GOVERNANCE ARRANGEMENTS, COORDINATION PLAN AND MANAGEMENT STRUCTURE UNDER PACIFIC PRIVATE SECTOR DEVELOPMENT INITIATIVE, PHASE IV

1. The Pacific Private Sector Development Initiative (PSDI) is one element of the wider engagement by ADB and its partners in the region to promote private sector development. Recognizing this and the review findings of the Independent Evaluation Department (IED) and comments from ADB and partners, PSDI IV will entrench and strengthen coordination, an objective that will be pursued in several ways.

2. **Governance.** PSDI IV will establish a steering committee of representatives from ADB and cofinancing partners that will meet at least every 6 months to review its accomplishments and proposed forward work program (work programs will be shared at least two weeks in advance of each meeting for institutional consultation and feedback, including from ADB’s Pacific Regional Management team). Currently, there is an annual meeting which focuses on achievements during the previous 12 months and the work program for the subsequent 12 months. However, this work program discussion is at a ‘high level’ and provides little opportunity for input from other divisions in ADB’s Pacific Department or the Pacific Posts of DFAT or MFAT. In PSDI IV and as per the IED recommendation for ADB to provide more strategic oversight of PSDI activities, the role of the steering committee is strengthened, more formalized, and focused on future activities to ensure alignment with cofinanciers work programs regionally and in individual countries. The Project Officer, working with the PSDI IV core team leaders, will be responsible for preparing the 6 monthly work program and working with Steering Committee members to ensure inputs from their respective agencies. There is also scope for more detailed conversations with individual agencies to ensure specific pieces of work are aligned to in-country projects or programs. The steering committee will provide the strategic oversight, but the Regional Director of ADB’s Pacific Liaison and Coordination Office will continue to provide direct day-to-day oversight of TA activities, supported by the Project Officer. This includes assessing the performance of the PSDI IV consultants and collating feedback from development partners who directly engage with them. PSDI IV will develop engagement notes that will identify the PSDI team, expected outcomes, timelines, and coordination arrangements for all major initiatives (such as the secured transaction or business registry work in individual countries).

3. **Coordination.** Subject to approval, in-country coordinators will be appointed in relevant Pacific DMCs to strengthen coordination with clients, ADB country and regional directors, and the development partners. PSDI IV will ensure that ADB’s Pacific Department country and regional directors continue to clear all mission requests, which will be backed by a tentative agenda, and copied to the partners, and relevant ADB sector directors for awareness on PSDIs in-country initiatives. This will contribute to greater oversight and ensure consistency in policy messages delivered to governments. The TA consultants will closely engage with ADB’s Pacific resident missions, country offices, and cofinancing partner posts and comply with in-country mission guidelines. Communication flows with ADB and partners, including other development agencies, will be improved through meetings and sharing of relevant reports. PSDI IV will coordinate with ADB’s Office of Public–Private Partnership on transaction advisory matters.

4. **Monitoring and evaluation function enhanced.** In PSDI IV, a monitoring and evaluation specialist will be appointed, on a part-time basis, with a work program agreed by the steering committee, to help expand capacity for reporting, reviewing, and adjusting the program as required. In addition for all major initiatives, the PSDI team will prepare engagement notes, as an attachment to the work program that will outline the proposed results chain linking the work to PSDI’s broader objectives, detailed outputs and proposed timelines, and identify ADB and partner
project leaders that need to be consulted. Progress and outputs will be briefly reported every six months.

5. **Management arrangements.** PSDI IV will continue to be structured as a regional TA facility with direct operational oversight provided, on behalf of all the partners, by the Pacific Liaison and Coordination Office in Sydney.
CURRENT PSDI ORGANIZATION STRUCTURE

Financing Partner:
- Asian Development Bank
- Department of Foreign Affairs and Trade (Australia)
- Ministry of Foreign Affairs and Trade (New Zealand)

ADB Country / Sector Teams

Officer of the Director General, Pacific Department Advisor

Private Sector Development Initiative Coordination Officer

Team Lead: Financing Growth

Team Lead: Business Law Reform and Competition and Consumer Protection

Team Lead: State-Owned Enterprise Reform and Public-Private Partnerships

Team Lead: Economic Empowerment of Women

Various short-term consultants

Finance and Administration
- Financial Analyst
- Administration Assistant

Communications and Publications
- Communications Specialist
- Communications Assistant
ADB = Asian Development Bank; EEOW = economic empowerment of women; PLCO = Pacific Liaison and Coordination Office; PNG = Papua New Guinea; PPP = public–private partnerships; PSDI = Private Sector Development Initiative; SOE = state-owned enterprise.