

## DFAT Management Response: Final Review of the PNG-Australia Governance Partnership – 2022

### Overview of program

The review presented the third and final assessment of the Papua New Guinea–Australia Governance Partnership (PAGP). The investment consisted of seven distinct programs, valued at approximately AUD121 million per year.

- **Economic Governance and Inclusive Growth (EGIG)** – supporting research, inclusive private sector engagement, and budget planning and coordination across central GoPNG agencies
- **Decentralisation and Citizenship Participation (DCP)** – promoting improved subnational service delivery and economic growth through adviser coordination, church and media partnerships, and various urban and rural resilience initiatives
- **Public Sector Leadership and Reform (PSLR)** – identification, training and networking of PNG officials with future leadership potential
- **Bougainville Partnership (BP)** – a comprehensive package of governance advisory support, private sector investment and community peace-building initiatives
- **Kokoda Initiative (KI)** – support to environmental management, education and health outcomes for communities around the Kokoda Track
- **PNG Partnership Fund (PPF)** – management of targeted health and education sector grants to GoPNG and NGOs
- **Institutional Partnerships Program (IPP)** – facilitating GoA adviser deployments and GoPNG capacity building.

The PAGP had three investment outcomes:

**Outcome 1** - Enhanced effectiveness due to greater cohesion and collaboration between the partnerships and between the platform and the partnerships.

**Outcome 2** - Enhanced performance management, especially value for money, monitoring, evaluation, reporting and learning (MERL) and communications systems.

**Outcome 3** - Enhanced strategic relevance and responsiveness to the Australian and PNG Governments and local partners.

## **Key findings**

Overall, the review found that the reporting presented by the managing contractor was accurate. However, while progress was made towards key result areas, the absence of systematic aggregation of development results from the partnerships created a reporting gap for PAGP as a whole.

It also concluded that cost-saving and coordinated support measures put in place by the managing contractor delivered value for money, however the available data was not sufficiently detailed to support that conclusion strongly – particularly around the identified savings of AUD61.2 million. Developing a simple and fit for purpose value-for-money framework aligning with DFAT's value-for-money principles may have helped to clarify these results in greater depth prior to the closure of PAGP.

In supporting the COVID-19 response in PNG, the reviewers noted the relevance and effectiveness of PAGP in terms of both tangible development outcomes and in demonstrating the value of the institutional structures, systems, and social capital built across the various program components.

## **Review approach**

The review was conducted by the Quality and Technical Assurance Group (QTAG) between October 2021 and April 2022 to provide an independent assessment of the evidence of achievement against the three PAGP outcome areas. The QTAG is currently contracted by DFAT to provide monitoring and evaluation services for governance and law & justice programming for the Australian aid program in PNG.

While the review focuses on the period between April 2019 and March 2022, it takes a broader perspective on the overall legacy, learnings and effectiveness of the investment. It also incorporated two deep dives: one on gender equality, disability, and social inclusion (GEDSI) and one on the impact of COVID-19.

Phase 1 involved a remote-based document review and initial consultations with DFAT and the managing contractor to identify key areas of focus across the program. Under Phase 2, a selection of development results from final reporting and evidence collected from program and independent sources were then analysed and presented as mini-case studies and deep dives. This approach does not address all performance assessment framework (PAF) indicators, but rather provides a range of evidence from which to assess the accuracy of reporting by the managing contractor.

Presentations of the Review Phase 1 Aid Memoire and Review Phase 2 findings were provided to various DFAT teams (in Canberra and Port Moresby) and the PNG Department of National Planning and Monitoring.

## **DFAT management learnings from PAGP**

To support effective outcomes and impact, DFAT considers that the level of ambition on GEDSI should be clear in program designs and integrated into MEL frameworks from commencement. It took at least two years for appropriate GEDSI prioritisation under the PAGP, resulting in missed opportunities. Resourcing should be complemented by baseline assessments, development of a GEDSI strategy and GEDSI-principal programming.

In response to COVID-19, the PAGP demonstrated highly responsive programming that was able to leverage a breadth of partners and external contacts, and adaptive work arrangements (across programs and remote arrangements). DFAT concurs with the reviewer's assessment that the strength of individual partnerships enabled strong understanding of the needs of government counterparts, while a broader 'flex' across PAGP components was occurring in parallel to effectively resource the overall investment contributions to supporting the Government of PNG (GoPNG) COVID-19 response.

Overall, however, it was considered that the PAGP resulted in minimal management efficiencies for DFAT, with various governance arrangements overlapping, which was confusing for external partners at times. A central point of contact for GoPNG to understand and engage with the investment would have been useful for program profile, accountability and strategic engagement.

## **Future programming in the governance sector**

Within the governance sector, adaptive programming is essential, particularly in the PNG context. A portfolio approach taken by many components of the PAGP provided opportunities for ongoing progress towards high-level program objectives. It is generally expected that many activities may stall or slow at various points in time due to factors outside of the control of DFAT, the managing contractor and other sub-partners. The review found that PAGP led to some good examples of networking but it was not clear if opportunities were fully exploited– to the extent of facilitating coalitions for change and learning across program components. Further to this, clear indicators and targets are also important for measuring progress towards long-term governance outcomes.

Resourcing to support joint-organisational assessments, partner capacity development and subnational adviser coordination was considered highly effective for setting up responsive and sustainable program interventions. DFAT notes the review finding that more successful activities often incorporate elements that will have visible and recognised benefits for investments. This approach might serve to

inform and deepen engagement with stakeholders, in order to increase institutional changes.

Numerous examples from the investment learnings have occurred in successor programs to PAGP, including:

- The *Building Community Engagement in PNG program* has taken a more targeted 'coalitions for change' and 'social accountability' approach through focusing on advocacy platform development and communication capabilities.
- The *Australia-PNG Subnational Program* will expand the role of subnational advisers to deliver 'place-based' approaches in target provinces, coordinating across a range of program activities and external actor interests.
- The *Economic Partnership* is placing greater focus on long-term capacity building workplans for officials within central GoPNG agencies.

A more detailed breakdown of key lessons for implementation under major new programs in PNG is included in [Annex 1](#).

## **Future programming through 'facilities'**

Appropriate resourcing and expertise to support DFAT's management of any future facilities is considered essential, particularly for ongoing monitoring and structural analysis. A mechanism like QTAG could play an enhanced supporting role in this given the complexity typically involved in such modalities. The review identified that greater clarity on roles and responsibilities for program governance, clear targets, and a stronger directive for the managing contractor to reallocate resources based on performance can lead to improved outcomes.

The operational and political complexities of working in PNG, and across provincial contexts, is a significant limiting factor for a broad facility approach. Establishing a modest balance of strategic intent and sectoral spread for a facility such as PAGP would have potential for greater impact. This complements the review finding that smaller and more-focused investment programming allows for easier management, greater diversity of managing contractor experience, and reduces risk for DFAT.

Fit for purpose frameworks for performance assessment and value-for-money are highly important. While the PAGP high-level PAF generally focused on corporate efficiencies, the review recommended that future DFAT-funded facilities should consider incorporating development outcomes. In addition, presentation of high-level results should be in a form that senior decision-makers can easily access and understand.

**Annex 1: Key lessons from the PAGP Final Review for implementation under major new DFAT programs in PNG**

PAGP sub-program	Key Lessons	New DFAT program
Decentralisation and Citizen Participation (DCP)	<ul style="list-style-type: none"> <li>• <b>Multiple partnerships made the program less vulnerable.</b> Investing in these relationships and <b>having the GoPNG in the driving seat</b> makes the delivery of outputs more likely.</li> <li>• DCP inherited legacy projects that limited scope to achieve coherence across, and even within, workstreams. <b>Moving quickly to achieve strategic coherence</b> and avoid being overly constrained by legacy investments is important.</li> <li>• With large and semi-independent components such as MDI and CPP, BCEP will also resemble a facility with components' work strongly determined with reference to their own partners' priorities rather than being solely by the program leadership. Nevertheless, <b>there is space for cross-program collaboration.</b></li> <li>• The <b>importance of gender equality to wider goals</b> was not well articulated in the partnership theory of change and this appears to have limited the scope of ambition.</li> </ul>	Building Community Engagement in PNG (BCEP)
Decentralisation and Citizen Participation (DCP)	<ul style="list-style-type: none"> <li>• The <b>trade-offs in the role and mode of operation of subnational advisers</b> as a key program resource will need to be carefully considered going forward.</li> <li>• The main lesson from MERI is that <b>a well-managed issues-based approach to implementation</b> can deliver tangible benefits together with institutional change.</li> </ul>	Australia-PNG Subnational Program (APSP)
Kokoda Initiative Partnership (KIP)	<ul style="list-style-type: none"> <li>• The utilisation of existing community-level and local governance structures to engage and mobilise both community support and local suppliers was effective. KIP should <b>replicate this kind of integrated model and the social capital that supports it.</b></li> <li>• At the same time, a concerted effort should be made to utilise this momentum to <b>progress essential community-level engagement and policy progress in support of Pillar 3: The Environment.</b></li> <li>• Ensure that <b>sufficient resources are allocated to KIP to re-engage the range of government institutions</b> effectively, using this post-COVID transition as an opportunity to overcome broader institutional challenges.</li> </ul>	

<p>Bougainville Partnership (BP)</p>	<ul style="list-style-type: none"> <li>• Ensure that all tangible development projects <b>effectively engage communities</b> to build buy-in as well as maximising local benefits through needs-based design, local employment and aligning educational and behaviour change efforts with tangible changes.</li> <li>• A greater focus on <b>adding value to women's leadership</b> would be a good idea to ensure that women broadly are able to engage differently with women elected to positions of responsibility so that benefits are for women across the community, not solely for those who benefit directly from employment or opportunities to undertake community leadership.</li> <li>• As elsewhere, there was a notable slowdown in the intangible side of accompaniment with ABG institutions (due to COVID, challenges in the post-referendum context and advisor deployment challenges). This highlighted the vulnerability of the accompaniment model and the importance of <b>creating capacity building plans that enable greater sustainability</b>.</li> </ul>	<p>Australia-PNG Subnational Program (APSP)</p>
<p>Economic Governance and Inclusive Growth (EGIG)</p>	<ul style="list-style-type: none"> <li>• <b>Clear, high-level agreements</b> on intended areas of support should be developed in partnership with recipient departments, in addition to Tasking Orders for specific pieces of work at the commencement of the next program.</li> <li>• <b>Relationships between technical advisors</b> is one way to ensure that knowledge is transferred across the partnership. Consideration should be given in the future to how these informal relationships can be created organically in the future to increase learning and adaptation.</li> <li>• Capacity building should be a priority for future programming. Training should take place over an extended period, as opposed to short and sharp training sessions, to ensure that <b>knowledge transfer</b> is taking place.</li> <li>• <b>Articulating the role of GEDSI</b> in economic governance and inclusive growth early within a programme cycle is essential to ensure GEDSI mainstreaming.</li> <li>• <b>Realistic outcomes</b> should be developed for the next phase of support which considers the speed at which outcomes can be achieved given recent progress and the political economy of the relevant support area.</li> </ul>	<p>Australia-PNG Economic Partnership (APEP)</p>