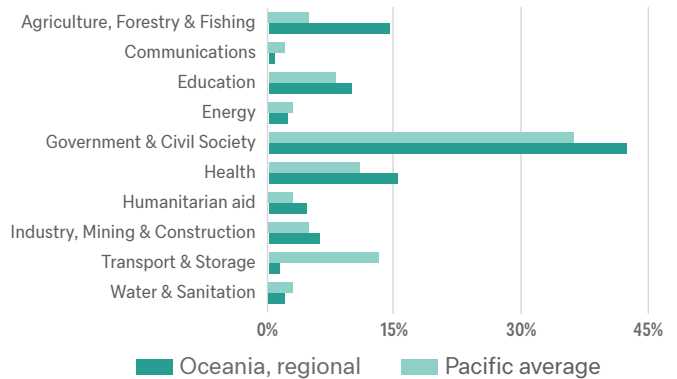


The Council of Regional Organisations in the Pacific (CROP) brings together several regional inter-governmental agencies. Collectively, CROP agencies capture around a fifth of regionally earmarked ODF inflows. The Pacific Community (SPC) is the principal scientific and technical organisation in the Pacific region and the major CROP recipient in the Pacific. Almost all (99%) of ODF support to the SPC comes from four donors: Australia (50%), the European Union (26%), New Zealand (14%), and the Global Fund to Fight AIDS, Tuberculosis and Malaria (9%).

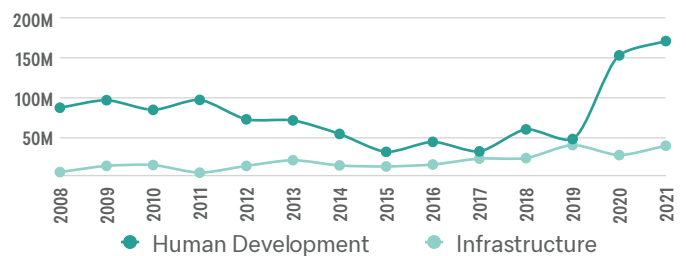
ODF disbursements to Oceania regional and Pacific organisations are distinct from regional trends. For instance, agriculture, forestry and fishing, and water management see a greater funding focus when compared with Pacific averages. Regional projects are also predominantly focused on human development over infrastructure.

4,790 PROJECTS	US\$5.96B COMMITTED	US\$5.12B SPENT
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Oceania, Regional vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$

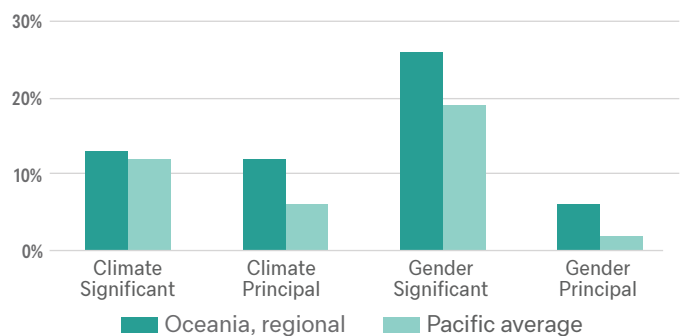


Oceania, Regional ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



As a share of total ODF received, projects with a 'principal' and 'significant' focus on climate change adaptation and mitigation for regional initiatives represented 25% of the total incoming flows, above the regional average of 18%. Disbursements on projects with a gender focus accounted for 33%, which was much higher than the regional average of 21%.

Climate and Gender ODF to regional initiatives, 2008–21
% of total ODF spent, constant 2021 US\$



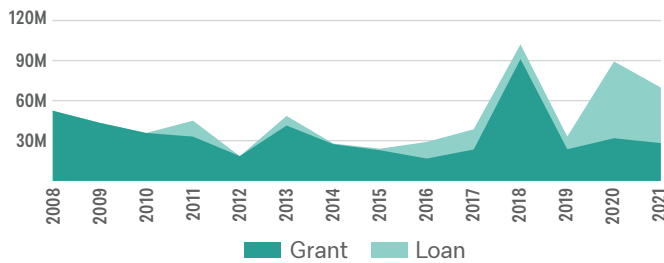
PALAU

The Republic of Palau is an independent Micronesian country, comprised of 340 islands, eight of which are inhabited. With a GDP of \$218 million, Palau is the sixth-smallest economy in the Pacific and accounts for 0.7% of regional GDP.

Palau has the fifth-highest Official Development Assistance (ODA) to Gross National Income (GNI) ratio in the Pacific Islands region, with aid accounting for 23% of national income. In a global context, Palau remains among the most aid-dependent countries in the world, ranking 8th out of 134 developing countries for its ODA/GNI ratio.

The Palau government's development agenda focuses on sustainable management and leveraging of its marine resources. At 0.767, Palau's Human Development Index score ranks 80th out of 191 ranked.

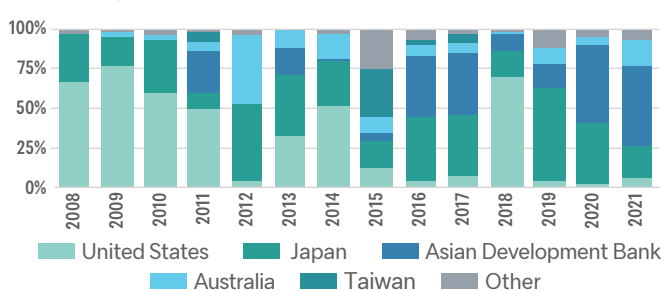
Official Development Finance to Palau, by flow type
Spent, constant 2021 US\$



Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to Palau – including grants, loans, and other forms of assistance – averaged \$47 million (in constant 2021 US\$). A quarter (25%) of the development finance received by Palau between 2008 and 2021 came in the form of loans.

The share of loans in Palau's total incoming development assistance has increased dramatically over the past decade. Between 2008 and 2013, loans made up around 6% of incoming funds. From 2014 onwards, loans have accounted for around 36% of Palau's total incoming development assistance. The Asian Development Bank (ADB) ranks Palau's risk of debt distress as low.

Official Development Finance to Palau, by partner
Spent, share of total ODF, constant 2021 US\$

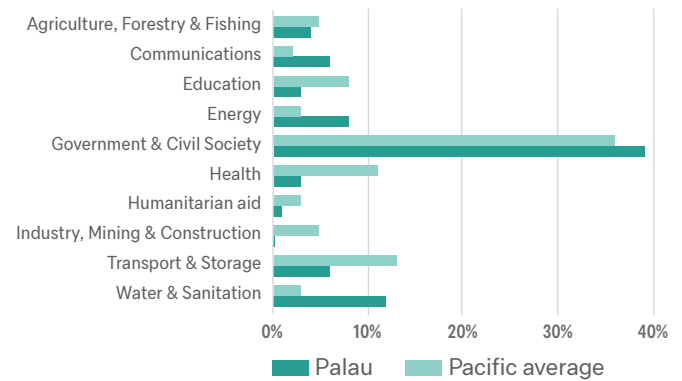


The vast majority (95%) of ODF support to Palau has come from five development partners, led by the United States (35%), Japan (29%), the Asian Development Bank (21%), Australia (8%), and Taiwan (2%).

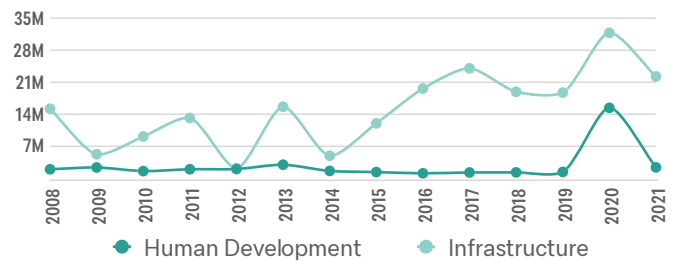
943 PROJECTS	US\$869M COMMITTED	US\$659M SPENT
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ODF disbursements in Palau were largely consistent with regional trends in terms of sector distribution. The government and civil society sector featured prominently, accounting for more than a third (39%) of incoming financing. Palau also sees higher than average spending in the water and sanitation and energy sectors.

Palau vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$

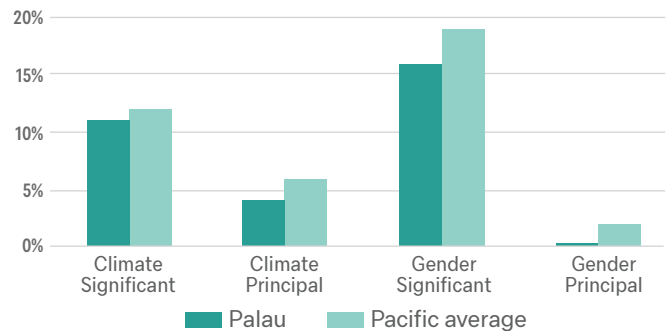


Palau ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



As a share of total ODF received, combined 'principal' and 'significant' climate-related ODF spending in Palau represented 14% of the total incoming flows, lower than the regional average of 18%. Similarly, disbursements with a gender focus accounted for 16%, which was lower than the regional average of 21%.

Climate and Gender ODF to Palau, 2008–21
% of total ODF spent, constant 2021 US\$



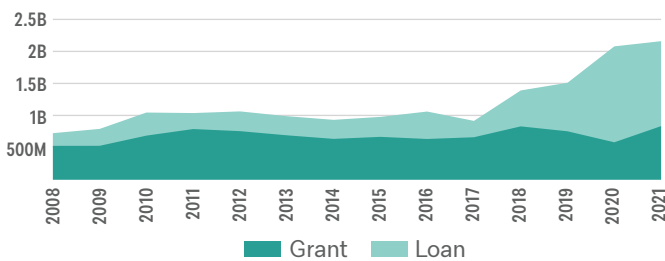
PAPUA NEW GUINEA

Papua New Guinea (PNG) is a developing state located in the Melanesian sub-region of the Pacific. With a GDP of \$26.3 billion, PNG is the largest economy in the Pacific and accounts for 73.1% of regional GDP.

PNG has the lowest Official Development Assistance (ODA) to Gross National Income (GNI) ratio in the Pacific Islands region, with aid accounting for only 4.6% of national income in 2021. In a global context, PNG is ranked 53rd out of 134 developing countries for its ODA/GNI ratio.

The PNG government's development agenda highlights agricultural reform, expansion of road networks, and improvements to the healthcare sector. At 0.558, PNG's Human Development Index score is the lowest in the region, ranked 156th out of 191 ranked countries.

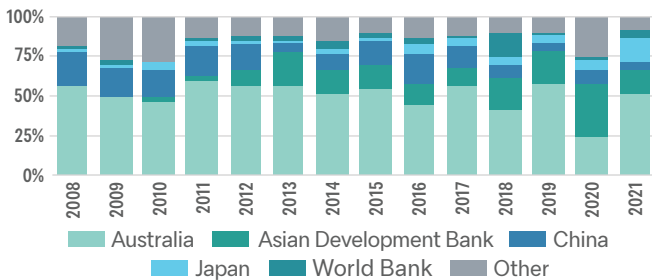
Official Development Finance to PNG, by flow type
Spent, constant 2021 US\$



Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to PNG — including grants, loans, and other forms of assistance — averaged \$1.2 billion (in constant 2021 US\$). Even when accounting for inflation, PNG has seen a dramatic increase in total ODF received, with the amount more than doubling since 2017.

Almost half (43%) of the development finance received by PNG between 2008 and 2021 came in the form of loans. As a share of total received development support, loan-financed projects have increased significantly. Between 2008 and 2015, loans accounted for around a third of total ODF; since 2016, this has increased to more than half.

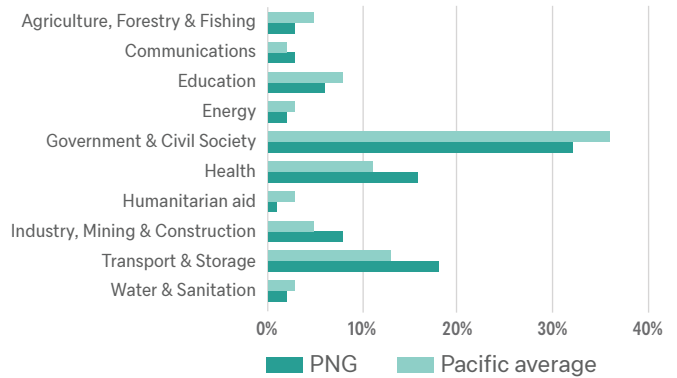
Official Development Finance to PNG, by partner
Spent, share of total ODF, constant 2021 US\$



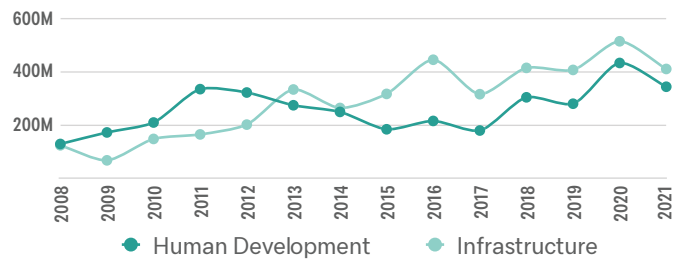
Three-quarters of the ODF support to PNG has come from its largest three development partners, led by Australia (48%), the Asian Development Bank (15%), and China (11%). PNG sees a large level of multilateral engagement compared with other Pacific Island states.

5,224 PROJECTS	US\$25.6B COMMITTED	US\$16.7B SPENT
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PNG vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$



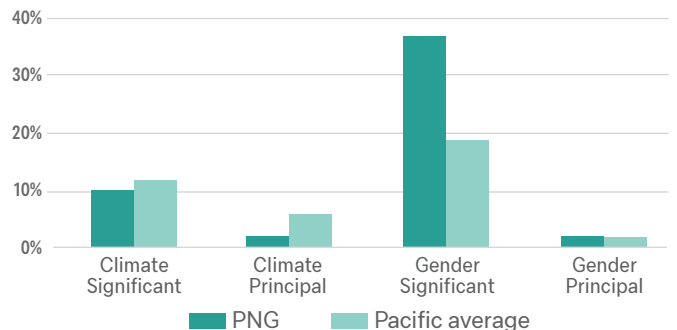
PNG ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



ODF in PNG was largely consistent with regional trends in terms of sector distribution. PNG's only major sectoral outliers are the Health and Industry, Mining and Construction sectors. Spending on projects focused on infrastructure overtook human development spending in 2013, a trend maintained through to 2021.

As a share of total ODF received, combined 'principal' and 'significant' climate-related ODF in PNG represented 12% of the total incoming flows, below the regional average of 18%. At 39%, disbursements with a gender focus were above the regional average of 21%.

Climate and Gender ODF to PNG, 2008-21
% of total ODF spent, constant 2021 US\$



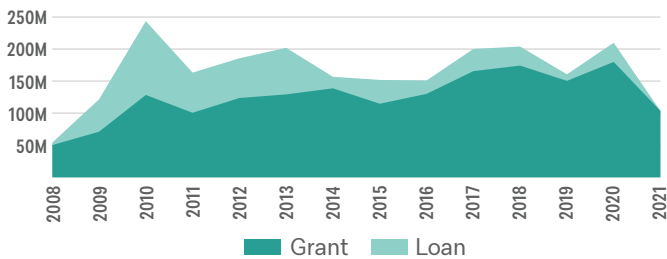
SAMOA

Samoa is a small island developing state located in the Polynesian region of the Pacific Islands. With a GDP of \$844 million, Samoa is the fifth-largest economy in the Pacific and accounts for 2% of regional GDP.

Samoa has the second-lowest Official Development Assistance (ODA) to Gross National Income (GNI) ratio in the Pacific Islands region, with aid accounting for 10% of national income. In a global context, Samoa remains among the most aid-dependent countries in the world, ranking 28th out of 134 developing countries for its ODA/GNI ratio.

The Samoan government's development agenda highlights the need for capacity building, economic diversification, and investment in climate-resilient infrastructure. At 0.707, Samoa's Human Development Index score ranks 111th out of 191 ranked countries.

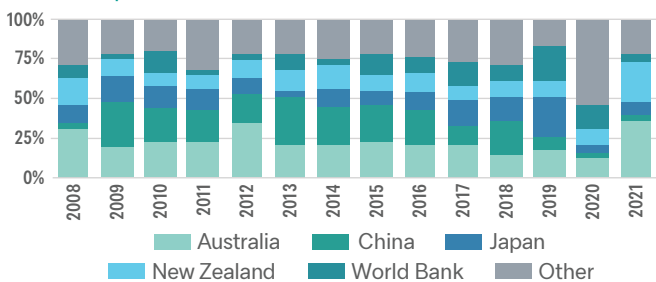
Official Development Finance to Samoa, by flow type
Spent, constant 2021 US\$



Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to Samoa — including grants, loans, and other forms of assistance — averaged \$165 million (in constant 2021 US\$). One-quarter of the development finance received by Samoa between 2008 and 2021 came in the form of loans.

As a share of Samoa's total received development support, loans have declined significantly over the past decade. In 2010, loans made up 47% of total financing to the country; since 2020, this share has declined to 14%. The International Monetary Fund (IMF) ranks Samoa's risk of debt distress as high.

Official Development Finance to Samoa, by partner
Spent, share of total ODF, constant 2021 US\$



The vast majority (72%) of ODF support to Samoa has come from five development partners, led by Australia (21%), China (18%), Japan (12%), New Zealand (11%), and the World Bank (10%).

2,299
PROJECTS

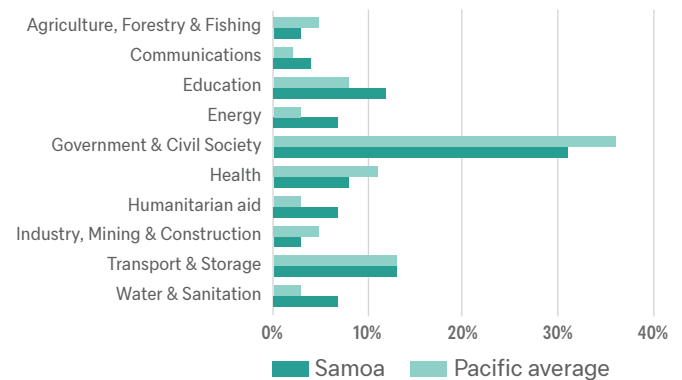
US\$2.37B
COMMITTED

US\$2.31B
SPENT

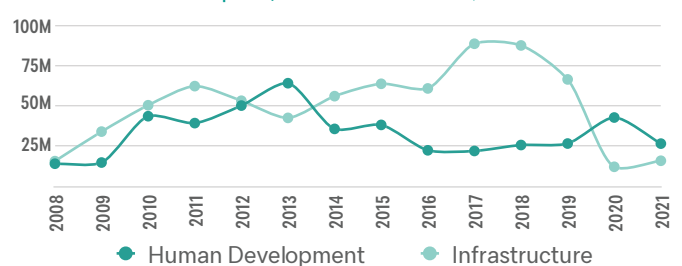
ODF in Samoa was largely consistent with regional trends in terms of sector distribution. The government and civil society sector featured prominently. However, disbursements in the humanitarian aid, water, and sanitation sectors were notably higher than the regional average.

From 2014, Samoa has seen a greater emphasis on infrastructure spending. However, the Covid-19 pandemic shifted priorities back towards human development, particularly within the healthcare sector.

Samoa vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$

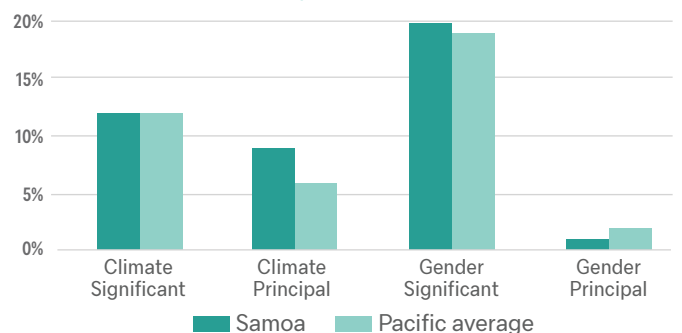


Samoa ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



As a share of total ODF received, combined 'principal' and 'significant' climate-related ODF in Samoa represented 21% of the total incoming flows, compared to the regional average of 18%. In contrast, disbursements with a gender focus, which also accounted for 21%, were slightly higher than the regional average of 21%.

Climate and Gender ODF to Samoa, 2008–21
% of total ODF spent, constant 2021 US\$

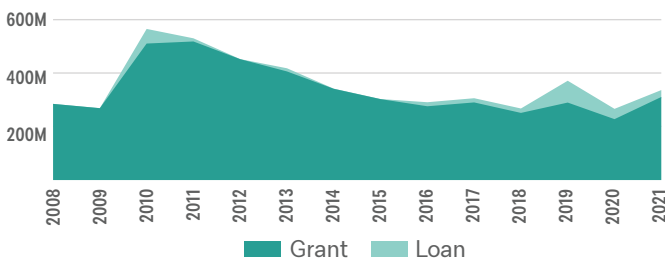


SOLOMON ISLANDS

Solomon Islands is an archipelagic state situated in the Pacific sub-region of Melanesia. With a GDP of \$1.6 billion, Solomon Islands is the third-largest economy in the Pacific and accounts for 4% of regional GDP.

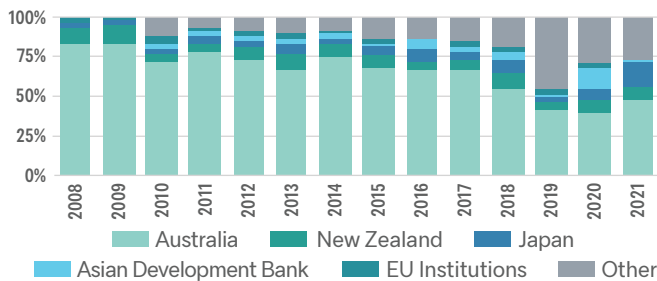
Solomon Islands has the seventh-highest Official Development Assistance (ODA) to Gross National Income (GNI) ratio in the Pacific Islands region, with aid accounting for 16% of national income. In a global context, Solomon Islands remains among the most aid-dependent countries in the world, ranking 13th out of 134 developing countries for its ODA/GNI ratio. The country's development agenda focuses on infrastructure investment and economic diversification. At 0.564, Solomon Islands' Human Development Index score ranks 155th out of 191.

Official Development Finance to Solomon Islands, by flow type
Spent, constant 2021 US\$



Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to Solomon Islands — including grants, loans, and other forms of assistance — averaged \$357 million (in constant 2021 US\$). Around 5% of the development finance received by Solomon Islands between 2008 and 2021 came in the form of loans. The share of loans in Solomon Islands' total incoming development assistance has increased slightly over the past half-decade. Loan assistance peaked at 22% of total ODF in 2019 but declined in successive years to less than 10% in 2021.

Official Development Finance to Solomon Islands, by partner
Spent, share of total ODF, constant 2021 US\$

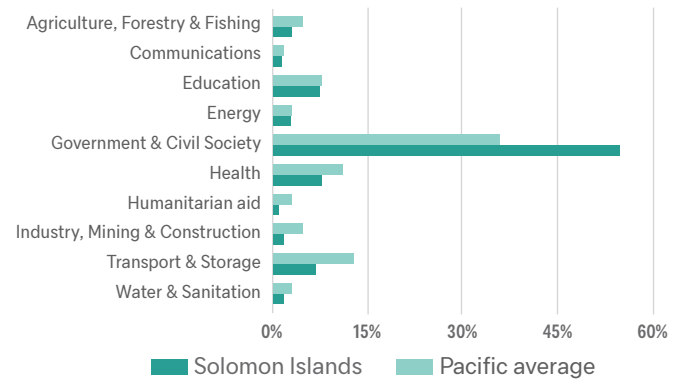


The International Monetary Fund (IMF) ranks Solomon Islands' risk of debt distress as moderate. The vast majority (85%) of ODF support to Solomon Islands has come from five development partners, led by Australia (65%), New Zealand (8%), Japan (6%), the Asian Development Bank (3%), and EU Institutions (3%).

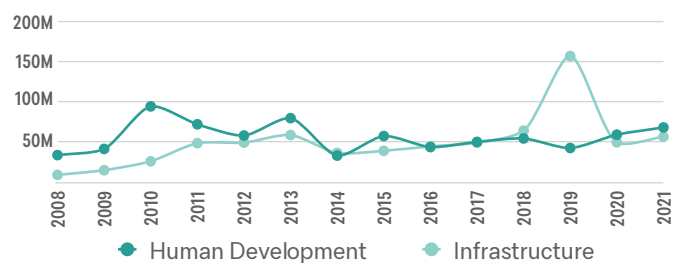
3,341 PROJECTS	US\$5.14B COMMITTED	US\$5.01B SPENT
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ODF disbursements in Solomon Islands were largely consistent with regional trends in terms of sector distribution. The government and civil society sector featured prominently, accounting for more than half (55%) of incoming financing. Human development spending has remained higher than infrastructure spending in Solomon Islands since 2008, with the exception of a spike in 2019 as a result of spending on the Tina River Hydropower Development Project. Solomon Islands was one of a small number of Pacific states that did not see a significant spike in human development spending during the Covid-19 pandemic.

Solomon Islands vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$

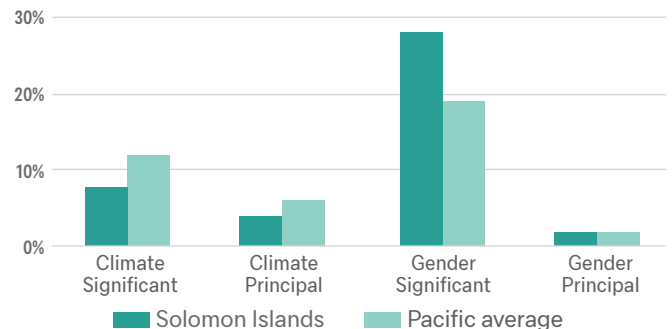


Solomon Islands ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



As a share of total ODF received, combined 'principal' and 'significant' climate-related ODF to Solomon Islands represented 11% of the total incoming flows, lower than the 18% regional average. Disbursements with a gender focus accounted for 30%, higher than the regional average of 21%.

Climate and Gender ODF to Solomon Islands, 2008-21
% of total ODF spent, constant 2021 US\$

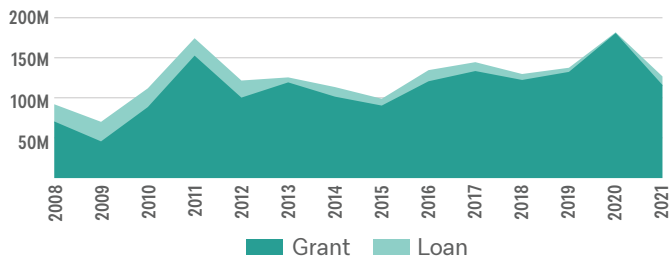


TONGA

Tonga is a small island developing state located in the Polynesian region of the Pacific Islands. With a GDP of \$469 million, Tonga is the sixth-largest economy in the Pacific and accounts for 1.4% of regional GDP.

Tonga has the fourth-highest Official Development Assistance (ODA) to Gross National Income (GNI) ratio in the Pacific Islands region, with aid accounting for 23% of national income. In a global context, Tonga remains among the most aid-dependent countries in the world, ranking 7th out of 134 developing countries for its ODA/GNI ratio.

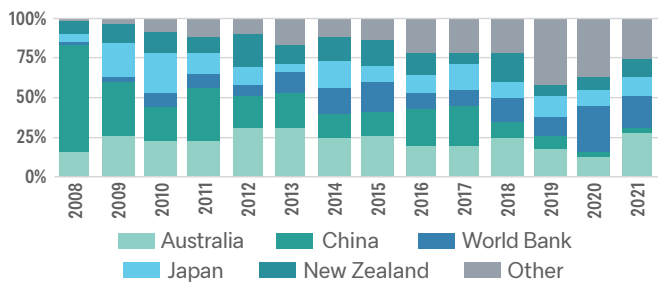
Official Development Finance to Tonga, by flow type
Spent, constant 2021 US\$



The Tongan government's development agenda is focused on the continued recovery from the Covid-19 pandemic and the Hunga Tonga–Hunga Ha'apai volcanic eruption and tsunami event. Health sector reform and disaster resilience are also key priorities. At 0.745, Tonga's Human Development Index score ranks 91st out of 191 ranked countries.

Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to Tonga — including grants, loans, and other forms of assistance — averaged \$125 million (in constant 2021 US\$). 12% of the development finance received by Tonga between 2008 and 2021 came in the form of loans.

Official Development Finance to Tonga, by partner
Spent, share of total ODF, constant 2021 US\$



As a share of Tonga's total received development support, loans have declined significantly over the past decade. Between 2008 and 2011, loans made up 23% of total financing to the country; between 2019 and 2021, the loan share dropped to just 4%. The International Monetary Fund (IMF) ranks Tonga's risk of debt distress as high.

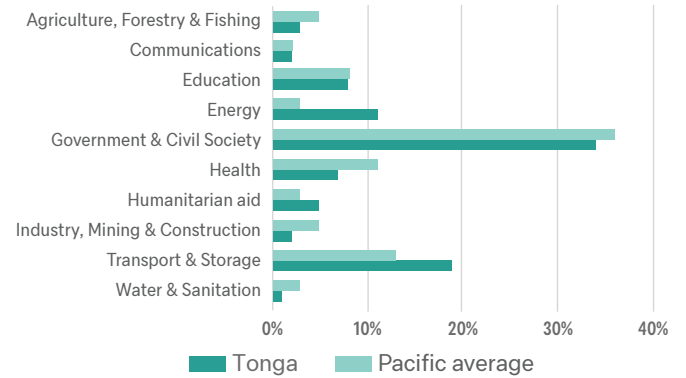
2,084
PROJECTS

US\$1.97B
COMMITTED

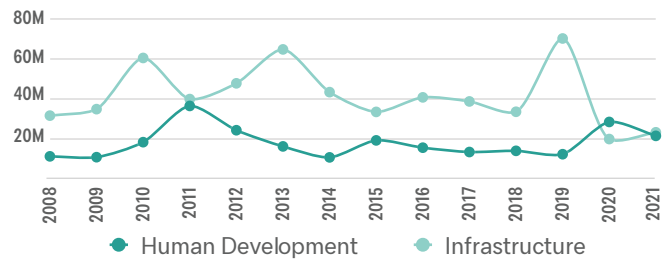
US\$1.76B
SPENT

Close to eight-tenths of ODF support to Tonga in 2008 – 2021 comes from six development partners, led by Australia (22%), China (20%), the World Bank (13%), Japan (13%), New Zealand (12%), and the Asian Development Bank (8%).

Tonga vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$



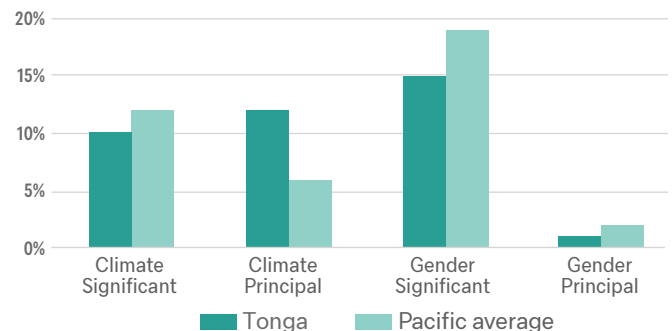
Tonga ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



ODF in Tonga was largely consistent with regional trends in terms of sector distribution. The country sees moderately high levels of spending on transport and energy, and a smaller focus on health. Distinct from regional trends, infrastructure has remained a dominant focus of incoming ODF disbursements in Tonga.

As a share of total ODF received, combined 'principal' and 'significant' climate-related ODF in Tonga represented 21% of the total incoming flows, slightly above the regional average of 18%. In contrast, disbursements with a gender focus only accounted for 17%, below the regional average of 21%.

Climate and Gender ODF to Tonga, 2008–21
% of total ODF spent, constant 2021 US\$



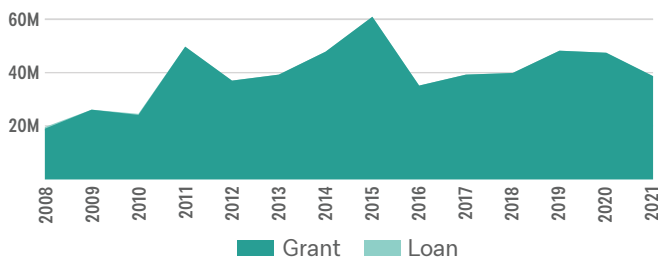
TUVALU

Tuvalu is one of the world's smallest independent nations, comprising nine low-lying coral atolls. With a GDP of \$60 million, Tuvalu is the second-smallest economy in the Pacific and accounts for 0.1% of regional GDP.

Tuvalu has the highest Official Development Assistance (ODA) to Gross National Income (GNI) ratio in the Pacific Islands region, with aid accounting for 44% of national income. In a global context, Tuvalu is the most aid-dependent country in the world, ranking 1st out of 134 developing countries for its ODA/GNI ratio.

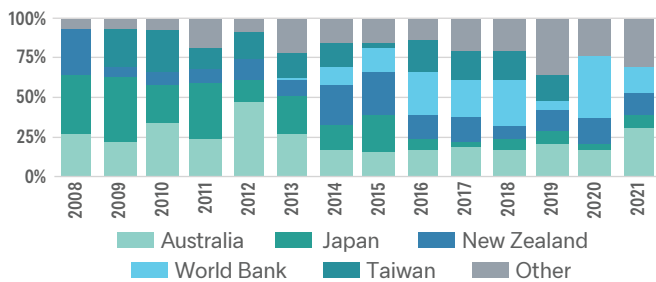
The Tuvalu government's development agenda highlights five strategic areas: sustainable development; economic development; social development and inclusion; islands and culture; and infrastructure development. At 0.641, Tuvalu's Human Development Index score ranks 130th out of 191 ranked countries.

Official Development Finance to Tuvalu, by flow type
Spent, constant 2021 US\$



Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to Tuvalu — including grants, loans, and other forms of assistance — averaged \$39.6 million (in constant 2021 US\$). Since 2011, Tuvalu has seen only grant-based development financing. Tuvalu is the second-highest per capita aid recipient in the Pacific, in large part a product of its small population size. The International Monetary Fund (IMF) ranks Tuvalu's risk of debt distress as high. The vast majority (81%) of ODF support to Tuvalu has come from five development partners, led by Australia (23%), Japan (16%), New Zealand (15%), the World Bank (13%), and Taiwan (12%).

Official Development Finance to Tuvalu, by partner
Spent, share of total ODF, constant 2021 US\$

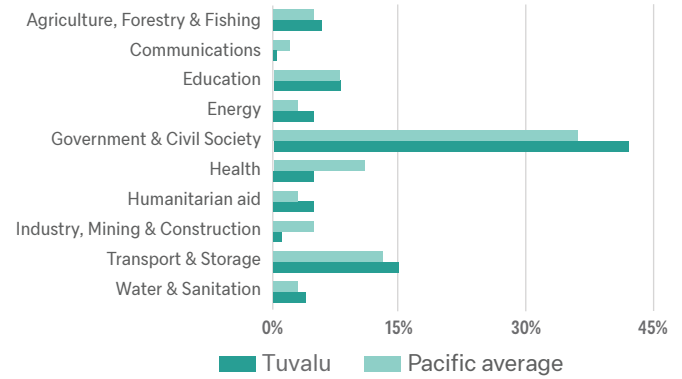


ODF disbursements in Tuvalu were largely consistent with regional trends in terms of sector distribution. The government and civil society sector featured prominently,

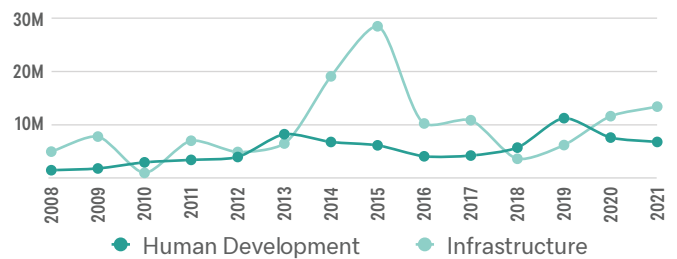
1,130 PROJECTS	US\$714M COMMITTED	US\$555M SPENT
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accounting for more than 42% of incoming financing. Tuvalu also sees slightly higher than average spending in transportation, energy, and humanitarian aid.

Tuvalu vs regional average ODF, per sector
% of total ODF spent, constant 2021 US\$



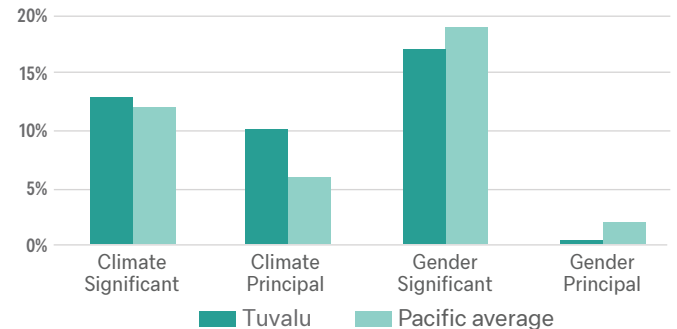
Tuvalu ODF on Infrastructure and Human Development
Spent, constant 2021 US\$



From 2014 onwards, Tuvalu has seen a greater emphasis on infrastructure spending. Tuvalu was one of the small number of Pacific states that did not see a significant spike in human development spending during the Covid-19 pandemic.

As a share of total ODF received, combined 'principal' and 'significant' climate-related ODF to Tuvalu represented 23% of the total incoming flows, compared to the regional average of 18%. Conversely, disbursements with a gender focus accounted for 17%, almost two-third the regional average of 21%.

Climate and Gender ODF to Tuvalu, 2008-21
% of total ODF spent, constant 2021 US\$

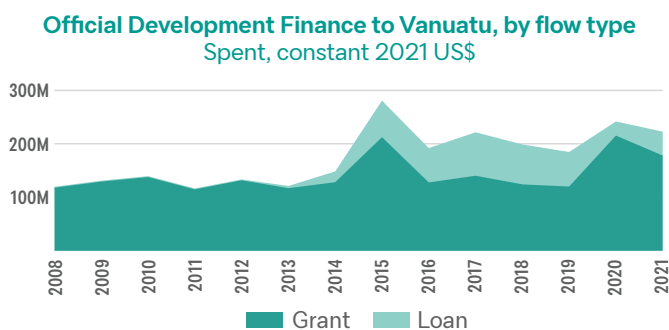


VANUATU

Vanuatu is an independent republic and a part of the chain of Melanesian islands. With a GDP of \$972 million, it is the fourth-largest economy in the Pacific and accounts for 2.6% of regional GDP.

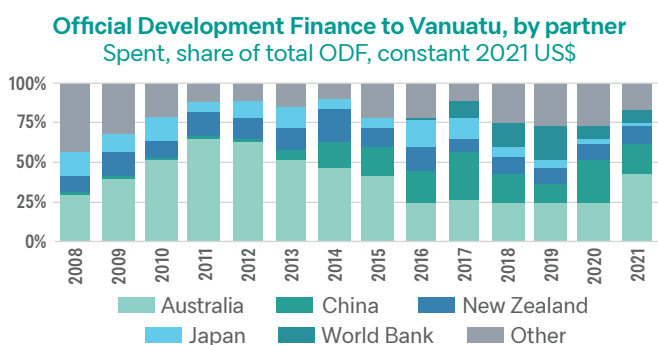
Vanuatu has the eighth-highest Official Development Assistance (ODA) to Gross National Income (GNI) ratio in the Pacific Islands region, with aid accounting for 15% of national income. In a global context, Vanuatu remains among the most aid-dependent countries in the world, ranking 14th out of 134 developing countries for its ODA/GNI ratio.

The Vanuatu government's development agenda highlights the need for a balance between the social, environmental, and economic pillars of sustainable development. At 0.607, Vanuatu's Human Development Index score ranks 140th out of 191 ranked countries.



Between 2008 and 2021, annual Official Development Finance (ODF) disbursements to Vanuatu – including grants, loans, and other forms of assistance – averaged \$175 million (in constant 2021 US\$). Almost a quarter (19%) of the development finance received by Vanuatu between 2008 and 2021 came in the form of loans.

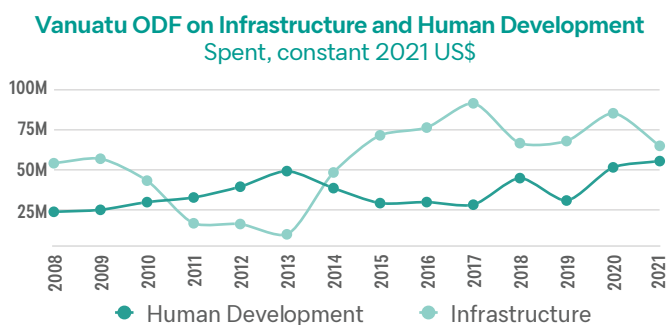
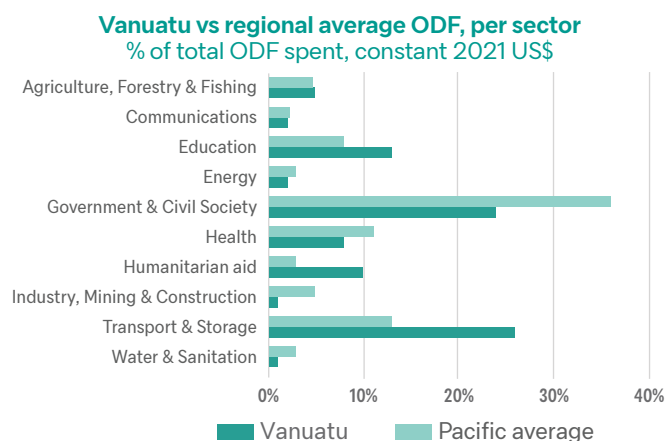
The share of loans in Vanuatu's total incoming development assistance has increased dramatically over the past decade. Between 2008 and 2013, loans made up less than 2% of incoming funds; since 2016, they have accounted for close to a third. The International Monetary Fund (IMF) ranks Vanuatu's risk of debt distress as moderate. The vast majority (78%) of ODF support to Vanuatu has come from five development partners, led by Australia (37%), China (15%), New Zealand (12%), Japan (9%), and the World Bank (5%).



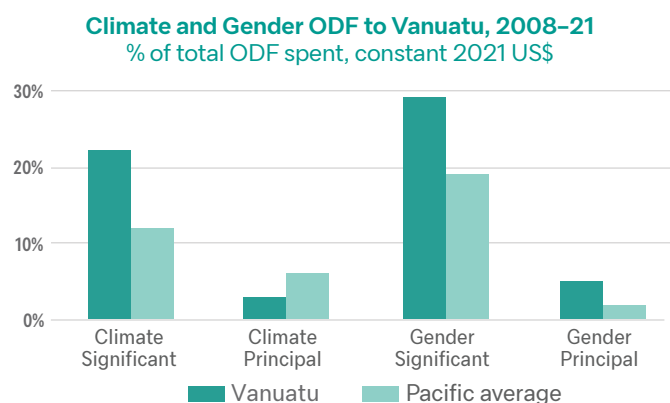
2,997 PROJECTS	US\$2.96B COMMITTED	US\$2.46B SPENT
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ODF disbursements in Vanuatu is quite different from regional trends in terms of sector distribution. The transport and storage sector featured prominently, accounting for more than a quarter of incoming financing. Vanuatu also sees higher than average spending in the education and humanitarian aid sectors.

From 2014 onwards, Vanuatu has seen a greater emphasis on infrastructure spending. Vanuatu was one of a small number of Pacific states that experienced a moderated spike in human development spending during the Covid-19 pandemic.



As a share of total ODF received, combined 'principal' and 'significant' climate-related ODF to Vanuatu represented 25% of the total incoming flows, compared to the regional average of 18%. Disbursements with a gender focus accounted for 33%, which was notably higher than the regional average of 21%.



METHODOLOGY

The Pacific Aid Map consists of data on more than 30,000 projects and activities across all Pacific Island nations from 82 development partners, with complete data from 2008 to 2021. This raw data is freely available on the Pacific Aid Map interactive platform, allowing users to drill down and manipulate the data in a variety of ways.

KEY CONCEPTS

Official development finance (ODF) refers to public funds provided by governments and international organisations to promote economic and social development in low- and middle-income countries. It is the combination of official development assistance (ODA) and other official flows (OOF).

Official development assistance (ODA) is defined as financial flows that are provided by official agencies and are administered with the promotion of the economic development and welfare of developing countries as the main objective and are concessional in character.

Other official flows (OOF) consist of financial flows that do not meet the conditions for ODA either because they are not primarily aimed at development or because they do not meet Organisation for Economic Co-operation and Development (OECD) concessionality standards.

DONORS

A donor is an entity, such as a government or organisation, that provides foreign assistance to support economic and social development in other countries. The Pacific Aid Map focuses on 982 official agencies or partners, both bilateral and multilateral.

RECIPIENTS

The recipient countries in alphabetical order are: Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Additionally, there is an Oceania regional recipient category that captures all regional and multi-country projects.

COMMITTED VS SPENT

There is an important distinction between what development partners have committed in the region and what they have actually spent. Large commitments, typically in infrastructure, can often take a long time to disburse, meaning commitments can often overstate a donor's overall footprint. Spent funds are a better indication of annual flows into the region.

SECTORS

Sectors have been drawn from the OECD sector categories and condensed for formatting purposes. The sectors are: Agriculture, Forestry & Fishing, Communication, Education, Energy, Government & Civil Society, Health, Humanitarian Aid, Industry, Mining & Construction, Multisector/Cross-cutting, Transport & Storage, Water & Sanitation, and other/unspecified.

SOURCES

There are two major existing databases for tracking aid and development finance: the OECD's Development Assistance Committee (OECD DAC) and the International Aid Transparency Initiative (IATI). Unfortunately, neither dataset has comprehensive reporting on non-traditional partners such as India, China, and Taiwan. Steps have been taken by the Pacific Aid Map team to both fill the gaps in existing reporting mechanisms and validate what has been reported through official channels. The team collected, cleaned, and analysed data from open sources such as government budget documents, press releases, news media and social media, and websites of resident embassies. These sources are available via hyperlinks in the Pacific Aid Map database.

This approach, while detailed, will never be entirely comprehensive and some projects will likely be missing, especially from non-traditional partners. However, we are confident that this approach has produced the most complete picture of non-traditional development partner activities to date.

CLIMATE AND GENDER EQUALITY DEVELOPMENT FINANCE

The OECD policy marker system provides an indication of the degree of investment a policy goal receives within an ODF project. A modified version of the OECD's marker system for climate and gender has been applied to all projects in the Pacific Aid Map dataset, sorting projects into three categories: 'principal', where climate change mitigation or adaptation/gender equality is explicitly stated as fundamental to the project; 'significant', where climate change mitigation or adaptation/gender equality is explicitly stated but not fundamental; and 'not climate related', where climate change mitigation or adaptation/gender equality is not targeted in any way. The Pacific Aid Map team has taken at face value the climate or gender equality relevance marking given to projects by those development partners who self-report using the OECD system. For those partners who do not report, each project has been allocated a rating based on relevant criteria such as partner information, Sustainable Development Goal indicators, and OECD sub-sectors.

DATA CAVEATS

The research covers the period from 2008 to 2021. Data for non-traditional development partners is likely to be incomplete. Additionally, the OECD relies on partner self-reporting of OOF, and partners report into it to varying degrees. It likely understates the actual volume of OOF being transferred to the region.

REVIEW PROCESS

The clean dataset was provided to both recipient and main partner governments and organisations for confirmation. The full methodology and a representative subset of the data was sent to an independent, external organisation for robust peer review and to validate, test, and recreate the results.

CURRENCY

All currency is quoted in constant 2021 US dollars.



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