



Regional: Supporting Public Sector Management Reforms

Project Name	Supporting Public Sector Management Reforms										
Project Number	54060-001										
Country / Economy	Regional Cook Islands Fiji Kiribati Niue Samoa Tonga Tuvalu										
Project Status	Active										
Project Type / Modality of Assistance	Technical Assistance										
Source of Funding / Amount	<table border="1"><thead><tr><th colspan="2">TA 9994-REG: Supporting Public Sector Management Reforms</th></tr></thead><tbody><tr><td>Technical Assistance Special Fund</td><td>US\$ 1.50 million</td></tr><tr><td>ATF - New Zealand TA Grant</td><td>US\$ 650,000.00</td></tr><tr><td>Government of Australia</td><td>US\$ 390,000.00</td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 2.00 million</td></tr></tbody></table>	TA 9994-REG: Supporting Public Sector Management Reforms		Technical Assistance Special Fund	US\$ 1.50 million	ATF - New Zealand TA Grant	US\$ 650,000.00	Government of Australia	US\$ 390,000.00	Technical Assistance Special Fund	US\$ 2.00 million
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Operational Priorities	OP2: Accelerating progress in gender equality OP6: Strengthening governance and institutional capacity OP7: Fostering regional cooperation and integration										
Sector / Subsector	Public sector management / Economic affairs management - Public administration - Public expenditure and fiscal management - Reforms of state owned enterprises										
Gender	Some gender elements										
Description	The knowledge and support technical assistance (TA) will improve public sector management (PSM) practices in seven Pacific developing member countries through (i) institutional strengthening of ministries of finance, other central management agencies, and relevant sector ministries; and (ii) supporting tailored policy advice and targeted analysis to promote longer-term fiscal sustainability for improved growth and public service delivery. The seven targeted countries are the Cook Islands, Fiji, Kiribati, Niue, Samoa, Tonga, and Tuvalu. The TA will also provide policy advice as requested to support the targeted countries during disasters caused by natural hazards, such as cyclones and the coronavirus disease (COVID-19) pandemic. The TA delivers (i) targeted assessments on PSM issues to inform government planning and development partner engagement; (ii) support for capacity development in PSM, with different focus areas depending on the country's need and absorptive capacity; and (iii) policy advice and dialogue to strengthen governance mechanisms and prioritize and implement reforms.										
Project Rationale and Linkage to Country/Regional Strategy	The TA is aligned with the Asian Development Bank (ADB) Strategy 2030 operational priority of strengthening governance and institutional capacity, accelerating progress in gender equality, and fostering regional cooperation and integration. ADB's Strategy 2030 also emphasizes a differentiated approach for small island developing states, given their unique structural constraints and vulnerabilities. Common areas for support in these countries are public procurement, tax administration, and state-owned enterprise (SOE) management. However, the approach to delivering support depends on the government's appetite for change, absorptive capacity, accessibility to technology, and platforms for communication. Under its Strategy 2030, ADB supports institutional strengthening in small island developing states to help enhance public service delivery, improve the business environment, and promote private sector-led growth. The TA also reflects the Pacific Approach, 2016-2020 strategic priority of managing risks through PSM operations that support country efforts to manage financial and economic risks. The TA is listed in the Regional Operations Business Plan, 2020-2022. The TA is aligned with the following impact: delivery of public goods and services enhanced. The TA will have the following outcome: efficiency and effectiveness of public resource use improved.										
Impact	Delivery of public goods and services enhanced.										
Project Outcome											
Description of Outcome	Efficiency and effectiveness of public resource use improved										
Progress Toward Outcome											
Implementation Progress											
Description of Project Outputs	Quality PSM assessments supported Capacity of the governments central oversight and planning agencies strengthened PSM reforms prioritized and implemented.										

Status of Implementation Progress
(Outputs, Activities, and Issues)

SEPTEMBER 2022 UPDATE: Overall, good progress made with technical assistance supporting diagnostic and reforms in the Cook Islands, Kiribati, Niue, Tonga and soon in Fiji, Samoa and Tuvalu. Specific progress against outputs are as follows:
 (1) Tailored advice and assessment - in Tonga, the TA delivered an economic and social impact assessment on the Tongan economy. The assessment informed Tonga's efforts to deliver its socio-economic measures to manage the impact of the COVID-19 pandemic on individuals and the community, and to assess and monitor the impact of the stimulus package. This specific contribution supported the formation of ADB's 2021 policy-based grant operation for Tonga.
 (2) Capacity of government central oversight and planning agencies supported. For instance, in Kiribati - since the TA began in October 2020, over 100 government counterparts benefited from targeted training on fiscal planning, the budget framework and the role of Treasury, financial forecasting, budget execution, cash management, commitment controls, change management, and the State-Owned Enterprise monitoring and tracking tool.
 (3) PSM reforms prioritized and implemented, for example, in the Cook Islands, the strategic planning and organizational work with the Ministry of Finance and Economic Management led to the development and finalization of the Ministry's first Strategic Plan 2022-2026 which contains a prioritized list of economic reforms for the Cook Islands. The list will inform discussions and partnerships between the government and its development partners to implement critical reforms for improved fiscal management and service delivery.

MARCH 2023 UPDATE:
 COOK ISLANDS A functional review of the Public Service sector commenced in November 2022 with final recommendations report due for completion by June 2023. The recommendations will inform the right sizing of government functions in line with government's Economic Recovery Roadmap.
 KIRIBATI Momentum of activities has been maintained and key milestones include:
 IFMIS guided MFED with the contract management and implementation of the new IFMIS; updated Chart of Accounts (COA); developed specifications for a new payroll system which will be integrated as a new module as part of the IFMIS reform work; change management capacity building of government counterparts in accounting principles (COFOG, IPSAS, GFS) to better understand how these principles and guidelines align with their role in support of the IFMIS project;
 SOE REFORM engagement of 3 local consultants to support State Owned Enterprise Monitoring and Advisory Unit (SOEMAU) which will boost the oversight management of SOE performance, a SOE Live Workshop was conducted on 3 separate days benefiting 165 participants in total, including SOE Board and Management; the SOE TA team also supported to offset government liabilities with few SOEs, mainly the Public Utilities Board (PUB), a long-standing issue in Kiribati.
 ECONOMIC PLANNING developed NEPO's new organizational structure; reviewed and further develop the fiscal strategy and Medium-Term Fiscal Framework (MTFF); and strengthened fiscal management reporting: for instance, developed the fiscal reporting policy outlining reporting requirements in line with international best practices to increase transparency on fiscal updates. Note that all technical inputs directly support ADB's forthcoming policy-based operation to be approved in Q3, 2023.
 TONGA targeted support to Ministry of Finance (MOF) progressing well:
 BUDGET REFORM budget preparation guidelines and budget submission templates developed, and currently being trialed with some Ministries, Departments, Agencies (MDAs); ongoing capacity building of government counterparts on new tools and SOPs; also budget strategy for 2023-24 which was approved by Cabinet. The strategy will guide MDAs in preparation of their budget submission for the new financial year 2023-24.
 PROCURMENT developed an emergency procurement guide to facilitate a timely emergency response; updated procurement training materials; and delivered a training for 93 participants in government on the selection and employment of consulting services, procurement principals, and service standards.
 NIUE supported the Ministry of Finance (MOF) in developing a Monitoring and Evaluation Framework to further operationalize and improve the linkages between the Niue's strategic development goals, National Development Strategy and reporting. There is a new reporting matrix that will need to be further strengthened and linking this work with budget reform work.
 FIJI support is expected to be mobilized in Q2 to support change management across the Ministry of Finance on various PFM reforms that ADB is supporting-these included IFMIS, procurement to name a few.
 SAMOA possible support to strengthen the Ministry of Finance's capacity on cost and benefit analysis is expected to be mobilized by Q2, 2023.
 TUVALU - consultations with government are on-going on the key priority areas for support.

Geographical Location	Cook Islands - Nation-wide; Fiji - Nation-wide; Kiribati - Nation-wide; Niue - Nation-wide; Samoa - Nation-wide; Tonga - Nation-wide; Tuvalu - Nation-wide
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Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation Yes, carried out in consultation with government.

Responsible ADB Officer Homasi, Lily Anne F.

Responsible ADB Department Pacific Department

Responsible ADB Division Pacific Subregional Office in Suva, Fiji (SPSO)

Executing Agencies Asian Development Bank

Timetable

Concept Clearance 16 Apr 2020

Fact Finding 09 Mar 2020 to 10 Mar 2023

MRM -

Approval 15 Jul 2021

Last Review Mission -

Last PDS Update 27 Mar 2023

TA 9994-REG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
24 Jun 2020	-	24 Jun 2020	30 Jun 2024	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
3,500,000.00	1,040,000.00	0.00	0.00	0.00	0.00	4,540,000.00	18 Sep 2023	1,902,223.44

Project Page <https://www.adb.org/projects/54060-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=54060-001>

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