

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: PAHQ

TA No., Country and Name: TA 6360-REG: Strengthening Governance and Accountability in Pacific Island Countries			Amount Approved: \$1,579,000					
			Revised Amount: –					
Executing Agency: ADB/PARD	Source of Funding: JSF/AusAID		TA Amount Undisbursed: \$48,910.87	TA Amount Utilized: \$1,530,089.13				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; padding: 5px;">TA Approval Date: 7 December 2006</td> <td style="width: 33%; padding: 5px;">TA Signing Date: NA</td> <td style="width: 33%; padding: 5px;">Fielding of First Consultants: 5 February 2007</td> </tr> </table>			TA Approval Date: 7 December 2006	TA Signing Date: NA	Fielding of First Consultants: 5 February 2007	TA Completion Date		
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Original: 30 November 2009		Actual: 31 December 2009						

 Description This regional technical assistance (TA) was designed to promote good governance through improving transparency, accountability and efficiency in managing and using public resources in the Pacific. It had two components: (i) Governance; and (ii) Pacific Regional Audit Initiative (PRAI) which is a Pacific Plan initiative.¹ The Governance component was intended to strengthen the governance and anticorruption orientation of ADB country partnership strategies, and ADB-financed programs, projects and TAs in the Pacific region in support of ADB's Second Governance and Anticorruption Action Plan (GACAP II). The PRAI component was intended to provide a basis for raising Pacific public auditing to uniformly-high standards, beginning with the diagnosis of Supreme Audit Institutions (SAI) and region-wide issues, which would provide the basis for the subsequent development of the PRAI design and road-map. **Expected Impact, Outcome and Outputs** The TA was expected to improve governance, transparency and accountability in managing and using public resources in the Pacific. The outcome of strengthened governance and anticorruption orientation of country partnership strategies and ADB projects, and an agreed-upon design and road-map for a long-term regional approach to raise Pacific public auditing to uniformly-high standards, would directly contribute to the impact. The expected TA outputs were as follows. For the Governance component: (i) governance and corruption risk assessments and mitigation plans in CPSs and in ADB loans and TAs; and (ii) training on relevant ADB policies and guidelines. For the PRAI component: (i) good-practice SAI features identified; (ii) status of issues faced by individual SAIs identified; (iii) factors that facilitate successful SAI transformations identified; (iv) design options for establishing a subregional approach to public auditing developed; (v) region-wide issues identified; and (vi) an agreed PRAI design and road-map. **Delivery of Inputs and Conduct of Activities** For the Governance component, the TA provided for one international consultant for 9 person-months and one national consultant for 10 person-months, both intermittently. An international consultant was engaged, but not a national consultant. For the PRAI component, one international consultant was engaged as an individual, and a consulting firm was recruited to provide 31 person-months of consulting services. During the first year of implementation, minor scope changes shifted responsibility from the consulting firm to ADB for organizing meetings of the regional institutional strengthening committee (RISC) of the South Pacific Association of Supreme Audit Institutions (SPASAI)² and also SPASAI Congresses. The executing agency (EA) was also changed from SPASAI to ADB, and two additional consultancy positions were established outside the consulting firm. The two additional international consultants were recruited as individuals for a total of 6 person-months and submitted a report on the design of a subregional approach to public auditing in Pacific Island countries.³ The shift of the responsibility for organizing meetings was requested by the consulting firm to enable the experts to concentrate on their assigned tasks and to improve administrative efficiency. A national consultant was engaged as an individual to organize logistics of RISC meetings and SPASAI Congresses. During the first year of implementation, SPASAI experienced personnel changes which adversely affected its capacity to act effectively as the EA and hence requested that ADB assume EA responsibilities. The original consulting firm team leader was terminated for non-performance and the firm decided not to replace the position and the public auditing expert assumed this role. These variations actually proved effective in fast-tracking the implementation of the PRAI component. Overall the performance of most of the consultants was satisfactory or excellent as measured by the timeliness and quality of their reports. | | || The project purpose, terms of reference, and implementation arrangements were generally appropriate. The project was adequately formulated and implemented in close consultation with key stakeholders including SPASAI, the Pacific Islands Forum Secretariat and international donors such as the Australian Agency for International Development | | | | |

¹ Pacific Islands Forum Secretariat. 2007. *The Pacific Plan for Strengthening Regional Cooperation and Integration*. Suva.

² Now renamed the Pacific Association of Supreme Audit Institutions (PASAI).

³ ADB. 2008. *Pacific Regional Audit Initiative: Subregional Audit Support to Public Auditing in Kiribati, Nauru and Tuvalu*. Manila.

(AusAID), and the International Organization of Supreme Audit Institutions Development Initiative. The performance of SPASAI (as the initial EA) and ADB (as the subsequent EA) in coordinating inputs was highly satisfactory.

Evaluation of Outputs and Achievement of Outcome

The Governance component supported the successful preparation of several governance assessments for Pacific Island countries, including for Federated States of Micronesia, Kiribati, Palau, Samoa, Timor-Leste, Tonga and Tuvalu. This was undertaken as part of preparing country partnership strategies and consequently the governance and anticorruption orientation of country partnership strategies was strengthened. The governance assessment for Samoa was the first risk-based governance assessment in the Pacific region. Governance assessments took into account ADB's Second Governance and Anticorruption Action Plan (GACAP II). Two assessments were full-fledged assessments and the remainders were Pacific-light assessments reflecting a more tailored approach to the circumstances of the Pacific. In addition, Governance Risk Assessment and Management Plans (GRAMPs) were prepared for the Samoa SchoolNet and Community Access Project and the Papua New Guinea (PNG) Highlands Region Roads Improvement Program. The GRAMPs identified the main governance-related risks confronting the two projects, with emphasis on the GACAP II themes of public financial management, procurement and anti-corruption. The GRAMPs included a summary risk matrix and risk management plan.

Under the PRAI component, the principal output was the PRAI Summary Design document⁴ which was developed, through an extensive consultation process, over a 24-month period under the guidance of the 25-member SPASAI. This was done with the support of ADB and AusAID under the Pacific Islands Forum Secretariat's oversight. The PRAI's overarching objective is to raise Pacific public auditing to uniformly-high standards, which in turn is expected to improve transparency and accountability in managing and using public resources. The PRAI once implemented will enable the public accounts of participating countries to be audited, in a timely manner, to uniformly-high standards. It will also enhance the impact of audit findings and assist with performance audits, including environmental audits. The draft PRAI design was considered and endorsed by the SPASAI Congress in the Cook Islands, on 14-18 April 2008 and endorsed at the Pacific Island Forum Leaders' Meeting in Niue, on 18-22 August 2008.

The TA satisfactorily delivered the expected TA outputs on schedule and within budget. As such, the TA is considered to have been effective in achieving the desired outputs.

Reporting requirements were met through the provision of the governance assessments and the GRAMP reports, a stocktake of SAIs⁵, a report on the good practice features of SAIs⁶, the subregional design options⁷, and the PRAI Summary Design document.⁸ In evaluating outputs, the performance of the TA is ranked as highly satisfactory.

Overall Assessment and Rating

The TA is rated as successful, reflecting the delivery of outputs within the planned schedule, the timely delivery of the governance assessments and the GRAMPs, and for successfully completing on schedule, the PRAI Summary Design document. The PRAI implementation will strengthen regional cooperation and coordination, build and sustain public auditing capacity, conduct cooperative audits, and strengthen communications and advocate transparency and accountability.

Major Lessons

If planned outputs and outcomes are to be achieved, technical assistance provided to the Pacific region must be designed and implemented in a participatory manner, and have sufficient supervision and support.

Recommendations and Follow-Up Actions

In order to build on the significant achievements to-date, ADB subsequently processed a second phase of support (TA 6499-REG: *Strengthening Governance and Accountability in Pacific Island Countries, Phase 2*) to ensure continuity of ADB's efforts in strengthening governance and accountability in Pacific Island countries⁹.

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In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

⁴ ADB. 2008. *Pacific Regional Audit Initiative Summary Design*. Manila.

⁵ ADB. 2007. *Preliminary Stocktake of Pacific Supreme Audit Institutions*. Manila.

⁶ ADB. 2007. *Good Practice Features of Supreme Audit Institutions (SAIs)*. Manila.

⁷ ADB. 2008. *Pacific Regional Audit Initiative: Subregional Audit Support to Public Auditing in Kiribati, Nauru and Tuvalu*. Manila.

⁸ ADB. 2008. *Pacific Regional Audit Initiative Summary Design*. Manila.

⁹ ADB. 2008. *Technical Assistance for Strengthening Governance and Accountability in Pacific Island Countries (Phase 2)*. Manila (TA 6499-REG, for \$1,900,000, approved on 3 November 2008, cofinanced by the Japan Special Fund and the Government of Australia).