



Asian Development Bank

Memorandum

Pacific Department
Pacific Subregional Office

12 September 2016

For approval of para. 1

To: Xianbin Yao,
Director General, PARD

SEP 21 2016

Through: Robert Jauncey,
Regional Director, SPSO

From: Beatrice Olsson
Country Coordination Officer, SPSO

Subject: **Small Scale Capacity Development Technical Assistance (S-CDTA):
Strengthening the Pacific Islands Forum Secretariat regional economic
policy mandate in the Pacific
—Request for Approval**

I. RECOMMENDATION

1. Pursuant to the authority delegated to heads of departments and offices to approve small-scale technical assistance (TA), your approval is requested for the provision of small-scale TA not exceeding the equivalent of \$225,000 on a grant basis from TASF-other sources towards strengthening the Pacific Islands Forum Secretariat (PIFS) regional economic policy mandate in the Pacific.

2. Such approval will be reported to the Board in the Quarterly Summary Report on Small-Scale Technical Assistance Projects not exceeding \$225,000.

II. BACKGROUND

3. Founded in 1971 as the South Pacific Forum, the Pacific Islands Forum is a political grouping of 16 independent and self-governing member states including Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. New Caledonia, French Polynesia, and Tokelau, are granted Associate Member status.¹ The Asian Development Bank (ADB) is an observer along with Wallis and Futuna, the Commonwealth, the United Nations, Western and Central Pacific Fisheries Commission, the World Bank, the African Caribbean Pacific Group, American Samoa, Guam, Commonwealth of the Northern Marianas, and the International Organization for Migration with Timor Leste as a Special Observer. The Forum's key dialogue partners include Canada, People's Republic of China, Cuba, European Union, France, India, Indonesia, Italy, Japan, Republic of Korea, Malaysia, Philippines, Spain, Thailand, Turkey, United Kingdom and the United States.

¹ The name was changed to the Pacific Islands Forum in 2000 to better reflect the geographic location of its Members in the north and south Pacific.

4. The mandate of the Secretariat to the Forum, renamed Pacific Islands Forum Secretariat (PIFS, alternatively referred to as Forum Secretariat) in 2000, is delivered through the annual Leaders' Communiqués and high-level ministerial meeting decisions. Led by the Secretary General, PIFS is directly responsible to the Forum Leaders and to the Forum Officials' Committee, the Secretariat's governing body comprising representatives from all Forum Members, and is mandated to coordinate the implementation of the Framework for Pacific Regionalism adopted by Forum leaders in 2014.²

5. The PIFS Economic Governance Programme extends and coordinates policy advice and technical assistance to Members in support of inclusive economic growth and sustainable development. In response to limited national capacities and an increasingly complex international environment, the focus of the Programme is to increase understanding of the challenges facing the region and use its expertise to assist Members in the development of appropriate national, sub-regional and regional interventions. In addition, the Programme partners with other development agencies to facilitate assistance on economic and trade measures to Members where no internal capacity exists within the Programme. Regular meetings of Forum Economic Ministers (FEMM) support national economic development strategies through improving regional and sub-regional cooperation.³

6. As a key adviser to the Forum Leaders on broader issues of economic management and development, the FEMM agenda typically focuses on good governance, economic management and structural adjustment issues, and ongoing sharing of experiences in economic reform to support coordination of and best practice in the initiation and management of reform processes. In addition, FEMM has initiated a stock take process that identifies the extent to which decisions have been implemented and if implementation is lagging, the reasons behind this. This feedback mechanism allows identification of the areas where greater concentration of effort on the part of Forum Members and development partners is required. Consequently it has also generated other ad hoc Forum ministerial meetings, such as those for trade, aviation and communications.⁴ The Economic Governance Team (EGT) under PIFS Economic Governance Programme plays an integral role in advancing the Forum's regional economic policy issues, particularly through FEMM.

II. RATIONALE

7. The EGT provides economic policy advice to FEMM on a number of regional economic issues including macroeconomic policies, private sector development (in conjunction with the Private Sector Unit and Pacific Trade and Investment network), development financing, and public financial management. Technical support to supplement the resources and capacity of the EGT is required because the FEMM agenda is dense and cross-cutting, and decisions made require prioritization and follow through. Also, there is often competing demands on the EGT, which could affect their ability to deliver high quality and timely economic policy advice to Members. Towards this end, ADB has offered to assist the Forum Secretariat by providing a

² The Framework replaces the *Pacific Plan for Strengthening Regional Cooperation and Integration* and is intended to support focused political conversations and settlements that address key strategic issues, including shared sovereignty, pooling resources and delegating decision-making. It sets out a robust process through which regional priorities will be identified and implemented and expected to support four key objectives: sustainable development, equitable and inclusive economic growth, strengthened governance, and security.

³ FEMM has met 19 times: Cairns, Australia (1997); Nadi, Fiji (1998); Apia, Samoa (1999); Alofi, Niue (2000); Rarotonga, Cook Islands (2001); Port Vila, Vanuatu (2002); Majuro, RMI (2003); Rotorua, New Zealand (2004); Funafuti, Tuvalu (2005); Honiara, Solomon Islands (2006); Koror, Palau (2007); Port Vila, Vanuatu (2008); Rarotonga, Cook Islands (2009); Alofi, Niue (2010) and Apia, Samoa (2011), Tarawa, Kiribati (2012), Nuku'alofa, Tonga (2013), Honiara, Solomon Islands (2014) and Rarotonga, Cook Islands (2015). The next FEMM will be hosted by Tuvalu and held at the Secretariat in Suva, Fiji in April 2016.

⁴ 2016. Pacific Islands Forum Secretariat. Suva, Fiji. <http://www.forumsec.org/>

short-term consultant to the EGT to improve the effectiveness and the efficiency of the FEMM. This will be done through assisting in the prioritization of the FEMM agenda and assisting the EGT with the delivery of key FEMM mandates, as well as other relevant regional economic issues in consultation with the Economic Adviser and Director Economic Governance of the Forum Secretariat.

8. The TA is aligned to ADB's emphasis on regional cooperation and integration as prioritized in the Bank's corporate priorities adopted through its Midterm Review of Strategy 2020 and the interim Pacific Approach 2015.⁵ The Pacific Approach is specifically informed by the 2014 Framework for Pacific Regionalism and medium-term priorities for deeper regional cooperation and integration adopted by the Pacific Leaders in September 2015.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcomes

9. The impact of the TA will be sound regional and national economic decision making based on high quality economic policy advice and assistance to Pacific Island Forum Members. The outcome will strengthened regional economic policy mandate in the Pacific through improved effectiveness and the efficiency of the FEMM. The design and monitoring framework is in Appendix 1.

B. Methodology and Key Activities

10. The outputs will be (i) provision of high quality technical support towards the implementation of key FEMM mandates; (ii) development and prioritization of a robust FEMM Agenda; (iii) strong advocacy on implementation of FEMM mandates; and (iv) strengthening of the EGT to deliver effectively on the Forum Leaders' and FEMM priorities and mandates.

C. Cost and Financing

11. The total cost of the TA is estimated at \$225,000 equivalent, which will be funded on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). The TA will finance an international consultant and travel (mostly regional) costs. The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

12. ADB will be the executing Agency. The ADB Pacific Subregional Office in Suva, Fiji will manage the TA and coordinate with PIFS and other stakeholders at country level. The international consultant will report to the Economic Adviser at the Pacific Islands Forum Secretariat, under the broad supervision of the Secretary General and the management team.

13. The international consultant will be based at the Forum Secretariat Headquarters in Suva, Fiji for the duration of the engagement. The TA will not require substantial logistical support from any ADB Pacific Development Member government.⁶ One individual consultant, an Economic Adviser, will be recruited in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time). Disbursements will conform to ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). Output-

⁵ ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila; ADB. 2015. *Interim Pacific Approach, 2015*. Manila.

⁶ Thereby qualifying as small-scale technical assistance as per OM D12/BP para. 21.

based/lump sum contracts will be considered in the engagement of consulting services to reduce administrative burden and improve economy, efficiency and value for money. The TA will require a total of eighteen (18) person-months of one (1) individual consultant and is expected to commence the assignment in October 2016. The outline terms of reference for the consultant is in Appendix 3.

14. The TA will be implemented over twenty four (24) months, starting 31 October 2016 and ending 31 October 2018.

Attachments : Appendix 1 Design and Monitoring Framework
Appendix 2 Cost Estimates and Financing Plan
Appendix 3 Outline Terms of Reference
Appendix 4. Matrix of Comments and PARD Responses

cc: Vice President, Operations 2; The Secretary; General Counsel; Directors General, IED/SPD/OSFMD; Deputy Director General, PARD; Director, PATE/PAUS; Regional Director, SPSO/PLCO; C. Currie/S.R.Singh/M.Hazelman/eStar, SPSO.

DESIGN AND MONITORING FRAMEWORK

Impact(s) the TA is aligned with:

The TA is aligned to ADB's emphasis on regional cooperation and integration as prioritized in the Bank's corporate priorities adopted through its Midterm Review of Strategy 2020 and the Pacific Approach, 2016-2020. The Pacific Approach is specifically informed by the 2014 Framework for Pacific Regionalism and medium-term priorities for deeper regional cooperation and integration adopted by the Pacific Leaders in September 2015. The TA will specifically contribute to sound regional and national economic decision making based on high quality economic policy advice and assistance to Pacific Island Forum Members provided by PIFS, EGT and pursued under the FEMM mandate.

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Assumptions and Risks
Outcome Strengthened regional economic policy mandate in the Pacific through improved effectiveness and the efficiency of the FEMM	By 2018, Regional and national economic policies reflect priorities identified in the 2014 Framework for Pacific Regionalism and medium-term priorities for deeper regional cooperation and integration adopted by the Pacific Leaders in September (2016, ongoing)	National Budget documents Framework for Pacific Regionalism FEMM outcome statement and implementation plan	Political commitment by Forum Leaders to support the FEMM mandate PIFS and the EGT have capacity to adequately support Forum Leaders
Outputs (i) provision of high quality technical support towards the implementation of key FEMM mandates	By April 2017, at least 80% of the current FEMM priorities commenced implementation (2016, ongoing)	FEMM implementation plan	Leadership and management provided by PIFS Secretary General Operational and administrative support provided by PIFS staff
(ii) development and prioritization of a robust FEMM Agenda	By February 2017, a high quality FEMM agenda and technical papers developed and circulated (2016, none)	FEMM agenda and technical papers	
(iii) strong advocacy on implementation of FEMM mandates	By April 2017, full attendance at FEMM by Forum Members, Associate Members, Observers, and Development Partners (2016, no FEMM held)	FEMM attendance FEMM dialogue and development partner meetings outcomes Country and donor reporting on progress on implementation of FEMM focus areas	
(iv) strengthening of the EGT to deliver effectively on the Forum Leaders' and FEMM priorities and	By February 2018, operational procedures for the full FEMM cycle developed (2016, none)	FEMM operational procedure	

mandates.			
<p>Activities with Milestones</p> <p>1.1 Support the EGT with implementation of current FEMM mandates (Q4 2016);</p> <p>1.2 Contribute towards the development of a streamlined and prioritized FEMM agenda (taking into account Forum Leaders' Priorities, the Framework for Pacific Regionalism process, and issues discussed in other key regional meetings/fora such as ADB & World Bank annual meetings) (Q4 2016-Q2 2017)</p> <p>1.3 Strong advocacy and improved communication in support of the implementation of the FEMM mandates, inclusive of building country commitment to follow-through on agreed actions and coordinating technical and financial support from development partners for this (continuous)</p> <p>1.4 Support the development of operational procedures for the full FEMM cycle (including sequencing, timing, and responsibilities of/for milestones in agenda development, undertaking the meeting, and implementation of agreed actions) which will enhance meeting efficiency, transparency, and stakeholder (country and development partner) engagement (Q3 2017-Q1 2018)</p> <p>1.5 Provide advice on application of such procedures more broadly to PIFS coordinated meetings (continuous)</p>			<p>Inputs</p> <ul style="list-style-type: none"> • ADB — \$225,000 (TASF-other sources)

ADB = Asian Development Bank, NSDP = National Sustainable Development Plan, SOE = state owned enterprises, TA = technical assistance.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(US\$)

Item	Total Cost
A. Asian Development Bank Financing^a	
1. Consultant	
a. Remuneration	
i. International Consultant	158,400
b. Travel Related Expenses ^b	55,600
2. Communication	1,000
3. Contingencies	10,000
Total	225,000

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF- other sources).

^b Expenses related to per diems, air travel, miscellaneous travel, and land transportation.

Source: Asian Development Bank estimates

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

Engagement of Consultant (Economic Adviser) to provide Technical Assistance to Pacific Islands Forum Secretariat Economic Governance Team

<p><i>Position:</i> Economic Adviser <i>Location:</i> Pacific Island Forum Secretariat, Suva, Fiji <i>Duration of assignment:</i> approximately 18 months <i>Minimum qualification requirement:</i> Masters degree or equivalent minimum of 10 years of relevant professional experience in economics and public sector management <i>Regional/country experience:</i> Essential</p>
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Introduction

1. The Economic Governance Team (EGT) of the Pacific Islands Forum Secretariat (PIFS) plays an integral role in advancing the Forum's regional economic policy issues particularly through the Forum Economic Ministers Meeting (FEMM). The EGT provides economic policy advice to FEMM on a number of regional economic issues including macroeconomic policies, private sector development (in conjunction with the Private Sector Unit and Pacific Trade and Investment network), development financing, and public financial management. To deliver high quality economic policy advice to Members, the Forum Secretariat requires adequate resources, including technical resources. Towards this end, the Asian Development Bank (ADB) has offered to assist the Forum Secretariat's EGT by providing technical assistance to supplement the resources/capacity of the EGT.

2. This Terms of Reference (TOR) provides the details of the engagement of a consultant to provide technical assistance to the Forum Secretariat. The consultant will be fully-funded by ADB but will report to the Economic Adviser at the Pacific Islands Forum Secretariat, under the broad supervision of the Secretary General and the management team.

Purpose of Short-term Technical Assistance

3. The consultant is expected to provide technical support to the EGT to improve the effectiveness and the efficiency of the FEMM. This will be done through assisting in the prioritization of the FEMM agenda and assisting the Economics Team with the delivery of key FEMM mandates, as well as other relevant regional economic issues in consultation with the Economic Adviser and Director Economic Governance of the Forum Secretariat.

Scope, key outputs, and activities

4. The consultant is expected to provide technical assistance to the EGT to deliver key FEMM mandates and relevant regional economic issues in consultation with the Economic Adviser and Director Economic Governance. Key outputs expected include the:

- i. Provision of high quality technical support towards the implementation of key FEMM mandates;
- ii. Development/prioritization of a robust FEMM Agenda;
- iii. Strong advocacy on implementation of FEMM mandates; and
- iv. Strengthening of the EGT to deliver effectively on Forum Leaders'/FEMM

priorities/mandates.

5. The consultant is required to report to the Director Economic Governance through the Economic Adviser, with broad oversight from the PIFS Secretary General and Deputy Secretary General. The short-term consultant is expected to work diligently in a team environment with limited supervision and regularly consult the Economic Adviser.

6. The following are the key activities which the consultant is expected to support the EGT on. These activities are provided as a guide only. The precise performance requirements for the consultant will need further discussion between the consultant and the Economic Adviser and the Director Economic Governance as well as relevant staff/management of the Forum Secretariat

- Support the implementation of current FEMM mandates;
- Contribute towards the development of a streamlined and prioritized FEMM agenda (taking into account Forum Leaders' Priorities, the Framework for Pacific Regionalism process, and issues discussed in other key regional meetings/fora such as ADB & World Bank annual meetings); and
- Strong advocacy and improved communication in support of the implementation of the FEMM mandates, inclusive of building country commitment to follow-through on agreed actions and coordinating technical and financial support from development partners for this.
- Support the development of operational procedures for the full FEMM cycle (including sequencing, timing, and responsibilities of/for milestones in agenda development, undertaking the meeting, and implementation of agreed actions) which will enhance meeting efficiency, transparency, and stakeholder (country and development partner) engagement. Provide advice on application of such procedures more broadly to PIFS coordinated meetings.

Matrix of Comments and PARD Responses

5 September 2016

Comment	Response
1. Ilaria Caetani, Senior Financing Partnerships Specialist, Office of Cofinancing Operations	
Thank you for sharing the draft SSTA with OCO.	Thank you.
OCO has no comments as the project does not entail any cofinancing.	
2. Laura O. Falcutilla, CTLA-TA1, Controllers Department	
CTLA-TA has no fundamental comments.	Thank you
Para. 13: Recruitment of Consultant: In compliance with MTR Action Plan Nos. 2.9.2 and 2.10.2, we suggest including this text as a footnote or a sentence: "Output-based/lump sum contracts will be considered in the engagement of consulting services to reduce administrative burden and improve economy, efficiency and value for money."	Done
Cost Estimates in Appendix 2 and Appendix 3: There appears to be a mismatch of figures per cost category. Please review and ensure consistency of the amounts in both appendices.	Deleted cost estimate table in the ToR (Appendix 3) as was repetitious of Appendix 2.
3. Rafael Nadyrshin, Procurement Specialist, Procurement Division 2, Operations Services and Financial Management Department	
Thank you for the opportunity to review the subject document, which is well written and provides a clear plan on recruitment of the individual consultant. Here is our minor comments to the document:	Thank you
(i) In para 13 please indicate tentatively a month you want the consultant to start his/her assignment;	Done
(ii) Appendix 2: please align main budget items (Travel Expenses, OPE, Contingency) with the Cost estimates in Appendix 3. For example Contingency, Air, Local Travel are different in both tables.	Done
(iii) Appendix 3, Cost Estimates: remove the remuneration unit rate from the table. Based on the Per-Diem Allowance you plan a Home Office input by the consultant, so please clarify.	Deleted cost estimate table in the ToR (Appendix 3) as was repetitious of Appendix 2.
(iv) Appendix 3 TOR, in para 4 please separately indicate a qualification requirements for the consultant: education/specialization, work experience in years, country/regional experience.	Done. Included details upfront in the ToR



Asian Development Bank

Date 16 September 2016

To: Manmohan Parkash
Advisor, OSFMD and Head, Operations Management Unit, OSOM

From: Sivou Olsson
Country Coordination Officer, SPSO

Subject: Registration of TA for TASF Fund Commitment in 2016

Please register the commitment of funds in the 2016 TASF for the following project:

Form with fields: Country: Regional, Project No.: 50303-001, Cluster subproject?, Project Name, Product Name, Type of TA, Amount to be committed from 2016 TASF Budget, Date of concept paper approval, To be charged against the planning figure of operational group.

For OSFMD Use:

Registration No. PARD-C-14/2016

The above technical proposal has been entered in the Registry of Commitment of Funds against the 2016 TA program.

Manmohan Parkash
Advisor, OSFMD and Head, Operations Management Unit, OSOM

