



Regional Technical Assistance Report

Project Number: 41251
January 2008

Support for Implementation of the Second
Governance and Anticorruption Action Plan
(Financed by the Governance Cooperation Fund)

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
CPS	–	country partnership strategy
CSO	–	civil society organization
DMC	–	developing member country
GAC	–	governance and anticorruption
GACAP II	–	Second Governance and Anticorruption Action Plan
GCF	–	Governance Cooperation Fund
KRA	–	key result area
NGOC	–	Non-Government Organization and Civil Society Center
PFM	–	public financial management
RAMP	–	risk assessment and risk mitigation plan
RETA	–	regional technical assistance
RM	–	resident mission
RSCG	–	Capacity Development and Governance Division
RSDD	–	Regional and Sustainable Development Department
TA	–	technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Targeting Classification	–	General intervention
Sector	–	Law, economic management and public policy
Subsector	–	Public finance and expenditure management
Themes	–	Governance, capacity development
Subthemes	–	Public governance, anticorruption, organizational development

NOTE

In this report, "\$" refers to US dollars.

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Director General	X. Yao, Regional and Sustainable Development Department (RSDD)
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I. INTRODUCTION

1. The Governance Cooperation Fund (GCF) was established in November 2001 as a multidonor umbrella facility to support government-led governance-related reforms. GCF-supported activities must have strong links to the Asian Development Bank (ADB) operational activities and/or concerns consistent with the country partnership strategies (CPSs). The GCF has financed technical assistance (TA) grants for policy advice, project preparation, training, capacity development, and institutional support activities. In 2005, ADB undertook two important studies: (i) a review of the GCF (GCF Review); and (ii) a review of the implementation of ADB's Governance and Anticorruption Policies (GAC Review). The GCF Review considered the impact of the GCF on implementation of ADB's first governance action plan.¹ The findings of the two reviews have implications for the GCF's future operation. The GCF, through the TA, has an important role to play in mainstreaming and adding value to the implementation of ADB's governance and anticorruption policies, and specifically will support the implementation of ADB's Second Governance and Anticorruption Action Plan (GACAP II). The design and monitoring framework for the TA is in Appendix 1.²

II. ISSUES

2. The GCF Review found that the GCF has funded a large number of small disparate projects, which were not addressing fundamental governance issues constraining the development effectiveness of ADB's overall program.³ The GCF was hindered by a lack of focus in its design, which was very ambitious given the resources available, and could not respond quickly to emerging opportunities as approval processes were cumbersome. Dissemination of experiences from innovative projects was limited by the lack of a knowledge management system.

3. The GAC Review also found that full implementation of the first governance action plan had been hampered by the ambitious nature of the plan and the tenuous ownership in ADB. GACAP II, which was approved in July 2006, identifies three governance themes that are critical to the effectiveness of development assistance and poverty reduction, and are relevant to a significant proportion of ADB's lending and TA: (i) public financial management (PFM); (ii) procurement; and (iii) combating corruption through preventive, enforcement, and investigative measures. The priority governance themes apply to (i) national and subnational levels of government, including municipalities; and (ii) operationally relevant sectors in developing member countries (DMCs).

4. To address these issues, GACAP II is focused on four key result areas (KRAs): KRA1 – to improve identification and management of governance, institutional, and corruption risks in CPSs, midterm review of CPSs, and annual country portfolio review missions; KRA2 – to strengthen governance and anticorruption components in projects and project design; KRA3 – to strengthen program and project administration and portfolio management; and KRA4 – to improve organizational structure, human resources, and access to expertise. Regional technical

¹ ADB. 2000. *Promoting Good Governance: ADB's Medium Term Agenda and Action Plan*. Manila.

² The TA first appeared in *ADB Business Opportunities* on 14 September 2007.

³ As at 30 June 2007, the GCF has funded 22 separate TAs for a total of \$4,770,000. TA amounts have ranged from \$100,000 to \$600,000.

assistance (RETA) 6385: Governance and Capacity Development Initiative,⁴ is providing support to KRA1.

5. KRA2 outcomes under GACAP II focus on program and project designs that incorporate findings of risk assessments and project documentation that clearly identifies risks and risk management and mitigation measures. Project administration requirements must be designed, taking into consideration findings of the risk assessment undertaken for PFM, procurement, and corruption.

6. KRA3 outcomes emphasize strengthening program and project administration through effective management of program and project risks and performance reporting. To support these efforts, it is recognized that ADB resident missions (RMs) have a significant role to play, and a key outcome for KRA4 is a clearly defined role for regional departments and RMs in governance and anticorruption, which is resourced and implemented through a flexible strategy for the institutionalization phase of GACAP II.

7. The GAC Review underlined the important role civil society organizations (CSOs) can and should play in mitigating corruption risks in DMC operations. CPSs and project documents should explicitly describe how DMC government policies and practices engage civil society in combating corruption. Further, the CPSs should clearly define the role to be played by civil society in mitigating corruption risks in ADB operations. GACAP II further reinforced the important role of civil society with subactions under KRA2 requiring that, where feasible and on the basis of an assessment of civil society capacity (conducted jointly with the DMC), measures should be considered to “integrate mechanisms for grassroots CSOs to monitor project results during project implementation.”

III. THE PROPOSED TECHNICAL ASSISTANCE

A. Impact and Outcome

8. The proposed TA is intended to provide support to KRA2, KRA3, and KRA4. The expected impact is improved quality of governance, which contributes to sustainable development in DMCs. The expected outcome is strengthened governance in participating DMCs in areas of PFM, procurement, and combating corruption. All DMCs that meet the criteria outlined in Appendix 2 are eligible to participate in the TA. The TA will have four outputs.

9. **Output 1: Risk Assessments and Risk Mitigation Plans for Projects in ADB Priority Sectors.** The GCF will support the preparation of risk assessments and design of risk mitigation measures at project level. For DMCs where a CPS with GACAP II application has not yet been prepared, if a project preparatory TA or project design document has explicitly included a risk assessment—on an exceptional basis—the TA could support a subproject that addresses the risks identified. The risk assessments will be prepared in partnership with DMC governments.

10. **Output 2: Subprojects Addressing Risk Mitigation Measures at Country, Sector, or Project Level in Priority Areas for ADB Operations.** The risk mitigation plans, formulated as part of the CPS preparation and project design processes, define the scope of ADB’s forward thematic governance and anticorruption program. The TA will support implementation of risk

⁴ ADB. 2007. *Technical Assistance for Governance and Capacity Development Initiative*. Manila. The approved \$1.6 million RETA includes a budget of \$1.0 million to support preparation of tools and guidelines for preparing governance risk assessments and risk mitigation plans to inform the CPSs.

mitigating measures across a broad spectrum of initiatives in ADB's priority thematic governance areas of PFM, procurement, and combating corruption, at country, sector, or project level.

11. Output 3: Subprojects Addressing Knowledge Dissemination and Monitoring.

Investments are needed in measures that will improve access to information on implementation and monitoring of risk mitigation measures and plans at country, sector, and project levels. GACAP II places emphasis on involving CSOs to promote links between DMC governments and citizens to strengthen participation and improve accountability. Output 3 will support initiatives in these areas, including actively promoting participation of civil society, where appropriate.

12. Output 4: Provision of Long-Term National Governance Consultants to Resident Missions.

The TA will provide support for long-term national governance consultants (with expertise in PFM, procurement, combating corruption, and/or governance institutional and corruption risk assessments) in at least five RMs. This will enable ADB to augment current staff resources to support the implementation of GACAP II, and subsequent governance and anticorruption action plans, in a sustainable manner over the long term.

B. Methodology and Key Activities

13. The TA will support the implementation of GACAP II at the project and program level, and will complement support provided by RETA 6385, which provides resources for undertaking country and sector level risk assessments that inform the preparation of CPSs. The TA will provide resources for ADB to implement risk mitigation measures identified through country- and sector-level assessments, which are subsequently addressed in the design of risk mitigation plans at project level. Risk mitigation measures can include training, seminars, and conferences for government officials, CSOs, and other stakeholders. Surveys could be undertaken to clarify project-level risks, obtain feedback on service delivery, or collect baseline data for monitoring risks. Details of these activities will be included in subproject proposals. Budgets for subprojects for outputs 2 and 3 are estimated to range from \$50,000 to \$250,000. The TA will support 10–15 subprojects.

14. The four outputs will be mutually reinforcing, leading to quality risk assessments and risk mitigation plans for ADB projects (output 1), which will provide the foundation for the design of practical interventions that address the key vulnerabilities to governance, institutional and corruption risk in key sector projects (output 2), with attention to sustainability of risk mitigation measures through support to up-to-date and reliable information and monitoring systems to ensure that risk mitigation measures are not reversed in the future (output 3). National governance consultants (output 4) will provide support to achieve outputs 1, 2, and 3 in participating DMCs, and will assist capacity development efforts for the implementation of GACAP II in RMs. Combined, these four integrated outputs will achieve strengthened governance in participating DMCs.

15. For output 1, the TA will support the preparation of risk assessments and design of risk mitigation measures for ADB projects that address ADB's three thematic governance priorities of PFM, procurement, and combating corruption.⁵ For output 2, the TA will support risk mitigating measures identified in country-, sector-, and project-level risk assessment and risk mitigation plans. For output 3, the focus will be on information and monitoring mechanisms to

⁵ Risk assessments and risk mitigation plans should be informed by country level and sector risk assessments and risk mitigation plans prepared as part of the CPS formulation process.

ensure that the proposed risk mitigation measures are implemented as planned, and are sustained over time. In DMCs where CSOs have the capacity to undertake monitoring functions, they should be encouraged to participate. For output 4, the TA will support the development of internal ADB capacities and deepen our knowledge of core governance issues in selected countries.

16. Consistent with ADB's second medium term strategy and ADB's endorsement of the 2005 Paris Declaration on Aid Effectiveness, and as specified in GACAP II, where possible, initiatives under all outputs should seek to (i) work with multilateral and bilateral development partners; (ii) increase the number of joint sector and thematic analyses; (iii) harmonize diagnostic reviews; (iv) adopt common performance measures for PFM, procurement, and anticorruption measures; (v) develop joint PFM, procurement, and anticorruption programs; and (vi) actively promote risk assessment and program-based approaches.

C. Cost and Financing

17. The total cost of the TA, estimated at \$2.6 million equivalent, will be financed on a grant basis by the GCF.⁶ Funding from the GCF will be administered by ADB. The TA proceeds will cover consulting services, training, seminars, conferences, surveys and other studies, and reports and publications. Indicative cost estimates and financing plan are in Appendix 3.

D. Implementation Arrangements

18. The GCF Review highlighted weaknesses in the implementation arrangements including (i) inability to respond to emerging governance initiatives in a timely manner, and (ii) lack of flexibility to fund small short-term governance initiatives. High administration costs spread over a large number of relatively small projects resulted in a very high ratio of administrative costs to disbursements. To address these issues and reduce administration costs, the remaining GCF funds will be disbursed through a RETA modality.⁷

19. ADB will be the Executing Agency and will implement the TA. The Capacity Development and Governance Division (RSCG) of the Regional and Sustainable Development Department (RSDD), in collaboration with the regional departments, will be responsible for all TA activities. The TA will be implemented from February 2008 to January 2011.

20. For output 1, regional departments and RMs will submit to RSCG for review (i) brief proposals describing the scope of the risk assessments and risk mitigation plans to be undertaken; (ii) confirmation of a government's request for ADB support; (iii) detailed terms of reference for consultants; and (iv) detailed budgets. Proposals must refer to the country and sector risk assessments informing the proposed project risk assessment. For outputs 2 and 3, subproject concepts may be developed by staff in the regional departments, RMs, and RSDD, in collaboration with implementing agencies in DMCs. Proposed subproject activities will be described in short concept papers, which will be screened initially by RSCG. Project concepts endorsed will be further developed into subproject proposals for review by the peer review committees composed of ADB staff with relevant expertise. Further details, including subproject selection criteria and processing requirements, are in Appendix 2.

⁶ Contributors are the governments of Canada, Denmark, Ireland, and Norway.

⁷ Previously, GCF-funded projects required endorsement from the governance committee, which met just once a year to review proposals, followed by normal ADB TA processing procedures.

21. The department or RM submitting a proposal to RSDD/RSCG for approval will be responsible for (i) obtaining approval of the concerned Director General and Director, (ii) obtaining a no-objection confirmation from the concerned DMC government, and (iii) implementing and monitoring the subproject in consultation with RSCG and other concerned staff. Subprojects generated by departments at ADB headquarters will be implemented in close cooperation with the relevant RMs. To ensure mainstreaming of the TA activities, it is important that governance and relevant sector staff work in collaboration. Project proposals with a budget greater than \$250,000, if approved by the peer review committee, will need to be cleared by the GCF donor governments on a no-objection basis. Consultants under a subproject will be identified by the proposing departments. If RSDD/RSCG support is requested, assistance in consultant selection will be provided. The processing of consultant requests will be managed by RSDD/RSCG. The regional departments will oversee the work of the consultants for their respective subprojects.

22. For output 4, regional departments will submit a prioritized list of requests for national governance consultants for RMs to RSDD/RSCG. Requests should include the rationale, which addresses the criteria for output 4 outlined in Appendix 2. RSCG will organize annual meetings of the governance consultants and ADB governance professionals to share lessons learned, and review progress on the implementation of GACAP II and forward work plans. The consultants will report to the respective country directors in the RMs.

23. The TA will require international consultants (estimated 40 person-months) and national consultants (estimated 290 person-months) with skills and expertise in governance, PFM, and anticorruption at country level and in priority sectors for ADB operations, as defined in the Second Medium Term Strategy and CPSs for participating DMCs. Terms of reference for consultants will be further specified when specific TA activities are identified by regional departments, RMs, and RSDD, and national governance consultants are recruited for RMs. RSCG will (i) support the peer review committees, (ii) disseminate information on fund availability and procedures, (iii) monitor subprojects, (iv) prepare financial and progress reports required by cofinanciers of the GCF, and (v) support dissemination of TA outputs. As institutional focal point for the GACAP II, RSCG will design and implement knowledge management systems to ensure that lessons learned from the relatively new risk-based approach to governance assessments and governance project design and implementation are shared in a systematic manner with ADB staff. A portion of the administration fees received by ADB from the GCF cofinanciers will be used to support a one-person secretariat in RSCG to coordinate RETA activities. Outline terms of reference are in Appendix 4. Consultants will be recruited as individuals. Where appropriate, NGOs will be recruited. The consultants will be engaged by ADB in accordance with the *Guidelines on the Use of Consultants* (2007, as amended from time to time).

IV. THE PRESIDENT'S RECOMMENDATION

24. The President recommends that the Board approve ADB administering technical assistance not exceeding the equivalent of \$2,600,000 to be financed on a grant basis by the Governance Cooperation Fund, for Support for Implementation of the Second Governance and Anticorruption Action Plan.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
Impact Improved quality of governance, which contributes to sustainable development in DMCs	<ul style="list-style-type: none"> • Progress on implementation of DMC national and sector development, and poverty reduction plans 	<ul style="list-style-type: none"> • Progress reports on DMC national and sector development plans, and poverty reduction plans 	Assumption <ul style="list-style-type: none"> • DMCs are committed to implementing national and sector development plans focused on socially inclusive growth and poverty reduction.
Outcome Strengthened governance in participating DMCs in areas of PFM, procurement, and combating corruption	<ul style="list-style-type: none"> • improved PFM indicators • improved public procurement indicators • Strengthened national integrity systems over time 	<ul style="list-style-type: none"> • PEFA assessments (due diligence of the budget process) • Public expenditure reviews (poverty orientation of the budget) • National procurement system assessments (OECD joint venture framework) • TI national integrity system assessments 	Assumption <ul style="list-style-type: none"> • DMCs are committed to implementing risk mitigation measures to strengthen the quality of governance.
Outputs 1. RAMPs for projects in ADB priority sectors 2. Subprojects addressing risk mitigation measures at country, sector, and/or project level in priority areas for ADB operations 3. Subprojects addressing knowledge management and dissemination 4. Long-term national governance consultants placed in at least five resident missions for supporting implementation of GACAP II	<ul style="list-style-type: none"> • RAMPs in priority sectors that provide operational response to risks identified in country and sector RAMPs • Subprojects addressing key risks identified in RAMPs designed and implemented • Quality financial, physical, and accounting monitoring reports available • Systematic reporting by CSOs on the quality of PFM, procurement, and integrity systems to combat corruption • Consultants that enable and support mainstreaming of GACAP II in RMs 	<ul style="list-style-type: none"> • RAMPs • GACAP II progress reports • Subproject design documents and progress reports • RRP • GACAP II progress reports • Subproject progress reports • External assessments of PFM, procurement, and anticorruption prepared by CSOs • GACAP II progress reports • RM progress reports • GACAP II progress reports • Consultant work plans, progress reviews, and performance evaluations 	Assumptions <ul style="list-style-type: none"> • DMCs are willing to design and implement RAMPs • ADB sector and governance specialists coordinate effectively among themselves and with DMCs to ensure high-quality risk-based operational approaches to address key thematic governance risks in sector projects. • CSOs have capacity and interest to become actively involved in monitoring implementation of risk mitigation plans and measures. • RMs are willing to support the national governance consultants and keep consultants' work plans focused on supporting implementation of GACAP II.
Activities with Milestones 1. Prepare RAMPs for projects in ADB priority sectors. 1.1 Advise regional departments and RMs of resources available under the TA. 1.2 RSCG to review proposals for project-level RAMPs 1.3 RSCG, regional departments, RMs to collaborate in recruiting consultants to undertake RAMPs			Inputs 40 person-months of international consulting services (\$900,000)

<p>1.4 Initiating departments/RMs to monitor implementation of RAMPs, in collaboration with RSCG</p> <p>1.5 RSCG to review quality of RAMPs and make recommendations for improvement, as required</p> <p>1.6 Disseminate completed RAMPs to interested parties within ADB and post on website (once approved by ADB and DMCs).</p> <p>2. Subprojects addressing risk mitigation plans/measures in priority areas for ADB operations</p> <p>2.1 Advise regional departments and RMs of resources available under the TA.</p> <p>2.2 RSCG to do initial screening of project concept papers</p> <p>2.3 RSCG endorsed project concepts to be further developed into subproject proposals by initiating regional department/RM.</p> <p>2.4 Peer review committee(s) to review and approve subprojects, or suggest areas for improvement</p> <p>2.5 RSCG, regional departments, RMs to collaborate in recruiting consultants to undertake subprojects</p> <p>2.6 Initiating departments/RMs to monitor implementation of subprojects, in collaboration with RSCG</p> <p>2.7 RSCG to review the quality of subproject outputs and make recommendations for improvement, as required</p> <p>2.8 Disseminate completed subproject outputs to interested parties within ADB and post on the website (once approved by ADB and DMCs).</p> <p>3. Information systems and mechanisms for monitoring risk mitigation measures</p> <p>3.1 Advise regional departments and RMs of resources available under the TA.</p> <p>3.2 RSCG and NGOC to do initial screening of project concept papers</p> <p>3.3 RSCG to endorse project concepts to be further developed into subproject proposals by initiating regional department/RM</p> <p>3.4 Peer review committee(s) to review and approve subprojects, or suggest areas for improvement</p> <p>3.5 RSCG, regional departments, RMs to collaborate in recruiting consultants to undertake subprojects</p> <p>3.6 Initiating departments/RMs to monitor implementation of subprojects, in collaboration with RSCG</p> <p>3.7 RSCG and NGOC (for subprojects involving CSOs) to review quality of subproject outputs and make recommendations for improvement, as required</p> <p>3.8 Disseminate completed subproject outputs to interested parties within ADB and post on the website (once approved by ADB and DMCs).</p> <p>4. Provision of long-term national governance consultants to RMs</p> <p>4.1 Advise the regional departments and RMs of resources available under the TA.</p> <p>4.2 Request proposals from regional departments with rationale for consultants that addresses the specified criteria.</p> <p>4.3 RMs to prepare draft TORs for endorsement by RSCG.</p> <p>4.4 RSCG to recruit consultants, in consultation with RMs.</p> <p>4.5 Place consultants in RMs.</p> <p>4.6 Consultant work plans prepared by country director in RMs, and endorsed by RSCG.</p> <p>4.7 Annual performance evaluations prepared by Country Directors and forwarded to RSCG for review.</p> <p>4.8 National consultants to participate in annual workshop on progress and lessons learned on implementation of GACAP II, to be organized by RSCG.</p>	<p>290 person-months of national consulting services (\$1,085,000)</p> <p>International and local travel (\$115,000)</p> <p>Reports, communication, and translation (\$40,000)</p> <p>Training, seminars, and conferences (\$230,000)</p> <p>Surveys (\$20,000)</p> <p>Miscellaneous administration and support costs (\$60,000)</p> <p>Contingencies (\$150,000)</p>
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ADB = Asian Development Bank, CSO = civil society organization, DMC = developing member country, GACAP II = Second Governance and Anticorruption Action Plan, GCF = Governance Cooperation Fund, NGOC = Non-Government Organization and Civil Society Center, OECD = Organisation for Economic Co-operation and Development, PEFA = public expenditure and financial accountability, PFM = public financial management, RAMP = risk assessment and risk mitigation plan, RM = resident mission, RRP = report and recommendation of the President, RSCG = Capacity Development and Governance Division, TA = technical assistance, TI = Transparency International.

IMPLEMENTATION ARRANGEMENTS

1. The Asian Development Bank (ADB) will be the Executing Agency and will implement the technical assistance (TA). The Capacity Development and Governance Division (RSCG) of the Regional and Sustainable Development Department (RSDD), in collaboration with the regional departments, will be responsible for all TA activities. The TA will be implemented from February 2008 to January 2011.

A. Criteria for Selecting Subprojects (outputs 1, 2, and 3)

2. The general criteria for accessing funds under the TA are as follows:
- (i) the project risk assessments and risk mitigation plans must consider country and sector risk assessments and mitigation plans that informed the Country Partnership Strategy (CPS) (output 1); or
 - (ii) subprojects should address governance risks identified in country, sector, and project risk assessments and risk mitigation plans prepared for the CPS, or projects included in the CPS (outputs 2 and 3).
3. Specific criteria for prioritizing subproject proposals include
- (i) the potential for significant mainstreaming of externalities at country and/or sector level;
 - (ii) clear demonstration of how the investments in specific project(s) will be sustained;
 - (iii) demonstrated commitment from developing member countries (DMCs)/other partners through cost-sharing or other specific steps in implementing the mitigating measures; and
 - (iv) elements of innovation.

The RSCG will ensure that there is a balance in TA initiatives across regional departments.

B. Criteria for Selecting Governance Specialists in Resident Missions (RMs)

4. RMs in which national governance specialist positions will be established will be selected on the basis of (i) demand from the regional department; (ii) perceived levels of governance, procurement, and corruption risk inherent in ADB operations; and (iii) the existence of a forward governance program in the country. Equitable distribution of resources across all regional departments will be considered.

C. Subproject Selection and Approval Processes

5. For output 1, regional departments and RMs will submit to RSCG for review (i) brief proposals describing the scope of the risk assessments and risk mitigation plans to be undertaken, (ii) confirmation of the government's request for ADB support, (iii) detailed terms of reference for consultants, and (iv) detailed budgets. Proposals must refer to the country and sector risk assessments informing the proposed project risk assessment.

6. For outputs 2 and 3, subproject concepts may be developed by staff in the regional departments, RMs, and RSDD, in collaboration with implementing agencies in DMCs. Proposed subproject activities will be described in short concept papers, which will be screened initially by RSCG. Project concepts endorsed for onward processing will be further developed into subproject proposals. RSCG will convene peer review committees, composed of ADB staff with expertise in the subject matter of the subproject proposals, to review and approve the proposals.

Peer review committees reviewing subprojects involving civil society organizations will include representation from the NGO and Civil Society Center. For efficiency, peer review committees will review batches of subproject proposals as they are submitted to RSCG. Subproject proposals will include (i) a brief summary of the risk mitigation plans and measures the project seeks to address; (ii) confirmation of the government's request for ADB support; (iii) project description including impact, outcome, outputs, activities, and inputs; (iv) implementation arrangements; (v) design and monitoring framework; (vi) project budget; and (vii) terms of reference for consultants. RSCG will provide all regional departments and RMs with a simplified format for subproject proposals following approval of the TA.

7. For output 4, regional departments will submit to RSDD/RSCG a prioritized list of requests for national governance consultants for RMs, with rationale that addresses the selection criteria outlined in section B. RSCG will ensure an equitable distribution of resources across regional departments. It is estimated that at least five RMs will be supported through the TA.

D. Accountability Mechanisms

8. The regional department or RM submitting a given proposal to RSDD/RSCG for approval will (i) obtain the approval of the concerned Director General and Director; (ii) obtain a no-objection confirmation from the concerned DMC government; and (iii) implement and monitor the subproject in consultation with RSCG and other concerned staff. Subprojects generated by departments at ADB headquarters will be implemented in close cooperation with the relevant RMs. To ensure mainstreaming of the TA activities, governance and relevant sector staff will work in collaboration. Project proposals with a budget greater than \$250,000, if approved by the peer review committee, will need to be cleared by the Governance Cooperation Fund donor governments on a no-objection basis. Consultants under a subproject will be identified by the proposing departments. If RSCG/RSDD support is requested, it will assist in consultant selection. RSDD/RSCG will manage the processing of consultant requests. The regional departments will oversee the work of the consultants for their respective subprojects.

9. Regional departments that are allocated national governance consultants will (i) advertise the position locally; (ii) in consultation with RSCG, prepare a shortlist of potential candidates, arrange interviews, and participate in the selection process; (iii) in consultation with RSCG, develop a work program and provide day-to-day administrative guidance; and (iv) provide suitable work space, furniture, and equipment including computers and computer connections, work-related transport, and reasonable administrative/secretarial support. The TA budget will provide international and local travel for the national governance consultants, and training and workshop costs, as appropriate.

COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Total Cost
Governance Cooperation Fund^a	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	900.0
ii. National Consultants	1,085.0
b. International and Local Travel	115.0
c. Reports, Communications, and Translation	40.0
2. Training, Seminars, and Conferences	230.0
3. Surveys	20.0
4. Miscellaneous Administration and Support Costs	60.0
5. Contingencies	150.0
Total	2,600.0

^a Contributors: The Governments of Canada, Denmark, Ireland, and Norway. Funding from the GCF will be administered by the Asian Development Bank.
Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Consultants for Risk Assessments, Risk Mitigation Plans and Related Subprojects (outputs 1, 2, and 3)

1. The technical assistance (TA) will provide approximately 40 person-months of international and 110 person-months of national consulting services. Consultants' expertise will be in governance, public financial management (PFM), procurement, and combating corruption. Sector expertise will be required in priority sectors (e.g., road transport, energy, urban infrastructure, rural infrastructure, education, and the financial sector) for Asian Development Bank (ADB) operations, as defined in ADB's Second Medium Term Strategy and Country Partnership Strategies for participating developing member countries (DMCs). Expertise may also be required in other sectors prioritized in country partnership strategies for participating DMCs including agriculture and natural resources, health, law and judiciary, public finance and economic management, trade, and railways. The consultants will be supporting participating DMCs.

2. The consultants will undertake the following activities: (i) prepare risk assessments and risk mitigation plans (RAMPs) for ADB projects (output 1); (ii) assist participating DMCs to implement subprojects resulting from RAMPs (output 2); and (iii) assist participating DMCs with improving access to information on implementing and monitoring risk mitigation measures and plans at country, sector, and project levels (output 3). Each consultant will prepare his/her own report. If a consolidated report is required, this task will be given to the lead consultant. All consultants working on a given RAMP or subproject will be expected to work as a team. Depending on the nature of the RAMP or subproject, a team leader for the consultant team may be assigned, and this would be reflected accordingly in the terms of reference. In other cases, especially assignments with a more narrow focus, the individual consultant will report directly to ADB. International and national consultants will be responsible for training, seminar, and conference activities supported by the TA. The terms of reference for consultants will be further specified when specific TA activities are identified by regional departments, resident missions (RMs), and the Regional and Sustainable Development Department.

B. National Governance Specialists in Selected Resident Missions (output 4)

3. The TA will provide about 180 person-months of national consulting services to support at least five RMs in implementing ADB's Second Governance and Anticorruption Action Plan (GACAP II). Consultants will have expertise in governance, PFM, procurement and/or combating corruption. Sector expertise in road transport, energy, urban infrastructure, rural infrastructure, education, and finance is important.

4. The consultants will undertake the following activities:

- (i) assist country teams and project officers with regular monitoring of risk management plans at national/subnational, sector, and project levels;
- (ii) assist country portfolio review missions with reviewing and reporting on country systems for PFM, procurement, and combating corruption;
- (iii) assist country portfolio review missions with reporting on the effectiveness of risk management plans across the country portfolio, and assessment of what adjustments are required to the focus, priorities, and risk management of the three-year rolling business plans;

- (iv) assist project team leaders in preparing project concept papers, outlining preliminary assessment of financial management, procurement, and corruption risks;
- (v) assist project team leaders in preparing detailed PFM, procurement, and risk assessments and risk management plans;
- (vi) assist project officers in updating risk assessments, and identifying adjustments to risk mitigation measures required, as appropriate;
- (vii) prepare concise quarterly reports on GACAP II implementation in-country to inform the GACAP II quarterly progress report; and
- (viii) undertake value chain analysis for sectors in which ADB is operating, and identify vulnerability to risks of corruption.

5. Individual work programs will be developed, taking into consideration country-specific factors and the individual skills mix of individuals selected.