

## **PACIFIC INFRASTRUCTURE TASK FORCE**

### **Collaborative Framework – Draft Proposal**

#### **Background**

Representatives of the ADB, the World Bank, NZAid, and AusAid participated in an initial informal donors conference in Sydney in November 2005 and a second one in Canberra in February 2006, to discuss the formation of a collaborative framework among the development partners to address the priorities of infrastructure service delivery in the Pacific region. A record of each meeting is attached as Appendix 2. The development partners agreed to join in a collaborative framework and appointed a Task Force, comprised of a representative of each donor partner, to implement it. The ADB is the Secretariat of the Task Force.

A meeting held in Melbourne in December 2004 brought together government, utility, and donor stakeholders to consider priorities for Pacific infrastructure. A broad comparative baseline study specific to the Pacific Island region was underway in conjunction with the joint World Bank/ADB/IBRD study *Connecting East Asia: A New Framework for Infrastructure*. The study encompassed all major Pacific infrastructure sectors including transport, communications, energy, and water supply and sanitation. A resultant study *Infrastructure in the Pacific: Obstacles and Opportunities to Improved Performance* (hereinafter the 'Pacific Infrastructure Report' or 'PIR') was produced and issued in final form in January 2006, and is being disseminated throughout the region by the World Bank with the assistance of the other donor partners and the Forum Secretariat.

The PIR provides an overview of the fundamental infrastructure issues in the region and will be used as a starting point for the work of the collaborative framework. An ADB regional TA (RETA), *TA 6257-Improving the Delivery of Infrastructure Services*, commenced in the last quarter of 2005 through the initiation of development partner and Pacific Island country dialogue. Recruitment of consultants to provide the technical support to undertake the detailed diagnostics and prepare the strategic action plans is underway. The terms of reference of the RETA is attached as Appendix 3.

#### **Objectives of the Collaborative Framework**

The main impetus to the formation of a collaborative framework is recognition of the need to harmonise infrastructure development activities at all levels throughout the region, both in the near term and longer term. There is high strategic value to capturing potential synergies among the relevant activities of the participants in the framework, putting all outputs to their greatest productive use at a regional level, and rationalising ongoing and planned activities to reduce costs and duplication. The collaborative framework will improve donor coordination and harmonisation and serve as a 'live' mechanism to draw in comprehensive information regarding achievements and lessons learned from relevant recent, ongoing, and planned activities of all participating donors, governments, and utilities and apply this productively to improving service delivery in the Pacific. This will also allow additional resources that are currently very limited or not available to be drawn in and targeted at specific needs, including from the private sector.

The framework goals will be achieved through a highly participatory approach that will yield:

- A harmonised approach to infrastructure service delivery and a mechanism to ensure long term harmonisation of all aspects of infrastructure development;
- a detailed understanding at the country, sector, and regional levels of the priorities of infrastructure service delivery improvement in the region;
- identification of the most effective modalities for improving service delivery in these contexts involving governments, the utilities, the private sector, community groups, and the donor partners;
- a regional strategy for implementing service delivery improvements, utilising the productive collaboration of all stakeholders.

Essential elements of the working of the collaborative framework are outlined below.

### **Involvement of the Forum Secretariat**

The Forum Secretariat is a key regional institution that maintains vital links with senior stakeholders in all independent countries of the Pacific islands region. The goals of the Forum Secretariat and its member countries are articulated in the Pacific Plan,<sup>1</sup> which was endorsed by leaders at the Pacific islands Forum meeting in October 2005. The collaborative framework is highly consistent and supportive of the goals of the Pacific Plan, especially in relation to promotion of economic growth, sustainable development, and good governance. Within these goals, key objectives of the Pacific Plan are directly or indirectly supported by the objectives of the collaborative framework including, inter alia,

- Improved efficiency and effectiveness of infrastructure development and associated service delivery;
- Increased private sector participation in, and contribution to, development;
- Reduced poverty;
- Improved natural resource and environmental management;
- Improved transparency, accountability, equity and efficiency in the management and use of resources in the Pacific.

The development partner members of the Task Force are conducting and planning programmes at the country and regional levels that will bring considerable external resources to the region for infrastructure improvement, and wish to do so with maximum effectiveness in accordance with the priorities of the countries of the region. In respect of infrastructure, the Pacific Plan, under the aegis of the Forum Secretariat, is designed to achieve the same ends through strengthening regional cooperation in applying available human and financial resources. For this reason, it is highly desirable that the activities of the Task Force be closely integrated with those of the Forum in implementation of the Pacific Plan, and that the Forum become a fully active partner in the activities of the Task Force.

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<sup>1</sup> *Pacific Plan for Strengthening Regional Cooperation and Integration*, Pacific Islands Forum Secretariat, October 2005

## Task Force

The Task Force is the nexus of the collaborative framework. The Task Force will perform as an active 'clearinghouse' for information on parallel activities of all participants in infrastructure development and will discuss and jointly implement means to apply this information productively to the aims of the framework. For example, studies recently completed, ongoing or planned TAs, or post-project evaluations conducted by any of the donor partners will be brought into the collaborative activities of the Task Force, which will in turn contribute to the reviews, workshops, and results associated with these activities.

The responsibilities of the Task Force are

- (i) serve as a focal point for coordinating our organisations activities in infrastructure service delivery and facilitate collaboration amongst the organisations
- (ii) jointly promote the collaborative initiative including dissemination of the PIR together with the collaborative framework and RETA TOR as a launching mechanism
- (iii) supported by the ADB RETA organise an efficient, comprehensive, and continuously updated base of information regarding recent, ongoing, and planned activities that have a bearing upon Pacific infrastructure development by all participants in the collaborative framework;
- (iv) receive, consider, and comment upon briefs, reports, and working papers prepared by the RETA consulting team,
- (v) consider and discuss all received information and achieve consensus on appropriate steps to be taken to put such results and donors' parallel activities to productive use at a regional level;
- (vi) convey the needs of the donor partners to the RETA consultants and others progressing the work of the collaborative framework,
- (vii) receive and respond to feedback from governments, utilities, private sector organizations, and other stakeholders in the collaborative process,
- (viii) sponsor and conduct regional workshops of key stakeholders to consider issues and establish priorities at critical junctures in the work of the collaborative framework, and
- (ix) monitor progress towards reaching the immediate, intermediate, and ultimate goals of the collaborative framework.
- (x) identify a pool of resources from the development partners and possible other sources to meet the costs of developing the collaborative framework.

The membership of the Task Force will be a representative appointed by each of the four original donor partners and a representative appointed by the Forum Secretariat. Initial Task Force members are: Nancy Convard (ADB), Nigel Ewels (NZ AID), Peter O'Connor (AusAID), and Thakoor Persaud (WB). ADB will provide support for secretariat services to the Task Force. Other members may be included in the Task

Force, upon joint agreement, as needs arise. The ADB representative will serve as the Chair and Secretariat of the Task Force, assisted by consultants and/or interns as required.

A tentative work program of the Task Force covering the period from February 2006 through July 2007 is attached as Appendix 1.

### **Work processes**

The Task Force will conduct meetings and workshops as required to discuss issues and reach joint implementation decisions. In addition, Task Force members, either individually or as a group, will be invited to join and participate in country, sector, and regional level workshops associated with relevant donor activities and those organised by the RETA team. It is desirable that Task Force meetings be conducted within the PDMCs and the members' home countries on a rotating basis or as issues require. The respective members will meet their own travel costs. It is expected that Task Force meetings, which can be combined with regional workshops, will be held at least once every two months during the RETA implementation and as required thereafter. The Task force will review the work program and amend and update as appropriate.

The Task Force will remain active until a regional strategy for improving infrastructure service delivery has been developed and agreed for implementation. The Task Force is expected to evolve into a long term approach to ensure that donor activities in infrastructure are harmonious and mutually reinforcing.

**Appendix 1: Tentative Work Program of the Task Force**

<b>Task</b>	<b>Purpose</b>	<b>Timing</b>
Meet with the Forum Secretariat to discuss and finalise the Forum's role in the collaborative framework	<p>The Forum Secretariat routinely engages the Forum island countries (which essentially coincide with the client countries of the development partners) at senior political levels. Utilising the consultative processes already well established by the offices of the Forum will assist in 'mainstreaming' the collaborative framework at the levels in which the Forum operates. The Task Force will seek Forum participation in the collaborative framework and will propose integrating outputs with the Forum's consultative schedule this year (e.g., the FEMM in Honiara in July).</p> <p>The Task Force has agreed to arrange a meeting with the Forum Secretariat in Suva during the week of 20 February.</p>	22-24 February 2006
Oversee and assist dissemination of the PIR to all PDMCs	<p>The PIR provides a good overview of infrastructure issues in the Pacific and will serve as a focal point for the launch of the collaborative framework. The PIR will be disseminated along two tracks: (i) at senior political levels throughout the region through the offices of the Forum Secretariat, and (ii) at a 'personal' level via consultations carried out by the development partners in conjunction with country and subregional missions.</p> <p>The World Bank will arrange to distribute quantities of the PIR to all development partners and to the Forum Secretariat</p>	February – April 2006
Appoint the RETA consulting team	<p>The ADB Regional TA 6257 has been adopted by the Task Force as an operational component of the collaborative framework. Recruitment of consultants by the ADB is now underway.</p> <p>The ADB will keep the Task Force informed on the recruitment process and the timing for the call for tenders, selection, negotiations, and mobilisation.</p>	February – April 2006
Conduct mission-coordinated orientation meetings at country and subregional levels to launch the collaborative framework	<p>A series of 'personal' meetings at country and subregional levels conducted by the development partners are needed to (i) orient the region to the collaborative framework; (ii) determine priority concerns within the countries; and (iii) ensure countries' participation in subsequent activities. As above, the PIR will be launched through this process as a focal point.</p> <p>Meetings will be coordinated with the respective partners' country mission schedules during the 1<sup>st</sup> quarter of 2006. Members will keep the Task Force informed of the schedule, participants, and results of such meetings. The World Bank will coordinate delivery of sufficient quantities of the PIR to facilitate this process.</p>	February – May 2006
Conduct a Regional Infrastructure	A 2-3 day regional workshop is required soon after country and subregional consultations (as above) and	Mid-May

<p>Workshop to harmonise the activities and priorities of the stakeholders, development partners, and RETA consultants</p>	<p>mobilisation of the RETA consultants have been completed. Development partner representatives and key stakeholders from the countries will describe their key areas of activity and strategic plans. Country- and region-level priorities will be discussed and as necessary rationalised, areas of duplication and opportunities for synergistic activity will be identified. The RETA consultants will present their initial assessment and propose an initial work program for discussion.</p> <p>The results of this key workshop will be used to inform subsequent activities of the Task Force, consultations at different levels throughout the region, and the emphasis and pace of the RETA's detailed work program through 2006. The workshop will be arranged by the Task Force with assistance from the RETA consultants, in a venue to be determined.</p>	<p>2006</p>
<p>Hold bi-monthly Task Force meetings to review progress of the RETA, consider working papers, and meet with PDMC stakeholders at national level.</p>	<p>The Task Force will undertake a continuous review of partners' ongoing country or regional programs, proposed strategies or ongoing infrastructure programs by the countries, utilities, or other stakeholders, and the working papers and other outputs of the RETA. The Task Force will perform as an 'executive committee' to (i) promote harmonisation of the development partners' activities related to infrastructure, (ii) obtain and disseminate information regarding stakeholder initiatives, and (iii) monitor progress of the RETA.</p> <p>The Task Force will meet as required. It is expected that face-to-face meetings every two months plus frequent telephone and email exchanges will be necessary to ensure timely transaction of business, but the frequency of meetings can change as conditions warrant. To the extent possible, Task Force meetings will coincide with and be part of other workshops arranged by the development partners or the RETA consultants.</p>	<p>Ongoing (2006 – 2007)</p>
<p>Prepare a presentation of initial results for the July FEMM meeting in Honiara (assisted by the RETA consultants)</p>	<p>The Forum Secretariat will conduct the 2006 annual Forum Economic Ministers' Meeting (FEMM) in the Solomon Islands in July. The meeting arrangements are described in the Forum's Circular 06/06. In informal discussions with the Forum, it appears that the Agenda for the 2006 FEMM may allow for a presentation of early results of the collaborative framework and the RETA. This opening gives the Task Force an opportunity to ensure that the collaborative framework and its activities are understood and endorsed at senior political levels across the region.</p> <p>The FEMM agenda and logistical arrangements will be discussed by the Task Force with the Forum at the February meeting (see above). If arrangements for participation at the FEMM are finalised, the Task Force will direct the RETA consultants and, as appropriate, others to contribute to a presentation for review and finalisation in accordance with the Forum's deadline requirements for submissions.</p>	<p>May – July 2006</p>

<p>Conduct a mid-term Regional Workshop to review progress and outline strategic options.</p>	<p>Based on the ongoing work plans of the development partners, implementation of strategic plans at the country level, results of region- and sector-level workshops, and interim results of the RETA, a mid-term assessment workshop of 2-3 days will be required to ensure that harmony of all activity under the purview of the Task Force and progress towards the intended outputs and outcomes of the RETA are being achieved.</p> <p>This workshop will be a key 'transition point' for the collaborative framework as a detailed consideration of major components and options for a regional strategy can be carried out at that point, based on the considerable body of consultation, research, and analysis that will have been conducted by then at country-, sector-, and regional levels.</p>	<p>Between November 2006 and January 2007 (very tentative)</p>
<p>Conduct a Final Regional Workshop to consider and adopt a regional strategy for improving infrastructure service delivery, based on the RETA results and Task Force deliberations</p>	<p>A Final Workshop (to coincide with completion of the RETA) will be required to review results achieved in harmonisation among the development partners and the finalised technical, institutional, financial, social, and economic work of the RETA, and to review, discuss, and agree on a regional strategy for implementing improvements to infrastructure service delivery.</p>	<p>July 2007 (very tentative)</p>

## Appendix 2: Record of the Informal Donors Meetings on Regional Infrastructure Initiatives of (i) 30 November 2005 and (ii) 10 February 2006

### (i) Informal Donors Meeting on Regional Infrastructure Initiatives Meeting Notes 30 November 2005

#### *Summary of Main Points*

#### I. Introduction

1. The Asian Development Bank's (ADB) Sydney office (formally the Pacific Liaison and Coordination office - PLCO) hosted an informal a multi-donor meeting on coordinating a number of regional infrastructure activities with a focus on the ADB's RETA *Improving the Delivery of Infrastructure Services*<sup>2</sup> and the dissemination of the World Bank's Pacific Infrastructure Report (PIR)<sup>3</sup> prepared under the auspices of the ADB-JBIC-World Bank study *Connecting East Asia: A New Framework for Infrastructure*. on developing a regional infrastructure initiative with representatives from the World Bank (WB), Agency for International Development (AusAID). New Zealand Agency for International Development (NZAID) and other ADB staff participated via video/telephone conference. A list of participants and contact details is provided in Attachment 1. The purpose of the meeting was to initiate a process for a collaborative framework to effectively engage Pacific island countries in focused dialogue and to develop an action plan based on current initiatives to improve the delivery of infrastructure services in the Pacific region.

#### II. Updates

2. Participants provided brief updates of completed or ongoing infrastructure initiatives in the Pacific both at the regional and country level.

- *Benchmarking Pacific power and water* – recently completed ADB assistance to supply/sanitation utilities shows a common under-investment in assets for these sectors, inadequate commercial performance, and need for institutional reform. Benchmarks have been developed for power and for water in many countries. The report will be available by the end of December.
- *Regulation* – the East Asia and Pacific Infrastructure Regulatory Forum (EAPIRF) has been established to promote the exchange of information and capacity building in infrastructure regulation among Asian and Pacific countries, supported by AusAID.
- *Forum Secretariat's Digital Strategy* - Both NZAID and AusAID are involved and there is an upcoming Minister's meeting in March 2006.
- *Country activities* – All participants are actively involved in country specific infrastructure development and should benefit from better coordination in this area.

3. The WB summarized the background and purpose of the PIR. The report provides a good grounding in the main issues affecting the delivery of services in the

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<sup>2</sup> TA 6257-REG, *Technical Assistance for Improving Delivery of Infrastructure Services*, Asian Development Bank, September 2005

<sup>3</sup> *Infrastructure in the Pacific: Obstacles and Opportunities to Improved Performance*, World Bank, October 2005

Pacific in transportation (land, sea, and air), water and sanitation, electricity, and telecommunications. It is intended as a discussion document that can assist in identifying more effective ways of addressing infrastructure needs. It is expected to be finalized in December. Participants viewed the PIR as a valuable stepping-stone for the further work on a collaborative framework and ADB's assistance under the RETA.

4. ADB provided an overview of the RETA – Delivery of Infrastructure Services. The RETA is designed to facilitate a broad, coordinated approach to regional and country-specific infrastructure issues. This assistance provides for the development of a focused diagnostic analysis and regionally integrated strategy to address long term institutional reform needs. The approach includes innovative means to mobilize participation of the private sector and identify new regional and country-level approaches to address service delivery challenges and resource needs in the Pacific. Although the RETA calls for preparation of a single diagnostic report, presentation of diagnostic work might be in the form of a series of working papers if desired. The diagnostic work and development of a strategic action plan will be undertaken in a fully participatory manner. Another key output of the RETA will be a feasibility study for a regional advisory agency/resource centre with ADB noting the Pacific Air Safety Office (PASO) as a somewhat analogous model of the type of agency that could be formed. Participants largely supported objectives and scope of the RETA and no suggestions for changes to the RETA's implementation arrangements were made by the participants.

### III. Proposed Collaborative Framework

5. There was an agreement on establishing a collaborative framework and implementation mechanisms as follows:

**Framework.** Key features of the collaborative framework were agreed as follows:

- A Task Force of members nominated by the donor agencies was appointed (see below) to develop the collaborative framework in detail and oversee liaison with the Pacific governments. The Task Force is mandated to design a detailed collaborative framework and a proposed workplan for discussion is attachment 2.
- The PIR will be instrumental in helping to orient the regional governments and other stakeholders on key issues and provide groundwork for subsequent work.
- The RETA will provide the vehicle for the detailed analysis, diagnostics, and feasibility studies needed to fill the data gaps, identify priorities at the sector, country, and regional levels, and propose country- and region-level policies and strategies to improve infrastructure performance. The RETA team will include local consultants from key countries. Consultations at the regional and country level will draw upon all available information from ongoing activities of all donor partners. Additional resources to support these consultations will be requested as needed.
- The development partners will work closely with Pacific government counterparts to ensure that these governments have ownership of the policies and strategies that are jointly developed. To this end, the Forum Secretariat will be engaged to assist in dialogue and dissemination of the PIR and results of the RETA, subject to the Forum's interest, capacity and availability during 2006.

**Mechanisms.** The main mechanism for coordination will be the work of the Task Force; however, there are other important regional institutions and guiding principals to inform this initiative.

- The Task Force members are: Nancy Convard (ADB), Nigel Ewels (NZAID), Mr. Peter O'Connor (AusAID), and Thakoor Persaud (WB). ADB will provide support for secretariat services to the Task Force. In addition to the collaborative framework, the Task Force will define the objectives of the regional and national consultative process, and develop a disciplined yet reasonable timeframe for accomplishing the desired outcomes. Development partners will share the details of their country and regional plans related to infrastructure in the Pacific with other members via the Task Force, to keep everyone abreast of how approaches and priorities are evolving. A possible initial program of activities for the Task Force is appended [**this has been updated – see Appendix 3**], for review and comment by Task Force members. It is anticipated that a firm program schedule would be proposed by mid-December 2005.
- ADB also noted that its RETA - Delivery of Infrastructure Services is intended to support the proposed initiatives. Specifically, ADB will recruit expertise to undertake the following tasks:
  - Conduct a detailed sector-by-sector diagnostic review of infrastructure delivery issues, including establishment of baseline data as required to support benchmarking across sectors and through time;
  - Identify reform actions and innovative regional and private sector approaches to manage, improve the efficiency of, and expand the delivery of infrastructure service throughout the region;
  - Explore opportunities for regional collaboration and private sector participation;
  - Develop a strategy and action plan for improving service provision with a results-based monitoring system;
  - Conduct a feasibility study for a regional advisory unit; and
  - Prepare a final report consolidating the findings, conclusions, and recommendations (with stand-alone reports for the regional advisory agency feasibility study and diagnostic analysis).
- Participants agreed that the Task Force should approach the Suva-based Forum Secretariat as a potential partner in engaging the Pacific island countries in productive dialogue on infrastructure issues. Considering that the collaborative framework is consistent with several initiatives being prepared by the Forum Secretariat in support of the Pacific Plan, there is a history of endorsements by Ministers for regional approaches similar to those envisioned under the collaborative framework, and according to Forum Secretariat staff, the outputs of the framework is of interest to the Forum Economic Ministers Meeting (FEMM) in June 2006.<sup>4</sup> The Meeting noted, however, that beyond serving as a 'sounding board' for ideas and outputs, the Forum's capacity to assist actively may be constrained by heavy Forum commitments in 2006. The Task Force was requested to explore these issues with the Forum Secretariat as soon as possible.

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<sup>4</sup> October 2005. Personal Communication: Forum Secretariat staff conveyed this sentiment in regards to ADB RETA outputs.

- It was noted that the recent work of the OECD<sup>5</sup> in defining guidelines for the role of infrastructure in poverty reduction. The guidelines are fully consistent with those in use by the participating agencies. Similar principles are built into the RETA, and will be used as a reference under the collaborative framework.
- Participants emphasized the importance of ensuring, through meaningful participation and dialogue at all stages of the work, that Pacific island governments gain an active sense of 'ownership' of the outcomes of the RETA, the workshops, and other results of the collaborative process. To this end, it was emphasized that initial meetings are to gain feedback on the PIR/RETA approach and facilitate a process toward developing country-specific and regional actions as ownership is built. Follow-on meetings thus become more specific with the ultimate goal of the strategic action plan.

6. The methodology of establishing a framework and these mechanisms will facilitate the joint engagement of donor partners and Pacific counterparts in identifying priorities for infrastructure development, assessing investment needs, and adopting a coherent approach to address these priorities. The concept approach will provide for joint and coordinated efforts to support institutional reform and performance monitoring, encouragement of private sector partnerships and, in the long term, mobilization of public and private sector international and national resources to meet investment needs.

#### **IV. Key Issues To Be Addressed**

7. The meeting agreed that the main issues to be addressed going forward were concisely expressed in the PIR:

- what public sector reforms will benefit Pacific countries, and how can the public sector be strengthened to deal with barriers to good infrastructure performance?
- can private sector involvement be encouraged?
- how extensive are the opportunities for competition in the Pacific region?
- how effective are the oversight mechanisms in the Pacific? and
- how will the reforms and improvements be financed?

8. Benchmarking that is publicly available is a needed tool to address these questions, and will be one of the priorities of the RETA. Most importantly, it will be necessary to identify which groups (regional, subregional, country level, or sector) are most appropriate to be engaged for each issue and which non-government organizations and which levels of government will contribute most productively to discussions within each grouping. The Task Force will consider the grouping issue in the first instance and will work closely with the RETA team on the issue once the latter is mobilized.

9. The development partners will engage governments in a series of workshops over the next 6 months focusing on the core issues, revalidating their interest and

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<sup>5</sup> *DAC's Guiding Principles on Using Infrastructure to Reduce Poverty*, Development Assistance Committee, Task Team on Infrastructure for Poverty Reduction (InfraPoor), Organisation for Economic Co-operation and Development, October 2005

commitment to a collaborative approach to infrastructure, and developing a detailed framework for addressing them based on these consultations. The Task Force will arrange an initial regional meeting within an appropriate time frame to present and discuss the PIR and revalidate countries' interest in a regional mechanism for progressing the improvement of infrastructure service delivery, and will arrange "cluster" or sub-regional and (if necessary) national workshops to discuss sector issues in greater detail. Once the RETA has commenced, the Task Force will monitor outputs and coordinate subsequent activities with the RETA team. A summary final regional workshop would be arranged in concert with the RETA to adopt the outcomes.

**Attachment 1  
Participants  
Multi-donor Regional Infrastructure Initiative  
PLCO, Sydney, Australia  
30 November 2005**

<b>Name</b>	<b>Organization</b>	<b>Contact Information</b>
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## (ii) Collaborative Framework: Regional Infrastructure Initiatives

### Informal Donors Meeting, Canberra, 10 February 2006

#### 1 Introduction

1. A meeting of members of the Pacific Infrastructure Task Force<sup>6</sup> met at the offices of AusAid in Canberra on 10 February 2006 to progress development of the collaborative framework. The ADB (secretariat of the Task Force) prepared a draft proposal for the collaborative framework and revised the terms of reference for the ADB RETA (Regional TA) 6257: *Technical Assistance for Improving Delivery of Infrastructure Services*, for discussion at this meeting. The RETA has been adopted by the development partners as an operational component of the collaborative framework, and the terms of reference was revised to make this role explicit. The World Bank issued the report *Infrastructure in the Pacific: Obstacles and Opportunities to Improved Performance* (hereinafter the 'Pacific Infrastructure Report' or 'PIR') in final form in January 2006, and has printed 500 copies for dissemination throughout the region with the assistance of the other donor partners. Also, informal discussions have taken place between the Fiji-based Forum Secretariat and an ADB consultant regarding the participation of the Forum in the collaborative framework and in 'launching' the PIR.

2. The Canberra meeting was arranged to discuss these developments and to agree on next steps. The following is a summary of main points and decisions reached.

#### 2 Involvement of the Forum Secretariat

3. The meeting endorsed the full involvement of the Forum Secretariat in the collaborative framework and in the work of the Task Force. As a first step, it was agreed that members of the Task Force would visit Forum headquarters in Suva formally to introduce the immediate and longer term objectives of the proposed collaborative framework to senior levels of the Forum. The discussion would cover the formation of the Task Force and its purposes, collaborative mechanisms and sharing of information, the ADB RETA, and how relevant parallel activities of the development partners and of the Forum could best be harmonised to obtain maximum advantage at regional and country levels. A tentative date of 23 February 2006 was proposed for this visit of the Task Force. The ADB will attempt to confirm arrangements for this meeting with the Forum.

4. It was suggested that, upon agreement with the Forum following the 23<sup>rd</sup> February meeting, a Forum Secretariat Circular might be prepared that would endorse the aims of the collaborative framework highlighting mechanisms of

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<sup>6</sup> The Task Force to develop a collaborative framework for regional initiatives for Pacific infrastructure was appointed by the development partners (ADB, World Bank, AusAid, and NZAid) at an Informal Donors Meeting held at the offices of the ADB in Sydney on 30 November 2005. A record of this meeting is attached with this Appendix.

The four members of the Task Force, all in attendance at the Canberra meeting, are: Nancy Convard (ADB (chair)), Thakoor Persaud (World Bank), Peter O'Connor (AusAid), and Nigel Ewels (NZAid (participated by telephone)). Chris Cheatham, ADB consultant, also attended to assist the secretariat.

harmonisation, and identify in brief bullet-point form the proposed procedures and work plan of the Task Force.

5. It was agreed that the Forum would be asked to participate in dissemination of the PIR (see below).

### **3 Dissemination of the PIR**

6. A sufficient number of copies of the PIR have been printed by the World Bank to enable distribution of the report to all key stakeholders in Pacific infrastructure, including senior and middle levels of government, utilities, private sector representatives, and NGOs.

7. It was agreed that the report would be distributed through two mechanisms:

- a. a series of country- and subregion-level meetings, to be carried out as soon as possible by the development partners in conjunction with their ongoing country mission schedules. This would make advantageous use of ongoing missions to provide personal contact between the development partner representatives and key stakeholders in the countries, both to introduce the PIR and to determine the countries' perspectives on immediate and longer term priorities. To facilitate this, a suitable number of copies of the report would be distributed to the development partners' respective posts throughout the region;
- b. a formal 'launch' of the collaborative framework through the offices of the Forum Secretariat, by which copies of the report, RETA paper, and framework description would be sent to senior levels of government throughout the region, under a suitable cover letter on Forum letterhead. Options for meeting the costs of shipping the documents by this mechanism need to be explored; the ADB representative indicated that ADB funds may be available for this purpose. This mechanism would be discussed at the proposed 23 February meeting with the Forum.

### **4 Draft Proposal for the Collaborative Framework**

8. It was agreed that the collaborative framework should strongly and continually emphasise a harmonised approach, both among the development partners and with the countries' strategic objectives. Harmonisation is an explicit goal of the collaborative framework. A rich set of core materials is already available to promote collaborative processes (and orient the RETA consultants), including project- and sector-level PPTA reports, sector strategy documents, and ongoing work by the World Bank, AusAid, ADB, and NZAid in telecom regulatory processes, to name a few. It will be the responsibility of the Task Force and its individual members to ensure that such materials and information on all associated activities of the partners are made continuously available to the Task Force.

9. It was agreed that appropriate web pages will be developed by each development partner on the activities of the Task Force, which would provide links to the corresponding web pages of the other development partners and to all of the partner's reports and activities associated with Pacific infrastructure. Eventually a RETA/collaborative framework web page will be developed, again with links to and from the development partners' respective web sites.

10. Options for funding of the activities of the Task Force and other expenses associated with harmonisation need to be explored. It was agreed that identification of a pool of collaborative resources will be an explicit responsibility of the Task Force.

11. The geographical 'scope' of the Task Force in the region needs to be resolved, as the development partners' set of 'clients' in the Pacific are not identical. In general, it was agreed that the relevant countries for the Task Force would encompass the union of the respective development partners' client countries, but would exclude those territories in which no partner has a direct role.<sup>7</sup> Through avenues to be explored, it was agreed that the work of the Task Force should involve academia, NGOs, and civil groups.

12. The tentative work plan of the Task Force was discussed, with focus on immediate and near-term activities. Commencing as soon as possible, mission-coordinated orientation meetings will be conducted by the development partners at country and sub-regional levels to launch the PIR and to determine priority concerns within the Pacific countries. The results would be used to facilitate improved coordination and targeting among ongoing and planned infrastructure activities of the development partners, and to help orient the activities of the RETA consultants.

13. In about mid-May 2006, a 2-3 day workshop will be arranged by the Task Force with assistance from the RETA consultants, in which the development partners and key stakeholders including government, utility, and private sector representatives and the RETA consultants will participate. The workshop will request all participants to describe their key areas of activity and interest; countries and utilities will present key points from their strategic plans; and the RETA consultants will present their assessment of priorities based on their initial work and the discussions at the workshop, and will present their initial work program for discussion.

14. The draft proposal of the Collaborative Framework will be updated to reflect the activities and timings agreed at the meeting.

## **5 TOR of the RETA**

15. Discussion emphasised the need for close dialogue between the RETA and stakeholders in the region at all levels to determine clients' needs and how best the collaborative framework can serve them; to ensure that questions guiding research and data collection are framed consistently with stakeholders' needs, and that stakeholders agree that the main diagnostic areas being pursued are indeed priority areas from their perspectives. In addition, the consultants will need to review the development plans of the countries and utilities (including the budgets associated with these) closely to develop a sound basis for reporting relative priorities around the region and to assess their sustainability. The objectives of the Pacific Plan and other regional approaches that will affect infrastructure development also need to be closely reviewed in this light.

16. The TOR of the RETA will be updated as appropriate to make explicit the strong participatory mode of research, analysis, and determination of priorities.

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<sup>7</sup> E.g., American Samoa, Saipan, or the French Pacific territories.

**Appendix 3: Terms of Reference: ADB Regional TA 6257 – Improving the Delivery of Infrastructure Services****TERMS OF REFERENCE FOR CONSULTANTS****Introduction**

1. This technical assistance (TA) is part of a joint Asian Development Bank (ADB), World Bank (WB), Australian Agency for International Development (AusAID), and New Zealand Agency for International Development (NZAID) initiative to address infrastructure issues systematically in the Pacific region. A Task Force of representatives of these four donors has been formed to guide coordination of a new cooperative and regionalist approach to improving infrastructure service delivery, in close partnership with Pacific island developing country governments and private sector stakeholders. An informal donors meeting was held on 30 November 2005 at the ADB's office in Sydney Australia to discuss the formation of the Task Force and the development of a collaborative framework.<sup>8</sup>

2. The World Bank in partnership with the ADB and the Japan Bank of International Cooperation (JBIC) has recently completed a first-stage review of infrastructure needs and priorities in the region, and the final report<sup>9</sup> resulting from this effort is being formally distributed to Pacific island countries and other stakeholders through the offices of the Task Force during the first quarter of 2006. This TA will be a second-stage and more detailed participatory review of issues and will spell out the specific short-, medium-, and long-term infrastructure needs and options for Pacific developing member countries (PDMCs). Infrastructure services to be considered by the TA include water and wastewater, energy, roads, marine transport, and telecommunications. The TA will identify the requisites for building effective partnerships among all stakeholders including the private sector in meeting the region's infrastructure needs, including financing, institutional, and regulatory development, and structural changes. As part of this process, the TA will provide an easily accessible single source of baseline data for members of the Task Force (and others) to measure progress in meeting infrastructure objectives. This will strengthen the ability of the ADB and other participating donors to structure support more efficiently and develop a more cohesive longer-term results-based strategy than has been possible in the past.

3. The principal outcome of the TA will be a clear understanding of the present status of Pacific infrastructure and constraints facing it, and a focused strategy and action plan for assisting improvement of infrastructure service delivery in the PDMCs. The strategy will include opportunities for public-private partnership (PPP), private sector development (PSD), and necessary reform actions. They will include identification of appropriate modalities to finance, manage, and deliver sustainable and efficacious service delivery and will be incorporated into country strategies and programs. Outputs that will support the intended impact and outcome include a comprehensive review of infrastructure delivery issues, diagnostic studies for

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<sup>8</sup> The results of this meeting are summarized in a briefing paper, *Informal Donors Meeting on Regional Infrastructure Initiatives, Meeting Notes 30 November 2005*, a copy of which is attached.

<sup>9</sup> *The Pacific Infrastructure Challenge -- A Review of Obstacles and Opportunities for Improving Performance in the Pacific Islands*, World Bank, January 2006. Copy available on request.

improving service delivery, a strategy and action plan for improving the provision of services with a results-based monitoring system (which will be reported in a series of sector and country working papers), a feasibility study for a regional advisory unit, and a final report consolidating the findings, conclusions and recommendations of the individual studies. An international team of consultants, recruited as a firm on quality-based selection, will support the Asian Development Bank's (ADB) Pacific Liaison and Coordination Office (PLCO) in implementing the TA.

4. The consultants will be a team with expertise in infrastructure design, management, and planning; infrastructure financing; PPP, institutional reform; utility regulation; and economics. The team will provide 27 person-months of consulting services (24 international and 3 domestic). The international experts will be as follows with person-months in parenthesis: Team Leader and economist/utility institutional specialist (11), PPP/financing specialist (6), utility regulation specialist (4), and infrastructure planner (3). The firm's contract will include a provision for regional resource persons that will be identified and agreed upon by ADB and the consultants. Individual consultants may be engaged for specialist services (such as macroeconomic, legal, banking, or specialized infrastructure technical expertise) to support the TA as needed. The level of inputs from these specialists will be initially determined during the inception phase. Domestic consultants will be engaged as resource persons through the firm contract or as individuals, depending on the need. Individual consultants may also be directly recruited by ADB and the consultant firm will be expected to coordinate and integrate inputs of these consultants, as appropriate and agreed with the ADB task manager.

5. Throughout the TA, the consultants will work in close liaison through the ADB Task Manager with the Task Force and counterpart officials in the PDMCs in order to (i) ensure maximum synergy between the TA and the donor partners' ongoing activities and (ii) help guide consensus among the donor partners and the PDMCs regarding the longer term development and implementation of a regional strategy for improving infrastructure service delivery. Through the Task Force Secretariat, the consultants will keep the Task Force regularly informed of activities and outputs, and will invite member participation in workshop activities. The consultants will prepare working papers for distribution to the Task Force and relevant PDMCs on key sector, regional, and country issues and will invite discussion and comment on such issues. The consultants will be invited to attend meetings of the Task Force as appropriate for this purpose. The consultants will at all times be cognizant of ongoing or recent work by Task Force members that could supplement or serve as primary input to the TA.

6. Thorough familiarity with core reference documents is required at proposal stage, including: (i) PIR, (ii) RETA paper, (iii) description of the collaborative framework, (iv) Pacific Power and Water Benchmarking Report (ADB TA 5883-REG).

## **5.1 Terms of Reference**

### **5.1.1 General**

7. Consultants will (i) conduct diagnostic studies, (ii) organize and present workshops; (iii) consult with regional governments, regional utilities, private sector and regional organizations, community members, the Task Force, and other stakeholders as appropriate; and (iv) prepare technical reports and documentation for the TA. In conducting diagnostics, the consultants will identify and review, and discuss with counterpart officials in the PDMCs (both in utility- and country-level consultations and at regional workshops) (i) available ADB operational reports, sector reviews, benchmarking reports, the Pacific Studies Series and other reports as relevant and the [WB-ADB-JBIC] Pacific Infrastructure Review Report; (ii) relevant reports and planning documents of regional organizations (e.g., the Pacific Plan

(developed under the leadership of the Forum Secretariat)); (iii) relevant operational reports and studies of development partners, i.e., World Bank (WB), Australian Agency for International Development (AusAID), New Zealand Agency for International Development (NZAID) and other donor agencies as appropriate; (iv) industry and professional literature on the subject for other regions, particularly for comparable countries and regions; and (v) strategic and corporate development plans and associated budgets prepared within the PDMCs (including those of relevant utilities). The consultants will identify and consult with professionals active in the field and with stakeholders as indicated above and maintain a register of key stakeholder organisations for each sector encompassing government, private sector, and civil society groups. In all activities undertaken in this TA, the consultants will liaise closely with the development partners participating in the Task Force and the collaborative framework as described above, and with counterpart officials in the PDMCs including policy makers, utility managers, civil servants, banking officials, key private sector representatives and community and civil groups. Active involvement of stakeholders in the PDMCs is vital to the intended collaborative process, and the consultants will pro-actively ensure that involvement occurs and is effectively utilised.

8. Given the participatory approach and involvement of multiple stakeholders, the consultants are expected to demonstrate ability to adapt analyses, approaches and inputs. For this reason, specific TORs by specialist area are not provided as the team will be jointly responsible for integrated inputs and outputs.

#### **5.1.2 Comprehensive Review of Infrastructure Delivery Issues and Opportunities and Diagnostic Analysis of Service Delivery**

9. The consultants will undertake the following:
- (i) Review relevant reports and studies indicated under the general terms of reference.
  - (ii) Assist the Task Force and ADB Task Manager in organizing, presenting and documenting workshop and other consultative activities.
  - (iii) Consult with regional governments, regional utilities, private sector, regional organizations, community members, and other stakeholders as appropriate.
  - (iv) In consultation with the Task Force and PDMCs, agree on infrastructure sectors and countries for detailed assessment during the inception phase.
  - (v) Assess and report the status of infrastructure service provision (institutions, efficiency, effectiveness, costs, access, and expectations) regionally and in countries selected for detailed study.
  - (vi) Assess how infrastructure will compete for limited resources with other sectors such as health education, crime reduction, environmental protection; and how infrastructure provision affects those sectors.
  - (vii) Identify measurable indicators of infrastructure service delivery (efficiency, effectiveness, cost, level of access, etc.), sources of data for these indicators, and develop a system of indicators and sustainable mechanisms for long-term assessment of results in improving infrastructure provision.
  - (viii) Identify approximate financing needs in the short-, medium-, and long term (e.g., 5 to 15 years outlook) for the selected infrastructure sectors.
  - (ix) Provide an inventory of the range of available modalities for infrastructure financing, potential partnering opportunities to meet needs, and related institutional arrangements; assess the relevance of each modality for PDMCs (including but not limited to economic,

institutional, cultural, social, regulatory, financial aspects); discuss success or failure of different modalities in PDMCs and similar settings (including probing beneath the surface for root causes); and make appropriate specific and general recommendations.

- (x) Review and describe issues in urban and rural areas, including linkages between them.
- (xi) Identify specific needs of rural areas, including appropriate technologies and approaches (e.g., decentralised water systems, improved walking tracks versus new roads).
- (xii) Review best practices for subsidy and affordable access to infrastructure services and recommend appropriate systems to implement in PDMCs.
- (xiii) Identify opportunities for regional approaches to infrastructure development and service delivery such as inter-government sharing of technical or administrative capacity, adoption of uniform standards, harmonised regulatory laws, etc.
- (xiv) Consolidate findings, conclusions, and recommendations in a final report.

### **5.1.3 Feasibility Study for a Regional Advisory Service**

10. The consultants will undertake the following:
- (i) Consult with regional governments and utilities on the need for a regional advisory agency and the specific areas of advice suitable for such a regional service.
  - (ii) Identify appropriate “owners” of the proposed service.
  - (iii) Identify necessary staff and physical office needs.
  - (iv) Estimate the costs, and potential sources of sustainable funding for the proposed service.
  - (v) Identify potential institutional arrangements and location of the proposed service, including attachment to an existing organization, if any, and physical location; cite the advantages and disadvantages of various arrangements.
  - (vi) Present the findings, conclusions, and recommendations in reports suitable for discussion with governments, utilities, and regional organizations.
  - (vii) Assess the economic viability of the proposed service.

### **5.1.4 Strategy and Action Plan for Improving the Provision of Infrastructure Services**

11. The consultants will undertake the following:
- (i) Based on information and views obtained in the diagnostic studies, make a comprehensive review and feasibility study for a regional advisory agency
  - (ii) Identify and agree with ADB on a country for a pilot country-specific strategy and action plan for improving the delivery of infrastructure services for the medium and long term, that can be used as a model for strategy development in other countries in the region.
  - (iii) Working closely with the ADB and the development partners (Task Force) and with key government and non-government stakeholders in the Pacific, prepare a detailed proposed Strategy and Action Plan for the improvement of infrastructure services in the region, including specific recommendations in regard to appropriate modalities for finance, management, and sustainability of infrastructure services that

support economic development and poverty reduction in the region. The Strategy and Action Plan will be developed with the active participation of the governments of the region and key non-government stakeholders and must be endorsed by them, and will be the subject of regional workshop to be held towards the end of the TA, the purpose of which will be to achieve broad consensus on objectives and a joint commitment to contribute to financial and in-kind inputs to required investments and institutional and policy development. The Strategy and Action Plan for the Pacific region as adopted at the final workshop will form the basis of ADB and other donor assistance in infrastructure for the medium-term. Proposals in relation to the proposed regional advisory agency will be incorporated in the Strategy and Action Plan.

### **C. Reporting Requirements**

12. Consultants are expected to regularly inform ADB and the Task Force, through the TA project officer, of the TA activities, consultants' field schedule and travel, discussions with governments and stakeholders, and results of diagnostic studies. In addition to the major outputs and reports listed in paras 19-22, consultants are expected to provide updates through brief e-mailed monthly reports (1–2 pages, bullet-point or similar format) and routine telecommunications as appropriate. Progress reports update and summarize the status of TA implementation and raise issues and recommendations for ongoing TA implementation. Technical reports are attached to the progress reports, in draft form as appropriate. Technical reports will also be submitted separately as appropriate and as agreed upon with ADB.

13. The required reports include the following:

#### **1. Progress Reports**

- (i) Inception report
- (ii) Interim report
- (iii) Draft final report
- (iv) Final report (consolidating the findings, conclusions, and recommendations of the individual studies and containing the proposed Strategy and Action Plan as discussed in para 6 of this Appendix)

#### **2. Technical Reports**

- (i) Briefing papers, as necessary, for dialogue and discussion at workshops for each TA study area
- (ii) Sector- and country-specific working papers as required
- (iii) Comprehensive regional review of infrastructure delivery: issues, needs, and opportunities
- (iv) Strategy and Action Plan for improving the provision of services (with results-based monitoring system)
- (v) Feasibility study for regional advisory unit
- (vi) Discussion paper on issues and opportunities for infrastructure results for economic growth, suitable for publication in the Pacific Study Series

### **D. Implementation Arrangements**

14. The TA will be implemented over a period of 18 months. As noted above, consultants will be recruited as a firm though ADB may also recruit individual consultants as necessary and appropriate. The TA will procure computer and

teleconference equipment, which will be turned over to ADB upon completion of the TA. As there is no single location for this assignment, no office will be provided to consultants. Consultants will be requested to work from the PLCO office or development partner offices as needed and on request. The consultant work program should provide indicative field times for country-specific and regional consultations.