

TECHNICAL ASSISTANCE FACILITY UTILIZATION UPDATE

1. The technical assistance (TA) facility for the Improving Pacific Public Financial Management Facility was approved in July 2019 in the amount of \$1,500,000 and funded on a grant basis by ADB's Technical Assistance Special Fund (TASF-Others). A minor change was approved on 1 April 2020 to increase the total TA amount to \$2,125,000. A further minor change was approved on 5 March 2021 to increase the total TA amount to \$3,985,000. As of 9 August 2021, contract awards totaled \$2,423,955 and disbursements totaled \$1,284, 891.
2. The TA facility will deliver the following outputs: (i) program preparation assistance, (ii) support to implement public financial management reforms, and (iii) quality public financial management research.
3. The major outputs and activities are summarized in Table A12.1.

Table A12.1: Summary of Major Outputs and Activities

Outputs	Delivery Dates	Key Activities with Milestones
1. Program preparation assistance		
a. Nauru: Improving Public Investment Management Program	2020	Public expenditure and fiscal management, state-owned enterprise reform, procurement, asset management, PFM IT systems, and budget transparency.
b. Nauru: Improving Fiscal Sustainability and Social Protection Program (subprogram 1 and 2, and project)	2022 and 2024	Public expenditure and fiscal management, state-owned enterprise reform, social protection initiatives.
c. Solomon Islands: COVID-19 Rapid Response Program	2020	Public expenditure and fiscal management, reforms of state-owned enterprises, social protection initiatives, disease control of communicable disease, health system development.
d. Solomon Islands: Increased Domestic Resource Mobilization Project	2021	Tax administration, tax information management systems, human resource management, capacity building for tax officials, budget execution, expenditure management, and budget transparency.
e. Solomon Islands: Supporting Fiscal and Economic Recovery Program (Phases 1 and 2)	2021/2022 and 2023/2024	Public expenditure and fiscal management, reforms of state-owned enterprises, tax policy and administration, debt management, good governance institutions, private sector development.
2. Support to implement PFM reforms		
a. Solomon Islands	2019–2022	Budget execution, budget reporting, public investments, and tax policy.
b. Vanuatu	2020–2022	State-owned enterprise reform.

Outputs	Delivery Dates	Key Activities with Milestones
c. Nauru	2020–2022	State-owned enterprise reform and debt management.
3. Quality PFM Research	2019–2022	Impact evaluation of COVID-19 Pandemic Response Option operation in Solomon Islands.

COVID-19 = coronavirus disease, IT = information technology, PFM = public financial management.

Source: Asian Development Bank.

4. **Resources under the TA facility.** The updated consultants' input allocation from the TA facility is presented in Table A12.2. It is confirmed that (i) the TA facility has adequate resources and (ii) the existing terms of reference for consultants are sufficient to undertake the activities required to deliver the outputs for the Domestic Resource Mobilization Project.

Table A12.2: Updated Consultants' Input Allocation from the Technical Assistance Facility
(person-months)

Item	Total	SOL Low	VAN Low	NAU Low
Consulting Firm:				
SOE Reform	24.0			24.0
SOE Advisor	0.3			0.3
Public Debt Specialist	2.0			2.0
Debt Reconciliation Specialists (firm)	12.0			12.0
SOE Advisor	12.0		12.0	
Public Financial Management Specialist	1.4		1.4	
CPA	1.0		1.0	
PFM Specialist	3.0	3.0		
Consulting Firm: for Domestic Resource Mobilization Project	24.0	24.0		
Economist	3.0	3.0		
Legal Drafts Person	2.0	2.0		
Financial Accountant	1.0	1.0		
Budget Advisor	12.0	12.0		
PFM Specialist	2.7	2.7		
Tax Policy Reform Advisor	6.7	6.7		
Tax Policy Specialist	3.0	3.0		
Economic Reform Analyst	18.0	18.0		
Financial Modelling Specialist	0.5	0.5		
Financial Expert	1.5	1.5		
Evaluation Specialists	10.0	10.0		
Research Officers	40.0	40.0		
Totals	180.1	127.4	14.4	38.3

CPA = certified public accountant, NAU = Nauru, PFM = public financial management, SOE = state-owned enterprise, SOL = Solomon Islands, VAN = Vanuatu.

Source: Asian Development Bank.

Table A12.3: Updated Budget Allocation from the Technical Assistance Facility
REVISED COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Amount
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	2,010
ii. National consultants	520
b. Out-of-pocket expenditures	
i. International and local travel	190
ii. Reports and communications	20
2. Training, seminars, studies, and conferences ^b	40
3. Miscellaneous Administration and Support Cost	120
4. Contingencies	100
Subtotal	3,000
B. Government of New Zealand^c	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	639
ii. National consultants	62
b. Out-of-pocket expenditures	
i. International and local travel	175
ii. Reports and communications	16
2. Training, seminars, studies, and conferences ^b	16
3. Miscellaneous Administration and Support Cost	38
4. Contingencies	39
Subtotal	985
TOTAL^d	3,985

Note: The technical assistance (TA) is estimated to cost \$3,985,000, of which contributions from the Asian Development Bank (ADB) and ADB-administered funds are presented in the table. The governments of Nauru, Solomon Islands, and Vanuatu will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, and other in-kind contributions. The value of government contributions is estimated to account for 5% of the total TA cost.

^a Financed by ADB's Technical Assistance Special Fund (TASF 6 and TASF 7).

^b Engagement of resource persons will be allowed.

^c Financed by the Government of New Zealand for \$985,000 equivalent (NZ\$1,500,000) and administered by ADB, including the ADB administration fee, audit costs, bank charges, and provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by interest and investment income earned on this grant, or any additional grant contribution by the Government of New Zealand.

^d Disbursements from the ADB-administered fund will be pro-rata.

Source: Asian Development Bank estimates.