

**ADB SUPPORT FOR PUBLIC SECTOR REFORMS IN THE PACIFIC**  
**HOW DO WE DO DIFFERENTLY?**  
**(Republic of the Marshall Islands: Public Sector Program)**

1. ADB's Independent Evaluation Department (IED) has completed a study on ADB support for public sector reforms in the Pacific.<sup>1</sup> The study has identified a few important lessons from ADB's past engagement with RMI and these findings were reflected during the formulation of the Program.

2. The special evaluation study (SES) assesses the effectiveness of ADB support for public sector reforms in Pacific developing member countries. The SES addressed three key questions: (i) Was ADB support relevant to Pacific DMC reform needs?; (ii) Was ADB's approach to supporting reforms in the Pacific and use of the program loan modality and technical assistance (TA) effective?; and (iii) How can ADB improve its support to Pacific DMCs for reforms? The SES evaluated 11 loans approved over 1996–2002 and 2 of the 11 loans were for RMI. The PARD project team has been using the SES as one of the key reference documents for the preparation of the Program to ensure that ADB considers and reflects all the lessons learned from our past engagement with RMI. Following table summarizes key findings from the ADB's previous program loans and ADB's new approaches embedded in the proposed Program.

**Recommendations to Program Loan in the Pacific Region**

<b>IED's Key Recommendations</b>	<b>Adopted New Approaches</b>
<b>Ownership.</b> Enhance ownership by stocktaking and assessing the current state of reforms progress and stakeholder support in Pacific DMCs as a basis for considering further support by (i) reviewing unfinished economic management, public service, and private sector reform agenda items through dialogue with Pacific DMC governments and stakeholders; and (ii) strengthening ADB's regular policy dialogue and wider consultations on current issues and economic monitoring.	ADB has introduced a new approach to enhance partnership with RMI. The new approach includes: (i) establishment of fresh country team and regular (at least once a month country visit), (ii) establishment of ADB's project office with ADB consultant presence, (iii) several public symposiums and public events with the on-going TAs.
<b>Continuity.</b> Ensure continuity in ADB support for government reform priorities through a mix of program, project, and TA operations—harmonized with other development partners, and in line with ADB areas of comparative institutional advantage by (i) providing continuity and predictability in support for reforms and development—with sequenced, medium-term, and where feasible cluster or single tranche operations against country targets, using prior conditionality approaches against government-owned targets; (ii) adopting programmatic approaches to reforms and development that are harmonized with development partners; and (iii) focusing ADB support on areas where it has comparative institutional advantage.	The Program will adopt the following new features: (i) donor coordination with regular meeting, (ii) jointly deploy experts with other development partners to support the Government to continue its reform, (iii) several media events regarding the reforms to promote the awareness of reform related issues, and (iv) adoption of common development platform (a joint steering committee) among key development partners in later 2010.
<b>Capacity.</b> Focus TA on the institutional capacity development needed to support reforms through more effective designs by: (i) using a 'how-to' and demand-driven approach for TA; (ii) coordinating TA with development	A piggybacked TA will fully address the issues of institutional capacity development to support reforms. Designing of the TA was done in line with

<sup>1</sup> ADB. 2009. *ADB Support for Public Sector Reforms in the Pacific: Enhance Results through Ownership, Capacity, and Continuity*. Manila.

partners and expanding use of pooled, flexible, longer-term TA designs that effectively assist Pacific DMC institutions to acquire capacity; and (iii) improving the targeting of TA to address specific reform and capacity development issues for public service delivery in specific sectors.	consultations with other development partners, in particular with US, Australia, Japan, and EU. The TA focus on specific reform issues.
<b>Private Sector Development.</b> Target removable constraints to private sector development in a better manner, and facilitate provision of industry and constraint-specific TA support: (i) target critical private sector enabling environment constraints that can be feasibly addressed; and (ii) provide needed industry and topic specific expertise, and more focused and continuous how-to type support for privatization processes to advance SOE reforms.	Private Sector Development TA has been supporting RMI in various ways to promote private sector's participation to public sector reforms. Since January 2010, ADB's office in Sydney has been actively engaging with RMI to support the private sector growth.

ADB = Asian Development Bank, DMC = developing member country, PARD = Pacific Department, SOE = state-owned enterprise, TA = technical assistance, EU = European Union, US= United States.

Source: Asian Development Bank.