



Niue: Support for Improved Public Financial Management

Project Name	Support for Improved Public Financial Management
Project Number	53096-001
Country / Economy	Niue
Project Status	Closed
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	TA 9729-NIU: Support for Improved Public Financial Management Technical Assistance Special Fund US\$ 225,000.00
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions
Sector / Subsector	Public sector management / Public expenditure and fiscal management
Gender	No gender elements
Description	Support for Improved Public Financial Management is through small-scale technical assistance. The TA will help the Government of Niue to address immediate gaps in its financial accounting and reporting and build the foundations for ongoing improvements in public financial management (PFM). The TA will provide policy advice and support government capacity development. The small-scale technical assistance modality has been selected because it aligns with the level of support that is needed and will enable ADB to commence support to Niue without undue delay.
Project Rationale and Linkage to Country/Regional Strategy	Niue is ADB's newest member country and has a population of around 1,600 people. As in other small states, Niue's public sector accounts for a significant share of economic activity, with government spending averaging 68.9% of GDP during 2015 to 2017 and public sector activity accounting for an average of 41.1% of GDP during the same period. Niue's small population creates challenges for public service delivery. The government is the largest employer on the island, with approximately 400 employees but this workforce is small considering the range of services that the government must provide. In many areas the government faces acute human resource constraints and must look for innovative ways to improve performance without recruiting additional staff. The TA will help the Government of Niue to complete a self-assessment of its public financial management (PFM) systems and its project management unit and prepare a roadmap for future strengthening. The TA will also help Niue's Treasury Department to finalize consolidated government accounts and financial statements and to strengthen the accounting and financial reporting of state-owned enterprises.
Impact	Sufficient financial resources are secured, and responsible fiscal management is prudent, sustainable and in support of development strategies (Niue National Strategic Plan, 2016 to 2026) Good governance is practiced at all levels of society (Niue National Strategic Plan, 2016 to 2026)

Project Outcome

Description of Outcome Public financial management improved

Progress Toward Outcome

Implementation Progress

Description of Project Outputs Accounting and financial reporting improved
Assessment and roadmap for strengthening PFM updated

Status of Implementation Progress (Outputs, Activities, and Issues) A Public Financial Management Specialist consultant was engaged through the TA in November 2019 to support Niue Treasury Department in conducting an updated PEFA self-assessment. This exercise commenced in January 2020 through a mission fielded by the TA. Although travel restrictions due to the coronavirus disease (COVID-19) pandemic precluded fielding of follow-up missions, the PEFA self-assessment report has progressed through the necessary peer review processes and is now finalized. The report has been peer reviewed by colleagues from the Pacific Financial Technical Assistance Centre (completed in February 2021) and subsequently the PEFA Secretariat (March 2021). The PEFA self-assessment also informed an update of the Niue PFM Reform Plan, which reiterates a need to prioritize timely preparation of annual financial reports and improvements to fiscal risk reporting, particularly in relation to SOE monitoring. The TA supported the government in finalizing the PEFA self-assessment and the updated PFM Reform Plan in December 2021. The Niue 2021 PEFA self-assessment report has been published in the PEFA website as of May 2022. An Infrastructure Project Management Specialist consultant was recruited in February 2020 to support the development of a roadmap for strengthening the capacity of the PMCU to implement infrastructure and other development projects. The consultant was fielded to conduct consultations in Niue in early-March, but the mission was cut short because of COVID-19 travel restrictions. In coordination with government counterparts, detailed consultations recommenced virtually in November 2021 to cover all relevant stakeholders in developing a suite of reforms to help improve overall project management by the PMCU. The PMCU Assessment and Roadmap Report was finalized in November 2022. A final stream of work under the TA involves assistance toward developing sustainable solutions for strengthening SOE accounting and financial management over the longer-term. Delays in finalizing SOE accounts have led to subsequent lags in preparing consolidated government financial statements, which in turn contributes to further weaknesses in other public financial management dimensions as identified in the 2020 PEFA self-assessment. Terms of reference for a long-term Senior Accountant consultant position was finalized with the Government of Niue in March 2020, but recruitment and selection has been deferred due to prevailing COVID-19 travel restrictions. With the reopening of Niue's borders, a consultant was recruited in July 2022 and has been mobilized to provide in-country support through a series of extended missions toward building long-term accounting and financial management capacities within the government. The consultant's draft final report with recommendations for Improving Accounting and Financial Reporting for State-Owned Enterprises was shared with the Government and with ADB in February 2023 for review. To allow for finalization of the report, including incorporating feedback from Government and ADB, the consultant's contract was extended to May 2023. Thus, all TA activities are expected to be completed as scheduled by May 2023.

Geographical Location Nation-wide

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design A fact-finding mission was fielded to consult with the Government of Niue and other stakeholders including representatives from the private sector and development partners. A draft of the TA memo and design and monitoring framework was shared with government counterparts for their review and input.

During Project Implementation The Government of Niue and other stakeholders are being updated regularly on progress with implementation of the TA, including through an ADB in-country mission in January 2020, as well as periodic virtual discussions.

Business Opportunities

Consulting Services ADB will engage consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.

Procurement Procurement under the TA will be conducted in accordance with ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.

Responsible ADB Officer	Rabanal, Rommel F.
Responsible ADB Department	Sectors Group
Responsible ADB Division	Public Sector Management and Governance Sector Office (SG-PSMG)
Executing Agencies	Asian Development Bank

Timetable

Concept Clearance	-
Fact Finding	18 Mar 2019 to 22 Mar 2019
MRM	-
Approval	26 Apr 2019
Last Review Mission	-
Last PDS Update	19 Apr 2023

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Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
26 Apr 2019	-	26 Apr 2019	31 May 2021	31 May 2023	08 Sep 2023

Financing Plan/TA Utilization

ADB	Cofinancing	Counterpart				Total	Cumulative Disbursements	
		Gov	Beneficiaries	Project Sponsor	Others		Date	Amount
225,000.00	0.00	0.00	0.00	0.00	0.00	225,000.00	20 Oct 2023	196,408.17

Project Page <https://www.adb.org/projects/53096-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=53096-001>

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