



Technical Assistance Report

Project Number: 54060-001
Knowledge and Support Technical Assistance (KSTA)
June 2020

Supporting Public Sector Management Reforms

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 14 May 2020)

Currency unit	–	Australian dollar/s (A\$)
A\$1.00	=	\$0.65
\$1.00	=	A\$1.54

ABBREVIATIONS

ADB	–	Asian Development Bank
COVID-19	–	coronavirus disease
PFM	–	public financial management
PSM	–	public sector management
SOE	–	state owned enterprise
TA	–	technical assistance

NOTE

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

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KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 54060-001	
Project Name	Supporting Public Sector Management Reforms	Department/Division	PARD/SPSO
Nature of Activity	Capacity Development, Policy Advice, Research and Development	Executing Agency	Asian Development Bank
Modality	Regular		
Country	REG (COO, FIJ, KIR, NIU, SAM, TON, TUV)		
2. Sector		Subsector(s)	
✓ Public sector management	Economic affairs management	ADB Financing (\$ million)	
		0.38	
	Public administration	0.36	
	Public expenditure and fiscal management	0.38	
	Reforms of state owned enterprises	0.38	
		Total	1.50
3. Operational Priorities		Climate Change Information	
✓ Accelerating progress in gender equality		GHG Reductions (tons per annum)	0
✓ Strengthening governance and institutional capacity		Climate Change impact on the Project	Low
✓ Fostering regional cooperation and integration			
		ADB Financing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
		Cofinancing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 16.6, 16.8		Some gender elements (SGE)	✓
SDG 17.1, 17.17, 17.4, 17.9			
		Poverty Targeting	
		General Intervention on Poverty	✓
4. Risk Categorization		Complex	
5. Safeguard Categorization Safeguard Policy Statement does not apply			
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		1.50	
Knowledge and Support technical assistance: Technical Assistance Special Fund		1.50	
Cofinancing		0.65	
Government of New Zealand (Full ADB Administration)		0.65	
Counterpart		0.00	
None		0.00	
Total		2.15	
Currency of ADB Financing: US Dollar			

I. INTRODUCTION

1. The knowledge and support technical assistance (TA) will improve public sector management (PSM) practices in seven Pacific developing member countries through (i) institutional strengthening of ministries of finance, other central management agencies, and relevant sector ministries; and (ii) supporting tailored policy advice and targeted analysis to promote longer-term fiscal sustainability for improved growth and public service delivery.¹ The seven targeted countries are the Cook Islands, Fiji, Kiribati, Niue, Samoa, Tonga, and Tuvalu.² The TA will also provide policy advice as requested to support the targeted countries during disasters caused by natural hazards, such as cyclones and the coronavirus disease (COVID-19) pandemic. The TA will deliver (i) targeted assessments on PSM issues to inform government planning and development partner engagement; (ii) support for capacity development in PSM, with different focus areas depending on the country's need and absorptive capacity; and (iii) policy advice and dialogue to strengthen governance mechanisms and prioritize and implement reforms.

2. The TA is aligned with the Asian Development Bank (ADB) Strategy 2030 operational priority of strengthening governance and institutional capacity, accelerating progress in gender equality, and fostering regional cooperation and integration.³ ADB's Strategy 2030 also emphasizes a differentiated approach for small island developing states, given their unique structural constraints and vulnerabilities. Common areas for support in these countries are public procurement, tax administration, and state-owned enterprise (SOE) management. However, the approach to delivering support depends on the government's appetite for change, absorptive capacity, accessibility to technology, and platforms for communication. Under Strategy 2030, ADB supports institutional strengthening in small island developing states to help enhance public service delivery, improve the business environment, and promote private sector-led growth. The TA also reflects the Pacific Approach, 2016–2020 strategic priority of managing risks through PSM operations that support country efforts to manage financial and economic risks.⁴ The TA is listed in the Regional Operations Business Plan, 2020–2022.⁵

II. ISSUES

3. **Development context.** The targeted countries are some of ADB's smallest and most isolated developing member countries. With a combined population of over 1.3 million, dispersed over 7.8 million square kilometers of ocean (larger than the size of Australia), these countries face unique development challenges that hinder their growth. Among the targeted countries, relatively more developed economies, such as the Cook Islands and Fiji, depend on tourism, while others, such as Kiribati and Tuvalu depend on fishing revenues. Regardless of size and growth drivers, these Pacific economies share similar challenges—distance from markets, lack of resources (land and human capital and natural resources), limited capacity to manage their large oceans, and vulnerability to external shocks, including epidemics, financial crises, natural disasters, and climate change. COVID-19 has dampened the economic outlook for many targeted countries with

¹ The Asian Development Bank (ADB) defines PSM in seven areas: public expenditure and fiscal management, economic affairs management, public administration, reforms of SOEs, decentralization, law and the judiciary, and social protection. <https://www.adb.org/sectors/governance/overview>.

² This TA covers seven Pacific member countries that are assisted through the Pacific Subregional Office in Suva, Fiji. PSM in other Pacific countries are supported by similar TA programs.

³ ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

⁴ ADB. 2016. *Pacific Approach, 2016–2020*. Manila.

⁵ The TA first appeared in the business opportunities section of ADB's website in December 2019. <https://www.adb.org/sites/default/files/institutional-document/545316/robp-pacific-2020-2022.pdf>.

substantial loss of revenue expected in tourism and a recession in 2020 projected by ADB's Asian Development Outlook and the International Monetary Fund's World Economic Outlook April 2020. The countries' distance from markets results in high costs of service delivery. Their limited resource base causes heavy reliance on volatile revenue sources. Their governments and SOEs dominate economic activities and service delivery, while their capacity is limited. Hence, strengthening the capacity of ministries of finance and other oversight institutions is critical for them to deliver services effectively while managing their limited resources well.

4. **Impacts of COVID-19 highlight structural issues.** The pandemic impacted the targeted countries in various ways, hitting hardest on the tourism-dependent countries—the Cook Islands and Fiji. In Fiji, 28,000 tourists arrived between January and March 2020 compared with 60,000 visitors for the same period in 2019. As a result, 40,000 workers in the hospitality industry became unemployed. Fiji, as the main hub of the region, was also the only country from the targeted countries that recorded confirmed COVID-19 cases (18, or 0.002% of Fiji's population). Although low, the ripple effect of closing borders led to a drop in economic activities, mainly in tourism, and lowered growth prospects. Most governments launched stimulus packages to support business communities and ordinary citizens who lost their jobs. Delays in procuring and mobilizing essential medical equipment highlighted issues with government systems. The PSM support complements existing analytical work and informs short- to medium-term policy measures for COVID-19.

5. **Weak policy and legal framework.** Over the last 5 years, the targeted countries have made considerable efforts to improve PSM and strengthen alignment with national development plans. However, challenges persist because the outdated policy and legal frameworks for PSM, including public financial management (PFM), do not effectively support progress in the national priorities of economic growth and poverty reduction, especially in sustaining reforms and maintaining progress along multiyear reform plans to develop regulations and implement PFM legislative updates.

6. **Public sector management challenges.** The targeted countries received various PSM diagnostics studies—public expenditure and financial accountability assessments, assessments of national systems, and public expenditure reviews. These assessments prioritize managing fiscal risks, including expenditure controls, strategic allocations of resources (planning and budgeting), accounting and procurement practices, and SOE management. Impacts of COVID-19 resulted in job losses and increased the vulnerability of marginalized groups. Weak PSM hampers optimizing public infrastructure investments in transport, energy, water supply and sanitation. Overall, weak PFM increases the already high costs of delivering essential public services. These challenges are exacerbated by thin institutional capacity and poor human resource management, particularly in line agencies with limited oversight capability.

7. **Weak domestic resource mobilization and debt management.**⁶ Public service delivery is costly and requires steady financing in the targeted countries. A challenge is ensuring sufficient resources for adequate public service delivery while managing debt sustainably. Central agencies vary in their capacity to mobilize revenue and manage public expenditure. In Fiji, a dedicated institution, the Fiji Revenue and Customs Service, has over 100 staff, whereas smaller countries such as Tuvalu have fewer than 10 staff to handle such work. The structure of how these functions are managed differs across countries and poses various challenges. In most targeted countries,

⁶ ADB defines domestic resource mobilization as measures to support fiscal consolidation; improve revenue management; strengthen public expenditure management; enhance the generation of domestic savings; and increase private resource mobilization for investment opportunities, especially for micro, small, and medium-sized businesses. <https://www.adb.org/sectors/governance/issues/domestic-resource-mobilization>.

the fiscal risk is high because public spending depends on volatile non-tax revenue sources—fishing licenses, remittances, and tourism. Recognizing this, governments have implemented programs to improve budgeting and tax administration with support from development partners, but there is still room to strengthen tax administration and debt management.

8. **Thin capacity to manage state-owned enterprises.** Despite the importance of SOEs in these economies, oversight of SOEs is often weak because of limited capacity, lack of clarity on the SOE noncommercial objectives, and political influence in operations. Government capacity to monitor SOE is severely stretched. For example, in Kiribati, the SOE Monitoring and Administration Unit of two staff manages a relatively large portfolio of over 15 SOEs plus other responsibilities, including the large sovereign wealth fund (Revenue Equalization Reserve Fund). In the targeted countries, sustained support to (i) strengthen institutions to better formulate policy and manage operations and (ii) build capacity on economic and financial analysis and reporting is critical to ensuring that the SOEs are accountable for delivering efficient services.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

9. The TA is aligned with the following impact: delivery of public goods and services enhanced. The TA will have the following outcome: efficiency and effectiveness of public resource use improved.⁷

B. Outputs, Methods, and Activities

10. **Output 1: Quality public sector management assessments supported.**⁸ The TA will help the targeted countries conduct needed diagnostic studies and facilitate policy dialogues. The assessments will help to scope and design practical reform measures to improve PSM practices to effectively deliver public services. Based on potential reform measures generated from these assessments and dialogues, ADB will lead engagement with governments to set priorities, which may be supported through policy-based operations. The TA will produce briefing notes, analytical reports, and background information to support these PSM activities. ADB, with experts' support, will discuss the scope of subregional or country-specific diagnostic/assessments with governments to ensure that topics are relevant and add value to sustainable public investments and reforms. The TA also aims to enhance strategic policy dialogue between ADB, governments, and partners. The TA will define areas of assessment and policy advice in consultation with each government, taking into consideration future ADB programs and the potential to share the learning more widely. The TA will develop a dissemination strategy in the first year of implementation to support this.

11. **Output 2: Capacity of the governments' central oversight and planning agencies strengthened.** The TA will provide high-quality guidance and capacity-strengthening support to the ministries of finance, central planning agencies, and relevant sector ministries to implement recommendations from PFM road maps and/or other PSM assessments. This could also include assessments of COVID-19 impacts to inform management of stimulus packages. Experts in accounting, internal audit, procurement, economic planning, human resource management, SOE management, tax administration, and debt management will work alongside government counterparts to build their technical know-how and empower them to lead the prioritization,

⁷ The design and monitoring framework is in Appendix 1.

⁸ Depending on the needs of the member country, this may involve specific PFM assessment to support a project.

sequencing, implementation, and monitoring of PSM reforms. Lessons from reforms on public procurement in one country, will be replicated and utilized in other countries to increase cross learning. As part of this process, the experts will deliver a mix of capacity-building support involving workshops, group discussions, and on-the-job training to strengthen the capacity of counterparts on PSM, including COVID-19 response. These activities will improve strategic planning, policy discussions, and coordination in the targeted countries based on existing efforts in line with their PSM reform agenda.

12. Output 3: Public sector management reforms prioritized and implemented. ADB's active role in PFM discussions has made ADB a partner of choice to support reform efforts and broader PSM issues. Through tailored assessment and capacity building, the TA will help prioritize and implement public sector reform. Insights from assessments will inform policy advice and dialogue between ADB and targeted countries to strengthen governance mechanisms. The TA will provide tailored capacity-building and advisory services on a short-term and medium-term basis to help effectively implement priority reforms to strengthen fiscal management, public administration, and SOE management, thus helping governments better prioritize and implement reforms.

13. The proposed solutions build on lessons from previous ADB policy-based operations and TA that supported PSM reforms,⁹ including a series of independent evaluations of ADB public sector operations.¹⁰ Lessons include (i) building on ownership for reform, (ii) building on existing efforts, (iii) accommodating the political economy, (iv) carefully timing the intervention, (v) employing participation and building consensus, (vi) incorporating the need for capacity and institutional development, (vii) keeping the design simple and allowing for flexibility in the design, (viii) sequencing reforms, and (ix) monitoring progress. It is critical not to just adopt PSM solutions from developed countries and try to replicate them with low levels of public administration. Rather, the culture and quality of management are key elements in designing the program.¹¹ Where appropriate, climate change, disaster risk management, and gender considerations will be incorporated into policy advice, technical support, and training. The proposed program aims to enhance partnership and collaboration on PSM support to improve coordination, flow of information, networks, and cross learning across governments and development partners.

C. Cost and Financing

14. The TA is estimated to cost \$2,150,000, of which (i) \$1,500,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 6: \$1,000,000 and TASF-other sources: \$500,000); and (ii) the equivalent of A\$1,000,000 (\$650,000 as of 14 May 2020) will be financed on a grant basis by the Government of New Zealand and administered by ADB. Cofinancing from New Zealand will support experts on SOE and PFM for Kiribati only. The key expenditure items are listed in Appendix 2.

⁹ ADB. 2019. *Completion Report: Fiscal Resilience Improvement Program (Subprograms 1 and 2) in Samoa*. Manila; ADB. 2017. *Completion Report: Strengthened Fiscal Sustainability Program: Program in Tuvalu*. Manila; ADB. 2016. *Completion Report: Public Sector Financial Management Program in Samoa*. Manila; ADB. 2016. *Completion Report Strengthening Fiscal Stability Program in Kiribati*. Manila; and ADB. 2014. *Completion Report: Strengthening Public Financial Management Program: Program in Tonga*. Manila.

¹⁰ ADB. 2009. *Independent Evaluation of ADB Support for Public Sector Reforms in the Pacific: Enhance Results through Ownership, Capacity and Continuity*. Manila; and ADB. 2014. *Independent Evaluation of ADB Support for Enhancing Governance in its Public Sector Operations*. Manila.

¹¹ N. Hepworth. 2014. *Why PFM reforms often fail in developing countries*. IMF Blog. <https://blog-pfm.imf.org/pfmblog/2014/06/why-pfm-reforms-often-fails-in-developing-countries.html>

15. The governments of the Cook Islands, Fiji, Kiribati, Niue, Samoa, Tonga, and Tuvalu will provide counterpart support in the form of providing relevant data and information, counterpart staff, office accommodation, communications facilities for consultants, and other in-kind contributions. The TA will also support development partner coordination through facilitating cofinancing and joint analytical work.

D. Implementation Arrangements

16. ADB will administer the TA. As the executing agency, the Pacific Subregional Office of ADB's Pacific Department (PARD), in consultation with participating countries, will select, deploy, supervise, monitor, and evaluate consultant's performance. ADB's main government counterparts will be the ministries of finance in the Cook Islands, Fiji, Kiribati, Niue, Samoa, Tonga, and Tuvalu. The Pacific Subregional Office will coordinate implementation across ADB operations and development partners involved in PSM reform in participating countries.¹²

17. The implementation arrangements are summarized in the table. The allocation to firm and individual contracts is indicative and will be reviewed as the scope of specific works is developed and finalized.

Implementation Arrangements			
Aspects	Arrangements		
Indicative implementation period	June 2020–June 2024		
Executing agency	ADB		
Implementing agencies	Pacific Department		
Consultants	To be selected and engaged by ADB		
	Firm: QCBS 90:10	International firm	\$600,000
	Individual: Individual selection (international and/or national)	International or national expertise	\$1,300,000
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		

ADB = Asian Development Bank, QCBS = quality- and cost-based selection, TA = technical assistance.

Source: Asian Development Bank.

18. **Consulting services.** The TA will require international and national consulting services on input-based and output-based contracts, including a pool of unidentified experts that targeted countries may request for PSM work to assist with crisis management, including COVID-19. ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions.¹³ The TA will maximize the use of available ADB expertise and allow relevant staff to participate as resource persons.

19. **Cofinancier requirements.** ADB will provide the progress, financial, and audit reporting in accordance with the cofinancing arrangement signed with the Government of New Zealand.

¹² ADB will obtain a no-objection in writing from the relevant developing member country prior to conducting or financing any TA activities in the territory of such developing member country.

¹³ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 3).

E. Governance

20. Because ADB is the executing agency, the financial management, procurement, and integrity risks during TA implementation are assessed to be *low*.

IV. THE PRESIDENT'S DECISION

21. The President, acting under the authority delegated by the Board, has approved (i) the Asian Development Bank (ADB) administering a portion of technical assistance not exceeding the equivalent of A\$1,000,000 to be financed on a grant basis by the Government of New Zealand; and (ii) ADB providing the balance not exceeding the equivalent of \$1,500,000 on a grant basis for Supporting Public Sector Management Reforms, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Impact the TA is Aligned with Delivery of public goods and services enhanced ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Efficiency and effectiveness of public resource use improved	By 2024: a. PFM and/PSM road map actions for 2020–2024 successfully implemented (2019 baseline: None) b. Improvements in PEFA scores/ other PSM assessments between 2020 and 2024. (2019 baseline: TBC).	a. Governments of targeted countries and consultant reports b. PEFA reports/ PSM assessment reports	Weakening political commitment and public support for PSM reforms
Outputs 1. Quality PSM assessments supported	By 2024: 1a. At least two PSM diagnostics/assessments endorsed by targeted countries' ministries of finance/cabinets (2019 baseline: None) 1b. At least three policy notes/briefs produced on PSM (including COVID-19-related topics linked to PSM) and disseminated based on a dissemination strategy (2019 baseline: None)	1a. Periodic TA progress reports and assessments 1b. Policy notes/ briefs and/or regional workshops	Understaffing and frequent turnover among member country counterparts, undermining the timeliness and effectiveness of the advisory services
2. Capacity of the governments central oversight and planning agencies strengthened	2a. At least one agreed PFM road map/PSM road map actions from targeted country implemented (2019 baseline: none) 2b. PSM/PFM coordination meetings between governments and development partners held at least annually, led by the targeted countries' ministries of finance (2019 baseline: None) 2c. Developed and delivered structured capacity building in at least two PSM areas, across five countries (2019 baseline: None) 2d. At least 50% of participants from the structured capacity building in at least two PSM areas across five countries reporting increase in technical know-how	2a.–d. Periodic TA progress reports 2b. Meeting minutes/notes	Difficulty obtaining high-quality consultants to work in isolated locations for extended periods

3. PSM reforms prioritized and implemented	<p>and empowered to implement reforms (2019 baseline: None)</p> <p>3a. At least two agreed reforms (either economic planning, tax administration, accounting, internal audit, public service management, SOE management) in each targeted country implemented successfully across two to five countries (2019 baseline: None)</p> <p>3b. One or two agencies/ministers across five countries have implemented at least two agreed reforms</p> <p>3c. At least one to three key findings/activities identified by the research/diagnostics assessment implemented by targeted countries (2019 baseline: None)</p>	<p>3a. Government reports</p> <p>3b.–c. Ministry of finance annual report/ confirmation letter</p>	
<p>Key Activities with Milestones (targeted countries)^b</p> <p>1. Quality PSM assessments supported</p> <p>1.1. Engage international and national consultants through a firm or individually to support diagnostic assessment and design of PSM programs, as per demand from targeted countries (September 2020–August 2023).</p> <p>1.2. Conduct periodic missions to targeted countries to support the scoping of the PSM areas of focus (July 2020–June 2023).</p> <p>1.3. Conduct periodic missions to targeted countries to work with ministry of finance staff and/or liaise with country team leaders/country economists to scope research/diagnostic work and prepare a detailed request for proposals for procurement in the open market (August 2020–December 2023).</p> <p>1.4. Produce and disseminate at least three policy briefs/notes on PSM (including COVID-19) between 2021 and 2024. This can be done through posters/leaflets, presentations, and reports which will be developed in line with a dissemination strategy. Briefs disseminated across the seven targeted countries should increase learning and understanding of few PSM issues impacting the Pacific.</p> <p>2. Capacity of the governments central oversight and planning agencies strengthened</p> <p>2.1. Engage international and national consultants through a firm or individually to support high-quality capacity building of the oversight agencies, as per demand from targeted countries (June 2020–December 2023).</p> <p>2.2. Conduct periodic missions to targeted countries to work with local government counterparts and/or liaise with country team leaders/country economists to prepare terms of reference, consolidate policy advice, develop a comprehensive PFM reform road map (or similar PSM reform road map), and disseminate relevant policy advisory briefs/reports through posters, presentations, and reports (July 2020–December 2023).</p> <p>3. PSM reforms prioritized and implemented</p> <p>3.1. Engage international and national consultants through a firm or individually to support the prioritization and implementation of agreed PSM reforms, as per demand from targeted countries (August 2020–July 2023).</p> <p>3.2. Conduct periodic missions to targeted countries or online discussions to work with ministry of finance staff and/or liaise with country team leaders/country economists to monitor implementation progress (September 2020–December 2023).</p>			
<p>TA Management Activities</p> <p>Continue regular reporting and supervision until Q2 2024.</p> <p>Manage contracts from Q3 2020 until Q2 2024.</p>			

Ensure the preparation of timely progress and financial reports until Q4 2024.

Inputs

Asian Development Bank: \$1,500,000 for seven countries

Government of New Zealand: estimated at \$650,000 (equivalent to A\$1 million) for Kiribati SOE monitoring and PFM-related activities.

Note: The governments of the Cook Islands, Fiji, Kiribati, Niue, Samoa, Tonga, and Tuvalu will provide support in the form of providing relevant data and information, counterpart staff, office accommodation, communications facilities for consultants, and other in-kind contributions.

COVID-19 = coronavirus disease, PEFA = public expenditure and financial accountability assessment, PFM = public financial management, PSM = public sector management, Q = quarter, SOE = state-owned enterprise, TA = technical assistance, TBC = to be confirmed.

^a Defined by the TA.

^b The experts will (i) work with the targeted countries' ministries of finance counterparts and other central and sector agencies, implement tailored institutional strengthening programs, July 2020–December 2023; and (ii) encompass skills in fiscal policy, budget management, public procurement, financial management and reporting, internal audit and debt management, macroeconomic modelling, PSM and forecasting, SOE corporate governance, and privatization and public–private partnership.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Amount
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	900.0
ii. National consultants	375.0
b. Out-of-pocket expenditures	
i. International and local travel	110.0
ii. Reports and communications	5.0
2. Training, seminars, workshops, forum, and conferences	
a. Venue rental and related facilities	40.0
3. Contingencies	70.0
Subtotal (A)	1,500.0
B. Government of New Zealand^b	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	274.0
ii. National consultants	150.0
b. Out-of-pocket expenditures	
i. International and local travel	76.0
2. Training, seminars, workshops, forum, and conferences	
a. Venue rental and related facilities	20.0
3. Miscellaneous administrative and support costs	130.0
Subtotal (B)	650.0
Total	2,150.0

Note: The technical assistance (TA) is estimated to cost \$2,365,000, of which contributions from the Asian Development Bank (ADB) and the Government of New Zealand are presented in the table. The governments of the Cook Islands, Fiji, Kiribati, Niue, Samoa, Tonga, and Tuvalu will provide counterpart support in the form of providing relevant data and information, counterpart staff, office accommodation, communications facilities for consultants, and other in-kind contributions. The value of governments' contributions is estimated to account for 10% of the total TA cost.

^a Financed by ADB's Technical Assistance Special Fund (TASF 6: \$1,000,000 and TASF-other sources: \$500,000). The amount allocated for item 2 will include travel costs of staff acting as resource persons.

^b Equivalent to A\$1,000,000 (estimated at \$650,000 as of 14 May 2020), financed by the Government of New Zealand. This amount includes ADB's administration fee (5% of the grant amount), audit costs, bank charges, and provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by interest and investment income earned on this grant, or any additional grant contribution by the Government of New Zealand. Any interest, investment income, and gains from foreign exchange transactions generated from the grant will be used for the purpose of the TA or to partially or fully cover ADB's administration fee.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=54060-001-TARreport>

1. Terms of Reference for Consultants
2. Risk Assessment and Risk Management Plan

Supplementary document

3. Outline Possible Areas for Country Support