



# Technical Assistance Report

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Project Number: 49156-001  
Regional—Capacity Development Technical Assistance (R-CDTA)  
December 2015

## Enhancing Governance and Capacity Development as Driver of Change

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**Asian Development Bank**

## ABBREVIATIONS

ADB	–	Asian Development Bank
CPA	–	country performance assessment
CPS	–	country partnership strategy
DMC	–	developing member country
GACAP II	–	Second Governance and Anticorruption Action Plan
GCF	–	Governance Cooperation Fund
GovTG	–	Governance Thematic Group
GRA	–	governance risk assessment
OECD	–	Organisation for Economic Co-operation and Development
OGP	–	Open Government Partnership
PFM	–	public financial management
PSM	–	public sector management
SDG	–	Sustainable Development Goal
TA	–	technical assistance
TASF	–	Technical Assistance Special Fund

## NOTE

In this report, “\$” refers to US dollars.

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## CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 49156-001</b>	
<b>Project Name</b>	Enhancing Governance and Capacity Development as Driver of Change	<b>Department /Division</b>	SDCC/SDGG
<b>Country</b>	REG	<b>Executing Agency</b>	Asian Development Bank
<b>2. Sector</b>	<b>Subsector(s)</b>	<b>ADB Financing (\$ million)</b>	
✓ Multisector	ADB's corporate management, policy and strategy development		1.50
		<b>Total</b>	<b>1.50</b>
<b>3. Strategic Agenda</b>	<b>Subcomponents</b>	<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Low
<b>4. Drivers of Change</b>	<b>Components</b>	<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Anticorruption Client relations, network, and partnership development to partnership driver of change Civil society participation Institutional development Institutional systems and political economy Organizational development Public financial governance	Some gender elements (SGE)	✓
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas Knowledge sharing activities Pilot-testing innovation and learning		
Partnerships (PAR)	Implementation Regional organizations		
<b>5. Poverty Targeting</b>		<b>Location Impact</b>	
Project directly targets poverty	No	Regional	High
<b>6. TA Category:</b>	B		
<b>7. Safeguard Categorization</b>	Not Applicable		
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>1.50</b>	
Capacity development technical assistance: Technical Assistance Special Fund		1.50	
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>0.00</b>	
None		0.00	
<b>Total</b>		<b>1.50</b>	
<b>9. Effective Development Cooperation</b>			
Use of country procurement systems	No		
Use of country public financial management systems	No		

## I. INTRODUCTION

1. Strategy 2020 of the Asian Development Bank (ADB) prioritizes governance and capacity development as drivers of change, and puts them in the mainstream of ADB operations.<sup>1</sup> As a catalyst for change in these areas, ADB aims to stimulate inclusive economic growth, foster cost-effective delivery of public goods and services in developing member countries (DMCs), and enhance development effectiveness.

2. The technical assistance (TA) will support the implementation of Strategy 2020's governance and capacity development objectives in participating DMCs.<sup>2</sup> Presently, all country partnership strategies (CPSs) address governance and capacity issues, in part through the mandatory requirement for CPSs and operations in priority sectors to be informed by governance risk assessments (GRAs).<sup>3</sup> Sector operational plans also reflect the need for better governance and institutional performance to achieve sector objectives. The TA responds to the findings of ADB's Midterm Review of Strategy 2020 and directly supports implementation of the midterm review action plan.<sup>4</sup> The design and monitoring framework is in Appendix 1.<sup>5</sup>

## II. ISSUES

3. ADB's Midterm Review of Strategy 2020 observed that weak governance and institutional capacities continue to constrain the development prospects of many DMCs, and that corruption and lack of accountability and transparency, in particular, impede the effective delivery of basic services and the benefits of growth from being widely shared (footnote 4). This finding is consistent with ADB operational results, where weak local institutional capacity and/or lack of government support are major reasons for less successful sovereign operations.<sup>6</sup> Meanwhile, ADB's stakeholders perceive corruption as the greatest threat to development in Asia and the Pacific.<sup>7</sup> Measured by ADB's country performance assessment (CPA) ratings, governance and public sector performance in the region have improved overall, but significant challenges remain.<sup>8</sup> The region displays contrasting and varied patterns of development performance that require different policy and institutional responses.

4. ADB strategies recognize the complementarity of governance and capacity development. The Second Governance and Anticorruption Action Plan (GACAP II) aims to strengthen governance institutions in DMCs by applying a risk-based approach to mainstreaming governance in three priority areas—public financial management (PFM), procurement, and combating corruption.<sup>9</sup> ADB's approach to capacity development is expressed in the 2007 Medium-Term Framework and Action Plan for capacity development.<sup>10</sup>

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<sup>1</sup> ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020*. Manila.

<sup>2</sup> The TA will support multiple DMCs through regional initiatives, regional knowledge products and partnerships, and country-based assistance according to demand from them.

<sup>3</sup> ADB. 2010. *Governance. Operations Manual*. OM C4/BP. Manila.

<sup>4</sup> ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila; and ADB. 2014. *Midterm Review of Strategy 2020: Action Plan*. Manila.

<sup>5</sup> The TA first appeared in the business opportunities section of ADB's website on 23 October 2015.

<sup>6</sup> ADB. 2015. *2014 Development Effectiveness Review*. Manila.

<sup>7</sup> ADB. 2013. *ADB Perceptions Survey: Multinational Survey of Stakeholders 2012*. Manila.

<sup>8</sup> The CPA's public sector management (PSM) and institutions (governance) rating average for the 29 DMCs covered by the CPA increased from 3.3 in 2005 to 3.6 in 2014, based on a scale from 1.0 (worst) to 6.0 (best).

<sup>9</sup> ADB. 2006. *Second Governance and Anticorruption Action Plan (GACAP II)*. Manila.

<sup>10</sup> ADB. 2007. *Integrating Capacity Development into Country Programs and Operations: Medium-Term Framework and Action Plan*. Manila.

5. ADB's performance in mainstreaming governance and capacity development in country programming and operations has been mixed. The quality of country-, sector-, and project-level plans to assess and manage governance risks has not been uniform and requires systematic improvement, including in implementation.<sup>11</sup> Depending on each DMC's development context, governance and capacity development issues need to be firmly anchored in country programming and operations, including sector assessments and road maps. Independent studies also call for improved governance and capacity analytics and strengthened GACAP II implementation.<sup>12</sup>

6. The Strategy 2020 Midterm Review Action Plan opens the space for ADB to enhance the quality of its governance and capacity development support (footnote 4). It prioritizes resources for capacity development in operations, GACAP II implementation, and public sector management operations (action 5.3.5). Enhancing the quality of GRAs—GACAP II's chief operational instrument—is prioritized (action 1.4). A capacity development operational plan is to be prepared (action 1.3.4). Other midterm review actions, such as incorporating a “One ADB” approach to knowledge solutions, strengthening of resident missions, and implementing the envisioned reforms to make business processes agile and flexible, will also help improve governance and capacity development.

7. The international development community's commitment to strengthen governance and institutional capacities was reaffirmed in the Sustainable Development Goals (SDGs), particularly SDG16, which aims to “build effective, accountable and inclusive institutions at all levels” and SDG17, which aims to enhance the effectiveness of capacity development to developing countries.<sup>13</sup> The commitment is also contained in international forums, such as the Global Partnership for Effective Development Co-operation<sup>14</sup> and the Effective Institutions Platform,<sup>15</sup> and in the continued focus on expanding the use of country systems for delivering development assistance.

8. Approaches to tackle governance and capacity issues continue to evolve in recognition that this area is particularly challenging. There is a focus on effective or performing institutions as the outcome of governance and capacity development. Greater attention is paid to the context in which institutions operate, and to the change readiness of stakeholders. Development agencies are increasingly looking to augment training and technical advisory services with knowledge sharing, peer exchanges between countries, innovative solutions, and collaborative practices involving nongovernment actors. Policy- and results-based operations and use of country systems continue to be important for strengthening institutional performance.

9. Strategic development partnerships in the region, including emerging ones, should be strengthened. The longstanding ADB/Organisation for Economic Co-operation and Development (OECD) Anticorruption Initiative for Asia and the Pacific combines the expertise of ADB and OECD to support 31 member countries and jurisdictions to fight corruption.<sup>16</sup> The

<sup>11</sup> ADB. 2013. *Implementation Review: Second Governance and Anticorruption Action Plan (GACAP II)*. Manila.

<sup>12</sup> ADB. 2014. *Thematic Evaluation Study: ADB Support for Enhancing Governance in its Public Sector Operations*. Manila.

<sup>13</sup> United Nations. Sustainable Development Knowledge Platform. <https://sustainabledevelopment.un.org/>

<sup>14</sup> Global Partnership for Effective Development Co-operation. <http://effectivecooperation.org/>

<sup>15</sup> Effective Institutions Platform is an international partnership that aims to support country needs in strengthening public sector institutions. <http://www.effectiveinstitutions.org>

<sup>16</sup> The initiative was established in 1999 and has the following DMC members: Afghanistan, Bangladesh, Bhutan, Cambodia, the People's Republic of China, the Cook Islands, Fiji, India, Indonesia, Kazakhstan, the Kyrgyz Republic, Malaysia, Mongolia, Nepal, Pakistan, Palau, Papua New Guinea, the Philippines, Samoa, Solomon Islands, Sri Lanka, Thailand, Timor-Leste, Vanuatu, and Viet Nam.

Open Government Partnership (OGP), to which ADB became a multilateral partner in 2014, provides an international platform for countries committed to making their governments more open, accountable, and responsive to their citizens.<sup>17</sup>

10. The TA will build on ADB's TA for Governance and Capacity Development Initiative (Phase 2) and TA for Support for Implementation of the Second Governance and Anticorruption Action Plan, due for completion in 2015.<sup>18</sup> Through these TA projects, ADB has supported the implementation of ADB's governance and capacity development strategies with DMCs since 2008. The TA projects have combined financing of \$6,313,000. Part of this financing was provided by the Governance Cooperation Fund (GCF), which is also due to end in 2015.<sup>19</sup> Preliminary findings from the review of the GCF under way show an overall positive contribution to the incorporation of governance considerations in the CPSs of DMCs.<sup>20</sup>

### III. THE CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE

#### A. Impact and Outcome

11. The impact will be for participating DMCs to respond more effectively to governance and capacity challenges in the sectors and subsectors where ADB is active. The outcome will be governance and capacity development better mainstreamed in ADB country programming and operations.

#### B. Methodology and Key Activities

12. The TA meets demand from DMCs for technical support and knowledge in governance and capacity development that responds to their needs and addresses key institutional issues affecting the quality and success of ADB operations. The TA will support the preparation and implementation of CPSs and sector road maps through better analytics, innovative knowledge solutions, collaborative practices, and strengthened regional partnerships.

13. **Output 1: Governance risk assessments that inform country partnership strategies, sector assessments and road maps, and operations prepared.** The TA will support DMCs to identify and address governance risks at the country and sector levels in accordance with the revised guidance for implementing GACAP II.<sup>21</sup> At least eight GRAs will be supported, informing about 40% of CPSs that are expected to be prepared during the TA.<sup>22</sup> The TA will prioritize country teams that do not have sufficient in-house governance expertise to support DMCs in this area. The emphasis will be on improving analysis of governance and institutions, including carrying out sector institutional analysis, and assessing country systems for PFM and procurement to enable ADB's shift toward the use of country systems, supporting dialogue with DMCs, and improving operational risk assessment and risk management plans.

<sup>17</sup> Armenia, Azerbaijan, Georgia, Indonesia, Mongolia, and the Philippines are current members of the OGP.

<sup>18</sup> ADB. 2009. *Technical Assistance for the Governance and Capacity Development Initiative (Phase 2)*. Manila (TA7277-REG); ADB. 2008. *Technical Assistance for Support for Implementation of the Second Governance and Anticorruption Action Plan*. Manila (TA 6445-REG).

<sup>19</sup> The GCF is a multidonor trust fund that supports the implementation of GACAP II, with financing totaling \$7.3 million from the governments of Canada, Denmark, Ireland, and Norway.

<sup>20</sup> The review of the GCF is expected to be finalized in December 2015.

<sup>21</sup> ADB. 2014. *Revised Staff Guidance for Implementing the Second Governance and Anticorruption Action Plan (GACAP II): Assessing and Managing Governance Risks in ADB Operations*. Manila.

<sup>22</sup> Afghanistan, Armenia, Azerbaijan, Bhutan, Cambodia, Fiji, Georgia, India, Kazakhstan, the Kyrgyz Republic, the Lao People's Democratic Republic, the Maldives, Mongolia, Myanmar, Nepal, Pakistan, the Philippines, Solomon Islands, Sri Lanka, Thailand, and Uzbekistan.

14. **Output 2: Knowledge products and partnerships that bring greater attention to governance and capacity issues developed.** The TA will prepare an inaugural Southeast Asia government at a glance report jointly with the OECD.<sup>23</sup> The report will compare public sector information and include a special policy chapter of interest to selected DMCs.<sup>24</sup> The countries the report will aim to cover are Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam. The country coverage might be expanded in successive reports. On-demand knowledge products will also be produced based on DMC demand and what is required by sector operations. The products will include how-to guidance notes on specific areas of governance and capacity development, including at sector and subsector levels, and governance case briefs of good practices in sector operations that contribute to enhanced governance and institutional performance.

15. **Output 3: Governance and capacity development in operations for selected DMCs further integrated.** The TA will support long-term national governance experts placed in at least five ADB resident missions selected on the basis of attention to governance issues in CPSs and the resource needs of resident missions. The experts will work closely with DMC agencies in strengthening CPSs and ADB's country portfolio. They will have expertise in PFM, procurement, combating corruption, governance reforms, and/or institutional risk assessment and management. This will enable ADB to provide on-the-ground support for GRAs and governance and capacity development activities, and facilitate dialogue with DMC officials. The experts will be integral members of the Governance Thematic Group (GovTG) and will contribute to cross-departmental knowledge sharing and lesson learning. The TA will also support small-scale knowledge sharing and innovative activities in DMCs that help mitigate governance risks, address governance challenges with high institutional complexity and innovation, and encourage multistakeholder approaches to governance and capacity development for better delivery of public services (e.g., helping OGP member countries implement their action plans or encouraging other DMCs to join the OGP). Complementing these activities, DMC officials will be supported to participate in GovTG's flagship governance and institutional development learning program, which is expected to start in 2016.

16. **Output 4: Implementation of the ADB/OECD Anticorruption Initiative for Asia and the Pacific enhanced.** The TA will support implementation of the initiative's medium-term work program, which includes annual steering group meetings combined with capacity development seminars, a regional anticorruption conference in 2017, a special thematic review on a topic to be determined by the members, volunteer country reviews, as well as strengthening partnerships with international bodies, the private sector, and civil society. This flagship anticorruption program supports DMC jurisdictions to fight corruption and implement the United Nations Convention against Corruption through capacity development, mutual support and exchange of expertise, and knowledge products.

17. No major risks are associated with the TA. Achievement of the outcome and outputs will depend on demand for and ownership of governance and capacity support from DMCs. While demand is considered generally high across DMCs, selectivity is needed in support—recognizing that the nature and context of reform and change may, in some situations, limit what ADB can do in shorter periods. There is also a risk that DMCs do not have sufficient resources to implement and sustain the activities and measures initiated by the TA.

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<sup>23</sup> The report is included in the memorandum of understanding for strengthening cooperation between ADB and OECD signed in 2013.

<sup>24</sup> The report will be modeled on the Latin America and the Caribbean publication prepared jointly by the OECD and the Inter-American Development Bank. [www.oecd.org/gov/govata glance.htm](http://www.oecd.org/gov/govata glance.htm).

### **C. Cost and Financing**

18. The TA is estimated to cost \$1,500,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). Demand for support under the outputs is expected to exceed TASF financing available, and the TASF will be used to leverage possible cofinancing from other sources.

### **D. Implementation Arrangements**

19. ADB will be the executing agency of the TA project, which will be implemented from January 2016 to December 2018. The GovTG Secretariat in the Social Development, Governance and Gender Division of ADB's Sustainable Development and Climate Change Department will be responsible for administering TA activities. For outputs 1–3, the GovTG Committee will serve as the steering group for TA implementation, monitoring, and reporting. For output 4, as in the past, ADB and OECD will act as the secretariat of the ADB/OECD Anticorruption Initiative.<sup>25</sup>

20. The TA will finance consulting services, studies, reports, and other knowledge products, as well as workshops and other knowledge and learning events. The TA will provide international consultants (43 person-months) and national consultants (150 person-months) with expertise in governance, public sector management, PFM, procurement, anticorruption, and/or capacity and institutional development, including operating within and across sectors and themes. The terms of reference for consultants will be further developed when specific activities are undertaken. Given the intermittence of the assignments and the variety of skills required, consultants will be recruited individually, in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) and with output-based contracts and lump sum out-of-pocket expenses, wherever possible. All disbursements under the TA will be made in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). In the event that ADB staff act as resource persons in the implementation of the TA, travel and related costs will be charged to the TA. However, their salaries and benefits will be charged to ADB's internal administrative expenses budget.

21. The TA will benefit from the expertise available within OECD and from its proven methodologies. OECD will contribute staff resources to support implementation of relevant TA activities and OECD's global survey tools will be used to prepare the government at a glance publication.

22. The TA will be monitored through regular consultations with relevant ADB and DMC stakeholders. Regular reporting of accomplishments will be made to the GovTG Committee. Good practices and lessons will be disseminated through governance case briefs, other publications, and knowledge and learning events.

## **IV. THE PRESIDENT'S DECISION**

23. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$1,500,000 on a grant basis for Enhancing Governance and Capacity Development as Driver of Change, and hereby reports this action to the Board.

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<sup>25</sup> ADB and OECD. 2001. *Anti-Corruption Action Plan for Asia and the Pacific*. Tokyo.

## DESIGN AND MONITORING FRAMEWORK

<b>Impact the Technical Assistance Project is Aligned with</b>			
DMCs respond more effectively to governance and capacity challenges in the sectors and subsectors where ADB is active (defined by project).			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks</b>
<b>Outcome</b> Governance and capacity development better mainstreamed	By 2019, percentage of ADB operations supporting governance and capacity development increase above the baseline (2014 baseline: 60% ADB and 74% Asian Development Fund)	Annual Development Effectiveness Review	DMC governments are not able to sustain ownership of governance and institutional reforms over time.
<b>Outputs</b> 1. GRAs that inform CPSs, sector assessments and road maps, and operations prepared  2. Knowledge products and partnerships that bring greater attention to governance and capacity issues developed	1a. By 2018, at least eight additional GRAs prepared at country- and/or sector-level as part of CPS so that GRAs are up-to-date in DMCs, as required (2015 baseline: GRAs prepared in 34 DMCs)  2a. By 2017, inaugural Southeast Asia government at a glance report prepared jointly with OECD (2015 baseline: No report)  2b. By 2018, at least five how-to guidance notes prepared on specific areas of governance and capacity development (2013–2015 baseline: 1)  2c. By 2018, at least five additional governance case briefs prepared on good practices in sector operations (2013–2015 baseline: 5)	1a. CPSs; GRA reports; Second Governance and Anticorruption Action Plan annual accomplishment report  2a. OECD report  2b. GovTG annual accomplishment report  2c. GovTG annual accomplishment report	DMC governments' demands and data limitations restrict scope and coverage of knowledge products.  Qualified experts cannot be recruited from domestic labor markets in a timely manner.

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
3. Governance and capacity development in operations for selected DMCs further integrated	<p>3a. By 2018, at least five additional national governance experts placed in ADB resident missions (2013–2015 baseline: 5)</p> <p>3b. By 2018, up to five additional small-scale knowledge-sharing and innovative activities are supported in DMCs where needs are expressed (2013–2015 baseline: 5)</p> <p>3c. By 2018, up to 30 DMC officials participate in GovTG’s governance and institutional development learning program (2015 baseline: 0)</p>	<p>3a. National governance expert work plans and performance evaluations</p> <p>3b. GovTG annual accomplishment report</p> <p>3c. Knowledge and learning program reporting and program evaluation survey</p>	
4. Implementation of the ADB/OECD Anticorruption Initiative for Asia and the Pacific enhanced	<p>4a. By 2018, at least 20 member countries participate in an additional four regional events (one anticorruption conference and three annual steering group meetings combined with capacity development seminars) (2013–2015 baseline: 4 events)</p> <p>4b. By 2018, member countries contribute to one additional special thematic review (2013–2015 baseline: 1)</p>	<p>4a. ADB/OECD Anticorruption Initiative reporting</p> <p>4b. ADB/OECD Anticorruption Initiative reporting</p>	

#### Key Activities with Milestones

##### 1. GRAs that inform CPSs, sector assessments and road maps, and operations prepared

- 1.1 Recruit and manage consultants to undertake GRAs in cooperation with DMCs and regional departments (Q1 2016–Q4 2018)
- 1.2 Provide quality assurance for GRA reports and support dialogue with DMCs, especially on design and monitoring of governance risk management plans (Q1 2016–Q4 2018)
- 1.3 Maintain central repository of GRAs and document good practices to promote attention to governance and institutional issues (Q1 2016–Q4 2018)

##### 2. Knowledge products and partnerships that bring greater attention to governance and capacity issues developed

- 2.1 Recruit and manage consultants to prepare Southeast Asia government at a glance report (Q1 2016)
- 2.2 Organize three regional workshops with DMCs on preparation of the Southeast Asia government at

<b>Key Activities with Milestones</b>
<p>a glance report (Q4 2016)</p> <p>2.3 Organize regional event to launch government at a glance report (Q2 2017)</p> <p>2.4 Recruit and manage consultants to prepare how-to guidance notes and governance case briefs in cooperation with ADB's regional departments (Q1 2016–Q4 2018)</p> <p>2.5 Disseminate knowledge products across DMCs, and integrate in knowledge and learning exercises (Q1 2016–Q4 2018)</p> <p><b>3. Governance and capacity development in operations for selected DMCs further integrated</b></p> <p>3.1 Recruit national governance experts in coordination with ADB's resident missions and place them in selected resident missions (Q1 2016–Q4 2017)</p> <p>3.2 Recruit and manage consultants to design and implement knowledge-sharing and innovative activities that develop DMC capacity and mitigate governance risks (Q1 2016–Q4 2018)</p> <p>3.3 Provide quality assurance for the design of activities, including the peer review mechanism (Q1 2016–Q4 2018)</p> <p>3.4 Support activity implementation and monitoring, including dialogue with DMC stakeholders (Q1 2016–Q4 2018)</p> <p>3.5 Disseminate activity results, findings, and lessons to interested parties in ADB and DMCs, and integrate in knowledge and learning exercises (Q1 2016–Q4 2018)</p> <p>3.6 Support targeted DMC officials to participate in annual governance and institutional development program (Q1 2016–Q4 2018)</p> <p><b>4. Implementation of the ADB/OECD Anticorruption Initiative for Asia and the Pacific enhanced</b></p> <p>4.1 Support Secretariat to ADB/OECD Anticorruption Initiative jointly with OECD (Q1 2016–Q4 2018)</p> <p>4.2 Organize and conduct four regional events (one regional anticorruption conference and three annual steering group meetings combined with capacity development seminars) (Q1 2016–Q4 2018)</p> <p>4.3 Recruit and manage consultants to prepare special thematic review (by Q4 2017)</p>
<p><b>Inputs</b></p> <p>Asian Development Bank: \$1,500,000</p>
<p><b>Assumptions for Partner Financing</b></p> <p>Not applicable.</p>

ADB = Asian Development Bank, CPS = country partnership strategy, DMC = developing member country, GovTG = Governance Thematic Group, GRA = governance risk assessment, OECD = Organisation for Economic Co-operation and Development, Q = quarter.

Source: Asian Development Bank.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Amount
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	645.0
ii. National consultants	430.0
b. International and local travel	95.0
c. Reports and communications	20.0
2. Training, seminars, and conferences <sup>b</sup>	
a. Facilitators and resource persons	75.0
b. Training programs	195.0
3. Miscellaneous administration and support costs <sup>c</sup>	20.0
4. Contingencies	20.0
<b>Total</b>	<b>1,500.0</b>

<sup>a</sup> Financed by the Technical Assistance Special Fund (TASF-other sources) of the Asian Development Bank (ADB).

<sup>b</sup> Includes logistic arrangements; venue; travel of resource persons, including ADB staff and experts; supplies; and materials that will be used in training, seminars, and workshops. This may also include limited representation expenses. The specific terms of reference of the resource persons will be developed at the time of requests from developing member countries and when otherwise needed.

<sup>c</sup> Includes project administration costs, such as translation, printing, other dissemination costs associated with the publication of technical assistance (TA)-related documents, limited representation expenses (directly identifiable with the TA, in accordance with the memo dated 26 June 2013 of ADB's Budget Personnel and Management Systems Department and Strategy and Policy Department on the use of ADB resources), and other directly identifiable TA costs.

Source: Asian Development Bank estimates.

## **OUTLINE TERMS OF REFERENCE FOR CONSULTANTS**

1. About 43 person-months of international and 150 person-months of national consulting services will be required by the technical assistance (TA). All consultants will be engaged in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time) of the Asian Development Bank (ADB). Detailed terms of reference will be finalized as the specific scope of work is determined based on developing member country (DMC) demand.

### **A. International and National Governance and Institutional Development Consultants**

2. The TA will provide about 31 person-months of international and 42 person-months of national consulting services with expertise in governance, public sector management (PSM), public financial management (PFM), procurement, anticorruption, and/or capacity and institutional development, including operating within and across sectors and themes (e.g., climate change, education, energy, finance, health, transport, urban development, and water). The consultants will undertake the following activities, among others:

- (i) prepare governance risk assessments (GRAs) at country and sector levels in accordance with the Second Governance and Anticorruption Action Plan staff guidance, aligned to country programming, and coordinated with DMC authorities;
- (ii) develop corporate guidance and diagnostic tools on undertaking institutional analysis in priority sectors, including as part of sector assessments and road maps;
- (iii) support institutional analysis and capacity development plans in priority sectors as part of country partnership strategy development and to inform the design and implementation of programs and projects;
- (iv) prepare how-to guidance notes on specific aspects of governance and capacity development, including at sector and subsector levels;
- (v) prepare governance case briefs of good practices in sector operations that enhance governance and institutional performance;
- (vi) implement knowledge-sharing activities that develop DMC capacity and mitigate governance risks identified in GRAs; and
- (vii) work with DMC agencies and ADB on work related to governance and capacity development as well as to PSM.

3. The terms of reference for consultants will be further developed when specific TA activities are undertaken.

### **B. National Governance Experts**

4. The TA will provide about 60 person-months of consulting services for long-term national governance experts to support DMCs. The consultants will be based in selected ADB resident missions. They will have expertise in PFM, procurement, combating corruption, and/or governance and institutional risk. Cross-sector and thematic expertise will also be important. The experts will support implementation of the Second Governance and Anticorruption Action Plan, provide on-the-ground support for GRAs and governance and capacity development activities funded by the TA, and facilitate dialogue with DMC officials. Specifically, the experts will

- (i) provide regular monitoring of governance risks, including sharing the results with relevant DMC agencies;
- (ii) assess and report on the performance of country systems for PFM, procurement, and combating corruption;

- (iii) support country portfolio review missions with reporting on the effectiveness of risk management plans across the country portfolio; and
- (iv) support the preparation of operations, outlining the preliminary assessment of governance risks.

5. The experts will be integral members of the Governance Thematic Group, contributing to the group's activities, and providing an essential link to ADB operations to encourage cross-departmental knowledge sharing and lesson learning. Individual work plans will be developed, taking into consideration country-specific factors and the skills mix of individuals selected.

### **C. National Governance and Anticorruption Consultant**

6. A national governance and anticorruption consultant (36 person-months) will support the implementation of the flagship ADB/Organisation for Economic Co-operation and Development (OECD) Anticorruption Initiative for Asia and the Pacific as well as other TA activities. The consultant will have expertise in governance, PSM, anticorruption, and/or capacity and institutional development, and will be responsible for the following tasks:

- (i) support the joint ADB/OECD Secretariat of the Anticorruption Initiative;
- (ii) support the recruitment and management of consultants and resource persons;
- (iii) support research, analysis, and implementation of activities;
- (iv) provide quality assurance of technical outputs and knowledge products;
- (v) organize and provide logistical support for training, workshops, seminars, and conferences, including the preparation of event materials and outcome reporting;
- (vi) support coordination with ADB's operations departments, resident missions, development partners, and other stakeholders;
- (vii) help maintain the central repository of documented good practices; and
- (viii) support the preparation of regular reporting of TA accomplishments.

### **D International and National Policy and Research Analysts**

7. The TA will provide 12 person-months of international and 12 person-months of national consulting services to support the preparation of the Southeast Asia government at a glance report to be prepared jointly with OECD. The policy and research analysts will

- (i) undertake gap analysis of country information and data sources and needs;
- (ii) assist in the update and tailoring of survey instruments and country questionnaires, as required;
- (iii) support participating DMCs to complete surveys and questionnaires;
- (iv) provide quality control of information and data gathering and validation; and
- (v) prepare information tables and annexes for the report.

8. The terms of reference for the policy and research analysts will be further developed in coordination with OECD.