



# Technical Assistance Consultant's Report

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## RETA 8065: Enhancing ADB's Engagement in Fragile and Conflict-Affected Situations

Progress Report  
October 2014 – December 2014

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For Asian Development Bank

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## **ABBREVIATIONS**

ADB	Asian Development Bank
NRM	Nepal Resident Mission, ADB
FSM	Federated States of Micronesia
FCAS	fragile and conflict-affected situation
NASC	Nepal Administrative Staff College
PPTA	project preparatory technical assistance
PNG	Papua New Guinea
RETA	regional technical assistance

## **I. INTRODUCTION**

1. The Regional Technical Assistance (RETA) 8065: Enhancing Asian Development Bank's (ADB) Engagement in Fragile and Conflict-Affected Situations (FCAS) aims to improve ADB's capacity in managing issues in FCAS, thereby increasing its development effectiveness in such situations. This report is the eighth progress report covering the fourth quarter of 2014 (October–December).

2. Activities under the RETA for this quarter include fragility assessments in Federated States of Micronesia, Nepal, and Vanuatu; capacity building in Solomon Islands; and continued implementation of the FCAS operational plan (See Appendix).

## **II. PROGRESS AND ACHIEVEMENTS**

### **A. Understanding the Local Context**

#### **1. Understanding the local context using political economy analysis: Land tenure system in the Federated States of Micronesia**

3. This initiative aims to increase understanding among government and development partners of the political economy in the country's land tenure system and its implications for development strategy, policy, and programs; to inform tourism strategy and investment plans for the country; and to strengthen a political economy analysis framework that can be used by ADB staff to better understand the local context and inform country strategy, policy, and program/project designs.

4. Finding an appropriate local consultant proved to be difficult. An international consultant with considerable experience in the Federated States of Micronesia (FSM) was therefore recruited to conduct the study. A report entitled: "The Political Economy of Tourism in Pohnpei State, Federated States of Micronesia. What is the Demand?" was completed on 5 January 2015 and is currently under review.

#### **2. Understanding the local context using political economy analysis: A pilot study in Vanuatu**

5. This initiative aims to lead to more effective and politically feasible development strategy, policy, programs, and projects in Vanuatu; that is, in general more realistic expectations of what can be achieved through development assistance and also more importantly how this can be brought about.

6. A political economy analysis of Vanuatu was prepared by two consultants (one local consultant from Vanuatu, one international) to provide practical directions for ADB's future operations in the country. The Government of Vanuatu supported the analysis as a potential input to its ongoing effort to prepare the country's next national sustainable development plan.

7. Study findings and recommendations were presented in Vanuatu to separate groups of donors, nongovernment organizations, and the government as well as to the public. Presentations were subsequently given to ADB in Sydney on 5 September and at headquarters, Manila on 12 November. A brochure summarizing the work is currently under preparation.

## **B. Capacity Development**

### **1. Strengthening local capacity for peace-sensitive development approach in Nepal**

8. This initiative seeks to enhance development effectiveness of ADB-supported projects and programs with measures to support peacebuilding and mitigate the risks of exacerbating the political and social tensions during the ongoing political transition in Nepal.

9. As of October 2014, around 600 government officials have been sensitized on the peace-sensitive approach under a training program led by the Nepal Administrative Staff College (NASC), supported by ADB and the United Nations Development Programme. The Ministry of Peace and Reconciliation plans to revive the “peace focal persons” in respective ministries to mainstream the peace-sensitive approach across Nepal’s government institutions. Experiences in this local capacity building effort has been documented and published.<sup>1</sup>

10. The Nepali version of the peacebuilding tool was tested during NASC’s training for government officials. The participants stated the tool in Nepali language is much friendlier for conducting the analysis. NASC prepared a training manual that includes the Nepali version of the peacebuilding tool.

11. A report on the fragility assessment jointly conducted with International Alert has been prepared for publication. The study explored the drivers of fragility, project responses to manage them, and recommended strategies to strengthen project operations. The analysis reveals that the drivers of conflict are contextual at the subnational level, yet there are some common elements to potential disputes across the regions, such as land issues, exclusion, and weak governance in the absence of locally represented bodies. Experiences in this exercise show that fragility assessments should be continued across the projects by allocating staff time and resources on the project budget.

12. The peacebuilding advisor continued to mainstream the peace-sensitive approach in Nepal by collaborating with the government (Ministry of Peace and Reconstruction and Nepal Administrative Staff College), a nongovernment organization (Food not Bombs), and the peacebuilding advisor group in the country.

### **2. Building capacity for implementation of a national development strategy in a postconflict state (Solomon Islands)**

13. This initiative aims to assist the Government of Solomon Islands in completing its high priority tasks: medium-term development plan, medium-term expenditure framework, and reform of development budget processes for the National Development Strategy.

14. A consultant development economist implemented the initiative and provided capacity building for the Ministry of Development Planning. Project preparation and

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<sup>1</sup> ADB. 2014. *Building Local Capacity for Peace-Sensitive Development in Nepal*. Manila. [www.adb.org/publications/building-local-capacity-peace-sensitive-development-nepal](http://www.adb.org/publications/building-local-capacity-peace-sensitive-development-nepal)

appraisal guidelines have been prepared to provide institutional support to implementation of the National Development Strategy. The guidelines will assist in the preparation of projects contributing to the achievement of the National Development Strategy objectives. A knowledge document is being prepared on the development planning work.

### C. Implementation of FCAS Operational Plan

15. The FCAS Support Team<sup>2</sup> continues to support the implementation of the *Operational Plan for Enhancing ADB's Effectiveness in Fragile and Conflict-Affected Situation*.<sup>3</sup> Helder da Costa, general secretary of the g7+ Secretariat, presented the g7+ during a seminar on 17 November at ADB headquarters. He discussed the g7+ perspective on Post-2015 Development Agenda, including how donors can prioritize and better coordinate activities to address extreme poverty in a fragile context.<sup>4</sup>

16. The President approved on 15 December a technical assistance on Mapping Resilience to Fragility and Conflict in Asia and the Pacific. Overall, it aims to promote greater resilience to fragility and conflict in FCAS in Asia and the Pacific. The mapping exercise is expected to better inform strategies, programs, and projects in selected countries with FCAS. The resilience mapping will identify drivers of fragility and conflict in selected developing member countries with FCAS, peacebuilding and statebuilding opportunities, and policies and programs designed specifically to manage the complex development issues in FCAS.<sup>5</sup>

## III. FINANCIAL STATUS

17. During the reporting period, the RETA activities included implementation of country initiatives in FSM, Nepal, Solomon Islands, and Vanuatu; and implementation of the operational plan. Table 1 summarizes the financial status of the RETA as of 9 January 2015.

**Table 1: RETA 8065 Financial Status as of 9 January 2015 (in US\$)**

Category	Budget Allocation	Total Contracts	Contracts Disbursed	Contracts Undisbursed	Uncommitted TA Funds	Undisbursed TA Funds
Consultants	720,070	660,347	461,103	199,244	59,723	258,967
Training	92,000	88,021	41,801	46,219	3,979	50,199
Studies	23,750	0	0	0	23,750	23,750
Administration	65,500	10,001	9,204	797	55,499	56,296
Contingency	20,000	16,394	0	16,394	3,606	20,000
Total	921,320	851,679	552,435	299,244	69,641	368,885

<sup>2</sup> The ADB FCAS support team is composed of Patrick Safran, FCAS focal point and PARD principal operations coordination specialist (fragile situations); Jesusa Dela Cruz, PARD operations assistant; and Cyrel San Gabriel, research and knowledge management specialist (consultant).

<sup>3</sup> ADB. 2013. *Operational Plan for Enhancing ADB's Effectiveness in Fragile and Conflict-Affected Situations*. Manila. [www.adb.org/documents/operational-plan-enhancing-adb-effectiveness-fragile-and-conflict-affected-situations](http://www.adb.org/documents/operational-plan-enhancing-adb-effectiveness-fragile-and-conflict-affected-situations)

<sup>4</sup> g7+. [www.g7plus.org](http://www.g7plus.org)

<sup>5</sup> ADB. 2014. *Mapping Resilience to Fragility and Conflict in Asia and the Pacific*. Manila (48397-001) [http://adb.org/projects/details?page=details&proj\\_id=48397-001](http://adb.org/projects/details?page=details&proj_id=48397-001)

## Appendix: RETA Design and Monitoring Framework and RETA Progress

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks	RETA Progress (to-date)
<b>Impact</b> Improved development effectiveness in FCAS	Portfolio performance in FCAS improved in the medium term (% of total TCRs in FCAS rated successful increases to 80% in 2015 from 74% in 2010) <sup>a</sup>	TA completion reports, development effectiveness reports, CPS documents, country operations business plans, projects' documents, portfolio review reports, and annual CPA exercise	<b>Assumptions</b> Global efforts on improving development partners' engagement in FCAS are contributing to development effectiveness  ADB supports a differentiated approach to strategy formulation and programming in FCAS  <b>Risks</b> High levels of political risks, external factors, and uncertainties are inherent in FCAS	
<b>Outcome</b> Better capability to manage fragility issues in FCAS	All CPS in FCAS identify and address fragility issues by 2015 (5 CPS in FCAS in 2011) <sup>b</sup>	CPS, COBP, RRP, and TA reports	<b>Assumptions</b> Conditions in DMCs permitting demand for and involvement of counterparts in regional and local TA initiatives  <b>Risks</b> High levels of political risks, external factors, and uncertainties are inherent in FCAS	
<b>Outputs</b> 1. Country-led fragility assessments implemented in selected FCAS	At least 3-4 pilot fragility assessment and political economy analyses completed by 2014.	CPS, COBP, documents, programs, projects, and TAs' reports, and consultants' reports	<b>Assumptions</b> Effective engagement by DMCs' governments and active development partners in the preparation and implementation	<b>Regional.</b> A report on the fragility index study was finalized and being prepared as Economics and Research Department's working paper

		<p>CPS, COBP, documents, programs, projects, and TAs' reports, and consultants' reports</p>	<p>of activities</p> <p>Availability of incentives and resources to support TA implementation</p> <p><b>Risks</b></p> <p>Commonly high staff turnover among both DMC agencies and development partners</p> <p>Regional departments do not sustain long-term commitment to implement ADB's approach</p>	<p>series. A short brochure has been published.<sup>c</sup></p> <p><b>Afghanistan.</b> A conflict-sensitive analysis was conducted in the transport sector and published as knowledge product (brochure) to inform future ADB operations in Afghanistan.<sup>d</sup></p> <p><b>Nepal.</b> A knowledge product of the fragility assessments done jointly with International Alert has been prepared for publication. Fragility assessments were conducted on three projects being implemented in Nepal: (i) Secondary Town Urban Integrated Environment Improvement Project, (ii) High Mountain Agriculture and Livelihood Project, and (iii) Decentralized Rural Infrastructure and Livelihood Project.</p> <p>The peacebuilding tool has been applied in several ADB projects in Nepal. It has also been translated into Nepali by government staff. The translated version is being used during training of government officials at the Nepal Administrative Staff College</p>
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				<p>(NASC).</p> <p><b>Federated States of Micronesia.</b> A report on the political economy analysis of tourism in Pohnpei has been completed and under review.</p> <p><b>Papua New Guinea.</b> Fragility assessment of transport and energy sectors in Papua New Guinea (PNG) was conducted to inform PNG Country Partnership Strategy 2016-2020. Findings of the study were presented during the PNG CPS country team retreat in April 2014. A short policy brief has been published with no-objection from the PNG government.<sup>e</sup> A full-blown report has been finalized for internal use. Based on this study, a practical guide to fragility assessment has been developed and published.<sup>f</sup></p> <p><b>Vanuatu.</b> A political economy study was conducted to inform ADB's next country operations business plan for Vanuatu. Study findings and recommendations were presented in Vanuatu to separate groups of donors, NGOs, and the government as well as to the public.</p>
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<p>2. Country-led capacity development plans implemented in selected FCAS</p>	<p>At least 2-3 capacity development plans piloted by 2014.</p>			<p>Presentations were given to ADB in Sydney on 5 September and in Manila on 12 November. A knowledge product for publication is being prepared.</p> <p><b>Regional.</b> Forum was held on 6-7 June 2013, with more than 60 participants, including high-ranking government officials and senior representatives from development partners.</p> <p>Proceedings highlighting the presentations and discussions in the high-level forum has been published.<sup>9</sup> A brochure summarizing the issues and recommendations that emerged from the forum has also been published.<sup>h</sup></p> <p><b>Nepal.</b> NASC continues to provide training to government staff on peace-sensitive approach to development. To date, around 600 government officials have been trained. The training curriculum and the peacebuilding tool manual have been prepared by NASC. A knowledge document on local capacity building on peace-sensitive development approach has been published.<sup>i</sup></p> <p><b>Solomon Islands.</b> Project</p>
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				<p>preparation and appraisal guidelines have been prepared to provide institutional support to implementation of Solomon Islands' National Development Strategy. Capacity building was conducted for the Ministry of Development Planning. A knowledge product is being prepared for publication.</p> <p><b>Operational Plan.</b> Since the endorsement of the operational plan, about 200 ADB staff have been familiarized on FCAS through (i) introductory session incorporated in the project design and management program regularly conducted by the Budget, Personnel and Management Systems Department; (ii) Pacific Talk organized by ADB's Pacific Department; (iii) training conducted in Afghanistan for Afghanistan Resident Mission and partner agencies; and (iv) forum with the g7+ general secretary. The FCAS Support Team also participated in the World Bank's online course on Violence, Conflict and Fragility.</p> <p>A customized risk management framework has been developed to guide ADB staff in managing risks in FCAS. A brochure has</p>
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				<p>been published.<sup>j</sup> The framework will be piloted in selected FCAS countries under the technical assistance on mapping resilience to fragility.</p> <p>A broad framework for long-term institution building suited to FCAS DMCs has been developed. A brochure has been published.<sup>k</sup> The framework will be piloted in selected FCAS countries under the technical assistance on mapping resilience to fragility.</p>
<b>Activities with Milestones</b>		<b>Inputs</b>		
<p>1. Country-led fragility assessments developed and piloted in FCAS</p> <p>1.1. Assess needs and demands on political economy, the causes and features of fragility, and sources of resilience in FCAS (by Q3, Year 1)</p> <p>1.2. Refine peacebuilding tool in Nepal (by Q3, Year 1)</p> <p>1.3. Design fragility assessment tool (or fragility filter) for FCAS, in particular for the Pacific FCASs (by Q3, Year 1)</p> <p>1.4. Conduct political economy analyses in FCASs, in particular in Pacific FCASs (by Q1, Year 2)</p> <p>1.5. Develop and pilot fragility assessment in FCAS (by Q1, Year 2)</p> <p>1.6. Implement refined peacebuilding tool in Nepal (by Q1, Year 2)</p> <p>1.7. Organize a workshop to share and disseminate lessons learned (by Q3, Year 2)</p> <p>1.8. Produce and disseminate knowledge products</p>		<p>TASF-others: US\$800,000</p> <p>Australian Aid cofinancing for the High-Level Forum on Building Resilience to Fragility in Asia and the Pacific: US\$121,320</p>		

<p>(by Q3, Year 2)</p> <p>2. Country-led capacity development plans formulated in FCAS</p> <p>2.1. Prepare capacity development needs assessments (by Q4, Year 1)</p> <p>2.2. Design capacity development plans for FCAS. Development of curriculum (e.g., political economy, peace or fragility filter) will target government counterparts and development practitioners in the participating countries. When possible, the curriculum will cover key topics for advancing women's leadership in peace and security; or in fragile countries, plans will cover gender-sensitive issues (by Q1, Year 2)</p> <p>2.3. Pilot capacity development plans in FCAS (by Q3, Year 2)</p> <p>2.4. Establish database on best practices and lessons from engagement in FCAS (by Q4, Year 1)</p> <p>2.5 Produce and disseminate knowledge products (by Q3, Year 2)</p>		
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<sup>a</sup> ADB. 2010. *ADB Development Effectiveness Review*. Manila.

<sup>b</sup> ADB 2010. Special Evaluation Study. *Asian Development Bank's Support to Fragile and Conflict-Affected Situations*. Manila.

<sup>c</sup> ADB. 2014. *Fragility Index for a Differentiated Approach*. Manila. [www.adb.org/publications/fragility-index-differentiated-approach](http://www.adb.org/publications/fragility-index-differentiated-approach)

<sup>d</sup> ADB. 2014. *Transport Sector Development in Afghanistan: Improving Resettlement Planning and Implementation*. Manila. [www.adb.org/publications/transport-sector-development-afghanistan-improving-resettlement-planning-and](http://www.adb.org/publications/transport-sector-development-afghanistan-improving-resettlement-planning-and)

<sup>e</sup> ADB. 2014. *Understanding and Responding to a Fragile Situation: A Pilot Assessment in Papua New Guinea*. Manila. [www.adb.org/publications/understanding-and-responding-fragile-situation-pilot-assessment-papua-new-guinea](http://www.adb.org/publications/understanding-and-responding-fragile-situation-pilot-assessment-papua-new-guinea)

<sup>f</sup> ADB. 2014. *Practical Guide to Fragility Assessment*. Manila. [www.adb.org/publications/practical-guide-fragility-assessment](http://www.adb.org/publications/practical-guide-fragility-assessment)

<sup>g</sup> ADB. 2013. *Forum on Building Resilience to Fragility in Asia and the Pacific: Proceedings*. Manila. [www.adb.org/publications/forum-building-resilience-fragility-asia-and-pacific-proceedings](http://www.adb.org/publications/forum-building-resilience-fragility-asia-and-pacific-proceedings)

<sup>h</sup> ADB. 2013. *Building Resilient Societies: Evolving Solutions*. Manila. [www.adb.org/publications/building-resilient-societies-evolving-solutions](http://www.adb.org/publications/building-resilient-societies-evolving-solutions)

<sup>i</sup> ADB. 2014. *Building Local Capacity for Peace-Sensitive Development in Nepal*. Manila. [www.adb.org/publications/building-local-capacity-peace-sensitive-development-nepal](http://www.adb.org/publications/building-local-capacity-peace-sensitive-development-nepal)

<sup>j</sup> ADB. 2014. *Customized Risk Management Framework*. Manila. [www.adb.org/publications/customized-risk-management-framework](http://www.adb.org/publications/customized-risk-management-framework)

<sup>k</sup> ADB. 2014. *Institutional Strengthening Framework: A Guidance Note*. Manila. [www.adb.org/publications/institutional-strengthening-framework-guidance-note](http://www.adb.org/publications/institutional-strengthening-framework-guidance-note)

ADB = Asian Development Bank, COBP = country operations business plan, CPA = country performance assessment, CPS = country partnership strategy, DMC = developing member country, FCAS = fragile and conflict-affected situation, NASC = Nepal Administrative Staff College, NRM = Nepal Resident Mission (ADB), PNG = Papua New Guinea, RRP = report and recommendation to the President, TA = technical assistance, TASF = technical assistance special fund, TCR = technical assistance completion report, UNDP = United Nations Development Programme.

Source: Asian Development Bank estimates