

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: PAHQ

<b>TA No. and Name</b> TA 3815-COO: Improving Corporate Management in Government Services			<b>Amount Approved:</b> \$250,000	
			<b>Revised Amount:</b> ---	
<b>Executing Agency:</b> Ministry of Finance & Economic Management (MFEM)	<b>Source of Funding:</b> JSF		<b>TA Amount Undisbursed</b> \$123,783	<b>TA Amount Utilized</b> \$126,217
<b>Date</b>			<b>Completion Date</b>	
<b>Approval</b> 19 Dec 2001	<b>Signing</b> 14 Jan 2002	<b>Fielding of Consultants</b> 17 Sep 2002	<b>Original</b> 28 Feb 2003	<b>Actual</b> 31 Jan 2004
			<b>Closing Date</b>	
			<b>Original</b> 28 Feb 2003	<b>Actual</b> 15 Nov 2004
<b>Description</b>				
ADB's operational strategy in the Cook Islands focuses on assisting the Government in building sustainable capacities for sound economic and public sector management, promoting economic growth, and supporting private sector development. The goal of the TA was to create an effective, efficient, and affordable public sector by providing core services that satisfy users and provide value-for-investment to taxpayers. ADB's strategy supports the Government's commitment to continuing reforms to improve public sector efficiency.				
<b>Objectives and Scope</b>				
The TA objectives were to assist the Government to build (i) a body of expertise in government departments, to ensure that the principles of output-based management, good business planning, and reporting continue to be met; and (ii) expertise among members of Parliament (MPs), to enable them to effectively review the reports of government departments. It was planned that capacity building would be through at least 4 participatory workshops for government departments and 2 discussion groups for MPs, together with hands-on assistance to individual departments as they undertake the annual corporate planning and related budget submissions.				
<b>Evaluation of Inputs</b>				
The consultant successfully generated commitment and ownership of the project with the initial 9 pilot agencies (7 ministries and agencies, and 2 island councils). The participants were fully involved in discussions and agreements made regarding the implementation process and success milestones. Apart from the initial training, the consultant supported the discussion process. The local counterparts increasingly took on the training role, especially for outer island council administrations. This generated strong ownership and ensured sustainability after completion of the TA.				
Strategy and planning workshops were conducted with each of the 9 participating ministries and agencies in February 2003 and concluded with completed plans by the end of March 2003. Arrangements for MPs' discussions were made by the Parliamentary Office; however, these never took place due to the lack of interest by the MPs.				
A total of 7 person-months of consulting services were provided, against the initial estimate of 6 person-months. The additional input was needed to enable full implementation of the monitoring and reporting processes in all the ministries and agencies. The consultant was timely in submitting his reports and satisfactorily carried out his work throughout the duration of the TA.				
The Government counterpart team inputs were highly satisfactory. The Public Service Commissioner and MFEM Secretary were especially supportive of the project. The Steering Committee met regularly and gave timely advice and support.				
Regular consultations were held between ADB and the consultants, as well as with government officials, to ensure common understanding of the scope, objectives, and activities for the smooth implementation of the TA.				
<b>Evaluation of Outputs</b>				
A common approach to strategy development and business planning is now in place with Cook Islands' 20 ministries and agencies and all 10 outer island councils. The business planning process part of the TA program was robust, and its implementation generally successful.				
The Budget Review Committee, which includes private sector representatives, was established by the Government to scrutinize business plans and budget estimates of all Government-funded agencies prior to submission to the Cabinet. The Committee acknowledged the value added to the business plans and recommended extension of the Planning Action Reporting Cycle (PARC) program across all government-funded agencies and outer island councils. Despite initial difficulties, the apparent success of the Business Plans encouraged other agencies to seek participation in the PARC program. It was also noted, however, that peer review of draft business plans did not occur as part of the preparation before formal presentation to the Budget Review Committee as the consultant had planned.				
The physical deliverable of this TA is the ToolBox, a complete set of process descriptions, guidelines, questionnaires, and training materials, including a management program to ensure that the ToolBox remains current and effective into the future. A workshop was conducted to introduce the ToolBox to the original PARC development group. This was not required in the TA's original terms of reference but was added by the implementation team as the project progressed. The agreed initial milestones and key activities were completed on time. The consultant input was extended to enable the full implementation of the program to all agencies: training was conducted by the local staff, who were members of the implementation team, while the consultant				

focused on the development of the ToolBox. The consultant also helped to establish a "user group," comprising agencies, small departments, and local island councils. The objective of the "user group" is for members to monitor implementation in all agencies, provide assistance as needed and update the ToolBox as appropriate.

There was an 11-month delay from the original TA closing date. The TA completion date had to be extended to coincide with the consultant's service completion date in his contract. Also, a minor change in scope was approved on 5 September 2003 to include a 1 person-month extension of consultant's contract to support the rolling out of new procedures on output budgeting to all ministries and outer island administrations. Other activities included a pilot run of the PARC program in the outer islands; and monitoring, reporting, and review processes during Cook Islands' 2003-2004 budget finalization in the Parliament.

#### **Overall Assessment and Rating**

The project is rated as highly successful, as there is Government ownership and commitment. The Budget Review Committee commended the improved quality of the pilot corporate business plan and related performance indicators. The Committee also recommended implementation of the program to all agencies. ADB fully supported the Government's request within the available resources of the TA. The only weakness during project implementation was the minimal participation of the MPs.

#### **Major Lessons Learned**

The key lessons learned include (i) the importance of active participation of local staff from the start of the project, and (ii) the advantage of sharing ideas and testing business plans in a non-threatening atmosphere. The active staff participation and peer review had been key to the TA's success.

#### **Recommendations and Follow-Up Actions**

It is recommended that the Budget Review Committee scrutinize each ministry's business plans and budgets. This approach would provide the Committee with an overview of the sector and more specifically identify objectives and activities where collaboration and partnerships should be in place. It is recommended that an assessment of risk be part of all business plans.

There is a need to have a policy and operational procedures manual for all agencies. It is also recommended that all ministries and agencies have their work plans and resource requirements scheduled and that progress be monitored and reported regularly.

There is momentum in the program, and this needs to be maintained to ensure the processes are imbedded across the public service sector.

Finally, as a result of active local staff participation and ownership, the project has trained a sufficient number of local staff in different agencies. With the availability of the ToolBox and the commitment/support by staff of the Public Service Commission and the MFEM to the PARC process, it is important that local staff sustain and further improve the corporate and business planning (including budget allocations) in individual ministries and local councils. This needs to be followed up and supported, as appropriate.

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