

# **Annual Review Report**

## **Papua New Guinea–Australia Governance Partnership**

Quality and Technical Assurance Group

Final Report

September 2019

## Acknowledgements

The Papua New Guinea Quality and Technical Assurance Group (QTAG) thanks all stakeholders for their support and cooperation in the review process.

First, we would like to thank the Government of Papua New Guinea (GoPNG) for its welcome and hospitality, facilitating the work of the QTAG warmly and with great generosity of time and energy. A special thank you to Deputy Secretary Frank Aisi and his team at Prime Minister's and National Executive Council for providing an office to the QTAG and other administrative support.

The exceptional level of transparency and cooperation demonstrated in 2018 continued throughout this mission. This manifested in an openness to discussions and sharing of documentation, as well as proactive facilitation of meetings and a general spirit of finding ways forward.

We would also particularly like to thank the representatives from GoPNG for their input to the review process – offering frank perspectives on the experiences of the Governance Partnership so far and supporting the QTAG's efforts to identify pathways forward that will work for all parties.

We thank Abt Associates for their assistance in facilitating the visits to Talasea and Kokoda Station. Special mention also to Sharon Kulli for her work in facilitating appointments and seeking out documentation.

We trust that the report reflects this spirit of transparent, frank and constructive, forward-looking consultation.

The review team consisted of Team Leader John Mooney, GoPNG Adviser Hakaua Harry, Governance and Accountability Adviser Steve Bertram, Gender Adviser Michelle Spearing, Performance Review Adviser Scott Bayley, Junior Technical Adviser Jessica Avalon, and Review Manager Rob Lancaster.

## About the QTAG

The QTAG provides strategic, advisory, review and quality assurance capability and services to support the delivery of Australia's aid program in Papua New Guinea (PNG). It is designed to assure both governments that the agreed development objectives are being addressed efficiently and effectively and that development outcomes are emerging.

The goal of the QTAG is to improve the quality and performance of the Department of Foreign Affairs and Trade (DFAT) and GoPNG programs that support stability and inclusive growth in PNG.

The objective of the QTAG is to enable DFAT and GoPNG to make more informed decisions and exercise greater accountability for the performance and quality of agreed strategies and selected projects.

The QTAG is implemented by Oxford Policy Management (OPM) Australia.

# Contents

Acknowledgements	i
About the QTAG	ii
Contents	iii
Abbreviations and definitions	iv
Executive Summary	vii
Key Investment Summary	xiv
1 Purpose, Approach and Background	1
2 Bougainville Program Partnership (BP)	5
3 Decentralisation and Citizen Participation Partnership (DCP)	8
4 Economic Governance and Inclusive Growth Partnership (EGIG)	13
5 Institutional Partnerships Program (IPP)	19
6 Kokoda Initiative Partnership (KIP)	20
7 PNG Partnership Fund (PPF)	24
8 Public Sector Leadership and Reform (PSLR)	29
9 Gender Equity, Disability and Social Inclusion (GESI)	32
10 Monitoring, Evaluation and Learning (MEL)	37
11 2018 Annual Review Recommendations Stocktake	42
12 2019 Annual Review Recommendations	47
Annex A Individuals Consulted	49
Annex B Selected Bibliography	53
Annex C Case Studies	58
1. EGIG Support for PNG Fund Raising 2017–2019	58
2. Kokoda Case Study on Gender Outcomes	66
3. DCP Talasea Priority Partnership: Progress and Prospects	70
Annex D 2018 Annual Review Recommendations	77

# Figures

Figure 1: The Governance Partnership Structure.....	vii
Figure 2: Governance Partnership Financing, 2016–2020 (millions).....	4

# Tables

Table 1: Summary Assessment of Partnership PAFs* .....	39
Table 2: Cross-Workstream Collaboration .....	45

## Abbreviations and definitions

ABG	Autonomous Bougainville Government
ADB	Asian Development Bank
ADRA	Adventist Development and Relief Agency
AHC	Australian High Commission, Port Moresby
APEC	Asia-Pacific Economic Cooperation
AUD	Australian Dollar
BP	Bougainville Program Partnership
CDD	Community-Driven Development
CEO	Chief Executive Officer
CEPA	Conservation and Environmental Protection Authority
Contractor	Abt Associates Pty Ltd (formerly Abt JTA Pty Ltd at the time the contract was awarded)
CoP	Community of Practice
CPP	Church Partnership Program
CSO	Civil Society Organisation
DA	District Advisor
DCP	Decentralisation and Citizen Participation Partnership
DDA	District Development Authority
DDP	District Development Plan
DFAT	Department of Foreign Affairs and Trade (Australia)
DNPM	Department of National Planning and Monitoring
DPLGA	Department of Provincial and Local Government Affairs
DPO	Development Policy Operation
DSIP	District Services Investment Program
EGIG	Economic Governance and Inclusive Growth Partnership
EVA	Empowerment, Voice and Accountability
FSV	Family and Sexual Violence

Gavi	Gavi, the Vaccine Alliance
GBV	Gender-based Violence
GESI	Gender Equality and Social Inclusion, including disability inclusion
GoPNG	Government of Papua New Guinea
Governance Partnership	PNG–Australia Governance Partnership: the overall aid delivery facility (formerly the PNG Governance Facility)
GST	Goods and Services Tax
HIV	Human Immunodeficiency Virus
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
IPP	Institutional Partnerships Program
JSS4D	Justice Services and Stability for Development
K+K	Kina plus Kina
KAL	Knowledge, Analytics and Learning (note; this is used to refer both to the subject matter, and to ‘the KAL team’ which was later novated into the SIG.
KAMEL	Knowledge, Analytics, Monitoring, Evaluation and Learning
KIP	Kokoda Initiative Partnership
KRA	Key Result Areas
LTA	Long-Term Adviser
MEL	Monitoring, Evaluation and Learning
MERL	Monitoring, Evaluation, Reporting and Learning
MP	Member of Parliament
MSU	Management Support Unit
MTDP	Medium Term Development Plan
NEFC	National Economic and Fiscal Commission
NGO	Non-governmental Organisation
OPM	Oxford Policy Management
PAF	Performance Assessment Framework
PEFA	Public Expenditure and Financial Accountability

PGF	PNG Governance Facility (before being renamed ‘The Governance Partnership’)
PGK	Papua New Guinean Kina
PHA	Provincial Health Authority
PILAG	Pacific Institute of Leadership and Governance
PNG	Papua New Guinea
PPF	Papua New Guinea Partnership Fund
PSLR	Public Sector Leadership and Reform Partnership
PWSPD	Pacific Women Shaping Pacific Development
QTAG	Quality and Technical Assurance Group (Papua New Guinea)
SAP	Strategic Action Plan
SIG	Strategic Integrity Group
SME	Small- to Medium-sized Enterprise
STA	Shorter Term Adviser
ToC	Theory of Change
ToR	Terms of Reference
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children’s Fund
UPNG	University of Papua New Guinea
US	United States
VfM	Value for Money
Workstream	An individual partnership under the Governance Partnership (formerly ‘Pillar’)

# Executive Summary

## Background

Abt Associates mobilised the Papua New Guinea (PNG)–Australia Governance Partnership (Governance Partnership) in April 2016 under a four-year contract with four one-year extensions available.

The single facility model aimed for greater coherence and coordination of Australia's governance investments in PNG. Seven previous programs were rolled into the Governance Partnership. Consolidation aimed to achieve greater flexibility to respond to the country's complex political and operating environment and efficiencies in aid management through economies of scale and reduced administrative duplication.

The Governance Partnership has seven workstream partnerships<sup>1</sup> and a shared services platform (see **Figure 1**).

**Figure 1: The Governance Partnership Structure**

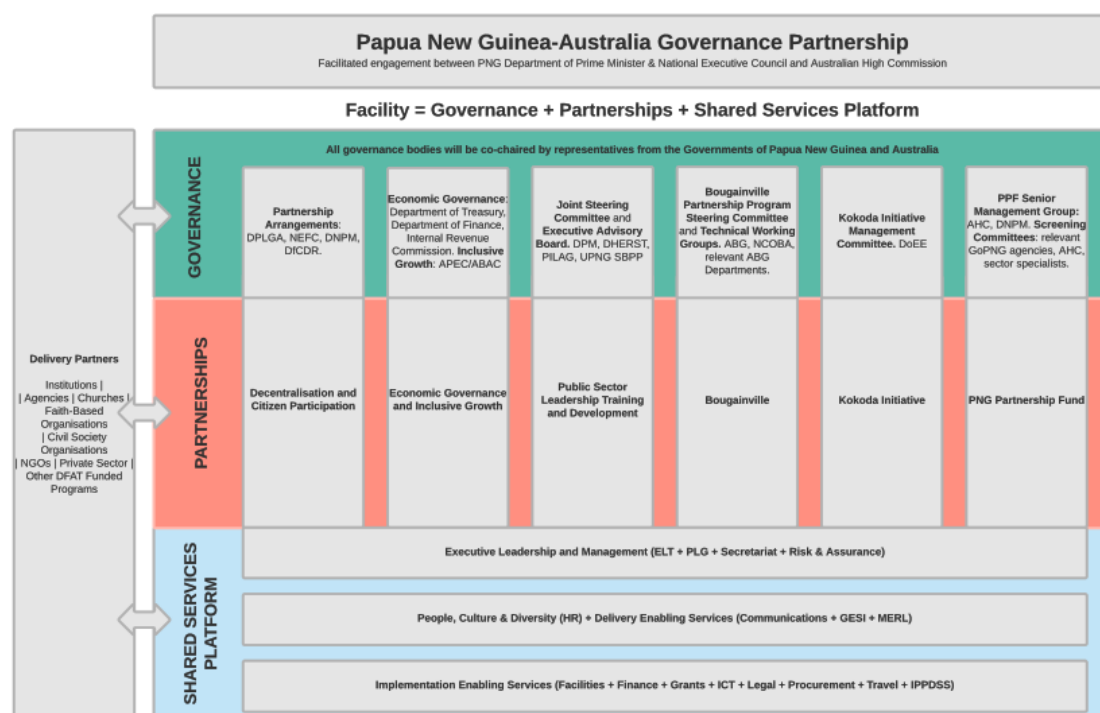


Figure 1 illustrates the scale of the workstream partnerships. *Source: Abt Associates*

<sup>1</sup> The Institutional Partnerships Program is a workstream managed by the Department of Foreign Affairs and Trade (DFAT). It is not listed in Figure 1 because the role of Abt Associates is solely to provide management support services.



## Purpose of this Review

The 2019 review was strategically and tightly focused on two purposes for the seven workstreams:<sup>2</sup>

### Summary of purposes and approach of the second Annual Review

1. Understand, contribute to and enable the improvement to the quality of implementation for each workstream partnership through:
  - a. a brief stocktake of the progress each is making towards its outcomes;
  - b. verifying three reported outcomes across the Governance Partnership; and
  - c. examining the extent of good and improved gender equality and social inclusion (GESI) and knowledge analytics, monitoring, evaluation and learning (KAMEL) practice that is being applied.
2. Strategically assess the progress on implementing the agreed management responses to the 2018 Governance Partnership Annual Review's priority recommendations.

Gender equality and social inclusion (GESI<sup>3</sup>) and monitoring, evaluation, and learning (MEL) effectiveness are addressed within Purpose 1 and as a collective across the Governance Partnership.

The PNG Quality and Technical Assurance Group (QTAG) conducted a number of reviews in 2018/19. The recommendations from the September 2018 QTAG Strategic Review of the Precinct, the February 2019 Governance Partnership Organisational Review and the building of a modern forward-looking Value for Money Framework are progressing well, as observed by the Australian High Commission (AHC), Abt Associates and the QTAG. The draft report of the April 2019 QTAG Church Partnership Program (CPP) review has been well received by all stakeholders and will be completed by the end of June 2019.

## Purpose 1: Workstream Performance

The QTAG's assessment is that implementation of the Governance Partnership is at a significantly higher level in 2019. Respondents reported that relations between the Governance Partnership and its stakeholders are significantly more professional and cordial. The tensions apparent in 2018 between the contractor and the Department of Foreign Affairs and Trade (DFAT) are not there. Government stakeholders report improved relations and greater understanding of the Governance Partnership and its appreciation of their aspirations. The administrative, logistic, financial planning and other management services impediments and 'irritants' reported in the 2018 review have been addressed.

The major weakness for the Governance Partnership is MEL. Some of the underlying issues were covered in the Organisational Assessment conducted early in 2019, and Abt Associates is currently implementing further changes. There is a significant way to go to establish a consistent, credible and reliable MEL systems approach across all the workstreams and at the level of the overall Governance Partnership Performance

<sup>2</sup> The Facility itself was reviewed in a DFAT-commissioned Oxford Policy Management (OPM) Organisational Assessment completed in early 2019, independent of the PNG Quality and Technical Assurance Group (QTAG) Team.

<sup>3</sup> The 'gender equality and social inclusion' (GESI) term is taken to include disability inclusion. Where solely gender, or solely disability, is the focus of discussion, this is specified.

Assessment Framework (PAF). The fourth year of this program needs to be able to produce real impact stories demonstrating changes that have resulted from Australia's contribution to better governance.

### Bougainville Program Partnership (BP)

The Bougainville Program Partnership (BP) was reviewed by the QTAG in March 2019. The 2019 Bougainville Strategic Review sets out clear and practicable suggestions for the future of the Bougainville Partnership following the referendum. This review focused on assessing the program structure, efforts to demonstrate results and incorporation of appropriate GESI elements. The review found that, overall, BP delivers efficiently against a clear results framework, adapting where needed to its fluid and challenging operating context. Significant efforts have been made to identify GESI-related aspects and these should be reflected in the results framework and outcome-level reporting in the coming months.

### Decentralisation and Citizen Participation Partnership (DCP)

The Decentralisation and Citizen Participation Partnership (DCP) operates in a complex political economy: the three component strategies of policy, local solutions, and empowerment, voice and accountability (EVA) are making progress but at different speeds. The DCP was subject to an in-depth review by the QTAG in March 2019. This review revealed significant progress with collective action by the churches, with the QTAG finding that this element of the EVA component has made the most progress.

At national level DCP has contributed to the policy on integrated community development. An agreement has been reached with the Department of Provincial and Local Government Affairs (DPLGA) that will allow the roll-out of the Kina plus Kina (K+K)/Local Solutions program. Five pilot projects are underway that will offer significant learning to inform the full implementation phase.

DCP has taken time to crystallise its strategies and approaches. In part this is simply a recognition of the reality that within the government, decentralisation is a highly contested space, with tensions between politicians at the various layers of government and deep contestation around power and the flow of money. DCP has struggled to achieve significant on the policy for decentralisation. Its traction in the policy arena may be enhanced by conversations around a number of strategic questions. Two key questions would be which policies and institutions it should focus its problem-solving and influencing agendas if the aim is improved service delivery and the widening of opportunities for economic development there are other paths to amplify its policy impact, leveraging the strengths of and by working more closely with the Economic Governance and Inclusive Growth Partnership (EGIG) and the PNG Partnership Fund (PPF).

### Economic Governance and Inclusive Growth Partnership (EGIG)

EGIG has three interrelated program areas, which are well established: macroeconomic stability, strengthened fiscal management and private sector development. Progress in each outcome advanced significantly during 2018.

The workstream's support to government, raising US\$1.1 billion of budget support and conditional financing, was significant and contributed to a significant easing of the tight forex situation, repayment of expensive domestic loans and the clearing of some long-standing government debts. In the fiscal management area, EGIG's advisory support, closely coordinated with other donors under the Public Expenditure and Financial Accountability (PEFA) Road Map, made a significant contribution to the roll-out of the integrated financial management system to departments, some provinces, provincial treasuries and districts. A suite of small-scale private sector income generation and

business skills enhancement initiatives for women and men is emerging. These are innovative and provide opportunities for further innovation but are not without some risk.

The GESI strategy is complete and being implemented. At the time of the annual review, a gender review of the AHC economics portfolio was underway and expected to further inform the EGIG nested GESI strategy from a whole of portfolio perspective. An interesting potential activity, which the QTAG supports, is research into economic cost of gender-based violence (GBV) to the public sector via EGIG or the Public Sector Leadership and Reform Partnership (PSLR).

### **Institutional Partnerships Program (IPP)**

The QTAG review of three Institutional Partnerships Program (IPP) engagements will be completed in August 2019. The initial assessment is that IPP has started well, some outcomes are emerging, and it has a much more solid foundation for government-to-government engagement and capacity development support than previous programs. IPP inventions could be more closely aligned and engaged with other Australian investment programs, including the Governance Partnership.

### **Kokoda Initiative Partnership (KIP)**

The Kokoda Initiative Partnership (KIP) is delivering a broad range of activities, on a small budget, in a logistically challenging environment, while adapting to changing political and public diplomacy needs. Kokoda Track Authority personnel changes have led to the potential for greater partnership and joint planning. There is potential to improve the strategic orientation of KIP towards sustainable solutions.

Given the change in institutional partnerships, political momentum and the maturity of the program, together with clear efforts to measure results, an independent strategic review of KIP would be timely. This could inform a more holistic and sustainable way forward for the program with a clear vision for development of capacities, relationships and complementarity between GoPNG, Australian Government and other governmental institutions that support Kokoda. It could also support a strategic way forward in engaging informal community-level institutions, non-governmental organisations (NGOs) and private sector entities that operate in and impact on Kokoda.

KIP has incorporated a range of activities to support women in leadership and community decision-making as well as women's economic empowerment. Women's engagement in social and economic spaces is increasing and key gender-related development indicators are good compared to other areas of PNG (e.g. numbers of attended births). Building on a Community Driven Development Approach, KIP demonstrates emergent thinking on how to work with specialist organisations to tackle enduring barriers to gender equality and broader inclusion, such as behaviour change interventions.

### **The PNG Partnership Fund (PPF)**

PPF covers three grants in education (literacy and early education), three grants in health (family planning, maternal and child health; HIV/AIDS; and facility financing) and a new round for immunisation. All grantees are delivering appropriate interventions to a high quality and at scale. For example, over 230,000 women and girls have received family planning assistance, schools and teachers are being made aware of best practice for getting children with disabilities to school and GESI elements are integrated in all six projects.

Work with the Hela Provincial Health Authority is demonstrating some results with facility-based financing, leveraging of local funds and provincial and national coordination.

Three major research projects on the quality of elementary education,<sup>4</sup> the access of young girls to education<sup>5</sup> and elementary education for children with disabilities<sup>6</sup> have been completed and advocated into the Department of Education that may drive a reform agenda.

### The Public Sector Leadership and Reform Partnership (PSLR)

PSLR is currently performing at a higher level than in 2018 with the issues identified in the 2018 Annual Review addressed and the recommendations of the QTAG Precinct Strategic Review being implemented. Program delivery, working relations and facility management support are improving according to the AHC and Abt. The design of a realignment of the workstream and the Precinct is on track.

### Gender Equality, Disability and Social Inclusion

There has been a broad shift across the Governance Partnership in knowledge and awareness of GESI issues, both in ways of working and in development impacts. The articulation of GESI approaches (including power analysis, a programming framework and a glossary of terms), and roll-out of well-designed training across staff and regular reflections has stimulated this positive change. Partnerships have gained confidence and increasingly acknowledge the centrality of addressing GESI to achieve their broader goals. This is evidenced in progress of all partnerships towards finalising GESI strategic action plans.

Overall, there is more progress on gender than other aspects of inclusion, with most partnerships developing a specific strategy as well as implementing a range of activities. DCP lags slightly on gender but leads on addressing disability within its program.

Disability interventions are proving effective. In PPF, there is training of teaching in disability awareness and getting children with disabilities to school. Under CPP, the Lutheran Church in Morobe is leading the seven mainline churches with disability awareness, mainstreaming and education initiatives that have the potential to be replicated.

Efforts to mainstream a focus on gender equality and on prevention of FSV should be intensified across all partnerships, noting that plans around ‘do no harm’ approaches are appropriate to governance programming in general. Finalising strategies for GESI (incorporating gender, disability and broader issues of inclusion) and ensuring their integration within PAF and MEL strategies so that reporting reflects progress towards GESI outcomes is a priority. Identification of ways to address disability and other aspects of inclusion need more focus; for example, there are significant leading-edge disability activities within the PPF education grants and CPP that are at a scale and a state of development that could be showcased across the Governance Partnership to demonstrate what can be done.

A consolidated peer reviewed report of policy-relevant evidence on GESI across the Governance Partnership is planned.

---

<sup>4</sup> Catherine Johnston, Christine Jonason, Judith Reen and Kabira Nami, *Literacy and Numeracy Boost Assessment Baseline Report*, Rapidly Improving Standards in Elementary Project (RISE), 2018, PNG.

<sup>5</sup> Save the Children, *Tangled Threads: Multi-layered Barriers to Educating Girls Aged 4-8 in Papua New Guinea*, 2018, RISE, PNG.

<sup>6</sup> Save The Children, *Inclusive Education of elementary children with disabilities in Papua New Guinea*, 2018, RISE, PNG.

## Monitoring, Evaluation and Learning (MEL)

The review's recommendations are thematically strong on monitoring, evaluation, learning and reporting. The whole-of-facility PAF should be finalised as a priority, together with efforts to bring partnership-level PAFs in line with DFAT M&E standards. All PAFs should reflect a realistic and achievable level of ambition and clear program logic. This would enable Abt Associates to sharpen its focus on achieving outcomes and use evidence to drive continuous improvement.

The Governance Partnership has the potential to inform GoPNG implementation of the Medium Term Development Strategy 3 and policy discussions via research and evidence products. The role of research and learning should emerge from the workstreams to inform future programming within and beyond the Governance Partnership.

In the 2019/20 annual plan each workstream needs to plan and implement a sufficient number of strategic reviews, research activities or evaluations that seek to address the key evaluative questions in the various PAFs.

Where challenges to MEL framework finalisation are still present, this is often a shared responsibility between Abt and AHC. As a step towards improving MEL capacity across Abt Associates, a survey of staff knowledge and skills should be undertaken as a guide to inform capacity building and against which to measure progress.

## Purpose 2: Stocktake of 2018 Recommendations

Twenty-five of the 68 recommendations of the 2018 Governance Partnership Annual Review have been implemented in full and 43 are substantially implemented.

The Governance Partnership program logic states that while there are interventions within each of the workstreams that could make a difference to service delivery and government effectiveness many of the constraints are cross sector. In other words, they require joint action across GoPNG national agencies and departments and at a subnational level.

The Governance Partnership therefore has the opportunity to contribute to and support the 'joining up of government' to deal with many of these seemingly intractable institutional problems that constrain service delivery.

The Governance Partnership is demonstrating collaboration among the workstream partnerships, but it is often ad hoc or small scale.

The QTAG believes that there is an opportunity for more formal collaboration between different partnerships Possibilities that arise from the current work program observed by the QTAG are as follows:

- enhancing coordination within levels of GoPNG, which is acknowledged as weak, perhaps starting with the known health and education delivery obstacles;
- intergovernmental financing, again in health and education service delivery, such as working with the Asian Development Bank (ADB) on implementing the recent Line of Sight Study, not as a health sector project but a whole-of-government program;
- significantly enhancing the roll-out of an updated national government public service GESI policy;
- institutionalising the roll-out of the integrated financial management system to enhance the effectiveness of the systems and processes that increase accountability and transparency, especially around funding for health and education; and

- DCP leading a regular process of identifying opportunities for complementary initiatives in the field of Voice and Accountability. For instance, the gains that EGIG makes in *transparency* around budgeting and PFM more generally have the potential to be used by groups of citizens to demand more *accountable* use of public resources.

The Governance Partnership, with DFAT, including its sector programs, needs to identify a small set of practical, feasible and likely to be medium- to long-term initiatives, with implementation strategies. DFAT could take the lead with high-level policy dialogue. DFAT, with its contractors, could work with central and relevant line agencies to support an interdepartmental committee and the Central Agencies Coordinating Committee to oversight and manage implementation. A legacy from the Governance Partnership should be the framework for continued Australian and other partner support to clear the obstacles that inhibit higher quality education and health outcomes, especially in non-urban areas.



## Key Investment Summary

Investment design title: PNG Governance Facility	
Deed of Standing Offer 72404 dated 4 April 2016	
Start date	4 April 2016
End date	3 April 2022 (inclusive of 2-year extension)
Extensions	1 year x 1 x 1 x 1 x 1 with maximum 4 years
Design concept approval by Aid Investment Committee	2 November 2014
Design Quality Assurance (QA) (peer review) completed	March 2015
GoPNG approval of design	25 May 2015
Delegate approving design at post	8 July 2015
Approval to approach the market	8 July 2015
DFAT approval of procurement plan	5 August 2015
Approval evaluation outcome	19 December 2015
Approval to commit and enter into an arrangement	1 April 2016
Initial S.23 financial commitment under the Public Governance, Performance and Accountability (PGPA) Act	AUD 107 million (MSU)
Initial contracted financial ceiling (with separate S.23 approvals)	SO 1 (MSU) AUD 107 million, incl. GST SO 2 (Deployee Services) AUD 64.05 million, excl. GST SO 3 (Bougainville) AUD 85.695 million, incl. GST SO 4 Leadership and coalitions AUD 13.26 million, excl. GST SO 5 Core Government Functions AUD 13.569 million, excl. GST SO 6 Communities and civil society AUD 25 million, excl. GST SO 7 Private Sector development AUD 1.0 million, excl. GST
Subsequent services orders	SO 8 PPF AUD 146 million, incl. GST SO 13 KIP AUD 13.827 million from 1 July 2017 SO 15 EGIG; PSLR, DCP AUD 127 million, incl. GST
Contractor: Abt JTAI Pty Limited now Abt Associates Ltd	

# 1 Purpose, Approach and Background

## Introduction

The second Annual Review of the Papua New Guinea (PNG)–Australia Governance Partnership ('Governance Partnership') was completed by the PNG Quality Technical Assurance Group (QTAG)<sup>7</sup> who visited PNG from 29 April to 14 May 2019. The QTAG met with Canberra-based DFAT and Abt Associates staff on 28 May 2019.

The Evaluation Plan, at **Annex A**, for the review was developed collaboratively by the QTAG team, after consultations in Port Moresby during November and December 2018. The period under review is January 2018 to end March 2019.

The QTAG met with senior government officials, Australian High Commission (AHC) officers, development partners, implementing partners and other key stakeholders. A total of 123 people were consulted (62 females and 61 males). The list of stakeholders met by the QTAG is at **Annex B**. Members of the team travelled to Talasea, West New Britain Province and Kokoda Station, Oro Province. Any consultations missed due to unavailability was subsequently remedied via telephone conversations. The key documents considered for the review are listed at **Annex C**.

The assessment of effectiveness should be viewed in light of the analysis being based on evidence from documentation, interviews and fieldwork. The key informant interviews are the primary source of information of a qualitative nature.

It is difficult to assess effectiveness given the weaknesses of the Governance Partnership MEL systems. There is little information or analysis on outcomes or impact, although the situation is improving. Most data is transactional or activity based and is largely gender disaggregated. Due to the timeframe for the review there was little opportunity to obtain primary data from service users and beneficiaries.

## Context Changes

There has been significant change within the Governance Partnership since the 2018 review. During its various missions in-country, the QTAG had observed a strong focus on implementation within the Governance Partnership. Relationships among stakeholders were observed to be significantly more professional and cordial. The tensions apparent in early 2018 between the contractor and the Department of Foreign Affairs and Trade (DFAT) were addressed during 2018 through a series of joint initiatives, restructurings and more effective governance and programming meetings. It was also apparent during the year that the contractor addressed the administrative, logistic, financial planning and other management services impediments and 'irritants' that were reported in the 2018 review, to the point that these were no longer a significant issue for this review.

---

<sup>7</sup> Team Leader, John Mooney; Governance and Accountability Adviser, Steve Bertram; Gender Adviser, Michelle Spearing; Performance Review Adviser, Scott Bailey; Program Manager, Rob Lancaster (out of country 3–6 May); and Technical Assistant, Jessica Avalon.



## 1. Reviews

DFAT commissioned Oxford Policy Management (OPM) to undertake an Organisational Assessment of the Governance Partnership, which was completed in March 2019 and is now being implemented.

Also arising from the 2018 Annual Review, Abt Associates commissioned OPM (with AHC's approval) to review the Governance Partnership's approach to Value for Money (VfM). This review has been completed and draft frameworks established for the partnerships and management platform to implement during 2019.

Within the Governance Partnership the QTAG has undertaken in-depth reviews of:

- the Precinct, supported under the Public Sector Leadership and Reform Partnership (PSLR);
- three partnerships/twinning arrangements between Australian Government departments and GoPNG departments under the Institutional Partnerships Program (IPP); and
- the Church Partnership Program (CPP) nested within the Decentralisation and Citizen Participation Partnership (DCP).

## 2. Purpose

Within this context DFAT directed that this review was to be strategic and tightly focused on two purposes, and not duplicate the work of the Organisational Assessment. Thus, the focus is on the workstream partnerships. The two purposes are as follows.

**Purpose 1** – Understand, contribute to and enable the improvement to the quality of implementation **for each workstream partnership**<sup>8</sup> through:

- a. a brief stocktake of the progress each is making towards its outcomes;
- b. verifying three reported outcomes across the facility:
  - i. decentralisation in Talasea, West New Britain Province;
  - ii. the Economic Governance and Inclusive Growth Partnership (EGIG) contribution to GoPNG international fund raising; and
  - iii. women's involvement in community development in the Kokoda program; and
- c. examining the extent of good and improved gender, social inclusion and disability (GESI) and knowledge analytics, monitoring, evaluation and learning (KAMEL) practice that is being applied.

**Purpose 2** – Strategically assess the progress on implementing the agreed management responses to the 2018 Governance Partnership Annual Review's priority recommendations.

---

<sup>8</sup> As distinct from the overarching facility level, where these questions have been addressed in the early 2019 Organisational Assessment.

The key questions for Purpose 1 were as follows.

1. At a strategic level, what is the quality of implementation for each of the workstream partnerships?
  - a. What is the documented evidence of progress towards outcomes?
  - b. What evidence is there of progress towards outcomes that is not captured or not obvious in the existing documentation?
  - c. What is the progress towards GESI integration?
  - d. What is the progress of monitoring, evaluation and learning (MEL) systems?
2. What opportunities are there for progress over the coming year? From the perspective of stakeholders? From the independent perspective of the QTAG?

## This Report

This review report covers Purpose 1 by providing a brief overview of each of the seven workstream partnerships through the lens of a brief introduction; progress towards outcomes; gender equality and social inclusion (GESI); monitoring, evaluation and learning (MEL); and opportunities going forward (**Chapters 2–8**). These chapters are followed by commentary on GESI (**Chapter 9**) and MEL (**Chapter 10**). **Chapter 11** gives a stocktake of the 2018 Annual Review recommendations, and **Chapter 12** provides a consolidated list of recommendations from the 2019 Annual Review.

Under Purpose 1 (b) there are three case studies that are included at **Annex D**.

The review of the implementation of the 2018 review recommendations, Purpose 2, is covered in Chapter 11 with the detailed QTAG assessment at **Annex E**.

Next steps in the finalisation of this report are receiving feedback on the draft review from key stakeholders through the AHC during July and will submit the final report on 2 August 2019.

## The Governance Partnership – Brief Background

The design of the Governance Partnership was approved in 2015. Abt Associates mobilised in April 2016 under a four-year contract with four one-year extensions available.

The facility model sought greater coherence and coordination of Australia’s governance investments. Seven previous projects or programs were rolled into the PNG Governance Facility (PGF). Consolidation aimed to achieve greater flexibility to respond to the complex political and operating environment and achieve economies of scale and reduced administrative duplication.

In late 2017, PGF was reshaped as the Governance Partnership. The workstreams<sup>9</sup> were repositioned as individual partnerships with the Governance Partnership, enabling functions provided by the Abt PNG Management Services Platform.

---

<sup>9</sup> The Institutional Partnerships Program (IPP) is a seventh workstream under which joint cooperation and twinning arrangements are maintained between the two governments. The role of Abt Associates is limited to providing shared services to support implementation.

PGF had a difficult first two years. This history is documented in the 2018 Annual Review. The realignment of the functions of the platform responds to the needs of the partnerships, as well as recommendations in the first Annual Review.

**Figure 2: Governance Partnership Financing, 2016–2020 (millions)**

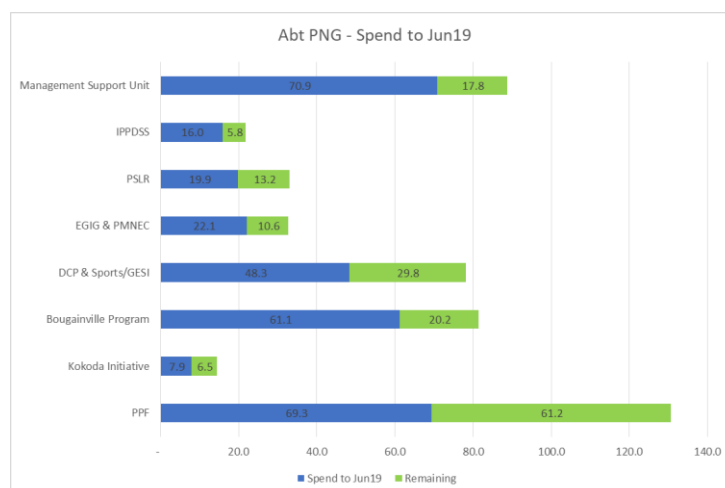


Figure 2 illustrates the projected scale of the workstream partnerships to 30 June 2019. Spending performance has significantly improved in this review period when compared to the previous year.

## 2 Bougainville Program Partnership (BP)

### Introduction

The Bougainville Program Partnership (BP) is structured under three outcome areas: Autonomy and Effective Governance; Economic Development; and, Peace, Stability and Community Cohesion. These correspond to three pillars of focus under the program. These outcomes represent a good balance of essential longer term institutional and governance change at the level of the Autonomous Bougainville Government (ABG) level, evolution of community structures from the bottom up, and interventions that can bring short-term gains in terms of economic and social outcomes. These remain relevant to the Bougainville context.

BP was reviewed by the QTAG in March 2019 and found to have made mixed progress, adapting to but ultimately constrained by a complex political environment. The Bougainville Strategic Review<sup>10</sup> report sets out clear and practicable suggestions for the future of BP following the referendum. The Annual Review concurs with the Bougainville Strategic Review and builds on it with an additional focus on BP efforts to demonstrate results and incorporate appropriate GESI elements.

### Progress Towards Outcomes

BP undertook outcome reporting in January 2019,<sup>11</sup> rating progress under each outcome area of the BP MEL Framework. These ratings are given detailed explanation and additional perspectives by the QTAG 2019 Bougainville Strategic Review, which generally concur with them. The ratings reveal a mixed picture, with pillar three (peace, stability and community cohesion) making the most progress. One outcome area in pillar three was deemed fully on track, while other outcome areas across the three pillars have been less successful, ranging in rating from little/no progress to partial progress or satisfactory progress. A mix of contextual, political and institutional factors has affected implementation, and slow progress reflects the challenging and fluid context more than the efficiency of the program.

**Pillar one** reports progress towards strengthened leadership, although more in terms of foundations being laid for a more systematic and consultative approach than the realisation of effective leadership. Increases in strategic planning capacity and improved attitudes towards the Bougainville Strategic Development Plan are reported in some departments but this shift is not consistent, limiting collective decision-making and consistent action. There have also been significant developments in ABG legislation, although barriers to implementation of legislation remain. There is, however, little evidence that Pillar one has contributed to the intermediate outcome of a better functioning public service. Staff turnover, political flux and institutional weaknesses within ABG (e.g. lack of operating budgets) are beyond the program's control and continue to determine the ability of BP to effect change.

The future work program will need to take into account this range of limiting factors. An essential underpinning of effective implementation will be the flexibility to move

---

<sup>10</sup> Bougainville Partnership Independent Strategic Review, QTAG, May 2019.

<sup>11</sup> The Bougainville Partnership (BP) December 2018 Outcomes Report, Abt, January 2019.

resources to where an ongoing assessment of the context points to change being possible. That may mean, for example, reducing the number of departments targeted. Given the dependence on individual advisers to drive change it will be essential that their terms of reference are regularly reviewed to take account of the changing circumstances. There is a risk of dependency developing on particular advisers; to avoid this, maintaining a mix of approaches and a broad range of advisers is important.

**Pillar two** demonstrates mixed results, with some areas appearing to make steady progress, particularly in support for the cocoa industry. Others report little progress, including business climate reform and revenue generation. The BP team demonstrates a desire to adapt from areas where there is currently no traction, and focus resources where there is momentum for change or where new needs have emerged. Better data collection could enhance the demonstration of impact, for example, economic growth is generally felt to be happening but evidence of this is limited. Significant contextual challenges limit access to credible economic data. Improved data availability will require significant investment in strengthening relevant ABG and GoPNG institutions responsible for collection, collation and analysis of economic data. In the interim, efforts to capture proxy indicators of growth more deliberately could be increased within the program.

**Pillar three** demonstrates the most progress, with one intermediate outcome deemed fully on track. This supports grants for community-driven development projects, with recent case studies detailing short-term impacts in education, health, GESI and community cohesion.

## **GESI**

Over the past 12 months, the Bougainville Partnership has drafted a GESI Strategic Action Plan (SAP), following a training supported by the Governance Partnership GESI core team, and this is close to finalisation. This partially addresses its previous weak attention to gender and inclusion issues. The SAP has a focus on gender equality and disability inclusion, while making reference to broader identity markers and potential lines of exclusion and is aligned to DFAT and AROB Gender and Inclusion Strategic Priorities. However, it does not sufficiently reflect the complex interplay of gender and disability with other personal and social characteristics such as age, family status, cultural identity, geographical location or economic status.

The SAP lists in detail gender and disability related actions to be implemented under each outcome area of the existing logical framework, as well as related GESI indicators and desired outcomes. These include establishment of an Office of Gender and Inclusion, a Disability and Inclusion Policy, and an effective Disability and Inclusion Peak Body for Bougainville, as well as greater equality in community decision-making and in the conduct of business. The SAP also lists actions where the Bougainville Partnership will contribute to relevant areas of the whole-of-facility Performance Assessment Framework (PAF).

The GESI SAP builds on commissioned GESI research and mapping undertaken by La Trobe University<sup>12</sup> which provides a comprehensive view of the actors working on GESI in Bougainville and identifies some key strategic issues. While the SAP references the mapping report, not all aspects are explicitly addressed and the theory of change or logic behind outcome areas and actions is not strongly articulated. Outcomes of GESI are also

---

<sup>12</sup> Bougainville Partnership – Gender Equality and Social Inclusion Mapping. Analysis Report. January 2019.

not strongly articulated in terms of impacts on the lives of women and girls or people living with disabilities. Stronger reference to and revisiting of the mapping report, including during strategy testing, could help ensure that the GESI SAP remains relevant over time and genuinely addresses barriers to inclusion.

In addition to development of the SAP, regular BP reporting demonstrates increased attention to GESI through innovations such as incorporation of gender awareness training across its three pillars of work and mitigating possible unintended impacts of women's economic empowerment by applying a 'do no harm' lens. Lessons from this experience could inform wider uptake of a 'do no harm' approach across the Governance Partnership. Regular BP reports are transparent in the amounts spent on gender. This has increased to around 9% on gender mainstreaming (with indications of a further increase going forward as the GESI SAP is implemented).

## MEL

BP delivers efficiently against a clear results framework, adapting where needed to its fluid and challenging operating context. BP has shifted resources where there is greater potential for change and away from areas constrained by politics or wider macro-level barriers. It reports in detail against this framework, using a traffic light system, with a high level of clarity on planned and delivered activities.

The results framework is not a standard DFAT format but is fit for purpose and functions as a good tool to guide program implementation. However, there are disconnects between outcome levels, with an overly high level of ambition at intermediate outcome level and some instances of confusion between activity, outcome statements and indicators, making it difficult to fully understand program logic or demonstrate progress.

## Opportunities Going Forward

BP operates in a complex and sensitive environment in which the political dynamics extend beyond Bougainville, involving multiple national actors and global partners. As such, some restrictions on information flows are inevitable. Nevertheless, given the nature of the program it is essential that channels of communication between the Abt team and DFAT are maintained and ensure timely two-way information flows while paying heed to diplomatic imperatives to keep some information confidential.

There are considerable risks in the coming period to the stability of the Bougainville context. There is a gap between popular expectations that independence will immediately follow the referendum vote and the likely reality of a lengthy transition process. There are real risks of localised instability and of an erosion of trust in both GoPNG and ABG. Efforts to raise awareness and to support contingency planning should be prioritised, supported where possible from reallocations of budget from areas where there is currently little traction.

### Recommendation

Revisit the BP results framework and workplan periodically following the referendum to ensure appropriate adaptations informed by the evolving political economy and recommendations of the Bougainville Strategic Review, whilst taking into account the finalised GESI SAP.

## 3 Decentralisation and Citizen Participation Partnership (DCP)

### Introduction

The Decentralisation and Citizen Participation Partnership (DCP) works with national and subnational governments to achieve improved service delivery and to widen economic opportunity. The DCP Theory of Change contends that progress is necessary at three levels to achieve this goal: developing and rolling out national-level policies; working with district and provincial governments to implement policies and to find local solutions to delivery problems; and empowering citizens to demand accountability. The review finds that progress has been made in all three elements, but is unconvinced that they are moving forwards in step. The biggest challenge will be in exploiting the lessons from local solutions work to make inroads in the policy arena. Intense political interest makes progress on decentralisation policy difficult; the national agents with which DCP works closely do not control policy on key services.

In summary, the QTAG recommends that DCP review its level of investment in, and reliance on, a revision of decentralisation policy. It should seek to widen the range of partnerships through which it seeks to influence relevant national-level policies and how they are implemented in areas such as health and education. It needs to innovate in how it captures learning from Kina plus Kina (K+K) interventions to maximise influence at local and national levels.

### Progress Towards Outcomes

**Policies and systems will be in place that support service delivery and economic development at national and subnational levels**

The Policy on Integrated Community Development is presently under consideration for Cabinet approval. The development of the policy represents a successful policy brokerage exercise whereby the DCP adviser reconciled competing views on the appropriate focus. That has led to a more strategic approach with less emphasis on resource centre construction. Despite those improvements several commentators were sceptical that this policy would lead to significant change. The discussions in Talasea support that conclusion – it is not clear that the Department for Community Development and Religion has the convening power to create centres of service delivery support through which other departments operate.

Support to the National Economic and Fiscal Commission (NEFC) has contributed to a body of analysis that could underpin decentralisation policy. The Facility Based Funding and Cash Release studies have encouraged policy dialogue. NEFC's revised Corporate Plan signals a shift to a greater focus on influencing policy and to greater consideration of GESI aspects and reporting on outcomes in a disaggregated fashion. The agreement with the Department of Provincial and Local Government Affairs (DPLGA) to form the Joint Steering Committee for Cooperation on Decentralisation & Local Development will support the development and roll-out of the strategy for DCP as a whole and facilitate approval of K+K projects.

In other respects, developing a coherent decentralisation policy program has been challenging. The Certificate of Necessity for the revision of the Organic Law for Decentralisation indicates a willingness to put a policy to Cabinet. The trajectory of the



process through Cabinet, and through to a revision of the organic law, however, remains unpredictable. The case brought by a governor to appeal the legality of the District Development Authorities (DDAs) in the Supreme Court highlights the uncertainty that accompanies work in this contested arena.

Similarly, the Autonomy Agreements with three provinces, facilitated by the DCP adviser, seem to indicate gathering support for the DPLGA's 'gradative' decentralisation policy. But it is still far from certain that the agreements will be accompanied by additional funding or tax raising powers (and some commentators are distinctly sceptical), or that differing levels of autonomy for provinces will be tenable long term in the PNG cultural or political context. A reform moment, at which authority, acceptance and ability align, may yet emerge that enables DCP to capitalise on many years of investment in decentralisation policy. But that is not assured – DCP should review the level of investment in influencing decentralisation policy.

### Districts, localities, provinces and regions will be better equipped to respond to citizens

The significant shifts have been the expansion of Priority Partnerships to encompass the Provincial Administrations, the initiation of K+K and a sharper focus on economic development. The analysis below draws heavily on a field visit to the Priority Partnership with Talasea district and West New Britain Province as a whole. Many of the findings have been triangulated with DCP and other staff; nevertheless, it is still a sample of one province or district and one K+K project (of the five now underway), but those limitations should be borne in mind.

In Talasea, a wider range of interventions is being carried out, including more training of provincial staff and of external actors, with an emphasis on economic empowerment of women. The DCP core district budget is four times the total provincial training budget; opening up training beyond the district offers the chance to extract greater value for money. Last year's deep-dive on DCP recommended that the emphasis on training as the principal mode of intervention be reduced. But that focus remains in place. QTAQ recommends that the District Advisers be empowered to employ a wider range of approaches, for instance piloting "joint patrols" to find local solutions to development problems. Or supplying equipment that will make the application of learning more likely. Loosening the reins will lead to more pressure on District Advisers: DCP centrally should support them make the right decisions and communicate the reasons why some suggestions from counterparts cannot be funded.

The Talasea K+K project has a Kina 1 million budget drawn equally from the District Services Investment Program (DSIP) and DCP and deposited in a separate bank account. Three cocoa resource centres will be built to supply planting material, process products and train farmers. A Local Project Implementing Team comprising the District Administrator, staff from the Department of Agriculture and the DCP adviser has been formed. The project is a priority for the Open Member and is included in the District Development Plan (DDP); however, in common with other the DDPs, the budget far exceeds possible revenue, and it certainly does not represent a prioritised investment portfolio. If successfully implemented the project will build DCP's social and political capital in the district. However, as detailed in the Talasea case study in **Annex D**, the prospects of delivering both the immediate and the wider governance benefits are uncertain. Nevertheless, this will be a valuable pilot, yielding lessons for K+K as a whole in the following areas:



- the need for a robust initial engagement with the DDA/Open Member that leverages the funds being committed to influence project selection and ensure the design addresses as wide a range of governance issues as possible;
- planning for the whole business cycle to ensure long-term sustainability;
- capturing, in an accessible format, the story and the lessons throughout the course of implementation, to influence how officials and citizens perceive how best to use DSIP funds both locally and nationally;
- the range of skills that must be available to DCP Province or district teams to deliver projects; and
- the length of time that will be required to derive both the immediate and wider benefits.

It seems unlikely that all three resource centres will be built as scheduled by the end of the year. It will take much longer to make them operational and embed sustainable management practices. Most significantly, any K+K project is likely to take several years to yield governance gains. Some recent and current developments will be supportive. Recruitment is underway for a communication specialist dedicated to DCP. The program will shortly issue a contract to support infrastructure delivery elements across districts.

The major concern is whether DCP is strategically positioned to exploit the K+K investments to influence wider policy and practice. One sphere of influence would be how services are delivered, but it is not clear that DCP's principal national level partner, DPLGA, has the convening power to be a plausible route to influence. Moreover, in terms of the effectiveness of DSIP funding, the Department of National Planning and Monitoring (DNPM) is arguably a more effective source of control. While DCP needs to maintain good relations with DPLGA – not least because it is the source of authority for subnational work – it needs to seek other avenues of influence. In the Talasea case study (**Annex D**) we present the analysis to support this finding.

### **Citizens will be better informed and will be able to use their voice to both influence and participate in effecting improvements in their access to services**

At the time of the mission the strategy for this component was under discussion between the DCP team and the AHC. The aim was to achieve a tighter focus for the sub-strategies: Empowerment, Voice and Accountability (EVA). This component had a greater legacy of prior programs which needed rationalisation. The existing interventions were weighted towards the 'empowerment' end of the spectrum of possible interventions.

CPP is by far the most established component. The 2019 QTAG Mid-Term Review of CPP highlighted the potential of CPP's collective action approach to amplify the voice of the churches. It emphasised the potential for social accountability approaches to raise the quality of the delivery of health and education services by the churches themselves. And it raised the issue of the balance between the churches being the voice of the people and playing a more facilitative role, helping citizens speak on their own behalf.

The DCP EVA strategy presents a comprehensive theory of change. The underpinning assumptions appear complete with one exception: engagement is more likely to be sustained where there is a significant response from government and other duty bearers. The importance of achieving a response highlights the need to focus on services and on parts of government where those in charge have the capacity to change course, and to link with the other investments made by DCP and the Governance Partnership more widely; for example, the K+K initiative and the PNG Partnerships Fund (PPF) grants.

## GESI

DCP's progress in the disability sphere is encouraging, but in a number of respects it is lagging on gender. DCP has developed a Disability and Inclusion Mainstreaming approach paper. This reflects a deep level of analysis of disability inclusion issues and maps key stakeholders. This situates the DCP approach appropriately within the policy space and emergent interest groups and builds on prior work across the sector.

Support to the Disability Authority Bill and to the roll-out of GoPNG GESI policy at sub-national locations are among the key contributions. This includes facilitation of a national network for women living with disabilities. The District Advisers welcome the support of GESI advisers, which has contributed to promising initiatives including the establishment of a District Disability Association and a foundation for people living with disabilities in Mul Baiyer. Individual churches have widened inclusion in adult literacy and in other interventions; across CPP the potential for collective action on disability is under active consideration.

DCP does not have a broader GESI strategy. While some of the innovations on gender are welcome, including cross-workstream collaboration on GoPNG GESI policy (with PSLR), overall there is a lack of gender analysis underpinning programming. The exception is the Gender Equality Theology (GET) in CPP where wide-ranging discussion at leadership levels and the establishment of a working group have translated principles into increased and better quality programming for gender equality.

## MEL

The DCP team is in the process of revising its PAF. This is timely: the current version states overambitious outcomes and lacks clear targets against the indicators and is therefore not fit for the purposes of accountability, learning and adaptive management. The new PAF will aim to clarify the program logic and simplify the vocabulary. It is possible that it will remain inconsistent with DFAT standards; these were written to enable the learning and effective management that the team desires. Aligning with DFAT standards would simplify the job of communicating how DCP contributes to the achievement of overall Governance Partnership goals.

DCP has rolled out a process of developing and recording strategies for the Priority Partnerships, using a 'mind-mapping' approach. This is welcome and is aligned with last year's Annual Review recommendation that 'strategy testing' be applied to lower levels of the program. The QTAG would still maintain that a strategy testing type process be applied to individual K+K interventions. In these interventions, it is particularly important that all parties understand the range of objectives the intervention seeks to achieve, and that the assumptions that underpin the logic of the intervention are unpacked and tracked.

## Opportunities Going Forward

The mission recognises that reform of subnational government in PNG presents severe policy and strategy challenges. The three DCP strategies have emerged from careful experimentation, learning and adaptation. In that context firm recommendations for a radical change in strategy would be misplaced. At the same time a continued emphasis on learning has the potential to contribute to the design of future governance programming by providing answers to the following questions.

- Is it politically possible to focus the K+K interventions more tightly on health and education and to build less infrastructure? Do the local solutions developed in

the program have the potential to influence wider policy and practice? Or are they too context specific? Which is the most effective national partner to support dissemination and adoption of good practice?

- Could stronger links to PPF implementers identify mutually beneficial areas of experimentation? Are there lessons from PPF that DCP could explore in other contexts; for instance, the Oil Search Foundation’s pooling of resources into a coherent delivery plan for health services in Hela Province (the Oil Search Foundation has brought major resources to the table – the replicability needs to be tested). Could those linkages open up alternative avenues to engage with service delivery policy?
- Can the EVA program be tightly focused on the health and education sectors while retaining the local control that commonly drives participation in social accountability work? Would the church health education services provide fertile ground to develop those approaches?
- Can K+K interventions to widen economic opportunity fields be linked to the EGIG program of business development?

### Recommendation

DCP should review its level of investment in, and reliance on, reform of decentralisation policy. Specifically, DCP should:

- a) ensure its K+K projects are set up to maximise wider governance benefits locally;
- b) assess the potential of a wider set of relationships with GoPNG agencies nationally to influence how DSIP funds are used;
- c) consider how to work more closely with EGIG and PPF to ensure lessons from its local solutions work feed into national policy;
- d) seek to translate advances in transparency into greater accountability, working in particular with churches through CPP; and
- e) complete a broader GESI strategy and integrated it into the PAF.

## **4 Economic Governance and Inclusive Growth Partnership (EGIG)**

### **Introduction**

EGIG delivers results against three complementary and interrelated program areas which seek to promote sustained and inclusive economic growth by promoting macroeconomic stability, strengthened fiscal management, and private sector development.

Significant progress in the past 15 months is evident over all three programs, with the partnership support of GoPNG to complete three international funding instruments that provided US\$1.1 billion of budget support and part conditional loans. The roll-out of the integrated financial management system (IFMS) may provide an opportunity to increase transparency and accountability for government spending. A suite of small-scale private sector income generation and business skills enhancement initiatives for women and men is emerging. These are innovative and provide opportunities for further innovation, but are not without some risk.

EGIG has demonstrated successful cooperation and collaboration with GoPNG partners and external partners such as the international banks and the private sector.

### **Progress Towards Outcomes**

#### **Macroeconomic Stability**

EGIG continues to support the GoPNG to meet the conditions of significant policy-based loan programs. It is also strengthening the technical capacity of the Department and Ministry of Treasury, supporting negotiations of future natural resource projects and promoting greater economic dialogue between the public, private and civil spheres in PNG.

Specifically, EGIG's guiding strategy documents have prioritised supporting GoPNG to improve budget stability and debt management. At program inception in 2016, it was clear that GoPNG was facing considerable fiscal pressure. This pressure was a result of low commodity prices, high spending and an increased need for financing. This pattern created a structural deficit that was (in part) being financed by increased expensive domestic borrowing. This created downward pressure on the Kina, resulting in the Bank of PNG restricting access to foreign currency to the detriment of the private sector and inclusive growth in PNG. Unfilled forward orders totalled nearly K3 billion in early 2018.

EGIG working with the AHC (diplomatic support) and international partners proposed strategies to respond to the situation. These strategies included working directly with GoPNG through the Treasurer to improve the quality, accuracy and transparency of economic management functions. Creating partnerships with multilateral organisations who could mobilise resources in response to the growing fiscal pressures was critical. From April 2017, with the AHC, EGIG assisted the Asian Development Bank (ADB) and to a lesser extent the World Bank to establish policy-based loan programs that would provide immediate fiscal relief for the government through budget support. While these efforts were successful, the quantum of funds through these channels was insufficient. The AHC and EGIG supported GoPNG to explore other financing options including the successful placement of a US\$500 million international bond.

EGIG provided expert advisers to work with key PNG individuals, including the Treasurer and other senior officials and international bank staff, to provide these contributions:

- ADB loan of US\$300 million: significant technical inputs relating to health financing, design of the three-year policy matrix and now supporting GoPNG to meet the conditions of this significant policy-based loan program.
- World Bank loan of US\$300 million: support for preparatory research to document the economic, governance and sectoral analysis required to establish the loan. EGIG contributed a comprehensive analysis of public finance, taxation, revenue generation, public debt, monetary policy and export performance to feed into the 2018 World Bank Country Analysis. Ongoing support is provided to assist GoPNG with policy trigger compliance for the subsequent drawdowns.
- Sovereign Bond US\$500 million: provided advice on funding options to the Treasurer when other options closed. Direct support included a strategy for the bond ‘roadshows’ and the analysis that enabled the government to seek lower bids than first offered. The bond was a success both domestically and internationally. GoPNG paid its largest outstanding debt: K900 million to the public servant superannuation fund and retired domestic debt. This work has laid the foundation for further approaches to the international capital market. This bond issue is regarded internationally as a major success.<sup>13</sup>

An important lesson from these activities was the ability of Abt PNG jointly with AHC to engage senior experts who worked flexibly as trusted strategic advisers to broad terms of reference. They contributed to the team approach with the government, AHC, Abt PNG, the advisers and other partners working closely within the economic system to achieve results. This was aided by DFAT agreement to work beyond the Advisory Remuneration Framework standard fee limits and also the ability to contract specialist economic analyst firms as required.

These loans are the first time PNG has secured budget support type financing in nearly 20 years. This not only ensured adherence to agreed economic and health financing conditions but, combined with the receipts from the inaugural sovereign bond issue, helped to reduce the pressure on foreign exchange reserves and address private sector concerns about the accessibility of foreign exchange. Early independent analysis suggests that borrowing through the sovereign bond saves PNG more than US\$200 million on interest payments alone over a 10-year period than issuing Inscribed Stock for the same amount (\$500 million) with a maturity of 11 years and a yield rate of 12.5%.

This work is the subject of a more in-depth case study in **Annex D**.

## Improved Fiscal Management

EGIG’s support is directed to major public finance management reforms to effectively and sustainably strengthen the capacity of the government to collect and expend public resources. EGIG has supported the development of the government’s Medium Term Revenue Strategy and continues to support its implementation within the Internal

---

<sup>13</sup> See Morgan Davis, 2018, ‘Emerging markets cannot rest on PNG’s laurels’, *Global Capital Asia*, 3 October (<https://www.globalcapital.com/article/b1b6wnd0s6pr39/emerging-markets-cannot-rest-on-pngs-laurels>, accessed 17 June 2019) and Elliot Wilson, 2019, ‘Papua New Guinea debate: PNG takes bold step onto financial and economic map’, *Euromoney*, 15 May (<https://www.euromoney.com/article/b1f9w8sh3slx99/papua-new-guinea-debate-png-takes-bold-step-onto-financial-and-economic-map>, accessed 17 June 2019).



Revenue Commission. On the expenditure front, EGIG has supported the Department of Finance to implement ambitious policy reforms such as the Public Money Management Regularisation Act, and to strengthen critical nationwide accounting systems.

The latter included program management and technical support to complement the European Union project for the roll-out of the IFMS. The system now extends to all departments, select statutory bodies, six provinces, and all provincial treasuries and districts. It is early days for IFMS which has significant training needs for public servants across the country. The roll-out also faces infrastructure issues, with poor data connectivity and electricity supply likely to limit its effectiveness.

EGIG could discuss with the department support some early rollout and outturn monitoring to enhance effectiveness of this project, which has been in the making for over a decade. With 18 months of the roll-out to be completed, such a study could assist the department to make changes as necessary. IFMS should be generating financial data that could be made public, transparency being a foundation of accountability. There is some anecdotal evidence emerging of the benefits of real-time monitoring and transparency of the issuance of cheques against budget; for example, complaints by members of parliament to the Department of Finance about the transparency of Service Improvement Program spending. Advisory support contributed to GoPNG's 2017 Public Accounts completed on 4 April 2018; bank reconciliations for national government departments are up to date and the Department of Finance accounts are audited up to 2016.

### **Inclusive Economic Growth**

This program has developed well from a low base in 2018. It has supported the efforts of the AHC to facilitate dialogue between the private sector in Australia and PNG. It funded two pieces of research, the first being the Institute of National Affairs Private Sector Survey, which was published in April 2018. The results of this survey were presented to the government and the public to help inform debate. The results were also drawn on by the World Bank to inform the 2018 Economic Update.

Support to the Business Council of PNG resulted in a study to examine the impact of internet pricing models in PNG, with the intention of ensuring the Coral Sea Cable System translates to increased accessibility and affordability of internet in PNG. In a separate piece, EGIG supported the Business Council of PNG to advocate on behalf of the private sector in response to the tabling of the Foreign Investment Review Act.

The YuTru digital trust framework is an innovative project that has the potential to address key challenges faced relating to lack of civil identification in PNG, and the subsequent impact on women and men accessing financial services. The multi-phased project brings together a coalition of actors to champion and develop the identity framework, including the PNG Digital Commerce Association, Bank of Papua New Guinea, and licensed financial institutions. Once established Papua New Guineans without formal identification documents will be able to utilize a digital identity to access financial services.

EGIG is supporting 10 small projects across a range of business incubation, acceleration and investment services to the private sector involving creating economic opportunities and skills enhancement for women (see GESI below) and men. Most of the activities are small scale and in their early stages of implementation. It remains to be seen if they can be replicated or expand at scale. Establishing appropriate scale monitoring, reporting and evaluation activities is a priority.

## GESI

EGIG had very few GESI initiatives in early 2018. Working with the AHC it has made a concerted effort to undertake a wide range of activities, including:

- Development of the Economic Governance and Inclusive Growth Gender and Inclusion Nested Strategy: a gender and inclusion strategy with six key actions including a project that is dedicated to gender and inclusion.
- A Gender and Inclusion Review: a detailed review of its programming through a gender and inclusiveness lens. EGIG has supported the development of terms of reference, and will support contracting and logistics, fully engage with the review process and implement agreed actions emerging from this review.
- Gender and Inclusion Training: within the EGIG workforce to support advocacy and mainstreaming within partner organisations.
- Gender and Inclusion in the EGIG PAF: to integrate gender and inclusion.

At the programmatic level, initiatives include the following:

- Business Case for Women's Economic Empowerment: commissioning and presenting research that presents an initial business case for investing in women's economic empowerment.
- Promoting Research that Focuses on Women in Leadership: encouraging and promoting research through the National Research Institute that focuses on the social and economic experiences of women and girls in PNG.
- Supporting the Implementation of the GESI Policy in EGIG's partner agencies; the establishment of the GESI desk. In the Internal Revenue Commission, EGIG provided governance and strategic advice for the integration of the GESI policy throughout the organisation.
- Small- to medium-sized enterprise (SME) development:
  - Early-Stage SME Incubation: working closely with Pacific Women and the Centre for International Private Enterprise to support the PNG Women's Business Resource Centre to develop pathways to sustainably support women-led businesses in PNG.
  - Business Acceleration: implementing a technology and digital industry focused business accelerator to support SMEs to grow. One project requires that GESI be mainstreamed throughout the initiative.
  - Business Investment: scoping of mechanisms to promote greater investment in SMEs in PNG. This will include integrating GESI and environmental safeguards into the framework of any investment model.
- Targeted industry support:
  - Fashion and textile industry: support for the Fashion and Design Festival, an annual month-long event that focuses on training, mentoring and showcasing emerging and established fashion designers. Most participants are women, and are students or emerging designers, or business owners.
  - Cultural and creative industry: a comprehensive project of support to promote and strengthen the cultural and creative industries in PNG.

## MEL

EGIG has rewritten its PAF which awaits AHC approval. The draft end-of-program outcomes are still too high level in the QTAG's opinion. EGIG is reporting against its PAF documenting evidence of achievement, seeking to collect evidence and making an assessment of progress using a traffic light approach. The QTAG recognises that a degree of flexibility is required within the PAF to be responsive to the changing needs of the partner government. However, it also needs to be tight enough, with targets to focus minds and discussions, and reporting of outcomes.

With a wide range of activities underway there is a need for EGIG to start to apply resources to capturing the impact and lessons from these activities. From this could emerge a smaller portfolio of transformational governance activities that are worthy of taking forward.

## Opportunities Going Forward

EGIG is now firmly in the process of implementing its activities from a solid platform. The QTAG endorses the following approaches that EGIG is planning to implement:

- Finding the nexus between MEL, communications, engagement, transparency and telling a better impact story on the economic situation to the people who matter, and having greater expenditure transparency across the two governments, the general public and other partners. This means moving quickly from monitoring to evaluation and using evidence better to inform decision-making, program investments and scaled up communications to enhance voice and accountability.
- Capitalising on collaboration developed over the past two years; for example, closer alignment with the International Monetary Fund (IMF) on Medium Term Revenue Strategy in the Internal Revenue Commission, extending revenue administration in the Internal Revenue Commission to revenue policy in Treasury, supporting debt management across Treasury and Finance, developing public sector skills through the Precinct, and finding new ways to integrate subnational IFMS and Public Expenditure and Financial Accountability (PEFA) with decentralisation programming. Similarly, encouraging reforms in the health sector.
- Finding new ways to integrate gender and inclusion into economic governance and public sector work, including advisers becoming advocates and Abt Associates addressing the gender imbalance within the EGIG team.

Given the recent change of Treasurer there is now an opportunity to rebalance the macroeconomic support previously based within the Office of the Treasurer (i.e. the ministry) to the department. Addressing the Secretary's desire for support from comparable institutions and also short-term expert engagements, rather than long-term technical advisers, is something that should be taken further.

### Recommendations

- EGIG offer the Department of Finance support some implementation and early outturn monitoring of IFMS to enhance effectiveness, particularly based around increased accountability and transparency.



- EGIG spend time and resources to build on the opportunities created by effective MEL, analysis, communications and engagement to:
  - a. seek to refine its program of initiatives to those that will make the greatest development impact; and
  - b. make available the impact stories to the people who matter, the two governments, the people of PNG and other stakeholders.

## 5 Institutional Partnerships Program (IPP)

### Introduction

The DFAT-funded Institutional Partnerships Program (IPP) commenced on 1 July 2017. The total budget envelope for IPP is AU\$63 million, from 2017 to 2020. IPP funds long- and short-term deployments of Australian Government officials, who provide peer-to-peer mentoring, coaching and ‘learning on the job’ opportunities; formal training; study tours; and supported attendance at regional and international conferences by PNG government officials. Australian and PNG institutional relationships also facilitate joint and complementary strategic and technical operations.

The QTAG is in the process of completing a review of three sample partnerships between the Australian National Audit Office and the Auditor-General’s Office of Papua New Guinea; the Attorney-General’s Department of Australia and the Papua New Guinea Office of the Public Prosecutor; and the Australian Taxation Office and the Internal Revenue Commission of Papua New Guinea.

### Progress Towards Outcomes

The draft IPP review<sup>14</sup> notes that while some teething issues remain, early evidence indicates that implementation of IPP is on the right trajectory. There is strong buy-in of the individual partnerships but the value, or concept, of the broader whole-of-government ‘partnership’ is only partially articulated at this point of implementation. There is concern about the lack of clarity about high-level IPP governance arrangements.

The authorising environment in each PNG agency is critical for an effective partnership: only one of the three PNG institutions had a permanently appointed agency head.

The strategic alignment of individual partnerships needs to be joined up with Australia’s other investments, and opportunities for collaboration need to be explored (e.g. the Governance Partnership).

Evidence is available of good outcomes being achieved across the three twinning programs reviewed in the case studies, especially around different aspects of organisational development.

The recruitment of long- and short-term deployees and the design and management of secondments to Australia are working well.

There are good examples of gender equality practices and outcomes in the three partnerships examined being led by the PNG partners.

The Deployee Support Services unit managed by Abt Associates is valued. New opportunities for MEL, and capacity development support, are also valued by Australian agencies.

---

<sup>14</sup> The IPP Review recommendations will be included in the review report.

## 6 Kokoda Initiative Partnership (KIP)

### Introduction

The Kokoda Initiative Partnership (KIP) is delivering a broad range of activities, on a small budget, in a logistically challenging environment, while adapting to political needs. Over recent years the program has focused to a large extent on direct delivery, including infrastructure projects, and the KIP team describe the program as having needed to be reactive to public diplomacy imperatives. The ability of KIP to act strategically has been constrained by weak capacity in the Kokoda Track Authority. Institutional relationships were weak between relevant GoPNG and private sector entities and little joint work took place. However, recent personnel changes within the Kokoda Track Authority have led to a sharp upturn in relationships, offering potential for greater partnership and joint planning to build institutional structures to support Kokoda in the long term.

### Progress Towards Outcomes

KIP brings together three pillars: the track, the people and the environment.

‘The track’ encompasses efforts to keep the track open, safe and well managed as a heritage and adventure tourism offer. Track maintenance, heritage management activities and engagement with tour operators and tourism services are now progressing well, according to KIP reports, after previously slow progress due to the Kokoda Track Authority’s limited capacity to regulate the trekking industry. Along with this shift, KIP team members demonstrate thinking around additional activities and new opportunities presented by this shifting institutional context. Potential roles for women in the trekking industry are increasingly identified and provide opportunities going forward as well as ideas for thinking around increasing access to trekking for socially excluded people more generally, including those living with disabilities. There is scope for greater development of local cultural heritage activities to strengthen community engagement and cohesion, in addition to engagement with military heritage. This would also provide additional ways to engage with the tourism industry through events and people-to-people engagement and the development of cultural products to diversify local business for women. The potential to support further development of the military heritage components of the national museum could also be further explored through the National Museum and Art Gallery. Consideration of structural impediments (e.g. transport infrastructure) and potential shocks that impact growth and diversification of tourism in PNG could enhance future planning to build resilience within the sector and within communities that depend on it.

‘The People’ encompasses efforts to improve development outcomes for communities living around the Kokoda Track. Within this, a Community-Driven Development approach has recently been established and a clear operational guide was shared with the review team. Initial activities identified and implemented are reflected in KIP reporting and these constitute a good base to build on by drawing lessons from early implementation. Recent and ongoing changes in the KIP staffing structure, including new personnel at management level, should provide additional technical capacity, vision and momentum to achieving development outcomes. A baseline conducted in 2017 suggests that work to date (through Australian Government programs since 2008) already places communities around the track higher than comparable communities elsewhere in PNG in terms of development indicators and outcomes (particularly in health, education, water and sanitation) though much remains to be achieved. Plans to undertake another survey

in the coming year offer a real opportunity to demonstrate outcomes with solid data. Specific gender outcomes for Kokoda are further discussed in **Annex D**.

‘The environment’ encompasses efforts to protect the greater area around Kokoda through the Conservation and Environmental Protection Authority (CEPA), including efforts to achieve UNESCO World Heritage Listing. Support to CEPA centres on embedded advisers assigned by the Department of Energy and Environment. However, there is a tendency towards over-programming and underspending, with funds reallocated to support ad hoc requests. Efforts to gazette the Interim Protection Zone are behind schedule. Given the long time period since protected area status was first mooted for Kokoda, the direction of travel in seeking protected area status and associated legislation could be made clearer across the program, given implications of different levels of protection for different forms of resource utilisation and livelihoods. Given wider programming on protected areas in PNG and institutional support to CEPA through the Global Environment Facility (supported by the United Nations Development Program – UNDP), KIP’s support to CEPA could also be revisited to ensure synergies and best use of resources at a national level.

## **GESI**

KIP is close to finalising a GESI SAP, following a training supported by the Governance Partnership GESI core team. This details activities specifically on gender, disability and social inclusion which had previously not been captured adequately in workplans and reports or put within a broader strategy. Further efforts to integrate the GESI SAP into the results framework and reporting should be prioritised.

Gender components cover an appropriate range of focus areas: women in community decision-making, women in community projects, women in business across Kokoda and Women’s Economic Empowerment. Considerations for people living with disabilities have been implemented in health and education infrastructure projects and integrated into health worker training. However, disability has not been integrated across the program and data has not been disaggregated by disability.

KIP activities on gender have been well received within the communities with clear benefits, including women taking on new roles within communities. As the program shifts to a new phase, additional elements to ensure sustainability and overcome remaining barriers should be considered, building on evidence of effective gender programming demonstrated in PNG and internationally. This could be additional social interventions and encouragement of collective activities by women (e.g. literacy groups, health support groups or livelihoods support groups) to build confidence and skills as a precursor to women engaging in community leadership or in political spaces. Additionally, the KIP could build partnerships to specialist agencies implementing attitudinal and behaviour change interventions to address barriers to gender equality and factors driving family and sexual violence (FSV) and seek opportunities to integrate appropriate elements into existing programming approaches (CDD, health and education). This would be an opportune moment for KIP to partner with specialist non-governmental organisations (NGOs) to explore synergies with promising programming models in this space. KIP currently partners with the Kokoda Track Foundation which has potential to deliver education of a higher quality. A newer partnership exists with the Adventist Development and Relief Agency (ADRA) around livelihoods and menstrual hygiene and reproductive awareness. Opportunities to work with and through district and provincial health and education authorities should be further explored along with potential to move away from direct delivery of services. Synergies with other workstreams, including DCP (and CPP), should be explored, particularly around voice and accountability.

Given the change in institutional partnerships, political momentum, the maturity of the program and clear efforts to measure results, an independent review of KIP would be timely and offer an important opportunity to inform a more holistic and strategic way forward for the program.

## **MEL**

The Kokoda Initiative Partnership results framework is not of a standard DFAT format but provides a reasonable level of detail. It could be improved by strengthening its underlying theory of change, program logic and indicators. KIP reports somewhat inconsistently against this results framework and reporting could be more closely aligned to agreed outputs and outcomes. The results framework could be sharpened to reflect a clearer program logic by addressing instances of confusion between activity, outcome statements, and indicators or means of verification. This would enable the better capture of outcomes and the telling of the Kokoda story. At present there is no regular staff MEL officer, which presents a gap in data analysis. Higher level technical MEL advice is sourced through a short-term consultant. The problem of attribution due to multiple development actors in Kokoda is acknowledged, as is the need for research to overcome this.

Efforts to report on outcomes and establish datasets are noteworthy. KIP undertook a baseline survey in 2017 (which highlighted relatively high development indicators as a reflection on previous activities). KIP will repeat this household survey in July 2019 which should enable clear outcome-level reporting.

## **Opportunities Going Forward**

The program has entered a pivotal phase due to changes in key personnel within the Kokoda Track Authority, particularly the secondment of a chief executive officer (CEO) from DNPM. The change in approach is evidenced by recent efforts of the Kokoda Track Authority to channel undisbursed revenue into school fees (through an NGO partner) and by the revival of a Technical Working Group (including agency CEOs of the Kokoda Track Authority, National Museum and Art Gallery and CEPA, and DDAs) which has met four times in the past six months. These shifts have seen a sharp upturn in relationships between the Kokoda Track Authority and the other multiple stakeholders, including DFAT and the KIP delivery team.

This presents an opportunity to reset KIP on a more strategic and less reactive footing, with the relevant GoPNG institutions and stakeholders coming to the fore with KIP in support. It offers an opportunity for joint planning and coordination, beyond the current consultative modality. Opportunities to work more with delivery partners with presence on the track as well as specialist NGOs in the health, education and gender sectors should be explored. This would steer KIP towards sustainability and a move away from over-dependence on the program.

Greater synergies should be sought between the three pillars and articulated in a theory of change or program logic. This could strengthen long-term outcome goals of the program by setting them within the broader context of change in Kokoda, and PNG more widely, including national environmental policies and debates. Efforts to engage with national-level protected area management planning as currently supported by the UNDP should be explicit given that these receive significant funding from the Global Environment Facility, including support to institutional strengthening within CEPA.

**Recommendation**

An independent strategic review of KIP should be undertaken to inform a more holistic and strategic way forward.

## 7 PNG Partnership Fund (PPF)

### Introduction

The purpose of PPF is to improve the coverage and quality of basic services across PNG and to achieve critical and sustainable outcomes at scale. PPF now covers six grants, three in education (literacy, early education and disability) and three in health (family planning, maternal and child health; HIV/AIDS; and facility financing). A new round of grants will commence in 2019 covering immunisation.

All the relevant recommendations from the 2018 review have been fully implemented, including revision of the PPF operations handbook (which is updated regularly), inclusion of a specific gender budget in the new immunisation grant and reduction of reporting frequency with an increased attention to an analysis towards outcomes.

### Progress Towards Outcomes

#### General

PPF has moved significantly from planning and design to implementation. The grantees are delivering 'at scale' a prime purpose of PPF.

AHC health and education grantees expressed a high degree of satisfaction with the management and progress of PPF since 2018. QTAG spoke with four grantees and all commented favourably on the working relationship exemplified by this remark "massive improvement, no longer feel like the enemy, genuine partners, pleasant to deal with, collegial".

PPF's flexibility is valued by the grantees. The larger, well-established partners have the capabilities and capacity to adapt within that environment. PPF will need to be vigilant vigilance to ensure that smaller grantees who may not have robust financial and management systems are supported to work in a flexible environment. PPF and DFAT have recognised that the new immunisation grants bring to PPF a new way of working (i.e. the recipients, not DFAT, will sub-contract service delivery partners) which will need additional oversight inputs.

The creation of a dedicated grants manager, rather than a shared role as education adviser, for a A\$125 million facility has had a significant positive impact. The recent joint AHC/Abt PNG recruitment of a new grants manager who has extensive AusAID/DFAT experience has undoubtedly contributed to an enhanced ability of PPF to meet DFAT's standards and reporting needs.

#### Health

There are reported, and verified, at scale delivery of health care to women, girls, boys and men. For example, at the end of 2018:

- 29,161 people had been tested for HIV (through voluntary confidential counselling and testing – VCCT, and provider-initiated counselling and testing – PICT);
- 6,996 people were receiving antiretroviral treatment;
- 69,063 clients had used family planning and sexual reproductive health services (now over 230,000);
- 5,079 women had attended their first antenatal clinic; and



- 5,561 children had received a third dose of pentavalent vaccination.

Wok Bung Wantaim is proving effective supporting the Hela Provincial Health Authority to obtain 94% of the health function grant from the Department of Finance, securing additional sources of funding in excess of K3 million from the province, members of parliament and DDAs and US\$1 million from Santos for the hospital accident and emergency (A&E) department. Wok Bung Wantaim's way of working – visible profile working with the Provincial Health Authority and support from the Oil Search Foundation – was a major contributor to leveraging this funding. The project is demonstrating facility-based financing down to aid posts and coordination with the province and national departments. Results are being shared at a national policy level in Waigani. This project's work in joining up government and driving facility-based financing is taken up in the recent ADB paper, *Line of Sight*.<sup>15</sup>

The upcoming round of eight immunisation grants demonstrates further adaptation and innovation by PPF. Working with the New Zealand Ministry of Foreign Affairs and Trade and Gavi, PPF has, for the first time, attracted third party funding – a highly desirable outcome – to support Provincial Health Authorities and others to contract and manage the grants. This builds governance capacity, provides sustainable alternatives to direct DFAT contracting of NGOs, and reduces the moral hazard of NGOs seeing Australia as the go-to development bank.

## Education

Examples of achievement through education grants are as follows:

- 1,340 elementary teachers received 60–100 hours of in-service teacher training in early literacy and maths, gender and disability inclusion, transition, assessment, classroom management, and positive discipline.
- 1,171 elementary teachers and 30 District Inspectors were trained to screen and assess children for disabilities, develop and implement individual education plans for children with disabilities, and make referrals to Inclusive Education Resource Centres.
- 46 Inclusive Education Resource Centre teachers and Early Childhood Care and Education facilitators were trained in a specialised early intervention learning kit, 'Reach and Match', which is being piloted in three provincial Inclusive Education Resource Centres.
- 603 early childhood educators or facilitators were trained in the draft National Department of Education Early Childhood Care and Education guidelines, emergent literacy and maths circles, and school readiness.
- Data from 253 elementary schools and 2,743 children was collected and analysed to inform the Literacy and Numeracy Assessment Baseline Report Papua New Guinea – the largest assessment of its kind ever undertaken in PNG.
- 3,664 parents were engaged in caregiver workshops (disaggregated data is available for 2,404 parents, of which 1,434 were female and 970 were male; East Sepik Province and Eastern Highlands Province, Bougainville, did not provide disaggregated data).

---

<sup>15</sup> Cairns, A et al., *Line of Sight. How improved information, transparency, and accountability would promote the adequate resourcing of health facilities across Papua New Guinea*, 2019, ADB.



- Two research studies were completed: *Tangled Threads: Multi-layered barriers to educating girls aged 4-8 in Papua New Guinea* and *Inclusive education of elementary children with disabilities in Papua New Guinea*.
- 46 Inclusive Education Resource Centre teachers and Early Childhood Care and Education facilitators were trained in the 'Reach and Match' Learning Kit to enhance early learning among children with disabilities.

The impressive baseline study of elementary education projects provides a strong benchmark to track and monitor progress going forward. This is a significant landmark investment in data collection and analysis. It provided evidence of poor-quality elementary education outcomes that is being used to directly inform dialogue with the Department of Education to drive a joined-up reform agenda and guide GoPNG resource allocations. PPF's approach, working with the AHC and National Department of Education, has contributed to improve engagement with the department more generally. The baseline report is well regarded by the department and has been shared informally with the World Bank and UNICEF while waiting for formal approval who may use it as the basis for future action.

There are lessons to be learned from the baseline study. Firstly, an early engagement with the appropriate government agency in agreeing the methodology and process will help to alleviate obstacles that may arise when the study results are available, especially if those results make for uncomfortable reading. Secondly, where consortia are involved in the delivery of services one partner should take responsible for the methodology and the structural integrity of conducting the research.

## **GESI**

PPF does not have a standalone GESI strategy however, every PPF grant has gender and inclusion integrated into M&E frameworks and workplans. Gender equality, disability and social inclusion are extensively integrated in all six projects, with several listing GESI-specific outcomes and others taking a mainstreaming approach. The completion of a GESI strategy should be relatively easy given the practical implementation experience within the seven grants.

Extensive gender analysis underpinned the design of the program, drawing heavily on the emerging body of evidence globally and within PNG on girls' education and mother and child health. PPF staff and grantees have continued to engage in collective discussions on emerging evidence, promising programming models and potential collaborations on gender through Pacific Women Shaping Pacific Development. The opportunities should be expanded. With support from the PPF Secretariat grantee reporting on GESI has improved significantly. As mentioned elsewhere in this review the education grantees have published comprehensive evaluations on education for young girls, literacy in elementary schools and access for students with disabilities that includes disaggregated data.

Significant achievements in disability inclusiveness are noted above. One grantee said "disability has exciting developments, there is a very high and very keen engagement by teachers, huge support. They have never been supported by the department which has a very small disability very small team". There were virtually no students with disabilities mainstreamed in schools in the target areas. Now the numbers are increasing. There are opportunities here for the Governance Partnership to share lessons on disability interventions, especially with the CPP thematic area led by the Evangelical Lutheran Church out of Lae.

## MEL

The standard of grantee reported has improved significantly from a year ago. This is understandable given that the respective programs are well established. Grantees are providing six-monthly reports on activities, achievements against targets and outcomes against their project results frameworks. As reported above they have a wide range of quantitative data indicating progress towards achieving PPF's purpose of service delivery 'at scale'. In 2019 this information and analysis is being shared with the Departments of Health and Education. There is evidence of policy dialogue and engagement as a result.

These improvements in reporting need to be continued. The report of the March 2019 Hela health field visit with the grantee and the Department of Health (the AHC was unable to participate due to lack of security clearances) is an excellent progress report that makes strong recommendations on replication by other Provincial Health Authorities. PPF, with support from EGIG, should make these lessons more widely known in government. The report also illustrates the benefits of multi-stakeholder participants as a valuable monitoring tool.

This activity, the two education research studies and the elementary education baseline study are excellent examples of monitoring leading to learning and of evidence influencing policy with the potential for change happening at an institutional scale. There is the need to ensure that all grantees undertake evaluations and capture lessons to seek policy change, institutional reform to support service delivery and increased scale in effective service delivery.

## Opportunities Going Forward

The QTAG notes that given the high level of positive momentum within PPF, the AHC needs to take care with implementing the option of rolling the health and education grants into the new programs currently in design. PPF is an effective and efficient mechanism that could manage the administration of the grants during the early stages of the roll-up of those programs, if the overall Governance Partnership is extended beyond April 2020. This approach may ensure momentum was maintained while new contractors established the programs.

Several of the current grantees noted that both the Departments of Health and Education are updating their respective national 10—sector year plans. The workload for each is significant. The current PPF grants have been going for just over two and a half years in most cases and are achieving outcomes as noted above. Relationships and ways of working have been established but need nurturing. The service delivery activities under PPF for education and health should be reviewed to identify the most valuable and those that should be scaled up, in consultation with the departments. Activities that are not needed should be dropped and consolidate for two years beyond April 2020. At that point integrate into the new DFAT sector programs which will have built their relationships with the two departments.

### Recommendation

Effectiveness can be enhanced by:

- a. completing a GESI Strategy;

- b. PPF and Church Partnership Program supporting civil society and the churches to share successes and lessons around disability, GESI, maternal and child health, and elementary education; and
- c. Tracking and reporting on the effectiveness of gender budgeting within the immunisation grants.

Evaluations – one case study across the three education grants and one case study across the four health grants – should be programmed by Abt PNG for 2019/20 to identify:

- a. development outcomes and achievements at scale;
- b. interventions that could be scaled up and those that should cease; and
- c. lessons as to how the grants have enhanced policy decisions in the respective government agencies and contributed to removing institutional and organisational barriers to the delivery of health and education services.

## 8 Public Sector Leadership and Reform (PSLR)

### Introduction

The Precinct and PSLR were established under the strong guidance of the then Minister for Foreign Affairs, Julie Bishop. The PSLR theory of change (ToC) and Precinct ToC are one and the same. The Precinct ToC holds that if PNG's long-term development needs are led by well-informed PNG leaders, both male and female, with the critical and analytical skills to address economic and policy challenges, service delivery to the masses will be improved. The Precinct invests in training, organisational systems strengthening and infrastructure, and currently supports three change pathways in order to achieve the Precinct goal and outcomes: the University of Papua New Guinea (UPNG) School of Business and Public Policy, which is training future economists and public policy makers, the Pacific Institute of Leadership and Governance (PILAG), which provides training for public servants, and additional short- and long-term leadership development training through the University of Queensland and other providers. Investment in networking, discussion and debate brings participants and graduates of Precinct training together to work to achieve the Precinct goal and outcomes.

The Precinct components of PSLR were the subject of an in-depth QTAG strategic review in September 2018 with the final report submitted in February 2019. That review is providing significant strategic guidance for the team completing the documentation to realign the next phase of PSLR/Precinct support. This activity is well resourced and on track to deliver a design by the end of June 2019. The Precinct ToC will be revisited as part of that realignment.

### Progress Towards Outcomes

The PSLR workstream is operating at a higher level than in 2018. Program delivery, working relations and the management support have improved according to the AHC, GoPNG and Abt Associates. The split in PSLR management roles between strategy/policy and program delivery has been effective.

Implementing the QTAG Annual Review and the subsequent QTAG Strategic Review of the Precinct is acknowledged as contributing to these improvements. All five QTAG recommendations from 2018 have seen progress or are complete. Further work is needed on strengthening the strategic coherence of the program and ensuring the PSLR has the right balance of skill sets and allocation of work.

Ways of working are improving between the PSLR partnership team and the AHC and both parties need to continue to implement agreed strategies from the 2018 partnership discussion. Some staffing and management capacities have been strengthened. These improvements have delivered a number of concrete outputs. In summary, compared to the 2017/18 assessment period, the current period has seen a 109% increase in the number of people trained across the different PSLR supported initiatives. There has been a 78% increase in the number of women trained and a 147% increase in public sector participants. Precinct training courses alone have seen an 87% increase in course participation. Feedback from participants continued to be positive, but also provided constructive recommendations for change, which is allowing for continuous improvement. There has been a 35% increase in female participation and an 88% increase in public sector participants. Increased training took place at the subnational

level, where the demand is great. PSLR media coverage also increased significantly (98%) between 1 March 2018 and 31 January 2019.

The Asia-Pacific Economic Cooperation (APEC) Discussion Series at the Precinct was attended by over 3,500 people across the nine events. Feedback was overwhelmingly positive and the concept will be repeated.

Program governance arrangements are under review to make them more effective. Enhanced engagement by the two lead agencies – the Department of Personnel Management and the Department of Higher Education, Research, Science and Technology – is evident.

Significant progress is evident with the institutional strengthening of PILAG under a new CEO. This will be a medium- to long-term activity. The foundations are being built with activities such as business modelling and the development of a corporate plan. This activity is not without some risks, as discussed below.

## **GESI**

During 2019, the PSLR Partnership developed a GESI SAP focused heavily on promotion of women in leadership, governance and decision-making within the public service, as well as promotion of GESI issues across the partnership. This included a commitment to more GESI-targeted training, events and programs as well as mainstreaming of GESI across current training provision within PSLR and the Precinct. GoPNG's national GESI policy was introduced into project and financial management courses at PILAG following the GESI institutional review at UPNG and PILAG in 2018. Further work is needed to finalise an action plan and integrate expected results across the PSLR PAF.

GESI interventions have improved markedly. The AHC and the Secretary for the Department of Personnel Management report that Abt Associates has done well over the past year to build trust and enhanced support to the Department of Personnel Management, advancing GoPNG's GESI policy. Some provincial GESI implementation plans and male advocacy training has been delivered, supporting GoPNG GESI policy roll-out. Stakeholders agree that there is not enough recognition of the GoPNG's successes in implementing GESI across the public service. The QTAG strongly supports the desire of the Acting Secretary of the Department of Personnel Management to conduct a whole-of-government review of departmental GESI activities. There are examples of progressive GESI implementation in the Law and Justice Sector, the Department of Finance and other agencies. The Secretary's wish is that the review then informs an updating of GoPNG GESI policy.

## **MEL**

MEL is a work in progress. The contract for a graduate survey is about to be signed which will capture and analyse student feedback for the next year. The PSLR team is seeking to go above activity sharing and take a more strategic view in monitoring and reporting; for the AHC this a priority but it must include GoPNG partners. PSLR is working to slowly systematise data and reporting. In 2019, there is a MEL activity budget for the first time. Ensuring adequate support for MEL staff needs to be an ongoing focus.

Abt Associates' support for the delivery of APEC activities by PSLR was excellent and highly commended by the AHC and all partners. AHC has commended the improvements in management services functions like cash flow forecasting, procurement, legal, communications.

There has been a recent change of responsibilities within Abt Associates with the director providing overall strategic guidance, especially for the design. Abt PNG's contribution of internal resources to the design and accessing international experience is also appreciated.

## Opportunities Going Forward

Once the realignment and design process for the Precinct and PSLR is completed Abt Associates, with the AHC, will need to revisit workplans and interventions in a manner that minimises disruptions to workflows and relationships. Lessons from the transitions of other programs and projects include providing enough time for the changes to the strategies, outcomes and governance arrangements to be introduced to and understood by all stakeholders.

PILAG will continue to be a significant challenge for PSLR as it seeks to be a fees-funded high-quality tertiary service provider of public administration, leadership and ethics training. Most aspects of this project are beyond the control of the AHC and Abt Associates; impediments may include the lack of an overall capacity development plan for the public service, the process of appointing a functioning board, changing the deeply ingrained culture of PILAG, changing internal structures and bedding them down, recruiting staff, building curriculum design capability and persuading government agencies to buy training from PILAG. PSLR will need to monitor progress closely and work with the AHC to stimulate progress and support the Department of Personnel Management and PILAG management to clear blockages.

The next phase of the partnership will provide opportunities for new support partners to be introduced to both the School of Business and Public Policy and PILAG.

### Recommendation

PSLR supports the Department of Personnel Management to undertake a whole-of-government review of the implementation of GoPNG's GESI policy, and update the policy based upon the review's findings and recommendations.



## 9 Gender Equality, Disability and Social Inclusion

### Review question(s)

To what extent is the current approach to GESI for the Facility and each of the workstream partnerships:

- i. informing ongoing programming, design and modes of programming of implementation (intended and unintended); and
- ii. building on international and PNG best practice and evidence of what works?

How can the facility make a more appropriate and useful contribution to gender-based violence prevention and response from a governance perspective?

In what ways could the GESI functions and activities be further strengthened?

Across the Governance Partnership there has been strong progress on GESI, including disability-inclusive development, compared with the review findings last year. There has been a positive mindset shift across the Governance Partnership in terms of knowledge and commitment to addressing GESI issues, both in ways of working and internal dynamics among staff and in terms of understanding development impacts of programming. Informants across the partnerships and facility-wide support functions demonstrated an awareness of efforts to address GESI issues and an increased commitment to mainstreaming GESI through implementation of facility-level approaches introduced within the past year. These conversations are increasingly front and centre to partnership work, contrasting starkly to the situation 12 months ago.

Efforts to build visibility on GESI at a whole-of-facility level and across partnerships have been driven by the senior program manager for GESI and from within key areas of programming such as CPP and PPF, where gender outcomes are well established in results frameworks. The GESI team completed a GESI stocktake<sup>16</sup> during 2018 that sets the work of the Governance Partnership within the broader policy context, providing a rationale and guidance for the greater incorporation of GESI across the facility. Building on this, a clear GESI Action Plan at a whole-of-facility level has been developed in line with the whole-of-facility PAF. Reporting of progress against this action plan is impressive, with a wide range of actions underway. The GESI core unit is developing a GESI mapping catalogue that will further track activities by partnership as they relate to the whole-of-facility framework and the GESI strategic priorities of GoPNG and GoA. This will support cross-facility learning and leveraging of synergies.

Efforts to address gender and inclusion issues for all facility staff have been well received. Over the past 12 months, building on recommendations from the 2018 Annual Review, the Governance Partnership has introduced clearer mechanisms for staff to raise concerns around gender and disability, and to seek support for a variety of challenges; for example, for FSV through counselling services. The specific challenges

<sup>16</sup> Gender and Inclusion Stocktake Report, 30 August 2018, Abt Associates.



in the lives of women in PNG are increasingly recognised and it was reported to the review team that women increasingly seek support to deal with these challenges.

In recruitment, new guidelines have been introduced to ensure that knowledge around GESI is tested during recruitment processes and that interview panels always include at least one woman. The planned introduction of a new staff performance management system in the coming period will further embed accountability for GESI across the range of staff functions. Challenges to the recruitment of women remain, particularly in mid-career to senior-level roles. The Governance Partnership People, Culture and Diversity unit demonstrates a strong awareness of the particular barriers and an ongoing reflection on strategies to overcome these, including the greater use of short-term adviser (STA) and fly-in, fly-out (FIFO) contracts. The Governance Partnership collects basic data on gender across its staff in regular reporting seen by the review team and is planning a deeper gender pay gap analysis over the coming year.

The GESI Community of Practice meets regularly to exchange information and ideas. It is not yet driving joint thematic work, but demonstrates a determination to set the work of the Governance Partnership within broader national and international efforts. Links to the Knowledge Management function of the Strategic Integrity Group (SIG) have been strong over the past 12 months, with key publications reflecting good practice on gender within the process of research as well as the substance.<sup>17</sup> The disability focal point within DCP brings useful perspectives on disability inclusion into the wider GESI Community of Practice given a tendency towards highlighting gender over other forms of social exclusion.

Over the past 12 months, GESI approaches have been defined and socialised across the Governance Partnership, including power analysis, a programming framework, minimum standards and a culturally appropriate glossary of terms. These are well documented in accessible formats and appropriate to the needs of the Governance Partnership and the PNG context. These products and tools reflect good practice internationally in mainstreaming GESI and take into account the key GESI-related policy frameworks within the Australian Aid Program and within PNG. A well-designed training has been rolled out to all staff and will be implemented on a regular basis as a refresher or for new staff. Staff expressed a high degree of satisfaction with the training and articulated ways in which it influenced them in their work.

The visibility and momentum of gender-focused work has been amplified by support from senior leadership under the Skelim Pawa, Stretim Pasin (Share Power, Align Actions) initiative. Support from the CEO was crucial to gaining traction. Also, since the shift of the GESI team to the newly created People, Culture and Diversity (PCD) unit, the director of PCD has further supported this and taken ownership of whole-of-facility level processes. It is essential that this championing of GESI is maintained at senior levels.

Relationships between the Governance Partnership and Pacific Women Shaping Pacific Development have strengthened over the past 12 months as well as building understanding across a range of NGOs and implementing partners operating in PNG. The GESI senior program manager attends six-weekly coordination meetings for DFAT-funded programs hosted by Pacific Women Shaping Pacific Development which include the Justice Services and Stability for Development (JSS4D) program and UN Women. There now appears to be greater scope for the Governance Partnership to build on

---

<sup>17</sup> Guna-Goreku Stretim Hauslain Association. Enabling change from within. A case study of local solutions for social change. February 2019.

promising specialised models, including through additional partnering with specialist agencies addressing GESI such as CARE, UN Women or Marie Stopes.

Relationships between the Governance Partnership GESI team and AHC gender staff have also been strengthened with a useful alignment of efforts. This has been facilitated by the role of the AHC gender advisor whose support was highly valued by the Abt team. This position helps to facilitate useful channels of communication between various AHC teams and Abt and the maintenance of standards. The gender advisor's role within the AHC is an effective way to support and promote GESI perspectives within the different AHC teams engaged with the Governance Partnership. She is able to direct efforts in a flexible way whether to address significant gaps or to support emergent opportunities to improve the Governance Partnership's efforts to address gender. This provides good value for money given the scale and scope of the Governance Partnership.

Within the AHC, the disability focal points sit within the decentralisation program and engagement is stronger with DCP than other workstreams. Although this bolsters visibility on disability within the Governance Partnership and within the AHC, more could be done to ensure a joined-up approach to disability within the AHC, specifically in relation to the Governance Partnership.

A consistent message on accountability for GESI outcomes across AHC is needed, together with a common understanding of the rationale for addressing both gender and disability through and within governance programming. An extraordinary monthly meeting in April 2019 at which the GESI senior program manager presented to counsellors and minister counsellors was a promising step towards building shared understanding within the AHC of GESI components across the Governance Partnership, to identify synergies and to reinforce consistent approaches and accountability requirements for GESI from the AHC towards counterparts within Abt.

At partnership level, the centrality of addressing GESI to achieve broader goals is increasingly acknowledged, together with the need to address this systematically and ensure that GESI results are captured. This is evidenced in the progress of most partnerships towards finalising and implementing GESI SAPs. The BP, KIP, EGIG and PSLR partnerships have detailed GESI SAPs either finalised or in draft form, developed following Pawa analysis and GESI programming framework training. For EGIG and PSLR these emphasise gender over disability inclusion, while BP and KIP demonstrate a thorough attention to both aspects. DCP does not have a GESI SAP but has developed a Disability Inclusion and Mainstreaming approach paper. IPP has integrated GESI into capacity diagnostics and tools and has plans to develop a GESI strategy during 2019. Strategy development processes appear to have strengthened knowledge and relationships within the Governance Partnership on GESI. PPF has not developed a separate GESI Strategy.

These strategic plans were made available to the review team and closely reflect the framework and methodology developed by the GESI team. Overall, attention to intersectionality is weak across these strategy documents and greater attention is needed to analyse the experiences of and outcomes for men and women, girls and boys with different and multiple identity markers beyond gender. However, some of these are not yet finalised. Following the GESI stocktake, the core GESI unit has started analysing gender spend as a means to improve reporting and enhance accountability. A financial tracking approach to GESI spend within partnerships will be operationalised in FY19/20. Further attention across partnerships to determine the percentage of programming that

is gender informed and the percentage of program spend on GESI outcomes should further enhance GESI focus<sup>18</sup>.

DCP lags behind in its attention to gender at a strategic level, although various aspects are addressed within the program. However, on disability, DCP has demonstrated considerable thinking and translated this into key actions around GoPNG disability policy. Within the AHC, disability expertise is located within the subnational governance space so aligns strongly with DCP.

GESI strategies are not yet well reflected within partnership PAFs which will make it hard to determine impact. The rationale for addressing GESI issues is also not yet articulated as a central component of program logic or theories of change. Integration of conceptual thinking around GESI and incorporation of related activities, expected outcomes and indicators into the respective PAFs or results frameworks is a key next step and should be prioritised.

The GESI core team has been making links and building knowledge in order to address a current key gap in programming across the Governance Partnership: prevention of and response to FSV. Work is still needed to define the role of governance in FSV prevention and response in PNG, particularly in terms of institutional structures of government, service provision and roles of civil society. A broader reflection across the partnerships informed by FSV sector experts (particularly from JSS4D, Pacific Women Shaping Pacific Development or UN Women) could help crystallise this thinking and identify ways in which the partnerships can proactively address FSV within their current focus areas. Areas of specific alignment can be found within PPF, BP and KIP whether through education, health or economic responses to FSV and these can be made more explicit.

Efforts to mainstream a focus on gender equality and on prevention of FSV should be intensified across all workstream partnerships, noting that plans around a ‘do no harm’ approach are appropriate to governance programming in general. This approach could help ensure that activities implemented across the partnerships and their multiple outcome areas do not raise risks of FSV, or where increased risk is unavoidable then mitigating actions are put in place. Greater engagement between the GESI core team and FSV specialist programs and advisers could help position the Governance Partnership in a complementary role within the broader response to FSV.

To ensure accountability for GESI within partnerships, the core GESI unit has shifted channels of engagement to work directly with Partnership Directors who are accountable for GESI outcomes as well as supporting GESI specific staff and advisers within partnerships. At partnership level, activity and impact on GESI could be further enhanced by ensuring greater engagement of a broader range of programmatic staff with the GESI Community of Practice.

### Recommendations

- All partnerships to finalise strategies for GESI (incorporating gender, disability and broader issues of inclusion) and ensure complete integration within results frameworks or PAFs and MEL strategies so that reporting reflects progress towards GESI outcomes as well as reporting spend on gender as per DFAT

<sup>18</sup> Noting that this reporting is not required by DFAT as the Governance Partnership’s work is classified as ‘gender significant’ rather than gender principal

requirements. Partnership workstreams should include specific MEL processes to capture outcomes on GESI, building on hard data where possible (e.g. survey data) or developing case studies to articulate change processes and outcomes as a basis for future programming.

- A consolidated report of policy-relevant evidence on both gender equity and disability and social inclusion should be compiled from across the Governance Partnership. To inform this, each partnership should define how gender and disability related GoPNG policy could be informed by their work and make efforts to capture evidence to influence this.

## 10 Monitoring, Evaluation and Learning (MEL)

### Review question(s)

To what extent are the new arrangements at the workstream partnership level in MEL (monitoring, evaluation and learning) facilitating more effective monitoring of processes and reporting against emerging progress towards intermediate outcomes? What are the risks or limitations and how are these being mitigated?

In what ways could the workstream partnership level MEL functions and activities be further strengthened?

### Introduction

Since the 2018 Annual Review, Abt has been busy delivering services through each partnership while simultaneously progressing the development of its key management systems. Considerable progress has been made but significant tasks are still to be finalised. Once these key systems are in place, they will support improved managerial oversight and decision-making within Abt. The DFAT standards for PAFs, and the associated advice on MEL, are designed to support effective oversight and decision-making. Conformity with these standards – particularly in terms of level of ambition and terminology – would also make reporting more consistent and easier to interpret.

### Background

The Governance Partnership's Strategic Integrity Group (SIG) is responsible for enabling MEL in the facility. The SIG operates in a complex system of knowledge actors and makers, potential knowledge users, knowledge systems (indigenous, non-indigenous, and academic), and contested knowledge politics. The SIG function requires strategic level MEL knowledge and skills, as well as complexity awareness in the design of an effective MEL system.

### Findings from the 2018 Annual Review

The July 2018 Annual Review reached a number of conclusions about MEL in the Governance Partnership.

- Knowledge, analytics and learning (KAL) was central to the integrity of the Governance Partnership's theory of action. The report found that while many of the components are in place, they have not yet coalesced in a way that optimises the KAL function. A robust KAL function relies on an equally robust MEL system to feed it.
- The Annual Review found that MEL approaches varied considerably across the different Governance Partnership workstreams. There is a risk of limited coherence and clarity around MEL.
- More work is required to clarify information needs and performance questions, refine measures, and in particular have a more nuanced approach to the MEL of GESI questions.

- There remain some disconnects around the nature and frequency of reporting requirements. The KAL team has been working hard to redress the shortfalls, with significant progress being made, and it needs to be resourced to further develop and consolidate this work.

## **Findings from the 2019 Organisational Assessment**

The April 2019 Organisational Assessment found the following.

- The SIG was not providing quality services in areas of critical importance to the Governance Partnership; namely, development of the whole-of-facility PAF; support to partnerships in developing their PAFs and MEL more broadly; and reporting.
- The SIG lacks clarity of purpose and has an ambitious list of functions, many of which are leftovers from the more ambitious KAL team structure and are not being delivered. The structure is overly complicated, and resources are not in the right places.
- The SIG does not have sufficient specialist technical expertise in MEL. Partnerships do not draw support from the SIG in developing their PAFs; rather, they use MEL specialists embedded in their teams or contracted external support. PAF approaches and PAF structures differ between the partnerships. Less experienced MEL professionals in the partnerships do not find the MEL Community of Practice useful for obtaining technical support to do their work. They seek support from peers in other partnerships.
- The SIG progress reports to the AHC were found to have been of limited value as they were based at an activity level. A new outcomes-based reporting template has been developed for six-monthly reports.

The recommendations from the Organisational Assessment led to a decision to dissolve the SIG in favour of a dedicated Monitoring, Evaluation, Reporting and Learning (MERL) team. This decision means that a number of existing SIG functions will be made redundant to enable the necessary resources to be directed to the new MERL team. The priority for the new MERL team function is to manage the facility PAF implementation, facility reporting, value for money reporting, MEL guidance to partnerships, and MEL leadership through the Community of Practice. It will achieve greater coordination and contestability across the facility in achieving our collective PAF outcomes.

## **Findings from This Annual Review**

During the past 12 months Abt has developed several iterations of a whole-of-facility PAF with an implementation plan; developed PAFs for the PPF, EGIG, PSLR and DCP partnerships (the results are variable); filled MEL vacancies in the partnerships; started to develop a VfM framework for Outcome Area 2 of the Governance Partnership PAF; managed a Community of Practice to coordinate MEL work across the facility; progressed work on a Management Information System for the facility; further developed the whole-of-facility risk management framework; progressed work on a knowledge repository website; and developed a mock-up of a whole-of-facility six-monthly 'Outcome Report'.

It is clear that Abt has undertaken a large amount of work to improve the quality of its MEL frameworks and tools. At the same time, DFAT has comprehensive MEL policies and standards in place that are designed to ensure that:

- MEL practices and products meet DFAT's information needs;

- performance feedback is available to inform Abt's management practices and the continuous improvement of investments; and
- external accountability requirements are satisfied.

Unfortunately, several of the workstream partnership PAFs are not consistent with DFAT's MEL requirements and hence are not 'fit for purpose', as shown in **Table 1**.

**Table 1: Summary Assessment of Partnership PAFs\***

	Uses DFAT's template?	Applies DFAT's terminology?	Measurable development outcomes?	Technically sound indicators?	Baselines in place?	Targets identified?	Framework 'fit for purpose'?
Bougainville MEL Framework	P	P	Y	P	P	P	Y
Kokoda Results Framework	P	P	Y	P	P	P	P
Partnership Fund PAF	N	N	Y	P	N	P	P
EGIG PAF	P	N	P	P	N	N	P
Precinct PAF	N	P	P	N	N	N	N
DCP PAF	N	N	N	N	N	N	N
Draft whole-of-facility PAF	N	N	P	N	N	N	N

Y = yes, largely compliant; P = partially compliant; N = limited or no compliance

\* This summary assessment along with suggestions for improving each PAF has been provided to the AHC in a separate briefing note.

In addition to the technical limitations in several of the partnership PAFs, the Governance Partnership's whole-of-facility PAF needs to be more than simply the sum of the individual partnership PAFs. The rationale for the facility's design was to achieve efficiencies, along with improved coordination and synergies across the individual partnerships. These synergies in turn were intended to contribute to the achievement of high-level GoPNG outcomes.

During the course of this review various examples of synergies and potential synergies between partnerships were given by key informants. However, the incentives to drive cross-workstream collaboration within the Governance Partnership appears to be lacking. Over the coming period priority needs to be given to pilot testing the identification and measurement of a small number of high-level cross-workstream outcomes and reporting against these using the whole-of-facility PAF.



Abt's ability to develop and implement a range of high-quality PAFs that are consistent with each other and compliant with DFAT's standards and terminology is hampered by:

- skill shortages and staff vacancies in the areas of MEL and investment design (both the number of staff and their skills);
- gaps in both Abt's and the AHC's understanding of DFAT's standards;
- the timeliness and consistency of DFAT's feedback to Abt; and
- the absence of consensus between Abt and DFAT on the overall strategic intent of the Governance Partnership.

Where challenges to MEL framework finalisation are still present, this is often a shared responsibility between Abt and the AHC. As a step towards improving MEL capacity with Abt, a survey of staff knowledge and skills should be undertaken as a guide to inform capacity building and against which to measure progress.

There is a need for DFAT's Contracting and Aid Management Division and Development Policy Division to develop an MEL good practice note for facilities, and to hold learning events to support learning from the experiences of different managing contractors. There is an opportunity for the AHC to initiate or contribute to this process.

Limitations in Governance Partnership PAF/MEL arrangements make it very difficult to assess progress towards the desired development outcomes. Until such time as high-quality PAFs are in place and operationally implemented, it will be difficult for Abt to use evidence to inform the management of Partnership programs and drive continuous improvement.

Good work has been done to rationalise the nature and frequency of reporting in the partnerships (e.g. in DCP), and this iterative process should continue. Reporting that is useful for Abt is not necessarily so for the AHC and vice versa, and the reporting to GoPNG departments appears to be underdeveloped.

During the course of this Annual Review several GoPNG departments stated that they wanted to be more involved in the strategic management of the Governance Partnership. In addition, departments wanted direct access to Abt Partnership staff; copies of the Governance Partnership's progress reports; and the authority to request Abt to produce policy discussion papers for GoPNG's consideration.

The Governance Partnership has the potential to inform GoPNG policy discussions via research, evaluations and evidence products. This raises the question of how to best structure the interrelationships between Abt, DFAT and GoPNG departments to manage public diplomacy considerations while promoting effective strategies to achieve development outcomes. As work within the Governance Partnership matures, the role of research and learning should come to the fore as a means to inform future programming within and beyond the Governance Partnership. Each partnership and the SIG should demonstrate that it has reflected on the key ways in which it can influence future directions in governance programming through evaluations and learning, knowledge management, and research uptake or influencing strategies.

The findings of this review are consistent with the results of other more focused OPM reviews throughout the year. There is a deeper systemic issue in Australia's Aid Program in PNG, centring around all parties' familiarity with, and application of, DFAT's MEL standards.

With the Abt PNG contract being extended through to April 2022 all of the PAFs, facility and workstream, should include evaluative questions that seek to report on impact against the various intermediate outcomes. The contractor should establish by the end

of October 2019 a plan to resource and complete these reviews, research or evaluations. [These are activities internal to the facility and not to be confused with any work DFAT commissions from the QTAG.]

QTAG is of the view that the progress made on MEL could be enhanced by the use of an internal survey of staff within Abt PNG, and perhaps AHC. The purpose is to enable management to provide more focus on training and support of those implementing MEL.

Based around organisational context & culture, leadership, program readiness and evaluation planning the survey could:

- assess MEL practices in Abt PNG;
- seek to better understand the perceptions of both the AHC and Abt PNG staff about the MEL culture;
- give respondents an opportunity to respond anonymously & frankly; and
- to generate a current baseline against which future progress can be measured.

QTAG recognises the sensitivity of such a survey. Implementation would be at the discretion of Abt PNG and AHC.

### Recommendations

- Performance Assessment Frameworks (PAFs)
  - by 31 October 2019 complete the whole-of-facility PAF. As part of this process Abt should pilot test the identification and measurement of a small number of cross-partnership outcomes; and
  - by November 2019 all Governance Partnership PAFs need to be brought into line with DFAT's PAF/MEL standards. All PAFs should reflect a realistic and achievable level of ambition and clear program logic while using DFAT's templates and terminology.
- By 31 October 2019 each workstream has planned in its PAF a sufficient number of internal strategic reviews, research activities or evaluations that seek to address the key evaluative questions in the respective PAFs.
- By December 2019 Abt PNG should undertake a survey of its organisational culture and incentives for undertaking monitoring and evaluation, levels of leadership support, and staff knowledge and skills. This will help to guide the development of an MEL capacity building plan for the Governance Partnership while establishing a baseline against which to measure future progress.

## 11 2018 Annual Review

# Recommendations Stocktake

### Introduction

The 2018 Annual Review of the Governance Partnership made 56 recommendations with an additional 13 sub-recommendations for a total of 69.

DFAT issued its Management Response in August 2018 after discussions with Abt Associates:

- 52 were accepted in full;
- 16 were agreed with in part; and
- 1 was rejected.<sup>19</sup>

Abt Associates prepared a 'tracker' using an excel spreadsheet managed by a staff member to monitor implementation of the recommendations. The tracker was updated regularly and progress was discussed with the AHC at the regular Governance Partnership meetings.

Significant progress has been made implementing all the recommendations, with most either fully implemented or partially implemented. The partially implemented recommendations are all works in progress as noted in this review, with a majority substantially implemented.

The QTAG's assessment:

- 25 are fully completed;
- 43 are partially completed;
- 1 has no further action required due to changed circumstances; and
- none are not implemented.

There are eight cases where the QTAG has made an assessment of 'partially completed' and Abt Associates has assessed as 'fully completed'. This is due to the QTAG's opinion that the work is ongoing or some refinements are needed; for example, a PAF has been completed but it may use language inconsistent with DFAT practice or a key element is missing.

### Analysis

Overview of the key recommendations:

- a. **Governance Partnership Way of Working:** as noted elsewhere in this review there is a significant improvement in the way the Governance Partnership is operating internally and with external stakeholders. Communications and coordination among stakeholders are at a higher level than during the previous review. The Organisational Review has been completed and is being

---

<sup>19</sup> Recommendation 54 to add a gender adviser to PPF: the recommendation intent has been achieved through the DFAT recommended response of using other GESI resources from the Governance Partnership to support PPF.

implemented. The visibility and support for GESI is improved from 2018. While there is progress on MEL there is a way to go.

- b. **GESI:** there is clearer integration of GESI principles across the Governance Partnership with more strategies in place supported by clear gender indicators and milestones. There is work to be done to integrate these fully into PAFs and results frameworks. The gender team is meeting regularly. Internally, Abt Associates is mainstreaming GESI changes to recruitment processes are in place. This includes a glossary of terms to ensure a common PNG understanding of GESI. The whole-of-Partnership PAF clarifies the centrality of gender, disability and inclusion across the Governance Partnership.
- c. **Knowledge, Analytics, Monitoring, Evaluation and Learning:** this function has been re-organised as MEL following the Organisational Assessment. There is partial progress on all of the 2018 recommendations: the PAFs are in place, but could be improved; increased resources are available for MEL; and reporting practices were reviewed and, according to the AHC, improved. GESI is better integrated into PAFs and reporting. However, there is still a significant way to go to establish a consistent, credible, reliable MEL systems approach across all the workstreams and in the overall Governance Partnership PAF. The fourth year of this program needs to be able to produce real impact stories demonstrating changes that have resulted from Australia's contribution to better governance.
- d. **Value for Money:** Abt Associates engaged OPM, with DFAT's permission, to address the four recommendations around implementing a more rigorous VfM framework. The framework is in use and will be tested later in 2019.
- e. **Decentralisation:** the recommendations are being implemented, with K+K approved, communications capacity increased, and DCP's three core strategies developed and workshopped including EVA. Some of the specific recommendations for K+K need to be followed up on. CPP has been reviewed.
- f. **PSLR:** the recommendations have been implemented and the workstream is operating at a higher level of capacity than in 2018. The management support 'irritants' of 2018 are gone. The QTAG Strategic Review of the Precinct is guiding the realignment process for the Precinct and this workstream.
- g. **PNG Partnership Fund:** the recommendations have been implemented in the main. MEL activities, activity and outcome reporting, and GESI integration are now part of standard operating practice.

## Cross-Workstream Collaboration

With the improved implementation performance of the Governance Partnership, cross-workstream opportunities for engagement are emerging.

The Governance Partnership program logic states that while there are interventions within each of the workstreams that could make a difference to service delivery and government effectiveness many of the constraints are cross sector. In other words, they required joint action across GoPNG national agencies and departments and at a subnational level.

The Governance Partnership has the opportunity to contribute and support the 'joining up of government' to deal with a small set of these seemingly intractable institutional problems.

The Governance Partnership is demonstrating collaboration, but it is mostly ad hoc or small scale. **Table 2** (below) presents current cross-workstream collaboration derived from QTAG conversations and the individual workstream reporting.

The Executive Leadership Team and Partnership Leadership Group have recognised the need to advance collaboration in the draft Governance Partnership PAF – Outcome 1: *Increased coherence and collaboration between the programmatic Partnerships and between the enabling services and the partnerships*. The associated performance indicator is as follows: *Thematic priorities for the facility are identified based on stakeholder needs and evidence, prioritised and acted upon*.

Areas for collaboration should be selected having regard to feasibility and balancing resources. Some of those suggested below may be too ambitious or may require engagement with third parties and other contractors which may not be practical.

Possibilities include:

- enhancing coordination within levels of GoPNG, which is acknowledged as weak, for a specific project, perhaps starting with some known health and education delivery obstacles;
- intergovernmental financing, again perhaps in health and education service delivery, such as working through EGIG, DCP and PPF with the ADB on implementing the recent Line of Sight Study as a whole-of-government program;
- significantly enhancing the roll-out of an updated national public service GESI policy across government and particularly with partnership partners, and extending support to GoPNG's disability policy roll-out when it is actioned;
- institutionalising the roll-out of the IFMS to enhance the effectiveness of the systems and processes that increase accountability and transparency. This may extend to DCP and EGIG supporting DCP provinces to adapt their budget and planning systems to match IFMS where there is a fundamental disconnect; and
- strengthening EVA across the Governance Partnership in a whole-of-facility policy, not just as DCP's third sub-program.

The Governance Partnership, with DFAT, including its sector programs, needs to identify a small set of practical, feasible and likely to be medium- to long-term initiatives, based on previous studies and Governance Partnership analysis. DFAT could take the lead with high-level political and public service policy dialogue. The Governance Partnership could work with central and relevant line agencies to support interdepartmental committees, and the Central Agencies Coordinating Committee to oversight and manage implementation. (There is currently such a committee for the new provincial 'autonomy' arrangements.) A legacy from the Governance Partnership should be the framework for continued Australian and other partner support to clear some of these obstacles that have been written about for over a decade.

Post the QTAG in-country work DFAT and Abt have agreed to take forward leadership, GESI and public financial management as cross-facility activities.

### Recommendation

The Governance Partnership, with DFAT, identify a small set of cross sector initiatives, based on workstream work programs, previous studies and Governance Partnership analysis that are feasible for it to seek to engage with GoPNG in the medium to long term to clear seemingly intractable obstacles to effective service delivery, perhaps focusing on education, health and GESI.

Table 2: Cross-Workstream Collaboration

	Bougainville and Kokoda	DCP	EGIG
<b>PSLR</b>	Bougainville: Training in Bougainville for ABG counterparts at director levels. This includes curriculum development and targeted management training to about 60 public servants.	<p>Collaboration to promote Pacific Institute of Leadership and Governance (PILAG) training in DCP Partnership Priority Partnership locations – particularly on GESI and Male Action Network training – and with DCP Partnership’s primary Government of PNG counterparts (Department for Community Development and Religion, NEFC, DPLGA). This includes 11 participants from Priority Partnerships enrolled in the PILAG Diploma of Leadership and Governance course.</p> <p>Collaboration to support the youth coalition and The Voice Inc, including dissemination of a voice, drug and alcohol law survey, a component of the public consultation process on drug and alcohol abuse through youth grant partners.</p> <p>PSLR provision of advice to DCP on possible course providers and provision of courses in Port Moresby.</p>	<p>Collaboration to deliver a Mineral Economics Policy short course for the Department of Treasury, BPNG, and other economic agencies. EGIG also worked with Precinct on the Extractive Industries Transparency Initiative (EITI) subnational payments scoping study. EGIG leads on the relationship with Treasury and the content of the course, while PSLR is managing the contract with the University of Queensland and course delivery.</p> <p>PSLR is working with EGIG and DCP on the PNG EITI project on subnational payments. EGIG has been a content adviser and DCP has been advising on the impact for the provinces (and intends to fund a trial once the report is completed).</p> <p><i>EGIG worked with the Precinct Discussion Series team to develop a short 2-pager and circulate the research findings at the APEC Discussion Series events. We want to progress this and do a study on the cost of GBV to the public sector in PNG. EGIG is seconding several technical advisers to support the IMF’s upcoming national-level PEFA review.</i></p> <p><i>Future idea: a joined-up approach to training in the public sector, with a focus on IFMS training.</i></p>
<b>EGIG</b>	Bougainville: facilitation of conversations with Bougainville-based advisers in the BTO and DTOF with relevant GoPNG EGIG	Development of the K+K Talasea Cocoa Rehabilitation Project inc <b>senior program manager</b> to support scoping of K+K initiatives in Talasea, Mul Baiyer, Lumusa and Nawaeb, and collaboration with the EGIG <b>senior trade and business adviser</b> .	<p><i><u>Additional:</u></i></p> <p>Kokoda/Bougainville</p> <p>Sharing of management personnel and administration support on a regular basis, particularly for PB Port Moresby based staff working through National Coordinating Office for</p>

	<p>advisers embedded in national departments. The purpose behind this collaboration is to strengthen ABG–GoPNG relations and learnings.</p> <p><a href="#">Kokoda: development of future ideas for cultural and creative industries collaboration with the Kokoda initiative, as they increase their focus on economic development along the track.</a></p>	<p>Assisting DCP in the preparation and review of terms of reference for economic development and fiscal decentralisation <b>STA roles</b>.</p> <p>Supporting <b>tourism in Manus</b> through the Manus private sector land project, through teaming up EGIG's customary land experts with DCP's Manus-based subnational adviser.</p> <p>International <b>Rice</b> Research Institute visits to Mul Baiyer and Morobe to prepare a rice policy framework for domestic rice production in PNG on behalf of the Department of Agriculture and Livestock.</p> <p>EGIG review of terms of reference for economic development and fiscal decentralisation STA roles.</p> <p>Ongoing discussions with the World Bank and EGIG on the intergovernmental financing paper.</p> <p>Consolidation of advisory inputs in health financing with EGIG.</p> <p><a href="#">Future idea: subnational public finance management, likely arising from the completion of the subnational PEFA later in 2019.</a></p>	<p>Bougainville Affairs and the Office of GoPNG Chief Secretary.</p> <p>PSLR/All of Governance Partnership</p> <p>To inform the development of discussion papers for the Precinct realignment process, the input and views of program staff across the Facility was sought through a targeted workshop.</p> <p>Extensive consultation was undertaken with the different teams in the Facility to inform the 2019 Discussion Series concept note and calendar. It is anticipated that the 2019 Discussion Series will be delivered in a collaborative manner to support Governance Partnership objectives and to facilitate Governance Partnership relationships.</p>
--	---	---	--

**Notes:**

This table is based on the draft Facility six-month mock-up progress report. The table excludes workstreams where there was no documented crossover yet found (i.e. IPP and PPF).

The QTAG is aware there is considerably more cross-workstream collaboration than documented. To highlight this, we pursued extra, undocumented information regarding EGIG collaborations. Where this garnered otherwise-unavailable information, this is in [blue ink](#) (with thanks to Iain Smith, via email). This demonstrates the potential gains from documenting and better incentivising cross-workstream collaboration.

Collaboration with external agencies is not the focus of this assessment thus not included (this is to be expected in any Governance program).

Collaboration with the GESI team, SIG team and other central resources varied in depth and how extensively it was documented. This collaboration is assumed to be possible and happening to various extents for all workstreams. It is discussed in full in GESI and MEL areas of the report, and in the Organisational Assessment.



## 12 2019 Annual Review

### Recommendations

Recommendations are included throughout the report under the relevant headings and consolidated below for reference.

1. Revisit the BP results framework and workplan periodically following the referendum to ensure appropriate adaptations informed by the evolving political economy and recommendations of the Bougainville Strategic Review, whilst taking into account the finalised GESI SAP.
2. DCP should review its level of investment in, and reliance on, reform of decentralisation policy. Specifically, DCP should:
  - a) ensure its K+K projects are set up to maximise wider governance benefits locally;
  - b) assess the potential of a wider set of relationships with GoPNG agencies nationally to influence how DSIP funds are used;
  - c) consider how to work more closely with EGIG and PPF to ensure lessons from its local solutions work feed into national policy;
  - d) seek to translate advances in transparency into greater accountability, working in particular with churches through CPP; and
  - e) complete a broader GESI strategy and integrated it into the PAF.
3. EGIG offer the Department of Finance support some implementation and early outturn monitoring of IFMS to enhance effectiveness, particularly based around increased accountability and transparency.
4. EGIG spend time and resources to build on the opportunities created by effective MEL, analysis, communications and engagement to:
  - a. seek to refine its program of initiatives to those that will make the greatest development impact; and
  - b. make available the impact stories to the people who matter, the two governments, the people of PNG and other stakeholders.
5. An independent strategic review of KIP should be undertaken to inform a more holistic and strategic way forward.
6. PPF Effectiveness can be enhanced by:
  - a. completing a GESI Strategy;
  - b. PPF and Church Partnership Program supporting civil society and the churches to share successes and lessons around disability, GESI, maternal and child health, and elementary education; and
  - c. Tracking and reporting on the effectiveness of gender budgeting within the immunisation grants.
7. PPF Evaluations – one case study across the three education grants and one case study across the four health grants – should be programmed by Abt PNG for 2019/20 to identify:
  - a. development outcomes and achievements at scale;

- b. interventions that could be scaled up and those that should cease; and
  - c. lessons as to how the grants have enhanced policy decisions in the respective government agencies and contributed to removing institutional and organisational barriers to the delivery of health and education services.
- 8. PSLR supports the Department of Personnel Management to undertake a whole-of-government review of the implementation of GoPNG's GESI policy, and update the policy based upon the review's findings and recommendations.
- 9. All partnerships to finalise strategies for GESI (incorporating gender, disability and broader issues of inclusion) and ensure complete integration within results frameworks or PAFs and MEL strategies so that reporting reflects progress towards GESI outcomes as well as reporting spend on gender as per DFAT requirements. Partnership workstreams should include specific MEL processes to capture outcomes on GESI, building on hard data where possible (e.g. survey data) or developing case studies to articulate change processes and outcomes as a basis for future programming.
- 10. A consolidated report of policy-relevant evidence on both gender equity and disability and social inclusion should be compiled from across the Governance Partnership. To inform this, each partnership should define how gender and disability related GoPNG policy could be informed by their work and make efforts to capture evidence to influence this.
- 11. Performance Assessment Frameworks (PAFs)
  - by 31 October 2019 complete the whole-of-facility PAF. As part of this process Abt should pilot test the identification and measurement of a small number of cross-partnership outcomes; and
  - by November 2019 all Governance Partnership PAFs need to be brought into line with DFAT's PAF/MEL standards. All PAFs should reflect a realistic and achievable level of ambition and clear program logic while using DFAT's templates and terminology.
- 12. By 31 October 2019 each workstream has planned in its PAF a sufficient number of internal strategic reviews, research activities or evaluations that seek to address the key evaluative questions in the respective PAFs.
- 13. By December 2019 Abt PNG should undertake a survey of its organisational culture and incentives for undertaking monitoring and evaluation, levels of leadership support, and staff knowledge and skills. This will help to guide the development of an MEL capacity building plan for the Governance Partnership while establishing a baseline against which to measure future progress.
- 14. The Governance Partnership, with DFAT, identify a small set of cross sector initiatives, based on workstream work programs, previous studies and Governance Partnership analysis that are feasible for it to seek to engage with GoPNG in the medium to long term to clear seemingly intractable obstacles to effective service delivery, perhaps focusing on education, health and GESI.

# Annex A Individuals Consulted

Given Name	Surname	Position	Organisation	Sex
<b>Government of Papua New Guinea</b>				
Frank	Aisi	Deputy Secretary Policy	PM&NEC	M
Stanley	Aruah	Coordinator Program Compliance	PM&NEC	M
Ilma	Gani	Assistant Secretary	DNPM	F
Hakaua	Harry	Strategic Policy Advisor	PM&NEC	F
Esther	Litau	Coordinator – Advisor Compliance	PM&NEC	F
John	Maigu	Director General – International Relations	PM&NEC	M
Terry Jack	Manab	Senior Policy Coordinating and Monitoring Officer Bilateral Affairs	PM&NEC	M
Ken	Ngangan	Secretary for Finance	Department of Finance	M
Taies	Sansan	Acting Secretary	DPM	F
Hohora	Suve	Alg Chairman / CEO	National Economic and Fiscal Commission	M
John	Uware	First Assistant Secretary	Treasury	M
Vaburi	Riu	Not Specified	Department of Foreign Affairs.	F
Robert Yori	Thomas	Principal and Coordinator	Not specified	M
Unnamed	Unnamed	Junior Staff Member	DNPM	F
Daire	Vele	Secretary for Treasury	Treasury	M

Australian Government Department of Foreign Affairs and Trade				
Chakriya	Bowman	Counselor, Economics and Security	Australian High Commission, PNG	F
John	Cullen	Assistant Director, PNG Branch	DFAT Canberra	M
Benedict	David	Minister Counselor, Economics and Security	Australian High Commission, PNG	M
Penny	Dennis	First Secretary, Education & Leadership	Australian High Commission, PNG	F
Suzanne	Edgecombe	Counselor, Education & Leadership	Australian High Commission, PNG	F
Andrew	Egan	Minister Counselor, Governance (SRO)	Australian High Commission, PNG	M
Chris	Elstoft	Assistant Secretary, PNG Branch	DFAT Canberra	M
John	Francis	Second Secretary, Program Strategy and Gender	Australian High Commission, PNG	M
Gini	Gabina	Senior Program Manager, Health	Australian High Commission, PNG	M
James	Gilling	FAS Pacific Bilateral Division	DFAT Canberra	M
Freddie	Hombuhanje	Program Manager (Sub National Development)	Australian High Commission, PNG	M
Rosemary	Isicar	Program Manager (Governance)	Australian High Commission, PNG	F
Geoff	King	Counselor Subnational Governance	Australian High Commission, PNG	M
Delilah	Konaka	APM - Education	Australian High Commission, PNG	F
Jenny	Max	A/g Program Manager - Program Strategy & Gender	Australian High Commission, PNG	F
Alistair	McEachern	Counselor	Australian High Commission, PNG	M
Elise	Newton	First Secretary, Health	Australian High Commission, PNG	F
Kate	Phillips	Program Strategy and Gender	Australian High Commission, PNG	F
Alex	Oates	First Secretary, Sub National Development	Australian High Commission, PNG	M
Geoff	King	Counselor, Sub National Development	Australian High Commission, PNG	M
Leah	Tuka	Assistant Program Manager, Bougainville	Australian High Commission, PNG	F
Beverlynnne	Wangillen	APM, Kokoda & Bougainville	Australian High Commission, PNG	F
Steph	Werner	Second Secretary, Humanitarian Response	Australian High Commission, PNG	F
Luke	Wilde	Director, PNG Governance and Performance Section	DFAT Canberra	M
Edward	Wilkinson	First Secretary, Economic	Australian High Commission, PNG	M
Nikki	Wright	Second Secretary, Kokoda & Bougainville	Australian High Commission, PNG	F
Kate	Butcher	Gender Advisor	Consultant	F

Governance Partnership Facility - Abt Management Services				
Nau	Badu	Sub National Governance Advisor	Abt PNG Management Services	M
Leah	Dama	Gender Officer	Abt PNG Management Services	F
Helen	Disney	Team Leader, Performance and Assurance	Abt PNG Management Services	F
Jacqui	De Lacy	CEO, Canberra	Abt Associates Australia	F
Justice	Gua	Citizen Participation Advisor - DCP Team	Abt PNG Management Services	M
David	Holder	Program Manager - IPP	Abt PNG Management Services	M
Mea	Hitolo	IT Manager	Abt PNG Management Services	M
Donsey	Jonathan	Control Room Manager, Security and Fleet Team	Abt PNG Management Services	F
Michael	Juricic	Team Leader, PSLR	Abt PNG Management Services	M
David	Kavananamur	Director, Strategic Integrity Group	Abt PNG Management Services	M
Henry	Khaisum	Sub National Service District Adviser, Talasea District	Abt PNG Management Services	M
Louisa	Koluk	Procurement and Logistics Officer with HHISP	Abt PNG Management Services	F
Ricky	Kumung	Adviser, DPLGA	Abt PNG Management Services	M
Katherine	Lepani	Knowledge Manager, SIG	Abt PNG Management Services	F
Abel	Lomutopa	Accountant, AMS Finance Team	Abt PNG Management Services	M
Ayesha	Lutschini	Senior Program Manager - GESI	Abt PNG Management Services	F
Gordan	Maitava	Program Manager, EGIG	Abt PNG Management Services	M
Damian	Mate	Senior Program Manager, Bougainville/Kokoda	Abt PNG Management Services	M
Alan	McCagh	Director, Bougainville / Kokoda	Abt PNG Management Services	M
Patrick	McCloskey	Senior Program Manager, KIP	Abt PNG Management Services	M
Esther	Mcintosh	DCP Deputy Director	Abt PNG Management Services	F
Larissa	Molai	Disability Advisor, DCP	Abt PNG Management Services	F
Lucy	Moore	GP - MEL Technical Adviser	Abt PNG Management Services	F
Gavin	Murray	Executive Director	Abt PNG Management Services	M
James	Neo	Program Manager EGIG	Abt PNG Management Services	M
Hamish	Nixon	Director DCP	Abt PNG Management Services	M
Sarah	O'Connor	Director, People Culture and Diversity	Abt PNG Management Services	F
Lisamaree	Oliveros	Program Officer, HHISP	Abt PNG Management Services	F
Ramon	Oliveros	MEL Specialist	Abt PNG Management Services	M
Graham	Radi	M&E Advisor - IPP	Abt PNG Management Services	M
Geoff	Scahill	General Manager, Abt PNG	Abt PNG Management Services	M
Shedrick	Singip	Senior M&E Coordinator, PPF	Abt PNG Management Services	M
Richard	Slattery	Senior Policy and Design Adviser	Abt PNG Management Services	M
Iain	Smith	A/G Director, EGIG	Abt PNG Management Services	M
Nik	Soni	Former Director, EGIG	Abt PNG Management Services	M
Elai	Soutai	Thematic/Sector Analyst	Abt PNG Management Services	M
Graham	Teskey	Principal Technical Lead - Governance	Abt PNG Management Services	M
Emma	Turkai	Liaison Officer	Abt PNG Management Services	F
Kate	Uvia	Communications Officer	Abt PNG Management Services	F
Maggie	Veve-Lohia	Communications Officer	Abt PNG Management Services	F
Joy Marie	Waffi	PSLR MEL Adviser	Abt PNG Management Services	F
Sidney	Waingut	GP - KAL Program Manager	Abt PNG Management Services	M
Fiu	Williams-Igara	Director PSLR	Abt PNG Management Services	F
Johannes	Wolff	Economist - EGIG	Abt PNG Management Services	M

Other Donor and Civil Society Stakeholders				
Graham	Apian	Executive	Catholic Health Services	M
Kate	Butcher	Gender Advisor	Consultant	F
Andrew	Cooper	Senior Operations Officer	World Bank	M
David	Craig	Senior Governance Adviser	World Bank	M
Jennifer	Elsibai	Pacific Regional Director	Save the Children	F
Ed	Faber	Economist, PNG	Asian Development Bank	M
Ingrid	Glasgonbury	Chief Executive	Oil Search Foundation	F
Imelda C.	Ochavillo	Project Director/Chief of Party	World Vision	F
Richelle	Tickle	Country Director	Pacific Women	F
Pamela	Wyatt	Former Country Director PNG	Asian Development Bank	F
Kokoda				
Elsie	Farari	Program Coordinators, Seif meri Mun	ADRA	F
Theresa	Ume	Seif Meri Mun participant	ADRA	F
Lynette	Ryan	Seif Meri Mun participant	ADRA	F
Edna	Suma	Headmistress	Kokoda Primary School	F
Nancy	Yayada	Deputy Headmistress	Kokoda Primary School	F
Betty	Dandase	Teacher	Kokoda Primary School	F
Branchley	Talanoa	Teacher	Kokoda Primary School	F
Stella	Haiai	Teacher	Kokoda Primary School	F
Rolf	Kekedo	Teacher and Management Board member	Kokoda Primary School	M
Ethel	Kekedo	Teacher	Kokoda Primary School	F
Elizabeth	Ami	Village Health Volunteer	Kokoda	F
Martina	Harika	Village Health Volunteer	Kokoda	F
Audrey	Aisi	Village Health Volunteer	Kokoda	F
Freda	Bagu	Village Health Volunteer	Kokoda	F
Barbara	Sinele	Village Health Volunteer	Kokoda	F
Celestine	Arari	Village Health Volunteer	Kokoda	F
Joyce	Lelewa	Village Health Volunteer	Kokoda	F
Rosita	Harika	Village Health Volunteer	Kokoda	F
Theresa	Sara	Village Health Volunteer	Kokoda	F
Glenda	Rubina	Village Health Volunteer	Kokoda	F
Florence	Tumbari	OIC	Kokoda Hospital	F
Sub National Stakeholders - Talasea District, West New Britain Province and other Districts				
Williamson	Hosea	Provincial Administrator	WNB Provincial Administration	M
Nicole	Johannes	Provincial Media Officer	WNB Provincial Administration	F
Jonathan	Kuri	LLG Manager	Bali/Vitu LLG - Talasea District	M
Mark	Lebong	Provincial DAL Advisor	WNB Provincial Administration	M
Leo	Mapmani	Caretaker CEO/DA	Talasea District	M
Apollosa	Puambu	LLG Manager	Central Nakanai LLG - Talasea	M
Marshall	Sangsangio	District DAL Co-ordinator	Talasea District	M
Simon	Tiban	GESI Help Desk Officer	WNB Provincial Administration	M
Celine	Uma	Advisor Community Development	WNB Provincial Administration	F

---

# Annex B      Selected Bibliography

## 1 Whole-of-Facility Documents

Abt Associates, *Abt PNG Platform SO1 Annual Work Plan 2019–2020*, May 2019  
Abt Associates, *Bi-Monthly Implementation Report on Abt PNG Management Services Support to the PNG–Australia Governance Partnership*, January February 2018; March April 2018  
Abt Associates, *Final Six-Month Report July–December 2018*  
Abt Associates, *Governance Partnership Annual Report July 2016 – December 2017*  
Abt Associates, *Governance Partnership Organisational Chart*, January 2019  
Abt Associates, *Governance Partnership Six-Monthly Progress Report – Draft Mock Up*, April 2019  
Abt Associates, *Governance Partnership Six-Monthly Progress Report – January–June 2018*  
Abt Associates, *Strategy Testing Guide*, January 2018  
DFAT, *Aid Quality Checks for Governance Partnership Workstreams*, April 2019  
Abt PNG–AHC meeting minutes: various, including Facility Monthly Meeting, GESI and others  
Abt Associates, *Governance Partnership Six-Monthly Progress Report – July to December 2018*  
*Management Response to QTAG Annual Review Recommendations*

## 2 Bougainville Documents

Abt Associates, *ABG Organisational Capacity Development Projects Volume 2*, January 2018  
Abt Associates, *Bougainville Small Grants Operations Manual Volumes 1–5*, December 2018  
Abt Associates, *Budget Actuals to March 2019 and Forecast to June 2019*  
Abt Associates, *Design Document 2017–2019 Volume 1*, January 2018  
Abt Associates, *Eighteen-Month Report July 2016 – December 2017*, February 2018  
Abt Associates, *Gender and Inclusion Stocktake Report Annexes*, August 2018  
Abt Associates, *Gender Equality and Social Inclusion Mapping Analysis Report*, January 2019  
Abt Associates, *Gender Equality and Social Inclusion Strategic Action Plan 2019–2022*  
Abt Associates, *Governance Arrangements – TWG Composition – Final Draft*  
Abt Associates, *Monitoring, Evaluation and Learning Framework First Baseline Progress Report January–June 2018*, July 2018  
Abt Associates, *Monitoring, Evaluation and Learning Framework Volume 3*, January 2018  
Abt Associates, *Outcomes Report December 2018*, January 2019  
Abt Associates, *Quality at Implementation Check for Bougainville Partnership Pillars 1–3*, February 2019  
Abt Associates, *Risk Matrix*, March 2019  
Abt Associates, *Six-Month Report January–June 2018 Final Draft*, August 2018  
Abt Associates, *Strategic Review of Australia’s Investments in Bougainville (SECUNCLASSIFIED)*  
Abt Associates, *Terms of Reference: Design of the Pathways for Youth course curriculum*  
Abt Associates, *Work Plan and Budget Actuals to August 2018*



---

### 3 DCP

Abt Associates, *Decentralisation Policy and Reform Program Strategy*, April 2019  
Abt Associates, *Disability Inclusion and Mainstreaming Approach*  
Abt Associates, *Empowerment, Voice and Accountability Program Strategy*, April 2019  
Abt Associates, *Kina Bungim Komuniti Design – Draft for Discussion*, August 2018  
Abt Associates, *Local Solutions Program Strategy*, April 2019  
Abt Associates, *Monitoring, Evaluation and Learning in the DCP: Performance Assessment Framework and Implementation Plan*, October 2018  
Abt Associates, *Performance Assessment Framework Annexes*, April 2019  
Abt Associates, *Six-monthly contribution July–December 2018*  
DFAT, *Aid Quality Check – Evidence Notes, Decentralisation and Citizen Participation Program*, February 2019  
Institute for Human Security and Social Change, *‘You Have to Bring a Pig’: How Technical Advisors Work Politically in the PNG Decentralisation and Citizen Participation Partnership*, January 2019

### 4 EGIG

2017 Department of Treasury *Proposed Capacity Needs & Priorities (Technical Advisors)*  
Abt Associates, *Briefing Note: Summary of EGIG Support to Leveraging Concessional Financing*, April 2019  
Abt Associates, *EGIG Nested Gender and Inclusion Strategy Draft Version 4.0*  
Abt Associates, *Pawa Analysis and Programming Framework: Notes from EGIG and PSLR Training Workshops*, March 2018  
Abt Associates, *Performance Assessment Framework v 12 and Annex*, January 2019  
Abt Associates, *PNG Economy – the 2018 Final Budget Outcome*, July 2005  
Abt Associates, *Inclusive Growth Program Note (informal)*  
Abt Associates, *PNG Economy: Now more glass half full than empty*, April 2019  
Asian Development Bank, *Report and Recommendation of the President to the Board of Directors: Proposed Programmatic Approach, Policy-Based loan for Subprogram 1, and Project Loans PNG: Health Services Sector Development Program*, April 2018  
Bank of PNG, *33rd South Pacific Central Bank Governor’s Meeting, Samoa, Governor Loi Makani*, November 2018  
Nathan Associates, *Briefing on Economic and Fiscal Effects of the Issuance of the PNG Sovereign Bond*, July 2019  
*Terms of Reference: Technical Assistance for Macroeconomic Policy Division*  
*Treasury Cooperation Framework: Strengthening Fiscal Management*, August 2017  
*Treasury SMC Economic Governance Priorities*  
World Bank Group, *PNG Economic Update: Reinforcing Resilience*, December 2017  
World Bank Group, *PNG Economic Update: Slower Growth, Better Prospects*, January 2019  
World Bank Group, *Program Document for a Proposed Development Policy Credit to PNG for the First Economic and Fiscal Resilience Development Policy Operation*, September 2018  
World Bank Group, *Systematic Country Diagnostic PNG*, November 2018

---

## 5 KIP

Abt Associates, *Communications Plan 2018–2020*, August 2018  
Abt Associates, *Community Driven Development Operations Manual*, February 2018  
Abt Associates, *Kokoda Initiative Partnership Gender Equality and Social Inclusion Strategic Action Plan 2019–2022*  
Abt Associates, *Kokoda Initiative: Australia’s Approach*, August 2017  
Abt Associates, *Kokoda Track Authority Review Final Draft Report*, July 2018  
Abt Associates, *Organisational Chart*, August 2017  
Abt Associates, *Progress Report July 2016 – June 2018*, June 2018  
Abt Associates, *Quality at Implementation Check for Kokoda Initiative*, July 2005  
Abt Associates, *Model and Structure V04*  
Abt Associates, *Results Framework*, October 2017  
Abt Associates, *Results Framework Baseline June 2018*, September 2018  
Abt Associates, *Review Note – KI Tourism Development Approach and Activities*, October 2018  
Abt Associates, *Risk Matrix*, February 2019  
Abt Associates, *Six-Month Progress Report July to December 2018*, February 2019  
Abt Associates, *Six-Month Progress Report July to December 2018*, January 2019  
Abt Associates, *Tourism Review – SECUNCLASSIFIED – Various Documents*  
Abt Associates, *Work Plan and Budget*, March 2019  
DFAT, *DFAT MOU with Conservation and Environment Protection Authority in relationship to the Kokoda Initiative*, January 2017  
Extent Heritage Advisors, *Battlefield of Etoa Archaeological Management Plan*, January 2019  
Extent Heritage Advisors, *Etoa Battlefield Heritage Interpretation and Site Access Plan*, January 2019  
National Museum and Art Gallery, *Kokoda Track Military Heritage Management Plan*, September 2018  
TRIP Consultants, *Master Plan Final Report*, August 2015

## 6 PPF

Abt Associates, *PPF Flow of Information and Reporting to DFAT*  
Abt Associates, *PPF Handbook – Part II – MEL Framework, Version 1, and Version 2*, July 2005  
CCHS, *Sexual and Reproductive Health Integration Project Annual Report 2018*  
Oil Search Foundation, *OSF Wok Bung Wantaim Scope of Work*  
Oil Search Foundation, *OSF Wok Bung Wantaim: Monitoring and Evaluation Plan 2018–2020*  
Oil Search Foundation, *Wok Bung Wantaim Annual Report 2018*  
Save the Children, *Inclusive Education Elementary Final Draft*  
Save the Children, *RISE Literacy and Numeracy Boost Assessment Baseline Report*  
Save the Children, *RISE Tangled Threads: Multi-Layered Barriers to Educating Girls Aged 4-8 in PNG*, July 2018  
*Annual Report 2018*, March 2019  
CCS/Anglicare 6-Month Report January–June 2018, July 2018  
Hela Health Provincial Visit Report, March 2019  
Immunisation Proposal Scoring Guide and Scoring Sheet, July 2005  
Literacy & Numeracy Assessment of Early Grade Learners: Infographic  
Together for Education: Work Vision Annual Report 2018

---

## 7 PSLR

Abt Associates, *Annual Workplan Request for Contractual Approval 2018–2019*, March 2019  
Abt Associates, *Briefing of Governments of PNG and Australia Representatives*  
Abt Associates, *Final Budget 2018–2019*, March 2019  
Abt Associates, *Financial Summary YTD Mar 2019*  
Abt Associates, *Monitoring, Evaluation and Learning in the Pacific Leadership and Governance Precinct: Performance Assessment Framework and Implementation Plan*, March 2019  
Abt Associates, *Organisational Chart*, February 2019  
Abt Associates, *Performance Assessment Summary May 2018 – January 2019*  
Abt Associates, *Precinct Implementation Update (2017 Updates)*  
Abt Associates, *Precinct Realignment – Terms of Reference*, April 2019  
Abt Associates, *Precinct Tracker*, November 2018  
Abt Associates, *PSLR Gender Equity, Disability and Social Inclusion Strategic Action Plan April 2019*  
*Terms of Reference for Fortnightly Meetings of PSLR and AHC, selected fortnightly meeting notes*

## 8 GESI

Note: Documents listed above are omitted from this list but were referred to for GESI purposes also.

Abt Associates, *Briefing Note – Gender Equality and Social Inclusion Mainstreaming*, April 2019  
Abt Associates, *Communications, Media and Reporting Guidelines: Gender and Inclusion*  
Abt Associates, *Event Planning and Delivery Guidelines: Gender and Inclusion*  
Abt Associates, *Gender and Inclusion Glossary*  
Abt Associates, *Gender and Inclusion Stocktake Report*, August 2018  
Abt Associates, *Gender Equality and Social Inclusion Mainstreaming: Progress within the Governance Partnerships*, April 2019  
Abt Associates, *Information Sheet: Gender and Inclusion Mainstreaming Approach*, October 2018  
Abt Associates, *Skelim Pawa Analysis and Programming Framework*

## 9 MEL

Note: Documents listed above are omitted from this list but were referred to for MEL purposes also.

Abt Associates, *Concept Note: Further Development of the Knowledge Exchange Website, in Partnership with IHSSC, LTU*, March 2019  
Abt Associates, *Facility PAF Package Submission to AHC*, March 2019  
Abt Associates, *Facility PAF Update Plan*, May 2019  
Abt Associates, *Facility Performance and Assessment Framework and Implementation Plan*, March 2019  
Abt Associates, *Facility Structure Diagram*  
Abt Associates, *Guidance Note on Performance and Quality Improvement System and Processes*, July 2005

---

Abt Associates, *KAL Presentation on Performance Assurance*, March 2018  
Abt Associates, *Knowledge Exchange Documents: Various*, March 2019  
Abt Associates, *Letter to AHC: Review of Abt Associates Reporting*, February 2019  
Abt Associates, *MEL Presentation for QTAG*, April 2019  
Abt Associates, *SIG Presentation for QTAG*, April 2019  
Abt Associates, *Summary of Performance Assurance Reporting*, February 2018  
Abt Associates, *Whole of Facility Performance Assessment Framework and Implementation Plan*, December 2018  
Abt Associates, *Whole of Facility Performance Assessment Framework Indicator Update for July–December 2018 Report*  
DFAT, *Aid Programming Guide*, December 2018  
DFAT, *Evaluation of DFAT Investment Level Monitoring Systems*, December 2018  
DFAT, *Explanatory Note on Program Logic*, August 2018  
DFAT, *Monitoring and Evaluation Standards*, April 2017  
DFAT, *Performance Assessment Frameworks Good Practice Note*, April 2018  
DFAT, *Suggested PAF Template*, April 2019  
DFAT, *DFAT-Led Design – Investment Design Template*

---

## Annex C Case Studies

### 1. EGIG Support for PNG Fund Raising 2017–2019

Since 2017, EGIG has been working with GoPNG to improve its access to high-quality and affordable financing. This has been implemented through the provision of technical advice directly to government, as well as partnerships with multilateral organisations. The paper provides an overview of this support to date, the background information to the support provided, and a summary of three strategies pursued relating to the Asian Development Banks policy-based loan program, the World Bank's Development Policy Operation and GoPNG's 2018 sovereign bond. It also presents analysis and measurement of impact.

EGIG provided expert advisers to work with key PNG individuals, including the Treasurer, Treasury and central bank senior officials, and international bank staff, and provided these contributions:

- Asian Development Bank (ADB) loan of US\$300 million: significant technical inputs relating to health financing, design of the three-year policy matrix and now supporting GoPNG to meet the conditions of this significant policy-based loan program.
- World Bank loan of US\$300 million: support for preparatory research to document the economic, governance and sectoral analysis required to establish the loan. EGIG undertook a comprehensive analysis of public finance, taxation, revenue generation, public debt, monetary policy and export performance to feed into the 2018 World Bank Country Analysis. Ongoing support is provided to assist GoPNG with policy trigger compliance for the subsequent drawdowns.
- Sovereign Bond US\$500 million: provided advice on funding options to the Treasurer when other options closed. Direct support included a strategy for the bond 'roadshows' and the analysis that enabled the government to seek lower bids than first offered. The bond was a success both domestically and internationally. GoPNG paid its largest outstanding debt: K900 million to the public servant superannuation fund and retired domestic debt. This work has laid the foundation for further approaches to the international capital market. This bond issue is regarded internationally as a major success.<sup>20</sup>

#### Background

EGIG's guiding strategy documents have prioritised supporting GoPNG to improve budget stability and debt management. At program inception in 2016, it was clear that

---

<sup>20</sup> See Morgan Davis, 2018, 'Emerging markets cannot rest on PNG's laurels', *Global Capital Asia*, 3 October (<https://www.globalcapital.com/article/b1b6wnd0s6pr39/emerging-markets-cannot-rest-on-pngs-laurels>, accessed 17 June 2019) and Elliot Wilson, 2019, 'Papua New Guinea debate: PNG takes bold step onto financial and economic map', *Euromoney*, 15 May (<https://www.euromoney.com/article/b1f9w8sh3slx99/papua-new-guinea-debate-png-takes-bold-step-onto-financial-and-economic-map>, accessed 17 June 2019).

GoPNG was facing considerable fiscal pressure. This pressure was a result of low commodity prices, high spending and weak budget management which resulted in the need for increased financing. Over several years, this pattern had created a structural deficit that was (in part) being financed by increased domestic borrowing. The increased domestic borrowing put downward pressure on the Kina, resulting in the Bank of PNG restricting access to foreign currency to the detriment of the private sector and inclusive growth in PNG.

Drawing on this situational assessment, EGIG proposed a number of strategies to respond to the situation. These strategies included both working directly with GoPNG to improve the quality, accuracy and transparency of economic management functions, as well as partnerships with multilateral organisations who were mobilising resources in response to the growing fiscal pressures. Despite repeated consultation, however, EGIG could not establish a programmatic relationship with the Department of Treasury. Having mobilised a year after the expulsion of advisers in Treasury under the *Strongim Gavman* program, there was little appetite for Australian support to the Department of Treasury.

From April 2017 onwards, EGIG worked closely with the AHC to liaise and coordinate with the ADB and World Bank with the intent to assist both organisations to establish policy-based loan programs in PNG that would provide immediate fiscal relief for GoPNG's strained fiscal position through a combination of budget support and conditional financing. While these efforts were successful, the quantum of funds through these channels was insufficient. The AHC and EGIG continued to support GoPNG to explore other financing options. The potential of direct budget support funding through either IMF or DFAT failed, so an international bond was pursued. This was a tricky situation for a newly formed government in a precarious economic position. The ADB and World Bank loans and policy conditions gave the market confidence. Implementation strategies for each initiative have varied with close coordination and monitoring required to identify and capitalise on opportunities to support.

### **Appropriate, Flexible and Expert Technical Assistance**

An important lesson from these activities was the ability of Abt PNG jointly with AHC to engage senior experts who worked flexibly as trusted strategic advisers to broad terms of reference. They contributed to the team approach with the government, AHC, Abt PNG, the advisers and other partners working closely within the economic system to achieve results. This was aided by DFAT agreement to work beyond the Advisory Remuneration Framework standard fee limits and also the ability to contract specialist economic analyst firms as required.

### **EGIG Performance Assessment Framework (PAF)**

The program logic that EGIG pursues was informed by analysis and strategy setting completed through 2016 and 2017. It was negotiated and agreed to between EGIG, AHC and GoPNG. The results that it seeks to achieve are set out in the Governance Partnership's PAF. EGIG's support to securing concessional financing is in alignment with the EGIG PAF. The results of these activities contribute to both partnership and project level outcomes, as identified below.

**Figure A1: EGIG's Performance Assessment Framework**

	Outcome	Indicator/s
--	---------	-------------

Partnership	Inclusive and sustainable economic growth through macroeconomic stability, strengthened fiscal management, and private sector development	Improved alignment of revenue and expenditure in GoPNG budget  Medium-term fiscal strategy is developed and implemented
Project	Policies that promote macroeconomic stability, human development and inclusive growth are prioritised	Cost, quality and diversity of government financing has improved  Increased multi-donor support examining PNG economic challenges and opportunities

### Asian Development Bank Partnership

From March 2017, the AHC and EGIG entered into consultation to identify options for supporting ADB to establish a policy-based loan program in PNG. This loan program would provide concessional financing based on the achievement of a number of policy triggers across a range of economic, public financial management and health-related outcomes. ADB requested early support to the design of the project. In response, EGIG provided support in the form of a Macroeconomist (Nik Soni) and Public Finance Economist (Johannes Wolff). This technical assistance provided support for the loan program's policy matrix, as well as for ADB's broader design and approvals process.

Specific design functions that were supported directly by Nik Soni, Johannes Wolff, senior AHC officers and others included the following:

- **Project design:** technical inputs into ADB program design missions; design of project components relating to health financing, public finance management and capacity development; liaison with GoPNG; subnational investigations of provincial health authority (PHA) and IFMS functionality.
- **Policy matrix design:** design and update of the three-year policy matrix in the areas of national and subnational fiscal management, public financial management and health sector reform.
- **Project processing:** support to the facilitation of the project through ADB's internal design and approvals processes including support to ADB's interdepartmental review processes and ADB Board approvals processes.

With the approval of the project, EGIG has continued to support implementation. Nik Soni's transition into the role of EGIG Director allowed him to maintain close coordination between the ADB mission team and the AHC, as well as the opportunity to continue to provide technical advice to the project. EGIG continued to support the role of Public Finance Economist (Wolff) during the implementation stage of the program to help ensure the continued success of the program. Support during the second phase of the program has included the following:

- **Project implementation:** support to DFAT's request for the scale-up of financing, the continuous monitoring, updating and redesign of the program policy matrix, contributions to all major in-country program missions, and continued support for project processing functions.



- 
- **Health financing report:** preparation and presentation of the report *Line of Sight – How improved information, transparency and accountability would promote the adequate resourcing of health facilities in PNG*.<sup>21</sup> The report is intended to serve as a framework for systematically addressing health financing issues to enable and strengthen PHAs in health service delivery.
  - **Establishment of an National Department of Health–Provincial Health Authority Working Group:** following the publication of the above *Line of Sight* report, EGIG worked with ADB to support the establishment of an NDOH–PHA working group to discuss and progress matters relating to the establishment and development of PHAs.

In parallel, EGIG has supported GoPNG to implement policy requirements under the ADB's policy matrix so that the instalments of the loan may be drawn down. This has included direct support to the Office of the Treasurer through Nik Soni in his technical advisory role and through additional support from a short-term Macro-Fiscal Specialist. This support has helped GoPNG to establish and adhere to the Medium-Term Fiscal Strategy, a key policy trigger for the loan program. In addition to this, EGIG has also supported actions against the reform government areas of Public Finance Management Frameworks, Systems and Processes, and National Procurement Reform. This support has been delivered through the EGIG advisory support team in the Department of Finance.

### Partnership with the World Bank

From May 2017, EGIG commenced working with the AHC and World Bank to support the early establishment of World Bank's own Development Policy Operation (DPO) in PNG. At the time, the World Bank sought support to undertake preparatory research and analysis that the World Bank required prior to the establishment of the DPO. A package of technical support was negotiated and agreed to between World Bank and EGIG, including a Macroeconomist (John Grinyer) and Economic Monitoring Specialist (Anthony Obeyesekere). These economists collaborated with the World Bank team in PNG to undertake the necessary background research and analysis. This made a significant contribution to two key documents that needed to be in place before the DPO could be established: the *PNG Economic Update* and the *PNG Systematic Country Diagnostic*. These provided the economic, governance and sectoral analysis required to establish the DPO. Specific support provided included comprehensive analysis in the areas of public finance, taxation, revenue generation, public debt, monetary policy and export performance. The team also provided significant drafting and quality assurance of economic report sections including macroeconomic performance, macroeconomic policy management and economic risk.

The World Bank did not request further support in the development of the loan project itself. The World Bank faced significant delays in the development of the project. The entire project commenced implementation almost a year after the ADB, despite both organisations commencing preparation at approximately the same time. While it isn't possible to pinpoint specific factors responsible for the delay, it does suggest that EGIG's assistance in supporting design and coordination did have a tangible impact on the speed by which ADB was able to commence its loan support to GoPNG. In saying this, much of the research and analysis directly contributed to the design of the DPO after this

---

<sup>21</sup> ADB, 2019.

---

component of EGIG's support concluded. Through its relationship with the Office of the Minister for Treasury, EGIG also supported this approvals process through engagement with the Deputy Prime Minister to clear relevant documents with the Council of Ministers and the State Solicitor.

EGIG continues to support the implementation of the World Bank's DPO project through its advisory teams across GoPNG. This has included support to:

- the Office of the Minister for Treasurer to assist with policy trigger compliance relating to meeting Medium-Term Fiscal Strategy requirements;
- the Internal Revenue Commission to establish the Large Tax Office and the implementation of the Internal Revenue Commission's risk-based audit tool; and
- the Department of Finance to implement the IFMS within national government departments and to bring bank reconciliations for national government departments up to date.

### **Support to GoPNG's Sovereign Bond**

After a stalled effort to issue sovereign bond in 2016, PNG successfully issued its debut 10-year sovereign bond on 27 September 2018, raising US\$500 million at an interest rate of 8.375%. The GoPNG pays interest on the outstanding principal amount of the notes semi-annually in arrears on 4 October and 4 April each year, starting from 4 April 2019. The notes mature on 4 October 2028. The issuance was heavily oversubscribed with \$3.3 billion orders, signalling more investor appetite for future issuance from PNG. S&P rated the notes a B investment grade and Moody rated it B2, both with stable outlook.

EGIG's support to GoPNG's sovereign bond was provided during a challenging economic and political period. In 2017, the government was coming out of an election period with a new Treasurer and Deputy Prime Minister (D-PM). The D-PM was committed to reducing expenditure but this was insufficient in the face of the severe and structural macro-fiscal imbalances mentioned above. The new government was formed against the backdrop of too much expensive debt and a critical shortage of foreign exchange, which itself had led to harsh restrictions on forex to avoid inflation and the devaluation of the kina.

While in the long term the government needed to put in place a new set of macroeconomic policies to correct the situation, in the short term it required access to capital. There were several potential lenders whom PNG could have engaged with, with the affordability and desirability of these options varying. The EGIG Director at the time (Nik Soni) was serving in a direct advisory role to the D-PM. The first part of EGIG's support was to help the D-PM (in his role as Treasurer) to understand the various options and make an informed decision. As outlined above, the first choice was to pursue concessional financing from multilaterals, which was cheap but came with policy conditions, including floating the currency, which was unacceptable politically.

The funds from the ADB and World Bank were not enough to cover the needs of PNG. The IMF and DFAT were not able to give direct budget support. At the outset, an international bond seemed risky because of PNG's recent economic history, the way international bonds had been managed historically, and because PNG had a new government. Again, EGIG and the AHC provided advice on options available, and this time the D-PM chose to pursue an international bond.

Given this decision, EGIG provided a strategy for the bond ‘roadshows’, based on adherence to the Medium-Term Fiscal Strategy and its ancillary revenue and debt strategies, as well as Alotau II Accord, and the government’s policy charter. Much of this work included supporting the D-PM and Treasury to set up mechanisms to track and manage the project, including providing the evidence that could be presented during these roadshows.<sup>22</sup> Gaining the buy-in and support from organisations such as IMF, World Bank and ADB was also critical to the success of the bond as these policy reform programs provided a platform to tell a coherent reform story in support of the bond.

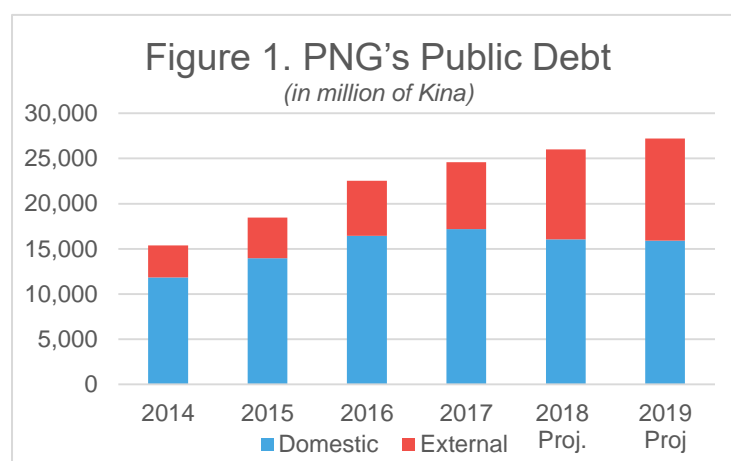
During the bond auction itself, EGIG undertook analysis to provide the D-PM with a second opinion on the rates the government should seek. When the first round of bids came in rates were too high. This analysis helped the government to seek further bids, ultimately securing a significantly cheaper price. As a result, the bond was a success both domestically and internationally and laid the foundation for further approaches to the international capital market.

Once the bond funds came in, EGIG continued to support the D-PM to maintain a constant line in terms of the use of that money to retire domestic debt and pay priority bills despite intense pressure to use it for other purposes.

The international reaction to the bond issue was positive.<sup>23</sup>

## Quantification of Results

The access to increased capital not only enhances PNG’s available fiscal financing envelope, the external financing source also diversifies the investor base for its public debt instruments (Figure 1). External debt is projected to have risen from under 25% of gross national debt in 2014 to more than 40% in 2019. This can play an important role in not only implementing development programs in the country, but also in mitigating the impact of shocks on the domestic economy. The access to this external financing source is also significant for a country like PNG with a shallow domestic capital market characterised by limited long-term financing. Although the Port of Moresby Stock Exchange has issued debt instruments in the past, these have primarily been illiquid local currency issues that must be held to maturity. Notably, the sovereign bond



<sup>22</sup> It is important to note that the PNG Bond Road Show was headed by the Deputy Prime Minister; that is, he was the main speaker at every event and the key to selling the bond, and EGIG assisted him with those speaking points.

<sup>23</sup> See Morgan Davis, 2018, ‘Emerging markets cannot rest on PNG’s laurels’, *Global Capital Asia*, 3 October (<https://www.globalcapital.com/article/b1b6wnd0s6pr39/emerging-markets-cannot-rest-on-pngs-laurels>, accessed 17 June 2019) and Elliot Wilson, 2019, ‘Papua New Guinea debate: PNG takes bold step onto financial and economic map’, *Euromoney*, 15 May (<https://www.euromoney.com/article/b1f9w8sh3slx99/papua-new-guinea-debate-png-takes-bold-step-onto-financial-and-economic-map>, accessed 17 June 2019).

---

issuance lengthens the maturity profile of PNG's public debt portfolio as PNG intends to consolidate its debt by retiring short-term domestic debt, thereby reducing rollover risks. This in turn can inject liquidity in the market.<sup>24</sup>

The short-term and longer-term fiscal and economic effects of the sovereign bond issuance depend on a number of factors, notable among which are PNG's adoption of prudent fiscal policies, appropriate debt management strategy, the projects or initiatives which are financed, and their respective returns on investments.

An independent assessment of the benefits of the bond issues was completed by Nathan Associates Australia for Abt PNG at the request of QTAG. The summary of their analysis:

"The new debt instruments loans have had unambiguous fiscal benefits for the PNG government. The sovereign bond alone will save over US\$200m over its lifetime against an equivalent domestic instrument. The ADB and WB loans together provided potential savings of around US\$1.2bn (assuming similar was acquired domestically)<sup>25</sup>.

While fiscal effects for the moment are uniformly positive (with some risk from external risk factors), the economic effects are more ambiguous, and could create greater economic pressure in the future. Limited time since the issuance limits the ability to estimate these accurately until more data are available.

#### **Fiscal:**

- **The new instruments (sovereign bond, WB and ADB loans) have significantly lowered borrowing costs from the equivalent domestic instruments.** This may save the government up to US\$1.4 billion over the lifetime of the loans compared to borrowing similar amounts through domestic markets.
- **The issuance of the bond and acquisition of the loans have reduced the rollover risk from short-term domestic exposure.** However, external financing risks associated with foreign currency denominated debt may result in greater costs in the medium-term. Should Papua LNG be delayed it is likely the pressure on the exchange rate will increase, worsening this risk considerably.
- **The local borrowing costs for government have dropped; this appears to be a function of the reduced demand from government.** Nothing fundamental has altered to change the risk rating, meaning these reductions in local T-Bill costs are likely the result of the reduced demand. This would potentially save the government US\$39.1m per year on the T-Bill portfolio. However, the effect is likely temporary and could depend significantly on the degree to which the central bank maintains its exposure to government debt.
- **The bond has likely improved the perception of the risk of PNG, and future external issuances could potentially be a percentage point cheaper** (based on secondary market trading yields).

---

<sup>24</sup> On the other hand, though, should PNG use the newly available external funding to clear some of its foreign exchange backlog, it can reduce liquidity.

<sup>25</sup> This does not assume any dynamic changes in the cost of local financing

---

### **Economic Impacts:**

- **No impact from reduced crowding out appears to be found.** This could be a function of the limited data available post-issuance (around 3 months), but also likely reflects the limited responsiveness of the local banking sector. It is likely, in order to expand private lending, that the banks would require significant retooling to identify and monitor loans. This would take time, and again would mean limited immediate response.
- **Exchange rate/Forex, effects while positive in the short run, present substantial risk going forward.** The exchange rate, particularly if it remains at disequilibrium, could cause substantial drops in imports and other external transactions in the future, as there is a requirement to start paying back the loan with Forex. If the exchange rate remains at disequilibrium the impact of a drop off in imports and investment and dividends abroad would be more significant.”

---

## 2. Kokoda Case Study on Gender Outcomes

Good gender outcomes from inclusion of women in community decision-making have been flagged as a key achievement for the Governance Partnership. This case study seeks to describe what these outcomes are and what development benefits are evident based on available evidence. Kokoda Initiative Partnership (KIP) reporting indicates a range of innovations to ensure that the needs of women are addressed in community-level interventions, and meetings with community members at Kokoda Station further clarified how women are engaged economically and socially and how these activities impact them.

KIP supports implementation of GoPNG Kokoda Initiative Master Plan (KIMP) working under three themes: the track, the people and the environment. The KIMP does not pay great attention to gender, although it states gender equity mainstreaming as a core principle across all programming and calls for promotion of women's empowerment. This lack of prominence for gender equality at the core of the KIMP is a concern. However, KIP has increasingly brought gender equality to the fore as it operationalises the plan under its current program design (2016–2020).

As noted in the Gender Stocktake, the current program design has a stronger focus on promoting GESI throughout all aspects of KIP, including partner organisations. Reflecting this shift towards a gender focus, in 2019 KIP developed a Gender Equality and Social Inclusion Strategic Action Plan (SAP) which details how gender will be incorporated throughout the current project design. This should ensure that gender outcomes are captured more rigorously in future. KIP's strategic outcome areas for gender align with the Australian Government Gender Action Plan (GAP II).

These are as follows:

KIP Strategic Outcome Areas
Enhanced visibility of gender equality, women's empowerment and social inclusion within the program.
Demonstration of a fully integrated approach, into management arrangements and improved coordination with all development efforts across the Kokoda Track region.
Enhanced women's leadership and influence in decision-making at the village, ward and local level government levels.
Increased economic and job opportunities for women, girls and those socially excluded.
Increased number of women and those socially excluded across the Kokoda Track to participate fully, freely and safely in economic and social life.

These outcomes constitute adoption of a programmatic approach to gender equality seen in the level of activities and outputs that include women or address gender equality, rather than ultimate outcomes in the lives of women per se.

With the focus on gender equality evolving rapidly in recent years but having only recently been articulated, it is hard to assess progress in concrete terms and against clear indicators. This is compounded by a lack of adequate data that specifically addresses the expected results areas.

However, reports and consultations strongly suggest that KIP has successfully integrated a number of key initiatives to raise the profile of gender equality and integrate

---

it across development programming. At the same time, specific efforts have been made to increase women's economic activities and to enhance their participation and influence in community decision-making processes, the focus of the case study.

Across PNG, traditionally women in many communities have not filled decision-making or other public-facing roles within communities. In Kokoda, in addition to broader cultural norms and barriers around gender, specific gendered dynamics are introduced by the nature of the trekking industry. Together these present additional challenges for women as well as opportunities for change.

Trekking generates cash income in remote communities with little other economic opportunities. To a large extent, men in the Kokoda communities are absent for long periods of time during the trekking season as they take roles as porters and guides. This leaves women and a high proportion of children in the communities. This necessitates women undertaking additional burdens in the absence of male family members. At the same time, the trekking industry presents additional opportunities to earn income if women engage economically. For many women this means running guest houses or campsites. Efforts by KIP in recent years have focused on diversifying the range of trekking-based economic opportunities for women as well as ensuring that women engage in collective efforts to organise trekking-based industries or landowner groups.

KIP has focused on defining and socialising norms of collective organisation that involve women, through a compulsory requirement for their inclusion in formal committees and boards with minimum numbers and a looser requirement for equitable balance. Women have been included in board of management trainings. Informants noted many cases where women have been selected to participate and were supported or mentored to do so, including in management committees in health and education facilities as well as the campsite and guest haus association where rules of association including women have been defined.

KIP has supported establishment and capacity building of the Campsite and Guesthouse Owners Association. This now has a board of 16, of which four are women (including the Association Secretary). The association has a clear gender lens across its constitution and code of conduct/practice.

Women are also engaged in community-level committees to develop and manage community museums. This participation is shaping development of trade houses alongside local museums to promote women's economic activities selling crafts and cultural products to trekkers which promises real development benefits to women and their households.

Alongside this promotion of formalised participation, KIP has emphasised the importance of equitable participation of men and women in broader community-level consultations. In particular, a community-driven development (CDD) program has been introduced to identify community initiatives through consultations with both men and women. Over the past year, five CDD initiatives were implemented, of which three directly support women, reflecting the positive outcomes of their participation in consultation processes. These were the community museum and trade houses, a solar light initiative that ensures light for all households and a menstrual hygiene project.

The seif meri mun menstrual hygiene project implemented in conjunction with ADRA was hailed by informants as a welcome innovation, providing new skills to women (and two men) who learnt how to sew menstrual hygiene products, and benefiting women and



---

girls who received these. Additionally, the project stimulated discussions around menstrual hygiene and broader sexual and reproductive health (SRH). Informants noted that discussions within communities were wide ranging following this and engaged both men and women in learning about the reproductive process and SRH. However, the initiative remains limited in scope and is, at present, not sustainable at the community level. It has potential to be sustained within the structure of ADRA's vocational training college but would need a longer-term plan.

As well as roles in consultative and decision-making mechanisms, KIP supports women to engage in economic activities as part of the wider program. Guidelines promote the equal participation of men and women in project activities, for example requiring contractors to use both men and women as labourers in infrastructure projects to reinforce the message of women as economic actors and ensure that some income from these larger development projects goes to women. However, achievement of these requirements is not explicit and greater effort could be made to describe where this is possible and where it is not.

Additionally, project activities also support women to undertake valuable social roles in the community, particularly as Village Health Volunteers (VHVs) where both men and women undertake crucial outreach functions following training and mentoring, including maternal and child health checks, tuberculosis (TB) and HIV testing and public health awareness raising. VHVs described the value they bring to women in remote locations and the dedication to their roles in challenging circumstances was evident, including finding any means possible to help women in childbirth reach hospital over inaccessible terrain and in a context where many women die due to the reluctance of family members to take them to hospital. All such visible roles within the community further reinforce the benefits of women's empowerment.

Women's social and economic activities to date appear well received across the communities as benefits are seen and discussions on additional ways in which women can contribute are ongoing. An interesting new avenue to build on general support is potential for women to undertake community ranger roles within the emerging protected area framework and management plan. KIP is aware of one other comparable example from the South Fly region of PNG and is able to describe key considerations in designing these roles to include women.

Despite these impressive efforts to normalise women's engagement in local decision-making and some specific initiatives uniquely addressing women's needs through women-led processes, persistent challenges to participation remain for many women. These include domestic responsibilities, lack of confidence, resistance from family members and power dynamics that prevent meaningful engagement or influence of women.

Family and sexual violence (FSV) presents a key challenge as elsewhere in PNG. KIP currently has a gap in terms of addressing this but demonstrates emergent thinking on how to work with specialist organisations to tackle this. Most importantly, with the risk of backlash and increased violence high in response to gender equality programming, KIP urgently needs to ensure a 'do no harm' approach that spans all programming.

In other contexts, additional activities have been effective in addressing persistent challenges. For example, women's confidence to participate at all and to do so with impact as representatives of other women can be increased through literacy interventions. Additionally, where women have little history of collective action or even

---

economic and social engagement introducing projects for women to act collectively in a simpler space can be an effective precursor to wider engagement and influence. This might include livelihood support groups or health support groups.

Other barriers to women's real influence and ability to benefit from opportunities have been addressed effectively elsewhere in PNG with behaviour change interventions, particularly working with men at household level or with community gatekeepers. These are also effective responses to FSV. Other work on norms has proved effective in helping households to plan jointly for generation and use of resources, reducing the likelihood of backlash against women earning money where collective benefits are recognised and increasing the positive impact of increased incomes across the household. To move further towards real development benefits for women, households and the wider community innovative programming models to address persistent challenges could be implemented in partnership with specialist NGOs.

A baseline conducted in Kokoda in 2017 showed that key gender-related development indicators were good compared to other areas, including numbers of attended births or gender parity in school attendance. With clear changes at programmatic level and reported positive outcomes in terms of participation, it is to be expected that this positive development trajectory remains evident when a new survey is undertaken in 2019. The repeat household survey could include more detailed enquiry into women's roles in leadership, both in terms of how they function and what changes this sets in motion in terms of wider development outcomes as a basis for further interventions.

In other parts of KIP gender equality considerations could be further incorporated. A key area is institutionalisation of the government GESI policy within the Conservation and Environmental Protection Agency (CEPA) or within the National Museum and Art Gallery (NMAG). There is an opportunity for women's participation to run further through the program although gendered perspectives are already recognised. For example, NMAG principles include a gendered approach to heritage interpretation, highlighting women's stories wherever possible, but it is important that it reflects this value across its staffing and community engagements.

Overall, the indications are positive that changes introduced to KIP to address gender inequality have set the program on a good trajectory towards higher level development outcomes. The combination of supporting women into leadership roles, broader economic empowerment of women and other social interventions appear to be mutually reinforcing and present an opportunity to complement this with deeper behaviour change and norms interventions to tackle more deep-rooted barriers to development. Additional ways to reinforce the value of women's participation where cultural norms may count against this could be introduced, particularly work at household or community level around resource and role sharing and identification of the benefits for all where women are more active in social and economic roles.

Women in decision-making can deliberately foster broader participation of women in social life, with a focus on voice and accountability. As KIP evolves over coming years in the context of political and institutional change in PNG there will be opportunities to foster citizen participation more broadly to build relationships between citizens and state and non-state service providers. The work done to date under KIP is good preparation but can be further consolidated to ensure that women across communities are able to engage as these channels evolve.

---

### 3. DCP Talasea Priority Partnership: Progress and Prospects

The terms of reference (ToRs) for the 2019 Annual Review call for a review of outcomes emerging from the DCP interventions in Talasea District and more widely in West New Britain Province. Talasea had been a focus of the DCP ‘deep-dive’<sup>26</sup> in the 2018 review. A two-day mission was undertaken by Stanley Arua, Department of the Prime Minister; Hakaua Harry, Strategic Policy Adviser, PM&NEC; and Stephen Bertram, the QTAG. The mission was coordinated by Henry Khaisum, the DCP Talasea District Adviser.

#### **The main findings at the time of the 2018 review**

The program was focused on building the capacity of district-level staff, with an emphasis on engaging with the DDA and making the use of the District Services Investment Program (DSIP) funds more effective. Opinion on how the funds were previously used was universally negative, with the following being the main issues:

- A distinct lack of transparency in decision-making. The political officers attached to the member of parliament (MP) were dominant, with spending decisions based on an assessment of vote-winning potential. If there had been a plan for DSIP none of the officials felt it had been followed. The result was a series of investments in buildings with little consideration given to the recurrent budget needed to make these useful.
- Weak or absent integration with the delivery plans in the sectors, to such an extent that in health (the department most independent from local political considerations) the investments were viewed simply as an expectation creating burden.
- Poor compliance with the basic principles of design and contracting that would deliver good-quality infrastructure. Even if the investment decision had been right, the product would usually be sub-standard and often overpriced.

At the time of the 2018 assessment a new Open Member had recently been elected and there was optimism among district officers that their views carried more weight. The requirement imposed by Department of National Planning and Monitoring (DNPM) for a five-year District Development Plan based on public consultation was felt to be a step forward. There had been public consultations in Talasea, but in consolidating the range of views and demand, a plan had emerged with a budget of PGK 470 million against a likely income from the DSIP of only PGK 50 million. This was not a plan that could be implemented and which would be a realistic guide for investment decisions.

The review found that the focus on the DDA and the DSIP was largely justified; this is the biggest single source of discretionary funding at subnational government level (even if the funds do not always materialise). Influencing its use promised significant value for money. In the absence of a realistic DDP, combining the leverage of Kina+Kina (K+K) funds with the political savvy of the DCP District Adviser was the most plausible option

---

<sup>26</sup> The context analysis as laid out in the DCP section of the 2018 Annual Review is still highly relevant to the circumstances in which DCP is currently operating.

---

to gradually achieve greater effectiveness. Some kind of strategy testing process would underpin the projects in which K+K and DSIP funds were combined.

Overall, this required changes in the shape of the program and how the adviser operated. It implied advisers would become development entrepreneurs working with the Open MP and other sources of power and influence in the district to solve local problems, and in doing so shift perceptions of good development. The results and lessons could be fed into national policy debates on services and decentralisation. It implied less reliance on the safe option of training and greater risk-taking in the use of the DCP district budget; for instance, by supporting 'joint patrols' by district officers to identify and solve local problems and to invest in equipment that would make those district officials more efficient.

### **Progress made in Talasea since the 2018 review**

*Widening the range of activities and being more entrepreneurial in the use of the core budget*

The DCP core (non K+K) budget for the district remains set at PGK 800,000. There are signs of a wider range of activities being carried out; for example, more training at the provincial level and of external actors. The shift to a greater emphasis on the province aligns the program more closely with the reality of how the bureaucracy works. DSIP funding aside (and even that is formally assigned to the provincial budget) the districts are, in reality, de-concentrated units of the province. For training to make a difference it must be aligned with national priorities **and** have the support of the provincial administration. Moreover, in a context where the DCP core district budget (which is effectively a dedicated capacity-building budget) is four times the total provincial training budget, that shift offers the prospect of extracting greater value for money by training more people and reducing the likelihood that diminishing marginal returns will kick-in. The training program is greatly appreciated by the administration.

The training of external actors reflects a desire to make economic opportunities with a focus on women's economic empowerment. The National Agricultural Research Institute 'women in agriculture' visit to East New Britain enabled the women to broaden their knowledge on agronomy and husbandry. It equipped the women with the knowledge, skills and understanding to contribute to local solutions and provided them with the self-confidence to commit to strengthen networks in Talasea.

Plans are in place to establish a District Council of Women. This will have an economic empowerment agenda which will aim to influence how the DSIP funds are used. The approaches by which it will achieve that level of influence are still to be fully developed. Less progress has been made in using the core funding for purposes other than training. There is still hesitation about supporting initiatives that might look like recurrent costs, such as joint patrols to find local solutions. Or to support the supply of equipment that might make the application of learning more likely. In a context where an adviser is embedded in the administration and is sitting on one of the few sources of uncommitted or discretionary funding, it is unsurprising that they are reluctant to open up a wider range of activities. They will tend not to do so unless convinced that they will be supported in the choices they make and have a clear set of rules to refer to in turning down requests. This theme is explored further below.

### **The introduction of K+K into Talasea**

---

K+K is the major change since the QTAG reviewed the Talasea Program last year. It is important to understand the national context for the introduction of the program as a whole in considering what has been achieved in Talasea. The state of DCP's relations with its prime national partner, the Department Provincial and Local Government Affairs (DPLGA), have fluctuated over the course of the program. Efforts to secure consent for the program as whole, and for individual investments, were still held up at the end of 2018. This was affecting the ability of DCP to operate effectively and to meet targets for budget realisation. A decision was taken to push ahead on a piloting basis on a verbal assurance that this was acceptable. This was a justifiable decision<sup>27</sup> but it did limit the scope to negotiate with the Open MPs who effectively control the DSIP at the point where real decisions are made.

The Talasea K+K project has a PGK 1 million budget drawn equally from the DSIP and DCP and deposited in a separate bank account. Three cocoa resource centres will be built to supply planting material, process products and train farmers. A Local Project Implementing Team (LPIT) comprising the district administrator, staff from the Department of Agriculture and the DCP adviser has been formed.

The project did not emerge from a process of comparing alternatives against economic or governance criteria. But it is a priority for the Open Member and is included in the District Development Plan, an important factor notwithstanding the limitations of the DDP noted above. DCP carried out a financial analysis of the viability of cocoa in the district that came to a positive conclusion. Cocoa features as a priority for West New Britain in the Mid Term Development Plan (MTDP) 2 and there is considerable optimism about the potential of cocoa production nationally and locally.

In this context, the politically savvy decision was to support the Open Member's preference. If successfully implemented the project will build DCP's social and political capital in the district. However, the prospects of delivering both the immediate and the wider governance benefits are uncertain.

### **The project as a sustained source of support to cocoa farmers – the immediate aims**

The emphasis of the LPIT, including the adviser, is understandably on the delivery of the physical infrastructure. They have a project plan to achieve that end but are nevertheless behind schedule in the construction as the three resource centres were supposed to have been completed by June 2019.

The rush to construction seems to have been at the expense of developing a Business Plan to sustain the resource centres over the long term. In particular, there has been little consideration of how much to charge for the planting stock and what effect that has on the existing local supply. It is possible that as an election gets nearer the Open Member's wish will be to price the product cheaply regardless of the effect on sustainability.

It is worth noting that a World Bank supported cocoa project in neighbouring East New Britain is based on expanding the role of the private sector. That model would have been

---

<sup>27</sup> Forcing the issue is thought to be a contributing factor to the eventual signing off on the agreement between the AHC, Governance Partnership and DPLGA.

---

relevant in business terms. But it would have been a harder sell to the Open MP as it wouldn't deliver the 'touch it and feel it' development that is still paramount.

### **Achieving immediate governance aims**

At present these are stated in terms of building capability to manage a project. The committee is gaining valuable experience and the District Adviser is mentoring in a fashion that is appreciated. But the Governance Partnership finance and procurement rules mean that much of the responsibility has been taken away from LPIT. This was unavoidable as the MP, in the interest of delivery, probably doesn't want too much local control anyway, but it does beg questions of whether this aim alone could justify the expense.

### **Achieving a wider set governance benefits in the district**

In the DCP documentation, governance is framed in terms of capability, sustainability transparency and accountability. But by not building the last three elements into the selection and design, the possibilities of achieving these have been reduced. For instance, an agreement to capture, in an accessible format, the story and the lessons throughout the course of implementation would have yielded material to influence how officials and citizens perceive the best use of DSIP funds. In a later engagement, the MP resisted an interactive social media engagement, preferring one-way communication other than on national radio.

Some recent and current developments will help rectify some of these problems. Recruitment is underway for a communication specialist dedicated to DCP. The program will shortly issue a contract to support infrastructure delivery elements across districts. The contractor will have building local capacity to manage infrastructure development written into the terms of reference. The DA would also benefit from ongoing business development support over and above the initial appraisal.

The most basic lesson is that the leverage that could be achieved through the significant Australian funds being committed has to be exploited to the full at the start of the project. The bargaining that entails would ideally be supported by a national GoPNG partner, but it is not clear that DPLGA has the will or the capacity. In that context, a District Adviser who has to maintain a range of relationships needs more support in those early conversations about choice and scope of the project. That support will be essential in shifting the emphasis away from infrastructure development.

Once a bargain is struck with the MP on the broad parameters of the project, strategy testing would be an ideal process to lay out all the objectives and assumptions that lie between the activities and achieving these. The LIPT would then be in a position to monitor progress towards achieving the immediate economic aims and the governance benefits.

### **What does the Talasea experience tell us about a policy influencing agenda**

DCP operates in a very complex policy environment. It works with national and subnational governments (of which there are three with differing levels of autonomy) within multiple policy frameworks and with three component sub-programs. There is intense political interest in many aspects of the policies and practice which DCP seeks to influence and implement – in particular, decentralisation itself.

In any case the ultimate objective of DCP is not better decentralisation policy. It is better service delivery and more economic opportunity. Policy on many of the key services is not controlled by agents with which DCP works directly. Health is tightly controlled by a system of national-level decision-making and provincial health authorities that answer upwards rather than sideways to the Provincial Administration.

Functional grants are channelled directly to School Management Boards; staff at provincial level report to the national ministry on the delivery of the principal functions they disburse. And to the extent that DSIP funding is centrally managed, influence lies with DNPM where the plans are approved more than with DPLGA.

This does not imply that the provincial and the district administrations are irrelevant. Although the true level of discretion that Papua New Guinea's current settlement awards subnational governments is arguably quite limited, these units can play a vital part in nation-building. They have a vital role in monitoring, learning and finding local solutions as national policies are implemented.

The DCP program in the Priority Partnerships aims to help subnational governments perform those roles. But those investments in developing good practice and uncovering lessons will deliver far greater value and can be used to influence wider policy and practice. The table below presents possible wider impacts and how, in very broad terms, they might be achieved.

<b>Policies, rules and norms that might be influenced</b>	<b>Channels of influence</b>
How the DDA operates and DSIP funds are used in the districts in which the K+K project operates.	Popular pressure on the DDA and Open Member to implement projects that achieve impact – through media and civil society. DNPM best placed central agency to support via scrutiny of the realism and alignment with national goals of DDA plans. This is a medium-term objective – would take several cycles of effective projects to change expectations and attitudes.
How DSIP funds are used in non-Priority Partnership districts.	Use of media to publicise what can be achieved with well-managed DSIP projects to apply pressure on other DDAs and MPs. Supported by DNPM scrutiny of plans. Possible role for DPLGA in disseminating success stories. This is an aspirational objective in the long term.
National decentralisation policy and law.	Intensely political arena in which evidence-based influence will be difficult, especially with relatively small ad hoc interventions. There might be mileage on intergovernmental finance reform.
Sector policies.	Unlikely to achieve influence on sector policies through one-off projects. DPLGA has limited convening power with sectoral ministries and agencies. Ambitions must be realistic. Prospects better when working with other Governance Partnership actors through EGIG and PPF.



---

Last year's deep-dive proposed this general lesson: *Sustained improvements in the performance of subnational governments usually stem from two sources: (1) effective supervision from a higher tier of government; and (2) pressure from well-organised and empowered citizens and their representatives in CSOs (and they can be more effective in coalition with private sector actors). Creating those conditions in Papua New Guinea will be a difficult and medium- to long-term challenge.*

At present these conditions are still not present in Talasea. The Empowerment, Voice Accountability (EVA) strategy has the potential to make a difference to the level of pressure from below. But DCP will need to consider a wider range of partnerships if it is to facilitate more effective supervision from above.

### **Conclusion**

Given the stage the program was at last year, and the context within which it works, it was arguably unrealistic to expect development outcomes to have been achieved by this stage. The discussions with a wide range of actors reveal that progress is being made in developing a more coherent program with the potential to achieve outcomes.

The analysis of the Talasea experience of implementation and that of the political context raises a number of questions that DCP and the AHC should address over the next year. We deliberately do not frame these as recommendations; we think it would be inappropriate for DCP to tear up its present approach without giving it a chance to work. At the same time a continued emphasis on experimentation, learning and adaptation has the potential to contribute to the design of future governance programming.

The questions are as follows:

- Is the focus in the decentralisation policy area justified? It has taken eight years (the previous program and this one) to make quite limited progress. The shape of any policy that will emerge is still unclear; whether it would have positive or negative impact on actual service delivery is as unclear as the prospects for achieving sufficient momentum to change an organic law.
- Should the K+K and local solution interventions be more tightly focused on health and education and less infrastructure heavy? Do the kinds of local solutions developed in the program have potential to feed into the debate on how to make reforms in the sectors work in practice? Or are they too local context specific? And does the main national partner, the DPLGA, have the convening power to make sure lessons are embedded in the policies of other agencies?
- Is there potential in developing linkages with the PPF programs to identify areas in which the K+K interventions and local problem-solving can support the work of those program. Are there lessons from those grants that DCP could explore in other contexts, such as the arrangements by which the Oil Search Foundation has managed to pool resources from a number of services into a coherent delivery plan for health services in Hela Province (the Oil Search Foundation has committed a far higher proportion of the budget than K+K envisages so the replicability needs to be tested). Could those linkages open up more viable avenues for DCP to engage with the policies that are most central to the quality of service delivery?
- Can the EVA program be focused on the health and education sectors while retaining the local control that commonly drives participation in social accountability work? Would the church health education services provide fertile ground to develop those approaches?

- 
- Can K+K interventions to widen economic opportunity fields be linked to the EGIG program of business development?

Finally, the Provincial Administrator in West New Britain offered a new priority, or more accurately suggested the resuscitation of work that has been done elsewhere. He believes the lower levels of government are overly dependent on central funding and that local-level governments in particular will remain moribund unless they raise some revenue internally. There is scope to work with EGIG in the priority partnership districts to assess the prospects; local revenue raising has the potential to increase the connection between leaders and citizens, but there would be questions about whether this would be an efficient way of funding services.

## Annex D 2018 Annual Review Recommendations

	RECOMMENDATION	Abt ASSESSMENT	QTAG ASSESSMENT	COMMENTARY
Tender Process	1. DFAT tendering processes are reviewed to ensure that assessments of organisational capacity are robust and take into account implementation, operation, and the corporate services capacity of tenderers when assessing tender responses, especially where there is a significant order of magnitude difference between the contract under tender and previous contracts managed by each tenderer.	Not relevant to Abt	Fully implemented (compliant)	DFAT advises that its contracting processes are regularly reviewed. Technical Assessment Panels undertake robust analysis of tenderer capabilities. This recommendation is particularly relevant when a group of contracts are moving under a facility model. DFAT has recently undertaken a review of facilities, the DFAT Facility Management Review, and has developed detailed guidance for staff undertaking design and contracting of facilities. DFAT is considering changes to tendering requirements for commercial contractors tendering for facilities as an outcome of the review.
	2. DFAT in-country officers and delegates be supported with expert contracting advice and appropriate comparator fee arrangements in the awarding of significant value contracts, especially where they are to be sourced through limited tender.	Work in Progress	Fully implemented (compliant)	This support is already in place through the process for developing, assessing and approving contracts. DFAT Canberra leads negotiations on large value contracts and undertakes price comparison of tender bids to inform tender evaluation processes. DFAT Canberra is considering improvements to current tender processes for facility contracts.

<b>Theory of Action</b>	3. Six-monthly reports from the workstreams to include a one-page update on the workstream's implementation of the theory of action.	Completed/ Implemented	Partially implemented (partially compliant and on track)	As noted in other parts of this review there are still significant issues with MEL and reporting. Agree in as much that the monitoring and evaluation framework should reflect the program logic. Workstreams should put efforts into ensuring that they (a) have a program logic; (b) have an MEL framework that correlates to the program logic: and (c) report regularly against the MEL framework. The AHC and Abt to consider appropriate theory of action elements to report on. The current arrangements remove the needs for the specific one pager analysis.
<b>Ways of Working</b>	4. The QTAG to report in future reviews on the performance of workstreams against an agreed, streamlined 'ways of working' criteria. The criteria will be developed by the QTAG in consultation with stakeholders and agreed with the AHC by September 2018.	Work in Progress	Partially implemented (partially compliant and on track)	It was agreed with DFAT that the working criteria reflected in the review's evaluation plan would allow flexibility in their practical application. Not completed as written. The QTAG is reporting in 2019 against a framework that recognises the outcomes and program as described in the workstream Performance Assessment Frameworks or their equivalent.
	a. At a facility level, the current and required capacity to support higher visibility and authority for KAL, MEL and GoPNG gender equality and social inclusion (GESI) policy and enhance efficiency of the MSU.			All three sub-recommendations have been implemented in part. They were considered in depth in the 2019 Organisational Assessment. Changes to KAMEL, now MEL, are being implemented as at the end May 2019.
	b. Options for the re-structure of each workstream, the MSU and strategic/MEL functions that demonstrates value for money (VfM).			Each workstream has reviewed the location of staff. Placements in agencies have been made (e.g. CPP to DfCDR and DCP staff to DPLGA).

	c. Value, challenges, options and implications of relocating staff currently in Ravalian Haus to full or time presence within GoPNG partner agencies.			
	5. DFAT and Abt PNG facilitate a full organisational assessment by Jan 2019 that addresses: (a) At a facility level, the current and required capacity to support higher visibility and authority for KAL, MEL, and GoPNG gender equality and social inclusion (GESI) policy and enhance efficiency of the MSU; (b) Options for the re-structure of each workstream, the MSU and strategic/MEL functions that demonstrates VfM; and (c) Value, challenges, options and implications of relocating staff currently in Ravalian Haus to full or time presence within GoPNG partner agencies.	Not assessed	Fully implemented (compliant)	Completed. The DFAT-commissioned Organisational Assessment has been completed according to its terms of reference. DFAT and Abt Associates will agree on the recommendations to be implemented.
	6. SO 1 costs are allocated or attributed to each workstream or core activity on an activity-based costing model.	Not applicable	Fully implemented (compliant)	Completed with direct costs now allocated to their respective workstream partnership, including the procurement fee.

	<p>7. Partnerships establish mutual principles of communication between GoPNG, AHC and Abt. These would be agreed and then monitored through the Partnership Governance Mechanisms and periodically by the QTAG (QTAG can also support in the facilitation of a workshop to establish the principles). They would cover communications and decision-making protocols and expectations, including: (a) Frequency and form of communication; (b) Position on funding modalities; (c) Participation in decision-making processes; (d) Thresholds for budget approvals; and (e) Reporting expectations (see MEL section).</p>	Not applicable	Partially implemented (partially compliant and on track)	<p>It is recognised that one size does not fit all, and arrangements need to vary from partnership to partnership. The principles should provide a common understanding at the partnership level of the decision-making and communication processes with GoPNG, AHC and Abt. Governance structures appropriate to each workstream are now in place. The QTAG received feedback that intra-parties communication is vastly improved from 2018.</p>
	<p>8. The AHC to consider a request from the Secretary of DNPM to place a senior O-Based Program Manager in the department, with primary responsibility for facilitating the flow of relevant information and the coordination of the aid program.</p>	Not applicable	No further action required (if events overtook what was planned)	<p>Secretary DNPM has changed. No subsequent request received from Denim to DFAT for an officer to be located there. The QTAG maintains the view that consideration of such an arrangement should remain active as a means of ensuring proactive coordination and reducing the possibilities for misunderstandings.</p>

<b>Gender, Disability and Social Inclusion</b>	9. workstreams include gender analysis and gender advisory capacity within strategy testing, PEA and program design processes.	Work in Progress	Partially implemented (partially compliant and on track)	Power Analysis and Programming Framework piloted with DCP then endorsed by Partnership Leaders Group (Oct 18). Training module developed and delivered to some partnerships (reflected in workshop notes for training with EGIG and PSLR – Mar 18). Partnerships well advanced in developing GESI strategies (drafts shared).
	10. Governance Partnership finalise gender indicators across the PAFs in a way that reflects both the gender (Key Result Area) KRA and the centrality of gendered approaches in achieving other KRA.	Work in Progress	Partially implemented (partially compliant and on track)	Work on the WoF PAF continues but current version has clear gender indicators and milestones including visibility across the Governance Partnership, integration of gender approaches into partnership plans and reporting on gender outcomes at partnership level. A whole-of-facility GESI Action Plan has been developed. At partnership level, standalone gender and inclusion strategies have been developed with clear activities and indicators. However, these are not yet complete and have not yet been fully integrated into partnership PAFs/results frameworks.
	11. GoPNG Department of Personnel Management's Gender and Inclusion Team brief program staff and LTAs about GoPNG GESI policy, how it is meant to be implemented, and opportunities for the advisers to support implementation within their partnerships or host agencies.	Completed/ Implemented	Fully implemented (compliant)	First session delivered September 2018 and potential to repeat.



12. Increasing the emphasis on research and documentation of lessons learned and emerging evidence of what works in addressing gender inequality and seeking broader developmental change through gendered approaches. All workstreams to build gender research into their work and to demonstrate use of emerging evidence around gender (from within the partnerships and externally) in challenging assumptions in program design and adapting program activities accordingly.	Work in Progress	Partially implemented (partially compliant and on track)	The core gender team has made available resources to support a gendered lens in research processes. Several partnerships demonstrate plans to undertake or incorporate gender research. Four research publications in 2018-19 provided strong gender dimensions within case studies, including Goreku (focus on gender equality theology). La Trobe University has supported the Bougainville Partnership on gender mapping and produced research with a strong gender lens over the year, PPF delivered research on obstacles to very young girls receiving education and another report on access to school by people with a disability.
13. The Communities of Practice (CoPs) disseminate emerging external evidence and advise particularly on pilot approaches demonstrated by the Pacific Women Shaping Development (PWSPD) Program that could be adopted at scale through the partnerships. They should also disseminate emerging evidence from within the facility through PWSPD. The relationship between the partnerships and PWSPD should be more deliberate and strategic.	Completed/ Implemented	Fully implemented (compliant)	The GESI Community of Practice (CoP) meets regularly.

14. Institutionalise accountability for gender within Human Resources (HR) processes both for regular staff and LTA positions, including:	Work in Progress	Partially implemented (partially compliant and on track)	Finalised in Sept 2018 and increasingly implemented.
a. Assessment of knowledge around gender and development and/or gender in the workplace during recruitment processes and inclusion of gender dimensions within all job descriptions.	Completed/ Implemented	Fully implemented (compliant)	Gender questions developed in consultation with GESI team and now being implemented as standard.
b. Deliberate actions to attract female candidates in under-represented areas, including reassessment of job descriptions, advertising and application processes and interview structures (including ensuring there is a gender balance on interviewing panels).	Work in Progress	Partially implemented (partially compliant and on track)	Policies in place. ToRs and interviews now include GESI. Gender balanced interview panels (at least one woman). Targeting for traditionally gendered roles. People, Culture and Diversity (PCD) demonstrates high level of awareness around remaining barriers to recruitment of women at mid-career level.
c. Instituting a mechanism for staff to raise concerns and debates around gender within the workplace, including the different needs of men and women in performing their work and instances of potential discrimination. Commitment to addressing gender equality concerns raised within the workplace and to providing staff	Completed/ Implemented	Fully implemented (compliant)	The Skelim Pawa Stretim Pasin Steering Committee oversees a mechanism for staff to raise concerns, which includes GESI aspects. Abt provided counselling services are now fully subscribed and further support can be given to access other services. An FSV policy is in final stages before sign-off and is likely to be rolled out in other Abt country programs.

with avenues to seek services to address issues they face outside the workplace (particularly family and sexual violence (FSV)).			
d. Staff performance frameworks should, as appropriate, include a requirement to demonstrate commitment to gender equality in ways of working and in contribution to realising the gender KRA through programming.	Work in Progress	Partially implemented (partially compliant and on track)	New performance management system forthcoming in 2019 to include an expanded GESI section in place of 'diversity'.
e. Improving transparency around key gender data within the facility, including sharing and discussing analysis of the gender balance across different staffing levels and partnerships, gender across pay bands, gender balance in training participation and other opportunities.	Work in Progress	Partially implemented (partially compliant and on track)	Quarterly HR reports give latest breakdown of staff by gender (reports shared). Gender pay analysis by job band forthcoming mid-2019.

	<p>15. Develop and communicate a broader, shared definition of gender and inclusion, incorporating gender and disabilities but also geographical, ethnic, class/livelihood, sexual orientation, age and other identity differences as well as analysing these as intersectional. This should be reflected in overarching theories of change and in the KRA itself (which could be revised if needed). Communications products being produced by all partnerships should ensure that the importance of gender equality is articulated in line with this common understanding.</p>	Work in Progress	Partially implemented (partially compliant and on track)	<p>The GESI team developed a glossary of terms to ensure a common, PNG specific understanding of GESI and has delivered all-staff training which a selection of staff reported to be useful and to change the way they act in their jobs. Specific tools to help further integrate this understanding across the partnerships have been developed and shared (power analysis and programming framework). The whole-of-facility PAF now clarifies the centrality of gender and inclusion across the AGP.</p>
KAL	<p>16 KAL be strengthened by expediting the completion and endorsement of a strong, fit-for-purpose KAL strategy, which includes a knowledge partner engagement strategy and an appropriate M&amp;E framework for KAL.</p>	Work in Progress	Partially implemented (partially compliant and on track)	<p>Based upon verbal agreement between the SRO and Exec. Director, the KAL team was novated into the Strategic Integrity Group (SIG). In place of an M&amp;E framework, the SIG now has an updated Performance Assessment Framework that is awaiting AHC endorsement. This PAF includes a high-level implementation plan that will be operationalised with more detail in the near future. The 2019 Organisational Assessment recommended decreasing resources to the SIG and focusing on MEL work rather than other knowledge products. These changes are being implemented as at the end May 2019.</p>

<b>Monitor ing &amp; Evaluati on</b>	17 The KAL Strategy be endorsed through a governance mechanism that enables the various knowledge actors to work collaboratively.	Work in Progress	Partially implemented (partially compliant and on track)	The KAL team, which has now become the SIG, uses the governance mechanism of the facility re: Executive Leadership Team, Partnership Leaders Group, Facility Monthly Meeting etc. The facility PAF was socialised at various points with Executive Leadership Team and Partnership Leaders Group and is yet to be endorsed and agreed at Facility Monthly Meeting. The 2019 Organisational Assessment recommended decreasing resources to the SIG and focusing on MEL work rather than other knowledge products. These changes are being implemented as at the end May 2019.
	18. In the near term, the Governance Partnership website be approved, to establish a catalogued and moderated knowledge repository as a component, which would in the medium and longer term be integrated with the National Research Institute (NRI) (or the most appropriate local institution) with the goal of enabling them to better host such a function.	Work in Progress	Partially implemented (partially compliant and on track)	Latrobe is undertaking analysis on knowledge repository. This action was due to be completed by the end of 2018. The Knowledge Website has been developed with testing to commence shortly.
	19. The MEL Implementation Plan and the component set of PAFs and Monitoring and Evaluation Frameworks be finalised as soon as possible. A light review and refinement of these documents should be performed annually.	Work in Progress	Partially implemented (partially compliant and on track)	Initial whole-of-facility PAF was submitted to the AHC in December 2018 and then a revision submitted again in Feb 2019 along with all the partnership PAFs and implementation plans. An updated Facility PAF was to be provided to the AHC by 31 May 2019. Timeline: originally due October 2018.

20. Consistent MEL language and terms need to be applied and integrated through all MEFs and PAFs, and the MEL Implementation Plan, with the MEL CoP taking the lead in supporting common language usage.	Work in Progress	Partially implemented (partially compliant and on track)	An external review of all PAFs/MEFs was recently undertaken. At the present time different partnerships are using different terminology/concepts and slightly different templates. Practices within Abt are not always consistent with DFAT policies and standards. Timeline: ongoing. The OPM Annual Review team sees this issue as a matter of concern.
21. Activity reporting for accountability and compliance be separated from analytical and evidence-based outcome reporting. Agree on standard activity and outcome reporting frequency and format, including potential use of fact sheets and case studies.	Completed/ Implemented	Partially implemented (partially compliant and on track)	A review of reporting practices has been undertaken with recommendations yet to be formally endorsed at Facility Monthly Meeting. This recommendation cannot be considered 'completed' until the proposed actions are endorsed by the AHC and implemented by Abt. Timeline: originally due October 2018.
22. Appropriate reporting formats and content be negotiated for each primary audience (AHC and GoPNG), as well as supporting relevant data to be collected to inform GoPNG's own reporting requirements (e.g. for MTDPs).	Completed/ Implemented	Partially implemented (partially compliant and on track)	As above

	23. Gender and inclusion principles be better integrated in MEL, at both whole-of-facility and workstream levels, through regular dialogues between both the MEL and internal and wider Gender and Inclusion CoPs, including PWSPD, with a particular focus on examples of what is working and why in practice, and in MEL for gender and inclusion.	Work in Progress	Partially implemented (partially compliant and on track)	Gender and inclusion now better integrated into the draft whole-of-facility PAF, and plans are in place to track program expenditure against minimum recommended criteria of the OECD-DAC gender policy marker. Partnership PAFs now have at least one indicator for gender and inclusion, but partnership GESI strategies are not yet fully integrated (and in some cases are not complete). In addition, a gender-specific PAF / annual report is to be developed. Timeline: originally due October 2018.
Value for Money	24. The Partnership move responsibility for VfM reporting to KAL, to track both sides of the VfM equation, with key economy and efficiency data provided by the Finance Team on a monthly basis (in the current VfM monthly workbook).	Work in Progress	Partially implemented (partially compliant and on track)	Abt Associates has engaged OPM to assist it develop a VfM way of working. Preliminary work has been completed at the Governance Partnership and workstream levels, including the completion of a draft VfM framework. The Governance Partnership is seeking to implement the framework with further assessments due later in the year. Implementing the VfM framework requires significant internal partnership time and effort for the managers and staff to become familiar with the methodology.
	25. Provide KAL with the resources, through the QTAG or otherwise, to develop a robust VfM framework that makes use of existing evidence such as the six-monthly QUICKS.	Completed/ Implemented	Partially implemented (partially compliant and on track)	
	26. Elevate VfM analysis to a more prominent role in regular strategic discussions of the Executive Team and Partnership Leaders Group (at least six-monthly).	Completed/ Implemented	Partially implemented (partially compliant and on track)	



	27. Seek QTAG support in the design and/or refinement of a more sophisticated, and impact-oriented, VfM framework to present a clear and robust performance story, incorporating explicit, program-specific VfM criteria (incorporating and building on the 'Four Es') and standards (levels of performance) to provide a transparent basis for making judgements about performance and VfM.	Work in Progress	Partially implemented (partially compliant and on track)	
DCP	28. The DCP media engagement seek to build momentum for reform by ensuring success stories are given a high level of publicity. There must be close links across DCP to identify potential successes early and record progress as it unfolds.	Work in Progress	Partially implemented (partially compliant and on track)	Measures have been taken to put in place dedicated DCP communications capacity. Future K+K projects need to develop a communications strategy from the onset to take full advantage of the governance potential.
	29. Strategy testing processes already initiated in the Governance Partnership (through KAL) be rolled out to discrete interventions and to strategies for districts and provinces. Strategy testing does not require high-level specialist skills or knowledge, and therefore we recommend that the Governance Partnership train and	Work in Progress	Partially implemented (partially compliant and on track)	Progress made with strategy testing down to Priority Partnership level. Project appraisals/outlines prepared for K+K projects. Using a participatory process such as strategy testing with key stakeholders could build consensus on wider objectives and surface the underpinning assumptions for tracking as implementation proceeds.

support staff to apply this approach vertically through the workstream.			
30. DCP should consistently define what is meant by ‘citizens’, ‘communities’, and ‘the people’, disaggregating these to a greater extent to acknowledge that these are not homogenous but that complex and intersecting identities determine lines of exclusion. They should also articulate how all activities ensure that different groups within society are represented to ensure that voices are heard and needs met across genders and other intersectional identity groups.	Work in Progress	Partially implemented (partially compliant and on track)	EVA strategy under approval. Draft has a strong GESI focus.
31. District advisers:	Completed/ Implemented	Partially implemented (partially compliant and on track)	
a. be supported and empowered to use their deep understanding of the local political context in which they work to adapt and inform their strategies, including using			An understanding of local context clear in the choice of Talasea K+K project. But the negotiations around the objectives and content of the project could have exploited the political capital more fully. The rest of the program still heavily oriented towards ‘safe’ capacity building work.

their budget in a flexible and entrepreneurial manner;			
b. be trained to ensure that they fully grasp gender and social inclusion issues locally and understand ways in which their activities can impact on these.	Work in Progress	Partially implemented (partially compliant and on track)	District Advisers show a high level of understanding of gender issues and that is beginning to feed into program content.
32. District advisers give less emphasis to the training of district officials. When supporting the development of the five-year district development plans they should try to ensure a greater degree of budget realism to improve the prospects of building accountability for implementation.	Completed/ Implemented	Fully implemented (compliant)	Advisers have widened the scope their training program. They have very little capacity to influence the DDP as a whole.
33. The Kina+Kina program be licensed and proactively encouraged to be a truly adaptive program, exploring experimentation with incentives, subject to an iterative approach to ensure that it remains contextually targeted and adapted.	Completed/ Implemented	Partially implemented (partially compliant and on track)	The overall design of K+K is highly adaptive. But see comment above on processes such as strategy testing to ensure implementation is adaptive in terms of meeting governance objectives. Some signs also that the Talasea cocoa project would benefit from a review of whether the immediate objectives are achievable in the current timeframe.

34. Kina+Kina and other accountability interventions be tailored to local circumstances; choices of provinces and districts should also be made at least partly on an assessment of the underlying prospects for positive change.	Completed/ Implemented	Partially implemented (partially compliant and on track)	K+K program selection and design has not fully incorporated the prospects to exploit governance aims.
35. Where there is a clear will among district officials to improve frontline performance, the DCP be able to coordinate interventions to support citizen monitoring with 'joint patrols'.	Completed/ Implemented	Partially implemented (partially compliant and on track)	Adviser had not yet been posted to Talasea to implement the proposed course of action.
36. Criteria that reduce fiduciary risk be introduced, based on continuous improvement in key areas rather than a predetermined set standard. This has the potential to build incentives into the system.	Work in Progress	No further action required (if events overtook what was planned)	
37. A strategy to explain the intent of social accountability be developed in order to disarm the distrust that can develop around such an initiative. Frank discussions at all levels will be needed to make this work.	Work in Progress	Partially implemented (partially compliant and on track)	EVA strategy currently under approval.
38. Careful thought be given to whether forcing a wider accountability role on a number of sub-programs is appropriate, or whether these programs are better	Work in Progress	Partially implemented (partially compliant and on track)	EVA strategy currently under approval.

	placed to play a role as vectors of important information on citizens' rights and responsibilities.			
	39. CPP Phase Three be extended by two years to enable a design for CPP Phase Four to be developed. The final decision to proceed to Phase Four to be made in mid-2021 after the QTAG completes an evaluation of CPP Three in first quarter 2020.	Work in Progress	Partially implemented (partially compliant and on track)	A recommendation for a future phase made as part of Mid Term Review and accepted in principle.
	40. That EGIG re-write EGIG PAF following the new Theory of Change with realistic and achievable outcomes.	Completed/ Implemented	Partially implemented (partially compliant and on track)	The EGIG PAF has been completed and awaits DFAT approval. The draft PAF does not meet DFAT recommended standards and further work is needed, as with other Partnership PAFs.
<b>EGIG</b>	41. That EGIG develops its gender and inclusion strategy to meet more fully Australia's policy objectives and supports GoPNG GESI policy. Particular emphasis needs to be placed on integrating it into the EGIG Inclusive Growth Strategy.	Completed/ Implemented	Fully implemented (compliant)	Completed with the development of the Economic Governance and Inclusive Growth Gender and Inclusion Nested Strategy: a gender and inclusion strategy with six key actions including a project which is dedicated to gender and inclusion.
<b>Public Sector Leadership and Reform</b>	42. PSLR engage with DFAT to finalise the next iteration of the PSLR Design as soon as possible.	Work in Progress	Partially implemented (partially compliant and on track)	On track for completion mid-2019.

	43. The PSLR Director, with DFAT, take the lead in managing PSLR as a program of mutually reinforcing activities.	Completed/ Implemented	Fully implemented (compliant)	Implement slightly differently to the same effect with the Director PSLR taking responsibility for the overall strategic direction of the workstream and a senior adviser assuming the role of operations/program delivery manager. Vigilance is required to ensure that the partnership is managed strategically.
	44. The program consult the Director of the Pacific Institute of Leadership and Governance (PILAG), and DFAT, to develop and resource a medium-term plan for the institutional strengthening of the Institute of Public Administration as it transitions to a statutory tertiary education body.	Completed/ Implemented	Partially implemented (partially compliant and on track)	The PSLR institutional strengthening component of PSLR is well advanced as described in the review with a number of significant interrelated activities underway. To the extent that this set of interventions exist the recommendation is completed, however implementation is ongoing.
	45. DFAT and Abt PNG management ensure the program is resourced with the staff and skillsets needed to implement the program.	Work in progress	Partially implemented (partially compliant and on track)	The QTAG is satisfied that this is substantially complete. Staffing issues have been addressed. However, it is an ongoing management matter to ensure that the balance of skills in future recruitment meets the needs of the workstream.
	46. Abt PNG ensure that the weaknesses in the core MSU platform services, particularly around capturing costs, forecasting, and recruiting staff with the needed skillsets, are addressed.	Completed/ Implemented	Fully implemented (compliant)	The AHC and partners report that the platform services issues have been resolved.

<b>Kokoda</b>	47. The program logic be peer reviewed, with a particular emphasis on the robustness of causal links and incorporating gender in a more nuanced manner, including qualitative assessments.	Work in Progress	Partially implemented (partially compliant and on track)	Gender and Inclusion Strategic Action Plan developed with clear articulation of how GESI relates to broader KIP objectives. To be implemented going forward. Most partnerships do not have a 'fit for purpose' program logic model in place.
	48. Further community consultation designs be quality assured, with a specific criterion of evaluating the design against international good practice in facilitation methodologies.	Completed/ Implemented	Fully implemented (compliant)	The CDD approach is clearly articulated with guidelines available. Community consultations were undertaken to inform the KIP Master Plan and current activities. The CDD approach will now be implemented as standard for KIP community-level activities.
	49. KIP takes an adaptive, iterative programming approach to the detailed design and implementation of the initiatives identified through the diagnostic process. The design should explicitly incorporate communication lines with other areas of the Governance Partnership where adaptive approaches are being applied (e.g. DCP).	Completed/ Implemented	Fully implemented (compliant)	Several CDD initiatives are being implemented and seek to ensure adaptive programming to ensure relevance. Efforts have been made to share this learning across partnerships. KIP demonstrates thinking around areas that overlap with other partnerships and potential synergies in future programming.
<b>Bougainville</b>	50. The Bougainville Program prioritise the establishment of an integrated financial management system.	Work in Progress	Partially implemented (partially compliant and on track)	This is in final stages and forthcoming in 2019.



	51. The Program conduct robust scenario planning that leads to the development of alternative theories of change.	Work in Progress	Partially implemented (partially compliant and on track)	BP has undertaken several reflection processes which further refine theories of change. This includes the GESI Strategic Action Plan. The program is highly adaptive given its fluid context and demonstrates a high level of reflection on change processes. Further work to incorporate the GESI strategy into the results framework is ongoing.
PNG Partner ship Fund	52. The following management enhancements be implemented:	Completed/ Implemented	Fully implemented (compliant)	
	a. Documenting governance mechanisms for PPF to reflect the April 2018 Ways of Working draft document.			Done, and is reflected in the revised Handbook Sept 18. Governance mechanism (p5) summary then Section 1 grant partners, Section 2, AHC and Section 3, Governance Partnership.
	b. Updating the PPF handbook to illustrate more clearly the involvement, engagement and reporting to GoPNG in parallel with or through DFAT.			Done, reflected in the revised Handbook. Page 5 highlights how PPF, DFAT and the AHC can learn from grantees interventions. Section 11 PPF reporting to DFAT highlights PPF, AHC and GoPNG fields visits for monitoring and learning.
	c. Including a specific gender equality assessment criterion at 10% for the assessment of grants.			New immunisation grant round has been implemented.
	53. That the PPF MEL Adviser ensure each grantee is implementing MEL to an agreed set of MEL quality standards, common formats, and consistent approaches, to a set of common agreed terms and definitions; specifically:	Completed/ Implemented	Fully implemented (compliant)	Done, and is reflected in the revised Handbook.  All grantees are implementing their own M&E plans. PPF supports grantees to complete their Monitoring and Evaluation Plans, with standard tools and processes to guide M&E to demonstrate results at scale and show value for money.

a. The frequency of reporting be reviewed by Abt PNG and the AHC with a view to adopting quarterly and annual reports on the grantee's progress and bi-monthly finance reports.	Completed/ Implemented	Fully implemented (compliant)	Completed. Incorporated in Handbook, sighted by the QTAG, as standard operating practice.
b. The Secretariat adds to the quarterly and six-monthly reports a concise analysis on each grant and its progress towards delivering on the development outcomes and key outputs. Grantees should be supported to provide an analysis at the outcome level.			
54. Engage a gender adviser to work with grantees to embed gender and inclusion principles and ensure greater prominence in their reporting.	Not applicable	Partially implemented (partially compliant and on track)	DFAT did not accept recommendation as other measures were in place including Community of Practice GESI support. Gender is addressed in the six-month progress reports and the research activities. Save the Children has just finished a detailed report on gender, which will inform programming. Disability is well supported in the education grants.
55. Seek opportunities to undertake appropriate scale research during the projects.	Not applicable	Partially implemented (partially compliant and on track)	One planned research activity not proceeding on DFAT advice. There have been four significant research evaluation activities in PPF. 2019 review will recommend grantees undertake end of grant evaluations.

---

56. DFAT and Abt PNG jointly review the procurement fee for SO 8 to establish if it provides VfM given the experience of the last year, the resources required to manage the fund, the advance funding requirements, management fees for comparator funds, and the risks assumed by Abt PNG.	Work in Progress	Partially implemented (partially compliant and on track)	DFAT sought further advice on international comparative fees from OPM and internally reviewed the fee Abt Associates engaged OPM to provide VfM methodology advice.
--	------------------	--	---