

First Pacific projects under new mutual reliance framework

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World Bank Group President Ajay Banga and Asian Development Bank (ADB) President Masato Kanda have announced the first two projects to be delivered through the Full Mutual Reliance Framework, a new cofinancing model designed to simplify and accelerate development work across the Pacific.

The framework allows countries to work with a single lead lender — either ADB or the World Bank — responsible for project design, preparation, supervision and evaluation. The approach cuts duplication, lowers transaction costs and speeds up delivery while maintaining the high policy and safeguard standards of both institutions.

ADB President Masato Kanda said the model aims to better meet the needs of Pacific countries as they work to tackle complex development challenges. He said: “Our goal is to make development finance simpler, faster and more effective. With this approach, we respond to client needs to solve complex challenges together, from disaster resilience to better connectivity, while supporting their long-term vision for prosperity.”

World Bank Group President Ajay Banga said the framework was shaped directly in response to client demand. He said: “We pursued this framework for one core reason: our clients asked us to make their lives easier. To work faster. To be better partners. This is an important step forward — for our institutions, yes, but far more importantly, for the countries and communities who count on us to deliver real results.”

The first project is the USD 236.5 million Pacific Healthy Islands Transformation (PHIT) initiative, led by the World Bank. It will address the region’s high burden of noncommunicable diseases and represents the

largest single World Bank operation ever undertaken in the Pacific. In Fiji, PHIT will modernise primary health-care networks and support the development of a new regional hospital equipped to treat cancer, cardiovascular disease, diabetes and other major conditions. The World Bank's financing has been approved, with ADB's cofinancing scheduled for Board consideration in early 2026.

The second project, led by ADB, is the Tonga Sustainable Economic Corridors and Urban Resilience (SECURE) project. Approved on 20 November 2025, SECURE is expected to receive USD 120 million in grant financing from ADB and the World Bank, making it the largest development partner financed project in Tonga's history. The programme will upgrade transport links and urban drainage across Greater Nuku'alofa, including construction of the 720-metre Fanga'uta lagoon bridge. The investments will ease congestion, improve market access for rural communities, strengthen connections to the airport and port, and provide safer evacuation routes during natural disasters. World Bank Board consideration is anticipated in early 2026.

The rollout of both projects reflects the growing alignment between ADB and the World Bank Group in the Pacific and marks a significant shift towards more streamlined, coordinated and country-focused development financing.