



# Regional: Pacific Financial Technical Assistance Centre, 2023-2028

Project Name	Pacific Financial Technical Assistance Centre, 2023-2028		
Project Number	56235-001		
Country / Economy	Regional Cook Islands Fiji Micronesia, Federated States of Kiribati Nauru Niue Palau Papua New Guinea Marshall Islands Samoa Solomon Islands Timor-Leste Tonga Tuvalu Vanuatu		
Project Status	Approved		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	<div>TA 10003-REG: Pacific Financial Technical Assistance Centre, 2023-2028</div> <div>Technical Assistance Special FundUS\$ 1.00 million</div>		
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Partnerships Private sector development		
Sector / Subsector	Finance / Central banking systems Public sector management / Economic affairs management - Public expenditure and fiscal management		
Gender Equity and Mainstreaming	Some gender elements		
Description	<p>This proposed Knowledge and Support TA will continue ADB's support of the PFTAC of the IMF-responsible for providing knowledge and capacity development support to Pacific DMCs-in its Phase VI from May 2023 to April 2028. PFTAC was established in 1993 and is a collaborative venture between the IMF, the recipient countries, and bilateral and multilateral donors. All fourteen of ADB's DMCs in the Pacific are benefiting from PFTAC's TA. PFTAC has responded effectively and in a timely manner to member countries' needs in most program areas. All fourteen of ADB's DMCs in the Pacific are benefitting from PFTAC's TA - Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. PFTAC has responded effectively and in a timely manner to member countries' needs in most program areas.</p>		
Project Rationale and Linkage to Country/Regional Strategy	<p>Public administrations in Pacific DMCs often face issues of weak capacity in policy making, management, and technical functions. Particularly affected are technical functions that are not routinely used and require specific expertise, but high staff turnover, lack of staff, and lack of adequate skills can also affect basic capabilities. In the public sector, this contributes to weaknesses in economic governance, and inefficient and ineffective public service delivery. Improving public sector management, strengthened government and SOE systems and processes, and specialized TA is a core part of Pacific Approach 2021-2025, ADB's country partnership strategy with the 12 smaller Pacific DMCs. Strengthening public sector management and maintaining focus on sustained capacity development are likewise emphasized in ADB's country partnership strategies with Fiji and Papua New Guinea. The proposed TA contributes to ADB's Strategy 2030 operational priorities (OP) on accelerating progress in gender quality (OP2), tackling climate change, building climate resilience, and enhancing environmental sustainability (OP3), strengthening governance and institutional capacity (OP6), and fostering regional cooperation and integration (OP7).</p> <p>This TA is in line with ADB's Strategy 2030 operational plan for operational priority (OP) 6 on strengthening governance and institutional capacity and contributes to OP2 on gender equality and OP3 on tackling climate change, building climate resilience, and enhancing environmental sustainability. PFTAC compliments ADB's support to address long-term capacity gaps in the Pacific, contributes to reducing fragmentation among donors, and achieving efficiencies in TA provision.</p>		
Impact	Macroeconomic and fiscal resilience to disaster caused by exogenous shock or natural hazards, climate change, and adverse economic developments strengthened; macro-financial sustainability promoted; and gender equity and inclusive growth facilitated (PFTAC Phase VI Program Document, May 2023April 2028).		
Project Outcome			
Description of Outcome	Capacity to conduct sound macro-economic analysis, toward designing and implementing prudent PFM, revenue administration, financial sector supervision policies, improved.		
Progress Toward Outcome			
Implementation Progress			

Description of Project Outputs	Macroeconomic analytical capacities developed. Public financial management systems strengthened. Methodologies and operational plans for efficient revenue administration and data collection improved. Financial sector supervision enhanced.
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Cook Islands - Nation-wide; Fiji - Nation-wide; Kiribati - Nation-wide; Marshall Islands - Nation-wide; Micronesia, Federated States of - Nation-wide; Nauru - Nation-wide; Niue - Nation-wide; Palau - Nation-wide; Papua New Guinea - Nation-wide; Samoa - Nation-wide; Solomon Islands - Nation-wide; Timor-Leste - Nation-wide; Tonga - Nation-wide; Tuvalu - Nation-wide; Vanuatu - Nation-wide

Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	The ADB will continue to provide strategic guidance through the Pacific Department and Southeast Asia Department's participation on the PFTAC Steering Committee in consultation with the Pacific Liaison and Coordination Office, Pacific Subregional Office, Papua New Guinea Resident Mission, Timor-Leste Resident Mission, and the Pacific Country Offices in the eleven Pacific DMCs. ADB adds value by providing strategic and operational guidance to the PFTAC through the program design, annual steering committee meetings, and work planning processes; and on a day-to-day basis at the country level. PFTAC support complements other TA projects undertaken by ADB at regional and country levels across the PFTAC core areas. PFTAC support also contributes directly to the design and implementation of ADB projects and programs. Both institutions continue to work closely to avoid duplication and gaps in their support.
During Project Implementation	Annual work planning processes are integrated in regional and country-level coordination mechanisms to monitor and address risks during Phase VI as listed in the design and monitoring framework. Recipient countries and development partners will provide adequate and timely financial support to ensure funding for the baseline budget scenario and allow for a smooth transition from Phase V to VI. PFTAC maintains its own website, providing regular updates against activity plans and country strategies. Knowledge and training materials will be disseminated throughout the TA via the PFTAC website; and regional and knowledge sharing workshops.

Business Opportunities	
Consulting Services	The Asian Development Bank (ADB) funds are pooled with those from other development partners and managed by the International Monetary Fund (IMF). The IMF is responsible for the managerial, technical, and administrative arrangements of the Pacific Financial Technical Assistance Centre (PFTAC) along with the relevance and quality of PFTAC assistance. The IMF (i) assigns the center coordinator (full-time staff member); (ii) selects the resident advisors from their professional staff; (iii) hires short-term experts using IMF procedures and draws on experts from its approved rosters; (iv) provides supervision and backstopping services; (v) provides administrative support; and (vi) manages the cost-sharing contributions of the development partners. The IMF is therefore responsible for the terms of reference for the program advisors and the short-term experts engaged. These are (i) Macroeconomic Management and Statistical Advisors, (ii) Public Financial Management Advisors, (iii) Revenue Administration Advisors, and (iv) Financial Sector Advisors. The indicated number of advisors in each program area is based on the baseline budget scenario of the PFTAC Phase VI program document. Additional advisors may be added if sufficient funds become available during Phase VI.
Procurement	ADB's Procurement, Portfolio, and Financial Management Department has undertaken a review of the procurement policies and procedures of IMF and confirmed that they are consistent with ADB's Core Procurement Principles. Subject to approval by the relevant authority in ADB, the procurement policy and procedures of IMF may be used to procure goods, works and services in compliance with the provisions of the ADB Procurement Policy (2017).

Responsible ADB Officer	Rahemtulla, Hanif A.
Responsible ADB Department	Pacific Department
Responsible ADB Division	PASP
Executing Agencies	International Monetary Fund

Timetable	
Concept Clearance	04 Oct 2022
Fact Finding	-
MRM	-
Approval	28 Nov 2022
Last Review Mission	-
Last PDS Update	01 Dec 2022

## TA 10003-REG

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,000,000.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	-	0.00

Project Page	<a href="https://www.adb.org/projects/56235-001/main">https://www.adb.org/projects/56235-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=56235-001">http://www.adb.org/forms/request-information-form?subject=56235-001</a>

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