

V. Conclusion

The ADB focus on improving management of public financial resources advocated herein, while it may be seen as rather narrow in scope given the wide-ranging nature of the findings discussed above, is an important element in making sure that governments are open, accountable, and responsive to the community in the use of public resources for the common good. Development is a collaborative effort by DMCs and the aid community. ADB assistance to any individual PDMC is only a contribution toward the bigger pool of aid available to the country. It is expected that other development partners will continue to play important roles in supporting PDMCs to improve governance, especially in areas where they have ready access to specialized expertise and experience. For example, it is clear that the change in approach to public financial management planning and control proposed herein will need to be supported by strengthening capacity in public sector management, both in terms of general public administration and human resource management, and in specific sectors. This is an area where other development partners in the region have provided considerable assistance to PDMCs. ADB is confident that the aid community will continue the collaboration and coordination efforts that have been evident in recent years.

The involvement of civil society and community groups in influencing the resource allocation process through constructive comments and participation would give substance to aspects of the Pacific culture that call for consultation, shared understanding, consensus seeking, and community participation. This is a small step toward integrating the modern and traditional systems of governance that will make government and the management of public resources understandable to ordinary citizens outside the elite groups that to date tend to dominate national planning and resource allocation decisions on economic and social development.

Although the establishment of clear processes, rules, and procedures in public financial management is essential, and compliance with rules is to be enforced, the need for flexibility within established boundaries must be recognized to achieve

results and minimize inefficiency. It is also important to bear in mind that improving public financial management involves many elements that will require prioritization and sequencing, since resources are limited and capacity constrained; thus, it will be necessary to manage effectively community expectations of benefits to be derived from the pain of reforms.

Information and communications technology (ICT) tools have the potential to improve the transparency of government decision-making processes and reduce opportunities for corrupt behavior by public officials. At present, however, the poor and inadequate state of ICT infrastructure and facilities in most PDMCs renders the use of e-governance tools and techniques very remote for most of the population in the period covered by this report.

Improving governance is a long-term exercise: good governance is not only a matter of good institutions and processes, but also of education and culture. Other development partners and regional institutions play important roles in improving the quality of leadership, providing civic education to youth and community groups, and other measures to enhance democracy and citizens' rights. ADB's contribution to improving the management of public finances, for the purpose of expediting delivery of basic social services to the community through the strategic focus advocated herein, should add to a more enlightened governance environment in the Pacific.

The development and reform experience of PDMCs, and the necessity of good governance to make it work, is well summed up in the following quote from Joseph E. Stiglitz's book *Globalization and its Discontents* (2002):

"...The developing countries must assume responsibility for their well being. They can manage their budgets so that they live within their means... Most important, developing countries need effective governments, with strong and independent judiciaries, openness and transparency and freedom from the corruption that has stifled the effectiveness of the public sector and the growth of the private. What they should ask of the international community is only this: the acceptance of their need, and right, to make their own choices... What is needed are policies for sustainable,

equitable, and democratic growth. This is the reason for development. Development is not about helping a few people get rich or creating a handful of pointless protected industries that only benefit the country's elite...Development is about transforming societies, improving the lives of the poor, enabling everyone to have a chance at success and access to health care and education (p. 251–252).