



# Technical Assistance Report

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Project Number: 50308-001  
Knowledge and Support Technical Assistance (KSTA)  
August 2017

## Pacific Fellows Program

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

**Asian Development Bank**

### ABBREVIATIONS

ADB	–	Asian Development Bank
PARD	–	Pacific Department
PDMC	–	Pacific developing member country
TA	–	technical assistance

### NOTE

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

<b>Vice-President</b>	S. Groff, Operations 2
<b>Director General</b>	M. C. Locsin, Pacific Department (PARD)
<b>Regional Director</b>	X. Fan, Pacific Liaison and Coordination Office, PARD
<b>Team leader</b>	H. Everett, Senior Country Specialist, PARD
<b>Team members</b>	P. Curry, Principal Operations Coordination Specialist, PARD N. Sugiura, Human Resources Specialist, Budget, Personnel, and Management Systems Department (BPMSD) R. He, Senior Operations Assistant, PARD W. Oller, Associate Human Resource Officer, BPMSD

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## KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 50308-001</b>	
<b>Project Name</b>	Pacific Fellows Program	<b>Department /Division</b>	PARD/PLCO
<b>Nature of Activity</b>		<b>Executing Agency</b>	Asian Development Bank
<b>Modality</b>	Regional		
<b>Country</b>	REG		
<b>2. Sector</b>		<b>ADB Financing (\$ million)</b>	
✓ Public sector management	Subsector(s) Public administration		0.90
		<b>Total</b>	<b>0.90</b>
<b>3. Strategic Agenda</b>		<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
Environmentally sustainable growth (ESG)	Eco-efficiency		
Regional integration (RCI)	Pillar 2: Trade and investment		
<b>4. Drivers of Change</b>		<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Institutional development	Effective gender mainstreaming (EGM)	✓
Knowledge solutions (KNS)	Knowledge sharing activities		
<b>5. Poverty and SDG Targeting</b>		<b>Location Impact</b>	
Geographic Targeting	Yes	Regional	High
Household Targeting	No		
SDG Targeting	Yes		
SDG Goals	SDG1		
<b>6. Risk Categorization</b> Low			
<b>7. Safeguard Categorization</b> Safeguard Policy Statement does not apply			
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>0.90</b>	
Knowledge and Support technical assistance: Technical Assistance Special Fund		0.90	
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>0.00</b>	
None		0.00	
<b>Total</b>		<b>0.90</b>	



## I. INTRODUCTION

1. The proposed regional technical assistance (TA) will build the capacity of Pacific developing member countries (PDMCs) to promote and manage their sustainable economic development.<sup>1</sup> The TA has been developed in response to the unique development contexts facing PDMCs, including a heavy reliance on external concessional sources for financing development. The TA will finance a fellows program for mid-level staff in executing and implementing agencies from PDMCs to support mutual learning and knowledge sharing, and contribute to effective project design and implementation. The design and monitoring framework is in Appendix 1.

## II. ISSUES

2. PDMCs face a unique development context due to their small size, remoteness, internal dispersion, vulnerability to economic shocks, climate change, and natural disasters, as well as complex traditional institutional structures. Among other things, this context contributes to low institutional capacity, high aid dependence, and a strong need to tailor development approaches to the local context.

3. Many PDMCs are heavily reliant on Asian Development Bank (ADB) project financing in a number of areas, notably infrastructure, as well as TA in areas such as public sector management and private sector development. Thinly stretched public administrations offer limited opportunities to build PDMC staff capacity. Heavy aid dependence means it is critical that PDMCs are able to effectively manage and engage with their major development partners, notably ADB. However, many PDMC officials have a limited understanding of ADB's policies, practices, and role as a multilateral development bank. It is important for PDMCs to learn from development experiences elsewhere, including within the Pacific region itself and in Asia. Further, it is essential that ADB operations are highly responsive to the unique development context of the PDMCs and incorporate relevant local knowledge and insights as much as possible.

4. The fellows program is expected to help strengthen infrastructure development, public sector management, and private sector development, all of which are key strategic priorities for all PDMC governments and are aligned with the ADB country assistance strategies for the PDMCs. This includes those for Fiji, Papua New Guinea, and Timor-Leste, and the Pacific Approach, 2016–2020, which serves as the operational framework of ADB for the Pacific region and the overall country partnership strategy for the 11 smaller Pacific island countries—the Cook Islands, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.<sup>2</sup>

## III. THE TECHNICAL ASSISTANCE

### A. Impact and Outcome

5. The impact will be aligned with the following impacts drawn from the Pacific Approach, 2016–2020:

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<sup>1</sup> The TA first appeared in the business opportunities section of the Asian Development Bank (ADB) website on 18 January 2017.

<sup>2</sup> ADB. 2016. *Pacific Approach, 2016–2020*. Manila.

- (i) **Costs reduced.** The TA project will improve the availability, affordability, and reliability of energy, information communication technology, and transport infrastructure.
- (ii) **Risks managed.** The TA project will support greater resilience to external economic and financial shocks, climate change, and natural disasters.
- (iii) **Value creation enabled.** The TA project will help in facilitating a better environment for private sector development, productive activities, decent job creation, entrepreneurship, creativity, and innovation.

6. The outcome will be improved PDMC capacity to promote and manage sustainable economic development. This will be measured through a survey of relevant staff in participating organizations and ADB. The survey will assess the extent to which respondents report improved individual and organizational capacity in the relevant field and enhanced capacity to work effectively with ADB as a key development partner. By the end of the TA, participating organizations should report a notable improvement in these areas.

## **B. Outputs, Methods, and Activities**

7. The TA will finance a fellows program for 14 mid-level staff from executing and implementing agencies in PDMCs. These fellows will gain professional work experience in ADB operations as well as contribute to ADB operations by applying their skills and insights from a PDMC perspective. The project team will select candidates with strong potential for capacity development based on their professional development needs, the organizational needs of their respective agencies, and the economic development requirements of their respective countries. Fellows will work under the guidance of designated ADB specialists on defined assignments, which may include (i) being a member of project teams, (ii) undertaking technical work related to a project, and/or (iii) contributing to knowledge products and/or strategy development. Fellows may be placed in both the Pacific Department (PARD) as well as other ADB operational departments in ADB headquarters in Manila, and/or in ADB resident mission offices, depending on individual assignment requirements. A range of geographic assignments will be possible, including working on operations in the fellow's own country (particularly where seen as highly relevant to outputs 2 and 3) as well as in other developing member countries in the Pacific region and elsewhere that offer strong opportunities for capacity development.

8. **Output 1: Improved Pacific developing member country staff capacity, with gender-balanced participation.** Fellows will be given assignments in ADB operations that are of direct relevance to their professional development needs. The fellow and supervising ADB specialist will work together to define the terms of reference of the assignment, including specific professional development goals and objectives.

9. **Output 2: Enhanced Pacific developing member country capacity to work effectively with ADB.** Fellow assignments will be designed to ensure participants gain experience and holistic exposure to ADB operations as it relates to their professional areas. How this is structured will be determined on a case-by-case basis. For instance, fellows from finance and/or planning ministries which are responsible for managing the relationship with ADB may focus on gaining an understanding of ADB operations through participation in country programming exercises. Alternatively, fellows involved in particular sectors will gain a more focused understanding of ADB approaches within those sectors through involvement in the processing of sector projects. Fellows working on targeted technical issues and knowledge products will gain exposure to the variety of ADB approaches and thinking on these issues.



10. **Output 3: Greater integration of Pacific developing member country knowledge into ADB operations.** Fellow assignments will be chosen and designed to ensure that ADB is able to benefit from the inclusion of PDMC knowledge and expertise in project teams. This will include work at the project, sector, country and/or regional program, and strategy development levels. Assignments where this is deemed as important will most likely be those that focus on the respective PDMC of origin and/or where the fellow has technical expertise of relevance to another PDMC.

11. The expected benefits of the TA are based on several assumptions, including the following: (i) selection of fellows is well-targeted to support PDMC national development needs, (ii) suitable candidates with at least minimal essential qualifications to benefit from the program and contribute to ADB project teams can be identified, and (iii) returning fellows remain in relevant positions following completion of the assignment.

12. The risks inherent in these assumptions will be actively managed through specific criteria used to select fellows and active management by the project teams, including project consultants. The basis of selection will include the requirement for the sending organization to provide written commitment to ADB that the fellow will remain in a position where the skills acquired under the program are of direct relevance for at least 2 years following their completion of the program. The fellow will be required to make a presentation on the outcomes and lessons from their assignment upon returning to their home organization to promote benefits at the organizational level.

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

13. The TA is estimated to cost \$900,000 which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 6).

### **D. Implementation Arrangements**

14. **Executing agency and implementing agency.** ADB will be the executing and implementing agency for the program. PARD will identify fellowship candidates and determine placement opportunities. ADB's Budget, Personnel, and Management Systems Department and operations departments that participate as host departments will be the implementing agencies. PARD will be responsible for the administration and supervision of all outputs of the project, although individual specialists from relevant operations departments will be designated as supervisors for each fellowship assignment. PARD resident missions and country teams will be responsible for conducting outreach activities in the PDMCs. The project team will hire a part-time strategic advisor and full-time program manager as consultants to support the project.

15. The project will support the participation of one fellow from each PDMC. The proposed budget is sufficient for 14 6-month assignments (one from each PDMC). For each fellow, ADB will provide one return air ticket, per diems, and travel insurance, and cover the costs for one mission (of about 7 days). ADB will determine the duration of each fellowship on a case-by-case basis but they are envisioned to be about 6 months on average. Most fellowships will be carried out over a single continuous period although consideration will be given to structuring fellowships in several components where this is deemed relevant (e.g., to manage domestic work pressures), practical for the assignment, and cost-effective. ADB will determine the location of fellows on a case-by-case basis with the majority likely to be placed in ADB headquarters in Manila and a limited number in resident missions where deemed appropriate. Fellows will be supported with tailored briefing materials (collated and/or prepared under the project based on existing ADB training materials) with further guidance from supervising ADB specialists. Fellows will also have

access to in-house ADB training where appropriate, relevant to the assignment, cost-effective, and subject to approval of the supervisor and consultation with BPMSD. ADB operations departments will contribute in kind through staff time to manage fellows as part of project teams.

16. The program will be structured to enable active learning and program improvement. In particular, the program will be staggered, with PARD hosting an initial batch of 4–5 fellows. The project team will conduct a review at the end of the first batch to identify lessons and improvements needed before beginning the process of selecting future fellows.

17. **Recruitment of consultants and procurement.** The TA will finance a part-time strategic advisor (international, 3 person-months, intermittent) to support the strategic management, and a full-time program manager (national, 26 person-months) to support project management and administration, including logistical and administrative support for fellows.<sup>3</sup> Consultancy inputs will be based in Manila. The consultants will be selected and engaged on an individual basis in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time). The proceeds of the TA will be disbursed in accordance with the *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). Each individual memorandum of agreement with the fellows will be inputted as a "V-contract" in the TA information system. The procurement of information technology equipment will be conducted in accordance with the *Procurement Guidelines* (2015, as amended from time to time) and will meet the requirements of and be cleared by ADB's Office of Information Services and Technology. The consultants will administer all equipment, seminars, and workshops.

18. **Implementation arrangements.** The TA is expected to commence on 1 October 2017 and be completed on 31 December 2019. Detailed selection criteria, processes, and other administrative arrangements are set out in the ADB Pacific Fellows Program Implementation Guidelines.<sup>4</sup> Fellows will not be ADB staff and will remain employees of their home organizations. Fellows will, however, be bound by ADB regulations and policies, similar to the ADB secondment and internship programs. Upon agreeing to a fellowship assignment, a memorandum of agreement setting out the terms of the assignment will be signed between the head of the sending agency, ADB, and the individual fellow.<sup>5</sup>

19. The project team will choose the fellows based on the following outline selection criteria: (i) nomination from the relevant PDMC organization, including based on staff capacity development prospects and individual and organizational development needs; (ii) endorsement of the relevant country and/or sector director sponsoring the fellow, including suitability (e.g., technical, professional relevance); (iii) identification of a specific development assignment of relevance to the PDMC staff and/or organization and the relevant ADB country assistance and/or sector strategy; and (iv) agreement of the relevant ADB director to host the fellow, including based on relevance and in-kind resourcing implications. The project team will target gender balance in the selection of participants, although it is recognized that practical limitations may inhibit achieving this. The selection process will primarily be driven by ADB country team engagement with both key counterpart organizations and potential host ADB departments, with support from the strategic advisor. This is because of the need to match potential fellows with appropriate assignments, as well as take into account host department availability and interest in specific proposed fellows.

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<sup>3</sup> Outline Terms of Reference for Consultants (Appendix 3).

<sup>4</sup> ADB Pacific Fellows Program Implementation Guidelines (Supplementary Appendix 1).

<sup>5</sup> ADB Pacific Fellows Program Memorandum of Agreement: Template (Supplementary Appendix 2).

20. Participating PDMC organizations will contribute in kind through the nomination of a staff member to participate in the fellows program, including the payment of the fellow's usual salary and other employment benefits. ADB will require each fellow to prepare a written deliverable—such as project documents, technical reports, and knowledge products, and strategy papers—as part of their assignments.

21. PARD and the designated ADB specialists supervising the fellows will monitor the TA, with support from the project consultants. The project team will conduct a review at the end of the first batch of fellows to identify lessons and ways to improve. The project team will conduct an evaluation through a survey completed by the participating fellows, their PDMC supervisors, and ADB supervisors. Respondents will be surveyed at the end of the fellow assignment and 6 months later to provide evidence on likely sustainability. The participants will conduct exit interviews with ADB specialists and/or directors. The project team will disseminate survey results in aggregate form and incorporate the main lessons in the TA completion report. The project team will prepare an information brief highlighting the outcomes of the fellows program prior to TA completion to publicize the benefits of the program and seek cofinancing for its continuation and potential expansion. Implementation arrangements are summarized in the table.

#### Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	1 October 2017–31 December 2019 (27 months)		
Executing agency	ADB		
Implementing agency	ADB		
Consultants	To be selected and engaged by ADB		
	Individual consultant selection	3 person-months of international and 26 person-months of national consulting services	\$160,000
Procurement <sup>a</sup>	To be procured by ADB		
	Shopping	Goods	\$30,000
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		
Asset turnover or disposal arrangement upon TA completion	The assets procured under the TA will be ADB assets and be retained by PARD under the assigned specialist's accountability after TA completion, similarly to standard ADB equipment assets as guided by AO 4.02, ADB Assets Management and Inventory Control.		

ADB = Asian Development Bank, TA = technical assistance.

<sup>a</sup> Communications equipment, computers, printers, and other miscellaneous equipment to support TA implementation.  
Source: Asian Development Bank.

#### IV. THE PRESIDENT'S DECISION

22. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$900,000 on a grant basis for the Pacific Fellows Program, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

<b>Impacts the TA is Aligned with<sup>a</sup></b>			
<p>(i) <b>Costs reduced.</b> The TA project will improve the availability, affordability, and reliability of energy, information communication technology, and transport infrastructure.</p> <p>(ii) <b>Risks managed.</b> The TA project will lead to greater resilience to external economic and financial shocks, climate change, and natural disasters.</p> <p>(iii) <b>Value creation enabled.</b> The TA project will help in facilitating a better environment for private sector development, productive activities, decent job creation, entrepreneurship, creativity, and innovation.</p>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks</b>
<p><b>Outcome</b> PDMC capacity to promote and manage sustainable economic development improved</p>	<p>a. Senior officials and/or staff of participating PDMC organizations report improved capacity</p> <p>b. Senior officials and/or staff of participating PDMC organizations report improved capacity to engage with ADB as a key development partner</p>	<p>a. Survey of senior officials and/or staff at participating PDMCs 6 months after completion of the fellowship program</p> <p>b. Survey of senior officials and/or staff at participating PDMCs 6 months after completion of the fellowship program</p>	<p>Selection of fellows is not well-targeted to support PDMC national development needs. PDMC staff rotation and other human resource practices limit benefits to PDMCs at the organizational level.</p>
<p><b>Outputs</b> 1. PDMC staff capacity improved, with gender-balanced participation</p> <p>2. PDMC capacity to work effectively with ADB enhanced</p> <p>3. Greater integration of DMC knowledge into ADB operations</p>	<p>1a. At least one fellow from each PDMC participates in the program by end 2018 Baseline: none</p> <p>1b. Relevant capacity of at least 85% of fellows (of whom at least half are women) is assessed as significantly improved. Baseline: none</p> <p>1c. At least 50% of program participants are women Baseline: none</p> <p>2a. At least 85% of fellows (of whom at least half are women) report significantly improved understanding of ADB operations and business practices. Baseline: none</p> <p>3a. Participating ADB project teams identify specific project improvements as a result of the fellows, including</p>	<p>1a. Project documents</p> <p>1b. Survey of PDMC fellows and ADB supervisors</p> <p>1c. Project documents</p> <p>2a. Survey of PDMC fellows</p> <p>3a. Survey of PDMC fellows and ADB supervisors</p>	<p>Interest among PDMCs and/or ADB country teams is lower in some countries than expected, which limits coverage of all PDMCs</p> <p>Low individual fellow capacity may inhibit the ability to benefit from the program and contribute meaningfully to project teams.</p> <p>Management of fellows is not given sufficient attention by assigned ADB specialists.</p> <p>Insufficient numbers of appropriate female candidates are identified and/or proposed by participating PDMCs.</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	gender mainstreaming where relevant. Baseline: none		
<p><b>Key Activities with Milestones</b></p> <p><b>1. Program implementation</b></p> <p>1.1 Project manager and strategic advisor recruited (Q3 2017)</p> <p>1.2 Outreach material prepared and outreach activities by country teams completed (Q3 2017)</p> <p>1.3 First batch of fellows identified and confirmed (Q4 2017)</p> <p>1.4 First batch of fellows placed in ADB (Q1 2018)</p> <p>1.5 Ongoing placement of fellows (from Q3 2018)</p> <p><b>2. Monitoring and evaluation</b></p> <p>2.1 Review of first batch experience conducted (Q3 2018)</p> <p>2.2 ADB information brief and/or brochure prepared (Q2 2019)</p> <p><b>Inputs</b></p> <p>ADB: \$900,000 (grant)</p> <p>Note: The PDMC governments will provide counterpart support in the form of staff time, including salaries and other employment benefits, for nominated fellows, and other in-kind contributions.</p> <p><b>Assumptions for Partner Financing</b></p> <p>Not applicable</p>			

ADB = Asian Development Bank, DMC = developing member country, PDMC = Pacific developing member country.

<sup>a</sup> Adapted from ADB. 2016. *Pacific Approach, 2016–2020*. Manila.

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	60.0
ii. National consultants	100.0
2. Studies (fellows) <sup>b</sup>	
a. International and local travel	160.0
b. Per diems and travel insurance <sup>c</sup>	460.0
3. Equipment <sup>d</sup>	30.0
4. Training, seminars, workshops, forums, and conferences	
a. Facilitators	20.0
b. Venue rental and related facilities	5.0
c. Participants	10.0
d. Representation	5.0
5. Contingencies	50.0
<b>Total</b>	<b>900.0</b>

Note: The technical assistance (TA) is estimated to cost \$900,000, of which contributions from the Asian Development Bank (ADB) are presented in the table above. Participating organizations will provide counterpart support in the form of salaries and other employment benefits for their respective fellows participating in the program.

<sup>a</sup> Financed by ADB's Technical Assistance Special Fund (TASF 6).

<sup>b</sup> Payments to fellows will follow payment instructions and practices as outlined in ADB's *Technical Assistance Disbursement Handbook* (2010 as amended from time to time).

<sup>c</sup> Per diems will be based on ADB staff rates and accommodation subject to ADB ceiling rates.

<sup>d</sup> Communications equipment, computers, printers, and other miscellaneous equipment to support TA implementation. Procurement of information technology equipment will meet the requirements of and be cleared by ADB's Office of Information Services and Technology. The assets procured under the TA will be ADB assets and be retained by PARD under the assigned specialist's accountability after TA completion, similarly to standard ADB equipment assets as guided by AO 4.02, ADB Assets Management and Inventory Control.

Source: Asian Development Bank estimates.

**LIST OF LINKED DOCUMENTS**

<http://www.adb.org/Documents/LinkedDocs/?id=50308-001-TARreport>

1. Terms of Reference for Consultants

**Supplementary Documents**

2. ADB Pacific Fellows Program: Implementation Guidelines
3. ADB Pacific Fellows Program Memorandum of Agreement: Template