

MANAGEMENT RESPONSE

PACIFIC LEADERSHIP AND GOVERNANCE PRECINCT STRATEGIC REVIEW

Summary

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| Investment Name | Pacific Leadership and Governance Precinct |
| Government partners | Papua New Guinea and Australian Government through the Department of Personnel Management (DPM), Department of Higher Education, Research, Science and Technology (DHERST) and the Australian High Commission |
| Core Institutions | University of Papua New Guinea's School of Business and Public Policy (UPNG SBPP) and the Pacific Institute of Leadership and Governance (PILAG) formerly the Papua New Guinea Institute of Public Administration |
| Delivery partners | Australian Public Service Commission, Abt Associates Ltd, Australian National University, University of Queensland, and short-course providers |
| Evaluation Completion Date | 28 February 2019 |


Response to the strategic review

DFAT accepts the Strategic Review of the **Pacific Leadership and Governance Precinct** (Precinct). We appreciate the Review Team's efforts to assist the Australian Government and its partners to assess the progress of the Precinct over three years (2015-2018). The report provides recommendations for the refinement of the investment based on international experience and evidence.

DFAT welcomes the review findings that the Precinct has delivered a number of concrete and quality outputs. This has included delivery of vocational and academic courses to over 1,657 participants, the construction of three high-standard buildings, and high-quality support to University of PNG's School of Business and Public Policy (SBPP) and the Pacific Institute of Leadership and Governance (PILAG) to deliver good practice in adult learning and methodologies. The review noted PNG Government's strong political and bureaucratic support for the Precinct and its recognition as an important program in helping public servants better manage government resources, especially within the provinces and districts.

The review report framed discussions with the PNG Government and the Precinct's Executive Advisory Board on Precinct's future direction. This has included careful consideration to ensure the outcomes are relevant and achievable by the end of investment (April 2022). The PNG Government confirmed that sustainability and consolidation should be the focus for the remaining term of this investment with strengthening and building core competencies and leadership within the public service as the primary purpose. In line with this, the program will focus on capacity strengthening in basic and intermediate public service skills and values-based leadership. We will build on the success of earlier work by supporting quality subnational professional development.

We agree with the Review's findings that it is not enough to train individuals, and that focussing on their work within the context of an organisation's wider objectives is required to support change. We embrace a focus on continuous professional development programs, including on-the-job support (mentoring, coaching, alumni, etc) and considerations of academic pathways. We will focus on targeting cohorts of public



servants (rather than individuals). This recognises the Review's finding that behaviour change requires collective action by individuals, their colleagues, managers, senior leaders and change in the institutional environment where they operate.

We do not agree with Review's recommendation that this investment is a suitable vehicle for more ambitious public sector reform activities. We consider it important to now consolidate the investment rather than expand its ambitions, noting the remaining timeframe of the investment (to April 2022). However, we will ensure where possible that Precinct activities complement the institutional strengthening provided through other investments. We are also undertaking a tracer study of Precinct trainees that will provide useful evidence for the PNG Government on the incentives and barriers for change within the PNG public sector context from across different regions and may inform future investments.

Consistent with PNG Government's advice and increased focus on sustainability, the provision of professional development will fall under the auspices of the PILAG and other selected PNG training institutions. Where appropriate, we will continue to support partnerships with Australian institutions that focus specifically on capacity development.

The 21 recommendations provide practical and useful suggestions. Some recommendations, however, are outside DFAT's mandate. The Management Response therefore focuses on DFAT's role in supporting the PNG Government to consider and implement those recommendations (as they determine to be appropriate). While DFAT has prepared the management response in consultation with PNG Government stakeholders (DPM and DHERST) and the Executive Advisory Board, the views expressed in the response remain those of DFAT.

Overall, we agree with 18 recommendations, partially agree with two recommendations (18, 22) and disagree with one (10). These recommendations, and this management response, have informed the ongoing readjustment of the Precinct investment.

Individual management response to the recommendations

| Recommendation | Response | Explanation | Action plan | Timeframe |
|--|----------|---|--|------------|
| R1 – School of Business & Public Policy Update the SBPP Precinct strategy to move from SBPP capacity substitution towards greater capacity development by building academic staff capacity. (For consideration by DHERST, UPNG, and SBPP.) | Agree | <p>Due to the limited number of Economics and Public Policy academics within SBPP at the start of the investment, ANU focused on building the capacity of students. DFAT recognises this work has helped develop a pipeline of future UPNG academics.</p> <p>We also acknowledge, however, that the context has changed since the program was established and agree on the need to move towards capacity development.</p> | DFAT has extended the SBPP/ANU Crawford School Grant to December 2020 during which time DFAT will consider the nature of its support to the tertiary sector more broadly. These review findings will inform any future support. | Early 2020 |
| R2 – School of Business & Public Policy Launch and implement the SBPP strategic plan (with UPNG support) within the larger UPNG strategic plan and environment. (For consideration by SBPP and UPNG.) | Agree | DFAT agrees that where possible the lessons learnt from SBPP's strategic planning process could be incorporated into the wider university environment. | Recognising this is a decision for the university, DFAT will continue to discuss with (and support as appropriate) the university in implementing this recommendation. | Ongoing |
| R3 – School of Business & Public Policy Ensure the new SBPP courses are aligned with university-wide program specification documents as outlined by the University Senate, and that they comply with the PNG National Qualification Framework, to pave the way for the PILAG pathway. (For consideration by SBPP and UPNG.) | Agree | DFAT agrees SBPP continue to align courses with the wider university requirements and the PNG National Qualification Framework. | We understand the university's governance structure has approved all new SBPP courses developed through the investment, and UPNG is working to ensure alignment with the PNG National Qualification Framework, recognising it will provide academic pathways across the tertiary sector. DFAT will continue to monitor and work with partners to progress, as appropriate. | End 2020 |
| R4 – School of Business & Public Policy Conduct a mapping exercise of gender equity and social inclusion in the SBPP component, and an analysis of barriers to/enablers of improved inclusion within SBPP. Use these analyses to update the SBPP Precinct strategy. (For consideration by SBPP, UPNG, DHERST, and DFAT/AHC.) | Agree | The SBPP Gender Equity and Social Inclusion (GESI) Review was completed in November 2018 and finalised in February 2019. The report maps the findings across four themes – leadership and accountability; diversity and inclusion in practice; safety and security; and | Mapping exercise complete. DFAT will continue to fund a Gender Inclusive Advisor to support UPNG to take forward the GESI review recommendations. | Ongoing |

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| | | disability inclusion – and makes recommendations for the UPNG leadership. | | |
| R5 – Pacific Institute of Leadership & Governance Put in place the leadership, staff and systems required to implement the PILAG Act for PILAG to succeed in its transformation. (For consideration by DPM and PILAG Board.) | Agree | DFAT recognises and supports the PNG Government's vision that PILAG remains a core public service training provider delivering high quality and modern public service capacity strengthening. We acknowledge the reform agenda to strengthen PILAG, led by the Institute's new Chief Executive Officer appointed in February 2019. | PILAG remains a core institution for the Precinct investment. While recognising this is a recommendation for DPM and PILAG, DFAT will continue to discuss with, and support, PILAG in strengthening the institute. | Early 2020 |
| R6 – Pacific Institute of Leadership & Governance Update the Precinct PILAG strategy for PILAG to strengthen its training capacity and become a quality-assured tertiary training institution. (For consideration by PILAG, DPM, and DHERST.) | Agree | DFAT recognises and supports the PNG Government's vision that PILAG remains a core public service training provider delivering high quality and modern public service capacity strengthening. | The adjusted design shifts our support from direct implementation towards supporting PILAG's delivery capability, as directed by the CEO and his leadership team. | Early 2020 |
| R7 – Pacific Institute of Leadership & Governance Conduct a mapping exercise of gender equity and social inclusion in the PILAG component and in vocational trainings supported by the Precinct, and an analysis of barriers to/enablers of improved gender and social inclusion. Use them to update the PILAG component and vocational trainings. (For consideration by PILAG, DPM, and DFAT/AHC.) | Agree | The Gender Equity and Social Inclusion Review was completed in November 2018 and finalised in February 2019. The report maps the findings across four themes – leadership and accountability; diversity and inclusion in practice; safety and security; and disability inclusion – and makes recommendations for the PILAG leadership. | Mapping exercise complete. DFAT will continue to fund a Gender Inclusive Advisor to support PILAG to take forward the GESI review recommendations. | Ongoing |
| R8 – Pathways Design and fund the range of activities essential to complement individual training so that Precinct courses and events participants (from the public sector, the private sector, or civil society) are supported once they return to their workplaces: involve managers from the start, and implement already planned alumni networks, as well as coaching and mentoring schemes (For consideration by DPM, PILAG, and DFAT/AHC.) | Agree | DFAT agrees that complementary activities and pathways are essential to ensure training effectiveness. | The adjusted design re-orientes the investment towards supporting continuous professional development programs focused on developing cohorts rather than training for individuals. This approach recognises that behaviour change requires collective action by individuals, their colleagues, managers, senior leaders and change in the institutional | Early 2020 |

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| | | | environment where they operate. The adjusted design will use on the job support (mentoring, coaching, alumni, etc). | |
| R9 – Pathways Revisit the Precinct’s overall theory of change so it is better aligned with the academic evidence and lessons learned about the value of training and regarding how to build sustainable public service capacity (particularly taking into account the individual, organisational, and institutional levels). (For consideration by JSC and DFAT/AHC.) | Agree | We recognise the academic evidence identified by the review team as well as the evidence collated through the Developmental Leadership Program. We agreed with the Review’s findings that it is not enough to train individuals. A broader focus on their work within the context of an organisation’s wider objectives is required to support change. | We are working with partners to re-orient the investment towards targeting both individuals’ and teams’ needs. The adjusted design includes a clear emphasises to support workplace teams and their performance (consistent with recommendation 14). Regarding institutional capacity, we will ensure Precinct activities align with other institutional strengthening investments. | August 2019 |
| R10 – Pathways Undertake political economy analyses to determine the policy areas or service delivery priorities which can benefit from Precinct support to improve public sector performance and integrity. On that basis, identify coalitions or targeted reform initiatives that are amenable to Precinct support, testing approaches, learning regularly, and adjusting quickly. (For consideration by JSC and DFAT/AHC.) | Disagree | We do not agree that this investment is a suitable vehicle to pursue a more ambitious public sector reform agenda. We consider the task now is to consolidate this investment to enhance its focus and effectiveness. | N/A. | |
| R11 – Strategy and management Organise a workshop on GESI Policy implementation to review progress (by December 2018) and adjust strategies within the Precinct (by June 2019). Stakeholders may include all DPM and provincial staff engaged in National GESI Policy Implementation, civil society organisations, male and female political leaders, and any other participants DPM deem appropriate. (For consideration by DPM with DFAT/AHC support.) | Agree | DFAT welcomes a PNG Government-led review of National Public Service GESI Policy. | DFAT is supporting DPM to lead a review of the National Public Service GESI Policy. | June 2020 |
| R12 – Strategy and management | Agree | We welcome a PNG Government-led process to strengthen the LCF to be more inclusive. | DFAT to provide support for DPM to review the LCF Policy review and to update the whole-of-government | June 2020 |

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| Strengthen the LCF ¹ to be more inclusive in its language through a PNG Government-led process. (For consideration by DPM, DHERST, and other PNG government departments.) | | | implementation plan through the Institutional Partnership between DPM and the Australian Public Service Commission. | |
| R13 – Strategy and management Strengthen the Precinct design through the conduct of a whole-of-Precinct gender and socially inclusive context analysis with all stakeholders to reveal the barriers and enablers of genuine transformative change within the national public service, as well as the provincial and district levels, including inclusion of persons with disability and based on ethnicity. Use it to update the overall Precinct strategy, outcomes, outputs, and activities, realigning budgeting and MEL for GESI. (For consideration by JSC and DFAT/AHC.) | Agree | We agree that the gender and socially inclusive context analysis should underpin the strengthening of the Precinct design. | A gender and socially inclusive context analysis has been completed. It has been used to update the Precinct strategy, outcomes, outputs and activities in the readjusted design. | Completed |
| R14 – Strategy and management Undertake a process of Precinct ‘design strengthening’ to make sure the program is fit for purpose with a coherent strategy (completed by June 2019): i) update the Precinct strategy, starting with the ultimate Precinct goal of how to improve the ‘delivery of equitable and inclusive government services to all citizens of the country’, rather than with a focus on leadership training; ii) undertake an updated inclusive context analysis and consultations with PNG stakeholders; iii) on the basis of the above, update the program goal, outcomes, theory of change, and assumptions, drawing on lessons learned from this and similar programs; and iv) approve an Updated Design and Implementation Brief. (For consideration by JSC and DFAT/AHC.) | Agree | DFAT welcomed the opportunity to strengthen the Precinct design. | DFAT engaged Abt Associates to strengthen the Precinct design. They have undertaken extensive consultations with bilateral partners, core institutions and delivery partners in April-May 2019, which are highlighted in this management response and are reflected in the adjusted design. The adjusted design will be considered by the revised Joint Steering Committee in early 2020. | Early 2020 |
| R15 – Strategy and management Approve the current MEL framework proposal and tracer studies to complement quantitative measurements (immediate). Use qualitative MEL information to adjust the program as part of the design strengthening and then over | Agree | DFAT agrees the use of qualitative MEL information is essential to inform the program and welcomes the opportunity to strengthen this capability within the managing contractor. | MEL framework proposal and tracer studies approved. The longitudinal tracer study is underway and will gather evidence on the extent to which short and long-term training supported by, or provided through, | Completed |

¹ Ethics and Values Based Executive Leadership and Management Capability Framework

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| time, including through 'strategy testing' workshops with all stakeholders. (For consideration by JSC and DFAT/AHC.) | | | the Precinct has impacted the public service. It will also gather evidence to support continuous improvement in the Precinct. DFAT will work with managing contractor and other stakeholder to ensure the evidence is used to ensure continuous improvement. | |
| R16 – Strategy and management Implement QTAG recommendations to improve Precinct and PSLR management and delivery. In particular, improve understanding of roles, responsibilities, and ways of working across Precinct management and implementers. (For consideration by AHC and Abt.) | Agree | DFAT agrees more clarity on roles and responsibilities across Precinct management and implementers is needed. | DFAT and Abt Associates have refined protocols around ways of working to ensure a greater understanding of roles, responsibilities and key deliverables. | Completed |
| R17 – Efficiency and value for money Prepare a plan and allocate responsibilities within AHC to improve Precinct collaboration with other Australian programs, in particular with: the Australian Awards Program and its PNG Australia Alumni Association; with the Decentralisation and Citizens Participation program; with the Institutional Partnership Program; and with AHC support for higher education. (For consideration by AHC.) | Agree | DFAT agrees there is considerable scope to improve collaboration with other Australian investments. | Australia Awards and Abt Associates meet monthly to foster greater engagement between the investments. Likewise, with DFAT guidance, Abt is working to ensure greater cohesion across its partnerships (including the Economic Governance and Inclusive Growth, and Decentralisation and Citizens Participation programs). | Completed |
| R18 –Efficiency and value for money Consider options to restructure the governance arrangements to deepen PNG ownership of the program (by June 2019), including: a) give the Board a strategic decision and oversight mandate and include JSC senior officials (e.g. Vice-Chancellor) alongside existing Board members; b) make the JSC a more operational body, reporting to the Board; c) relocate the Precinct Secretariat team from the Governance Partnership to DPM; d) include Department for National Planning and Monitoring and other PNG Government departments in Precinct governance arrangements, to help align with government priorities; e) ensure JSC meetings are fully led by the three co-chairs; and f) hold more frequent | Agree, partially | We agree that the governance arrangements can be strengthened and streamlined, and that the co-chairs should fully lead the meetings. | Taking into account the review findings, the adjusted design includes a revised governance structure for consideration by the PNG Government, including having only one governance mechanism rather than the existing two structures. | Early 2020 |

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| Board meetings and joint meetings between the Board and JSC. (For consideration by the Board, DPM, DHERST, and DFAT/AHC.) | | | | |
| R19 – Efficiency and value for money Agree on revised design prioritisation criteria, aligned with the Precinct updated strategy and PNG Government priorities, to inform the Precinct selection of sectors and policy areas across the Precinct and participants from the public sector, private sector, and civil society in Precinct training activities. (For consideration by DPM and JSC.) | Agree | Consistent with consolidation, we agree the Precinct is more likely to have a long-term impact if the investment targets its resources and services in a select number of areas and agencies; rather than spreading them across the public service as a whole (and thus diluting its impact). | The adjusted design focuses on a limited number of sectors aligned to improved service delivery as well as targeted geographical regions. | September 2019 |
| R20 – Ownership and sustainability Undertake research to understand the costs and benefits associated with the different options of achieving learning outcomes (e.g. unit cost per course/week/person), including location (Port Moresby or provinces) and by provider (PNG or Australian), as part of the Precinct design-strengthening process. (For consideration by JSC and DFAT/AHC.) | Agree | We agree that it is important that the different modalities of support be analysed from a number of perspectives, including costs and benefits. Likewise, we see the opportunity to compare the Precinct's modalities against other investments focused on learning outcomes (e.g. Australia Awards). | The readjusted design outlines an approach to ensure any courses supported and enhanced by The Precinct will focus on commercial viability and affordability for GoPNG at the national and sub-national level. | Early 2020 |
| R21 – Ownership and sustainability As part of the design strengthening process, be open to testing whether separating the SBPP and PILAG projects is a more workable option. (For consideration by DPM, DHERST and DFAT/AHC.) | Agree | Consultations with the PNG Government reconfirmed Precinct's focus should be on public sector capability and leadership development. As such, DFAT agrees to separate our institutional strengthening support for the SBPP from the Precinct in the adjusted design. | DFAT has separated the institutional strengthening support for the SBPP from the Precinct. | Completed |
| R22 – Ownership and sustainability Consider using a wider range of PNG, Australian, or international partners to deliver the updated Precinct strategy, as other organisations may offer better value for money or unique skills which would better support sustainability. (For consideration by JSC and DFAT/AHC.) | Agree, partially | Consistent with PNG Government's advice, it is important that the provision of professional development fall under the auspices of the PILAG and, where appropriate, other selected PNG training institutions. Where appropriate, we agree partnerships – that clearly focus on capacity development – with Australian or other international institutions can be supported. | The readjusted design outlines an approach to support the capabilities of local partners and training providers. | Early 2020 |