Economic & Public Sector Program
Strengthening key government institutions to support equitable service delivery to the men, women and children of Papua New Guinea

Six Month Report
July - December 2014
DRAFT

Prepared by Coffey International Development
## Program Information

<table>
<thead>
<tr>
<th>Client</th>
<th>Australian Department of Foreign Affairs and Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Name:</strong></td>
<td>Papua New Guinea Economic and Public Sector Program</td>
</tr>
<tr>
<td><strong>Agreement number:</strong></td>
<td>54683</td>
</tr>
</tbody>
</table>

## Review and Revisions Log

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draft 1</td>
<td>30 January 2015</td>
</tr>
</tbody>
</table>
Contents

Executive Summary 1
Introduction 3
  Refocusing EPSP 3
  Program Management Group 3
1. A More Skilled and Effective Public Sector Workforce 4
  The Pacific Leadership and Governance Precinct 4
  Asia-Pacific Economic Cooperation 4
  EPSP Advisory Support 4
  Capacity Development Study 5
  Department of Personnel Management 6
2. Improved Use and Management of Public Financial Resources 7
  Promoting Effective Public Expenditure Study 7
  Department of Treasury – EPSP Consultancy Support 7
  Provincial Capacity Building Program Review 8
  PNG Electoral Commission – Advisory Support 8
3. Government is More Informed, Transparent and Accountable 8
  Public Accounts Committee 8
  Auditor-General’s Office 9
  Public Sector Audit Program 9
  Incorporating Change 9
  M&E Capacity Building 9
  Civil Society and Private Sector Engagement 7
  Tanim Graun 7
  Mobiles for Development 8
  Action Research in Remote Districts in PNG 8
  Public Opinion Surveys 8
4. Policy and Regulatory Settings are Supportive of Sustainable Broad-Based Growth 9
  Internal Revenue Commission 9
5. Effective and Efficient Whole-of-Government Service Delivery Systems 15
  Gender Equity and Social Inclusion 15
  HR COapeutic
  Voices from Participants 18
  HR COnten Oro Pilot 18
6. Learnings 19
Conclusion 23
Annexes

Annex 1: Additional Tasks during this Reporting Period
Annex 2: EPSP Results Framework
Annex 3: Program Management Office
Annex 4: Grants
Annex 5: Tanim Graun newspaper article
Annex 6: Agency Report Cards
Annex 7: Emerging Risks

Figures

Figure 1: Adviser and Consultant Facilitated Workshops 2014  5
Figure 2: Women and Men in Leadership Roles in National and Provincial Government Agencies  16
Figure 3: Percentage of Women Employees in Selected Central Agencies  16
Figure 4: Rollout of the Alesco HR Payroll System  18

Boxes

Box 1: Driving Capacity Development  5
Box 2: Benefits of Capacity Development  6
Box 3: Modelling ‘Good’ Workplace Behaviour  6
Box 4: An Increasing Development Budget  7
Box 5: Recommendations from ‘Enhancing the Budget Process of Papua New Guinea’  7
Box 6: PCaB Review Recommendations  8
Box 7: Public Sector Audit Program  9
Box 8: Transferring M&E Training to the Workplace  10
Box 9: Ethical Behaviour at IRC  9
Box 10: Drivers of Agency Success  14
Box 11: Allocating Training Opportunities in WNB  15
Box 12: Devolving Payroll Responsibilities  18
### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1PPP</td>
<td>One Position, Person, Payment</td>
</tr>
<tr>
<td>AGO</td>
<td>Auditor General’s Office</td>
</tr>
<tr>
<td>AUD</td>
<td>Australian Dollar</td>
</tr>
<tr>
<td>ACIG</td>
<td>Australian Continuous Improvement Group</td>
</tr>
<tr>
<td>AHC</td>
<td>Australian High Commission</td>
</tr>
<tr>
<td>ANU</td>
<td>Australian National University</td>
</tr>
<tr>
<td>APEC</td>
<td>Asia-Pacific Economic Cooperation</td>
</tr>
<tr>
<td>APSC</td>
<td>Australian Public Service Commission</td>
</tr>
<tr>
<td>CACC</td>
<td>Central Agency Coordinating Committee</td>
</tr>
<tr>
<td>CAPDEV</td>
<td>Capacity Development Study</td>
</tr>
<tr>
<td>CDA</td>
<td>Capacity Development Agreement</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CIMC</td>
<td>Consultative Implementation and Monitoring Council</td>
</tr>
<tr>
<td>CNA</td>
<td>Capacity Needs Assessment</td>
</tr>
<tr>
<td>CoP</td>
<td>Community of Practice</td>
</tr>
<tr>
<td>DA</td>
<td>District Administrator</td>
</tr>
<tr>
<td>DDA</td>
<td>District Development Authority</td>
</tr>
<tr>
<td>DFAT</td>
<td>Department of Foreign Affairs and Trade</td>
</tr>
<tr>
<td>DJAG</td>
<td>Department of Justice and Attorney General</td>
</tr>
<tr>
<td>DNPM</td>
<td>Department of National Planning and Monitoring</td>
</tr>
<tr>
<td>DoE</td>
<td>Department of Education</td>
</tr>
<tr>
<td>DoF</td>
<td>Department of Finance</td>
</tr>
<tr>
<td>DoT</td>
<td>Department of Treasury</td>
</tr>
<tr>
<td>DPLGA</td>
<td>Department of Provincial and Local Government Affairs</td>
</tr>
<tr>
<td>DPM</td>
<td>Department of Personnel Management</td>
</tr>
<tr>
<td>DSIP</td>
<td>District Services Improvement Program</td>
</tr>
<tr>
<td>EPSP</td>
<td>Economic and Public Sector Program</td>
</tr>
<tr>
<td>FAID</td>
<td>Fraud and Investigation Division</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>GESI</td>
<td>Gender, Equity and Social Inclusion</td>
</tr>
<tr>
<td>GoA</td>
<td>Government of Australia</td>
</tr>
<tr>
<td>GoPNG</td>
<td>Government of Papua New Guinea</td>
</tr>
<tr>
<td>GSA</td>
<td>Governance Support Agreement</td>
</tr>
<tr>
<td>GSMA</td>
<td>Global System for Mobile Association</td>
</tr>
<tr>
<td>HIV &amp; AIDS</td>
<td>Human Immunodeficiency Virus &amp; Acquired Immunodeficiency Syndrome</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resource</td>
</tr>
<tr>
<td>HRAS</td>
<td>Human Resource Advisory Services</td>
</tr>
<tr>
<td>HR CONNNECT</td>
<td>Human Resource Connecting On-line Networks for Enhanced Capability and Technology</td>
</tr>
<tr>
<td>HRMIS</td>
<td>Human Resource Management Information Services</td>
</tr>
<tr>
<td>IAID</td>
<td>Integrity and Investigation Division</td>
</tr>
<tr>
<td>ICCC</td>
<td>Independent Consumer and Competition Commission</td>
</tr>
<tr>
<td>ICT</td>
<td>Information Communication Technology</td>
</tr>
<tr>
<td>INA</td>
<td>Institute of National Affairs</td>
</tr>
<tr>
<td>IRC</td>
<td>Internal Revenue Commission</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>LES</td>
<td>Locally Engaged Staff</td>
</tr>
<tr>
<td>LLG</td>
<td>Local Level Government</td>
</tr>
<tr>
<td>LLGSIP</td>
<td>Local Level Governments Service Improvement Plan</td>
</tr>
<tr>
<td>MAN</td>
<td>Male Advocacy Network</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MEF</td>
<td>Monitoring and Evaluation Framework</td>
</tr>
<tr>
<td>M4D</td>
<td>Mobiles for Development</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MSI</td>
<td>Management Systems International</td>
</tr>
<tr>
<td>MTDP</td>
<td>Medium Term Development Plan</td>
</tr>
<tr>
<td>NTRD</td>
<td>Non-Tax Revenue Division</td>
</tr>
<tr>
<td>NRI</td>
<td>National Research Institute</td>
</tr>
<tr>
<td>ODW</td>
<td>Office of Development Women</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>OHE</td>
<td>Office of Higher Education</td>
</tr>
<tr>
<td>PA</td>
<td>Provincial Administrator</td>
</tr>
<tr>
<td>PAC</td>
<td>Public Accounts Committee</td>
</tr>
<tr>
<td>PCaB</td>
<td>Provincial Capacity Building Program</td>
</tr>
<tr>
<td>PCaB II</td>
<td>Provincial Capacity Building Program Phase II</td>
</tr>
<tr>
<td>PEPE</td>
<td>Promoting Effective Public Expenditure</td>
</tr>
<tr>
<td>PFM</td>
<td>Public Financial Management</td>
</tr>
<tr>
<td>PGK</td>
<td>Papua New Guinea Kina</td>
</tr>
<tr>
<td>PIP</td>
<td>Public Investment Program</td>
</tr>
<tr>
<td>PLGP</td>
<td>Provincial and Local Level Governments Program</td>
</tr>
<tr>
<td>PM&amp;NEC</td>
<td>Department of Prime Minister and National Executive Council</td>
</tr>
<tr>
<td>PMG</td>
<td>Program Management Group</td>
</tr>
<tr>
<td>PMO</td>
<td>Program Management Office</td>
</tr>
<tr>
<td>PNGIPA</td>
<td>PNG Institute of Public Administration</td>
</tr>
<tr>
<td>PSIP</td>
<td>Provincial Services Improvement Plan</td>
</tr>
<tr>
<td>PT</td>
<td>Provincial Treasurer</td>
</tr>
<tr>
<td>Q&amp;A</td>
<td>Question and Answer</td>
</tr>
<tr>
<td>S&amp;E</td>
<td>Staffing and Establishment</td>
</tr>
<tr>
<td>SDSA</td>
<td>Service Delivery Support Activity</td>
</tr>
<tr>
<td>SGP</td>
<td>Strongim Gavman Program</td>
</tr>
<tr>
<td>SME</td>
<td>Small to Medium Enterprise</td>
</tr>
<tr>
<td>SMS</td>
<td>Short Message Service</td>
</tr>
<tr>
<td>RAS</td>
<td>Revenue Accounting System</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Adviser</td>
</tr>
<tr>
<td>ToR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>UPNG</td>
<td>University of Papua New Guinea</td>
</tr>
<tr>
<td>WIL</td>
<td>Women in Leadership</td>
</tr>
<tr>
<td>WoG</td>
<td>Whole-of-Government</td>
</tr>
<tr>
<td>WW</td>
<td>Wokabaut Wantaim</td>
</tr>
</tbody>
</table>
Executive Summary

The Papua New Guinea Economic and Public Sector Program (EPSP) commenced in June 2010 with an initial contract period to March 2014. The period was extended in early 2014 to December 2015. It is an AUD 94 million program funded by the Australian Department of Foreign Affairs and Trade (DFAT) and managed by Coffey. The program was designed as a capacity building program with the objective of contributing to capacity development and improved services from central Government of Papua New Guinea (GoPNG) agencies. This six month progress report covers the period from July to December 2014.

Current Context

Capacity development at central agency level continues to be relevant for EPSP. But changes in thinking about how a governance program can support GoPNG at the central agency level, as well as preparations for the transition to a new ‘governance facility’, resulted in a variety of new initiatives with a strong orientation to service delivery improvements at district level. The priorities were to align EPSP with GoPNG policy priorities for strengthening public service at the district level and pilot governance initiatives that strengthen GoPNG’s engagement with its citizens.

Overview of Progress

Supporting the design of the ‘School of Government’ (the Pacific Leadership and Governance Precinct) was a new key activity during this reporting period. The program mobilised the design team within one month of the initial request and contributed to a rapid turnaround on the design. GoPNG Agency heads signed the Governance Support Agreements at the Program Management Group meeting in late September and thirteen advisers continued work with their counterparts towards achieving Governance Support Agreement deliverables. The contracts of program activity advisers were extended to 30 June 2015.

The program continued to evolve and respond to a changing governance environment in PNG and shifting Australian government priorities. The program’s Monitoring and Evaluation Framework was adapted to reflect these changes and to ensure that sufficient and appropriate information is captured on inputs, activities and outputs in order to objectively assess progress against EPSP outcomes.

Key achievements against the program outcomes during the period included:

A more skilled and effective public sector workforce

- The Internal Revenue Commission (IRC) completed its restructure and became a Statutory Authority in September. This allows IRC to develop internal HR policies and processes which are more suitable to attract and retain technical experts.

Improved use and management of public financial resources

- Long-term advisers supported central agencies in managing and monitoring public financial resources. The Provincial Service Performance adviser in the Auditor General’s Office completed the draft methodology of a Performance Monitoring framework currently being piloted at district level.
- A Monitoring and Evaluation adviser in the Department of National Planning completed an initial draft of a monitoring framework for the funding and implementation of National Plans.
Government is more informed, transparent and accountable

- ‘Tanim Graun’, the topical debate television program to support ‘dialogues for development’, hosted five panel discussions often in partnership with private sector organisations. EMTV has moved the show to prime time on Sunday at 8.00pm.
- The program developed the methodology for an innovative pilot public opinion survey, agreed to by GoPNG, which will be used as a mechanism for PNG citizens to report on government performance in early 2015.

Policy and regulatory settings are supportive of sustainable broad-based growth

- The program supported a tri-partite MoU between Australia, GoPNG and the Asia-Pacific Economic Cooperation (APEC) Secretariat for the secondment of two GoPNG senior public servants to APEC Singapore to assist GoPNG host APEC in 2018 and increase skills in trade policy development.
- The Legal Adviser at the Department of the Prime Minister and National Executive Council assisted with the policy development of the District Development Authorities as well as changes in GoPNG legislation (approved in late November).

Effective and efficient whole of government service delivery systems

- In response to the HR ConNECT (Human Resource Connecting On-line Networks for Enhanced Capability and Technology) review report, the program developed a provincial pilot for all four project components to test the prospect of personnel emolument savings.
- Implementation of the Gender and Social Inclusion (GESI) policy was completed in two provinces with good outcomes. Lessons learned (such as full identification and engagement of stakeholders) will inform programming for further GESI outreach in provinces.

Working with Partners

EPSP increased its focus on delivering services in partnership with other programs. The HR ConNECT provincial pilot and Gender and Social Inclusion activities at the provincial level were supported by the Provincial and Local Level Governments Program (PLGP) HR Adviser. Working relationships with Strongim Gavman Program (SGP) team leaders were improved. For example, the Department of Finance SGP team leader was involved in the selection of two EPSP advisers. The program fostered better relationships with the private sector through Tanim Graun and implementation of Gender and Social Inclusion activities.

Learning

The key learning from the reporting period was the importance of broad stakeholder engagement from very early stages through to implementation, combined with the importance of attention to the power relationship between political and bureaucratic levels of GoPNG.

Looking Ahead: January – June 2015

The Economic and Public Sector Program will continue to respond innovatively in developing and implementing a governance program at the central agency level. Helping to transition to a new aid program governance facility will be a priority, including through the documentation of current learning. The implementation of the design for the Pacific Leadership and Governance Precinct at the Institute of Public Administration will also be a key focus. The program will use the lessons learned from implementation of the HR ConNECT pilot at provincial level to inform the final stages of the project and will progress other pilot initiatives to promote GoPNG engagement with its citizens.

Effective implementation of new program activities will require a contract amendment to provide additional funding. At the present rate of expenditure the current program activity fund of AUD 61.6 million will be exhausted by June 2015.
Introduction

The purpose of this report is to provide the Governments of Papua New Guinea and Australia, and the Program Management Group (PMG), with information on the progress made by the Economic and Public Sector Program (EPSP) from July to December 2014, and report more broadly on the context in which the program is operating. The report is framed around the five result areas contained in the updated EPSP Results Framework (Annex 2) and provides insight into what’s working, what’s not working and why. It also includes learning from the experiences of the program over the past six months. Further information is available in the annexes, for example, Annex 1 highlights the program’s additional activities during this reporting period; Annex 3 provides financial and other relevant data and analysis about program management performance; and Annex 4 provides information on grants to agencies.

The report contains brief descriptions and analysis of a number of EPSP-supported activities and explains why some were more successful than others. The report particularly highlights the rollout of the Gender Equity and Social Inclusion (GESI) program to two pilot provinces; rollout of training to provinces by the Department of Personnel Management (DPM) following a successful pilot workshop; ongoing cleansing of hospital and provincial administration payrolls by HR COnNECT (Human Resource Connecting On-line Networks for Enhanced Capability and Technology); high-level legal advice provided to the Chief Secretary to Government; monitoring and evaluation (M&E) workshops resulting in the transfer of M&E skills and knowledge to the workplace in Morobe Province; and new support for the Department of National Planning and Monitoring (DNPM) with the placement of an M&E adviser.

Annex 6 provides detailed descriptions of EPSP activities in agencies. Some are highlighted in the main body of the report to showcase the reality of development and change in Papua New Guinea.

Refocusing EPSP

The EPSP business model was designed in 2009 as a long-term capacity development model to strengthen governance in selected central agencies. It moved to a focus on whole-of-government service delivery and then onto an issues-based model in 2013 with a stronger focus on Public Financial Management.

EPSP evolved further during the second half of 2014. Focused on outcomes, the Capacity Development Agreements (CDAs) were developed into Governance Support Agreements (GSAs) focusing on deliverables. The program also responded quickly and innovatively to new priority directions from the Australian and Papua New Guinea Governments. Particular new activities responding to the change in focus included assistance for the development of the Precinct model, stronger support to PNG research and think tank institutions, additional adviser support to the Electoral Commission and an initiative to strengthen GoPNG trade policy development capacity by providing placements for GoPNG public servants with the APEC Secretariat in Singapore. The program continued to strengthen aspects of public sector governance at the provincial and district levels, including through the HR COnNECT and GESI pilots.

Program Management Group

The Program Management Group (PMG) is the overall decision-making body that directs the activities of EPSP. Comprising 12 members, it aims to meet three to four times each year.

EPSP supported the PMG September meeting, helping to develop a high-level agenda focusing on strategic policy issues. For the first time, in addition to PMG members (at Deputy Secretary level), Secretaries from DPM, Department of Finance (DoF), Department of Treasury (DoT), Internal Revenue Commission (IRC), Auditor General’s Office (AGO) and Department of Provincial and Local Level Governments Affairs (DPLGA) attended and discussed key issues of interest to both governments, including District Development Authorities (DDAs), changes to the Organic Law and the new governance facility. Six Departmental Heads signed off on the GSAs. Feedback to EPSP about the quality of the representation and the conduct of the meeting was very positive.
1. A More Skilled and Effective Public Sector Workforce

EPSP responded quickly to decisions by the Governments of Papua New Guinea and Australia to establish a program to strengthen the public sector, supportive of GoPNG’s values-based Leadership and Management Capability Framework.

The Pacific Leadership and Governance Precinct

The Pacific Leadership and Governance Precinct is a high priority for both governments designed to “grow a new generation of ethical public service leaders with the capability and motivation to collaborate, lead and manage the delivery of equitable government services to all citizens of the country”.

EPSP managed a rapid turnaround on the design for the Precinct, contracting a three-person team (including a senior education specialist from Coffey) in October 2014. The team worked intensively to test ideas with a wide range of key stakeholders, including the Minister for the Public Service, DPM, DPLGA, provincial and district officers, University of Papua New Guinea (UPNG), Australian National University (ANU), Australian Foreign Minister, Australian High Commission (AHC), Australian Public Service Commission (APSC), EPSP and PLGP.

The Precinct design involves a two-track approach. The UPNG in partnership with ANU (Track One) will focus on policy development and analysis while the PNG Institute of Public Administration (PNGIPA) (Track Two) will focus on courses for policy implementation. The Precinct will link both institutions, promoting the creation of learning and dialogue opportunities.

The comprehensive management arrangements for the Precinct involve a joint PNG-Australia Oversight Group. Contractors working with UPNG will focus on the provision of advisory support for UPNG’s School of Business and Public Policy (SBPP), academic secondments, short course development, executive training and summer schools, annual plans, study programs and reporting protocols.

Support for the PNGIPA School of Government will be provided by EPSP.

Future support will include long- and short-term advisory support, strategy development, equipment procurement, quality assurance and reporting protocols. EPSP expects to contract three long-term advisers: Strategic Management Adviser, Quality Improvement Adviser, an Operations Management Adviser; and a short term Interim Adviser. EPSP will play a role in developing and supporting the Precinct through leadership, a monitoring and evaluation framework (MEF) and communications support. EPSP has already developed guidelines for a MEF of nine measures ranging from skills and knowledge enhancement to ethical and values-based behaviour changes in public servants.

Much work needs to be done to prepare the PNGIPA for the first intake of students expected in February 2015. This includes basic infrastructure maintenance and planning construction of new buildings, advocacy about the institution, recruitment of academic staff, as well as identification and mobilisation of students.

Asia-Pacific Economic Cooperation

The Australian Government is committed to working through the aid program to improve trade policy capacity in PNG and assist with GoPNG’s hosting of the APEC Summit in 2018. EPSP’s support for GoPNG is based on a Memorandum of Understanding (MoU) between GoPNG, represented by the Department of Prime Minister and National Executive Council (PM&NEC), Government of Australia (GoA) and the APEC Secretariat Singapore signed in November 2014. Under the MoU, two GoPNG senior public servants will be seconded to APEC Singapore for six months commencing February 2015. EPSP provided assistance with the development of the MoU and negotiations with GoPNG about financial inputs. EPSP will continue to provide assistance with monitoring work and training plans during the secondment.

EPSP Advisory Support

EPSP provides direct support to agencies using long-term advisers to further develop the skills and knowledge of public servants. GSA's clearly state the deliverables, or products, that advisers and agencies are to work towards. The program, through the adviser, is
responsible for implementation of activities through work plans aligned to the GSA with the agency. Detailed information about GSA progress and achievements is contained in Annex 6.

Two particularly effective adviser inputs during the reporting period were the EPSP Legal and Policy Adviser at PM&NEC and the Project Management Adviser at the Auditor General’s Office. The Legal Adviser supported the legal section at PM&NEC and provided legal advice to the Chief Secretary’s Office and the Prime Minister on complex and sensitive legal arrangements with multinational investors and landowner issues in mining areas; legislation for APEC hosting arrangements; and District Development Authority (DDA) legislation.

The long-term Project Management Adviser at the Auditor General’s Office (AGO) rolled out the TeamMate Electronic Working Papers (EWP) software to two pilot audit teams in October 2014. The rollout of TeamMate EWP to national agencies, statutory bodies and provincial and Local Level Governments (LLG) will be done through regional training workshops.

Workshops and training that were previously key features of many adviser work plans reduced in 2013 and 2014 in response to changing priorities of the Australian aid program. The decrease reflected an overall reduction in the number of advisers employed by EPSP since 2011 and changes in the nature of their work.

In 2014, nine advisers conducted 113 workshops (Figure 1).

**Figure 1: Adviser and Consultant Facilitated Workshops 2014**

<table>
<thead>
<tr>
<th>Advisers/Consultants</th>
<th>Workshops</th>
<th>Males</th>
<th>Females</th>
<th>Total Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>113</td>
<td>1,424</td>
<td>996</td>
<td>452</td>
</tr>
</tbody>
</table>

**Capacity Development Study**

EPSP commissioned an independent study titled ‘From Human Capacity Development to National Capacity Development’ (CAPDEV) in 2013 to understand what kind of capacity development takes place between advisers and counterparts in agencies. The study collected data from former Adviser Support Facility (ASF) and current EPSP advisers and counterparts from 2006 to 2013. The authors presented the final report to staff from the AHC and to a wide stakeholder audience in Port Moresby in November 2014 and briefed officers from DFAT and the PNG desk in Canberra on two occasions.

The report concluded that “in general, adviser-counterpart placements have been successful during the period since 2006. Importantly, the counterparts, stakeholders and GoPNG senior managers commonly expressed views about, and reported instances of, the success of the placements”.

The report noted that most advisers have gone beyond a ‘first generation’ technical assistance/capacity substitution approach and act within a ‘second generation’, agency-owned/oriented approach that favours strategies of planned change based on negotiated forms of training and the use of ‘good practice’ models. It suggested that advisers have strong technical knowledge but often lack mentoring or teaching skills. Advisers often have little understanding of the cultural context in which they work in PNG.

The study also stressed the fundamental importance of strong interpersonal relationships between adviser and counterparts for capacity development to take place in a sustainable manner.

**Box 1: Driving Capacity Development**

A key finding of the study was the emphasis on interpersonal relationships as important enablers of sustainable capacity development. In addition to direct focus on the relationship, a number of distinctly interpersonal processes e.g. collaboration and communication, as well as qualities that support interpersonal relationships and processes e.g. cultural awareness, were ranked as fundamentally important to placement success and the creation of sustainable outcomes. Taken together, these interpersonal factors gave the impression of being ‘drivers of change’ in that they gave momentum to placement activities and created the energy required for counterparts to overcome obstacles and engage in and commit to a sustained process of change.
Since the release of the findings, Strongim Gavman Program (SGP) advisers have requested to bring back Wokabaut Wantaim. This was an EPSP training program which assisted new advisers and counterparts to develop cultural understanding and to maximise the transfer of skills and knowledge to the workplace.

Department of Personnel Management (DPM)

Evidence and practice shows that the majority of HR staff in line agencies and provinces have had insufficient experience in the operational and strategic HR functions necessary to support their agency activities. Abuse of proper procedures and corrupt practices around travel, living allowances and payment of market-based allowances has been a constant problem.

DPM, with technical and financial assistance from EPSP, and as part of HR COnNECT, commenced regional training workshops to remedy this in July 2014.

The DPM Human Resources Advisory Services (HRAS) Division developed a pilot Capacity Enhancement Program (CEP) for Senior Executive Managers and HR practitioners to improve delivery and implementation of 50 HR Business Processes focused on the Public Service General Orders. A total of 220 participants (147 males and 73 females) from all GoPNG agencies including provinces and public hospitals participated in a workshop in Port Moresby in July 2014. The workshop content, materials, facilitators and monitoring and evaluation were all defined for the participants by HRAS staff with EPSP advisory support. This was an example of second generation capacity development in which requirements for efficiency and control, results and accountability were made by others.

A project team, with key stakeholders from DPM, EPSP and PLGP, also hosted a five-day workshop in Vanimo in November 2014. A total of 49 participants (36 males and 13 females) attended the workshop, including the Sandaun Provincial Administrator and the CEO of the Provincial Health Authority. Feedback from senior participants was very positive.

Box 2: Benefits of Capacity Development

“Our officers are now fully aware of the General Orders and we can make decisions based on them. But they, knowing the GO very well and the procedures very well in terms of discipline and other things, they can actually pull these things out and come against the decisions made by the management and we can actually go around in circles. This is the first time for the HR team, all of them together, to be involved in a workshop like this. Usually, we have the HR manager going by himself, we have Assistant HR Manager or Personnel Officer going to several workshops by themselves, and we don’t know actually what they’re attending; and what are their objectives that they need to learn and actually how their expectations come back and contribute to the organisation”.

(CEO Sandaun Provincial Hospital Authority)

The CEO added another perspective on achieving sensitisation and awareness amongst staff:

Box 3: Modelling ‘Good’ Workplace Behaviour

“West Sepik Province has been doing very well in terms of the Provincial Administration and the Health Authority working together. So you can see the PA participating here. I’m the departmental head for the hospital. And we’d like to take that lead, sit in the front and get the staff to see that we’re here and see that we’re interested. And when they see that we are here, they have no choice but just to come in and sit in and just to submit”. This is the kind of management style that EPSP is attempting to influence through modelling and good practice. The model used by many PNG managers is hierarchical and autocratic and is prominent across the public sector. EPSP advisers have often commented on the difficulty in getting speedy decisions from public servants because of the hierarchical nature of decision-making rigorously applied in agencies.

EPSP will collect further evaluative data from workshop participants using an online survey to assess the transfer of skills and knowledge to the workplace in Quarter One 2015.
This is an important initiative which has the potential to impact positively on the controls and governance over personnel emoluments expenditure. Whether it continues will depend on the success of a DPM proposal for K1million to DoT.

2. Improved Use and Management of Public Financial Resources

EPSP worked closely with SGP which leads on policy development for the use and management of public financial resources. EPSP contributed research and analysis, long-term adviser support and short-term consultancy support to DoT.

Promoting Effective Public Expenditure Study

The two-year-long Promoting Effective Public Expenditure (PEPE) study concluded in October 2014 with the fourth and final seminar presentation by the ANU/NRI research group. The seminar discussed the poor integration of the recurrent and development budgets despite government commitment to a single budget and the failure of the budget to make sufficient provision for maintenance costs.

Secretaries for Education, Health, Treasury and Finance attended at least one seminar, presented responses to the research findings and commended the research for providing ‘insightful analysis to help the budget processes’.

Box 4: An Increasing Development Budget

The PEPE study reported: “Despite the ‘integration’ of the development and recurrent budget in the 2014 budget, the development budget is of a record size, both absolutely and as a proportion of the budget. Ten years ago, the development budget was about one-third of all spending, which is about the international norm. This year it is almost 50%, despite reports of 2013 final expenditure figures showing that the government was unable to spend its entire rapidly expanding development budget. Meanwhile, prioritising the development (or project) budget is leading to the underfunding of front-line services which require recurrent funding to pay for staff and materials”.

The research group also produced a final report titled ‘A Lost Decade? Service delivery and reforms in Papua New Guinea 2002-2012’ drawing on data presented at three previous seminars about the effectiveness of expenditures in education and the ineffective expenditures on health at provincial and district levels.

Department of Treasury – EPSP Consultancy Support

An EPSP Budget Process Consultant with DoT designed an implementation plan and process timeline (1-3 years) to enhance the GoPNG national budget process. A discussion paper titled ‘Enhancing the Budget Process of Papua New Guinea’ prepared by the consultant in August 2014 was reviewed by DoT and presented to the Economics team at AHC but not circulated any wider. A number of elements of the consultancy TORs remain unfulfilled, most importantly early and broad engagement with stakeholders.

The consultants’ work clearly outlines the weaknesses in the current budget process and decision-making. In the absence of early stakeholder engagement and involvement in developing the final report, it remains to be seen if the recommendations will be implemented.

Box 5: Recommendations from ‘Enhancing the Budget Process of Papua New Guinea’:

- Earlier elaboration of budget strategy paper (NEC taking a medium-term view of fiscal strategy).
- Integrated budget – all proposed new programs/projects, savings, initiatives and revenue measured assessed at the same time, by the same people, through the same processes.
- Multi-year budget – annual and rolling three-year forward estimates.
- Baseline and rolling estimates – update costs of delivering existing policies/projects at start of process, allowing rest of the budget process to focus on new initiatives/projects.
- Shift focus towards outputs and outcomes rather than control of inputs.
Provincial Capacity Building Program Review

EPSP commissioned a Review of the Provincial Capacity Building Program Phase II (PCaB II). The review is based on extensive stakeholder engagement and was well received by stakeholders from DoF, the World Bank and AHC. The draft review report recommended that DoF lead a design process for the next phase of sub-national Public Financial Management (PFM) capacity building in PNG. The design will need to begin in early 2015 to enable the launch of a new initiative by January 2016. This timing coincides with the 2015 GoPNG budget cycle.

Box 6: PCaB II Review Recommendations:

- Prepare the case and criteria for scaling the pilot program up to a whole-of-government approach.
- Restate program objectives and activities to sharpen the focus on services delivery.
- Introduce third-party dependent KPIs to externally monitor program impact.
- Identify the most effective communication strategy for keeping all stakeholders informed.
- Set the most realistic time period for the next phase e.g. 5-years, 10-years.
- Calculate likely annual cost of a whole-of-government program and the GoPNG funding commitment.
- Determine the implementation modality best able to retain program operational advantages.
- Determine the implementation modality best able to incorporate any development partner contributions.
- The viability of all financial reporting, GoPNG and development partners to come directly from the Integrated Financial Management System (IFMS).

The new design needs to take place in parallel with ongoing implementation of PCaB II in 2015. This will ensure ongoing PFM capacity building in the ten pilot provinces, most notably in the four new provinces engaged in 2013.

PNG Electoral Commission – Advisory Support

EPSP responded to a request by the AHC to provide support to the PNG Electoral Commission based on needs identified in a capacity analysis. Several adviser roles were identified and the first to be recruited is a Financial Management Adviser for which the program advertised in December. This adviser will assist the Electoral Commission with the review of financial systems and processes, inputs for the annual budget submission and implementation of the IFMS.

3. Government is More Informed, Transparent and Accountable

EPSP supported the strengthening of accountability and scrutiny processes in key GoPNG agencies including the Public Accounts Committee (PAC), AGO, IRC and DNPM through adviser placements, research and reviews, and M&E workshops.

Public Accounts Committee (PAC)

The PAC, with the support of the EPSP Legal Adviser to the PAC Secretariat, scrutinised the activities of GoPNG agencies, prepared 101 referrals with 234 recommendations and completed ten parliamentary reports during the reporting period.

Working with the PAC is highly political and this presented challenges for the recruitment of a national lawyer to work closely with the EPSP Legal Adviser. The following quote from the adviser’s Quarter Four report partly explains the difficulty EPSP has had in recruiting a national lawyer:

“What should be understood is that we have had to evolve to meet a changed political and power structure and a wholly new attitude to politics, power and perceived interference with the exercise of that power - especially within the parliament and especially perceived meddling in illegal fiscal acquisition”.

Nevertheless, the PAC worked effectively to support reform-minded leaders to drive change in departments.

The findings of the PAC inquiry into the Integrated Financial Management System Computer Project, for example, supported DoF senior leaders to push for improved performance management – a first step to fiscal reform and accountability.

In 2015, considerable reform is expected in fiscal management and accountability. DoF has made considerable demands of its officers and has commenced a program of reform and
rebuilding that has not been attempted before. The new district funding arrangements also mean that both DoT and the AGO will need to extend audit responsibilities. Several ministers are now making referrals to PAC to lead and support them with reform initiatives in their departments.

There is likely to be greater expectations on the PAC to meet the increased flow of information and workload.

A new PAC bill, when passed by Parliament, will give PAC increased authority to affect reform and accountability. Further the new Audit Act is likely to be passed and these new statutes will greatly assist AGO and PAC to inform and advise the National Parliament in ways that have not been possible in the past.

**Auditor-General’s Office (AGO)**

The AGO is responsible for the audit of financial affairs and activities of the government in accordance with the National Constitution. EPSP resumed support at the AGO in 2014 after previous long-term support in 2011 and 2012 in finance and administration and audit training. EPSP worked closely with SGP advisers in the AGO.

A new Provincial Service Performance Adviser supported the Provincial and Local-level Governments Audit Division to develop resources for Service Improvement Program (SIP) audits, Minimum Priority Activities (funded through functional grants) and other ‘ad hoc’ priority initiatives funded by national departments such as free education, free health care but delivered at the sub-national level. The adviser helped agency staff to develop a common set of audit test plans to deliver timely and consistent SIP audits. The test plans were trialled in December 2014 and will be used for District Service Improvement Program (DSIP) audits in 2015. The test planning will extend to the Provincial Service Improvement Program (PSIP) and the Local Level Governments Service Improvement Program (LLGSIP) during 2015.

**Public Sector Audit Program**

Independent reviews commissioned by EPSP provide further external scrutiny on the performance of agencies in PNG.

EPSP commissioned an independent review of the Public Sector Audit Program (PSAP) in 2014. PSAP is a partnership for development initiative the Governments of Papua New Guinea and Australia initiated in 2010. The program was established in direct response to GoPNG’s financial reforms establishing audit committees and internal audit units as the new mode of operation for government business.

**Box 7: Public Sector Audit Program**

The review identified valuable lessons learned and has contextualised these to PSAP and its performance. The general themes of these lessons were enhanced gender mainstreaming in the program and data collection, capacity building, change management and leadership and sustainability. A redesign of the PSAP results framework was highly recommended by the independent reviewer.

**Incorporating Change**

**PNG Labour Study**

EPSP commissioned the PNG Institute of National Affairs (INA) to conduct a Labour Study to gather data for a detailed analysis of the supply and demand for labour in PNG in late 2013. The study was to analyse long- and short-term formal and non-formal sector employment needs relevant for sound policy making.

The study was not finalised in 2014 because of delays in receiving vital census data from the National Statistics Office (NSO). The report is expected to be finalised in early 2015 provided the NSO has released the 2011 Census National report data by December 2014.

**M&E Capacity Building**

EPSP has conducted successful basic monitoring and evaluation workshops in PNG since 2010. There is a great deal of data available about the benefits of the training to participants reported in previous EPSP reports. M&E is a further mechanism for accountability and a form of external scrutiny of agency practices and processes. EPSP advisers conducted an additional series of workshops in August and November 2014. Thirteen males and nine females attended the five-day workshops and six males and five females attended the two-day executive workshops. These workshops are increasingly attractive to provinces, which are under growing pressure to provide better performance and M&E reports than in the past. EPSP placed a Monitoring and
Evaluation Adviser with DNPM to assist with the development of a national monitoring and evaluation framework to track GoPNG’s performance against the goals and objectives of its higher level national plans, policies and programs. Once implemented the framework will place additional pressure on provinces and districts to provide accurate and complete M&E data from 2015 onwards.

EPSP conducted a ‘DPLGA only’ five-day basic M&E workshop (ten males and four females) and a two-day executive M&E workshop (15 males and two females) in 2013.

In December 2014 DPLGA advertised eight Monitoring and Evaluation Officer positions to be based in the districts of two pilot provinces partly in response to this increased pressure. This is evidence of DPLGA’s new thinking about the relevance of M&E; only very few GoPNG agencies have such positions in their staffing structures.

Manus, Morobe and Sandaun Provinces requested five- and two-day M&E workshops be conducted by EPSP at provincial level in 2015. Such training would be cost-effective and would also enable more district staff to participate. EPSP is planning to conduct at least two provincially-based workshops in 2015 subject to AHC and budget approval.

There has been some critique of the lack of transfer of M&E skills and knowledge from the workshops to the workplace in the past. There is evidence that the provinces who send teams of people to the five-day basic and two-day executive workshops are better equipped to implement learning in the workplace than individuals from agencies who may be at middle manager level and find it difficult to champion M&E across a large-scale organisation on top of their core work upon returning to the workplace. EPSP intends to change its approach in 2015 and focus on agency teams instead of on individuals as a result of this learning.

**Box 8: Transferring M&E Training to the Workplace**

Morobe Provincial Administration sent 16 officers (12 males and four females) to M&E workshops in 2014, including the Deputy Provincial Administrator for Corporate Governance and Management, the Chief Internal Auditor, District Administrators, Provincial Works Manager, Deputy Provincial Family Health Coordinator, TB Program Manager, District Health Advisers, Rural LLG Council Manageress and Senior Research Officers.

“The reason why many are interested to attend is that we do have a monitoring and evaluation section in the province and M&E is a major activity in their annual work plans but they practically lack basic understanding on many aspects of M&E.

Meantime, the three of us that attended the last workshop have actually conducted an evaluation study using program logic into the Provincial Government Scholarship Scheme that has been in existence for almost ten years. The evaluation is led by my acting Senior Research Officer and a team of four officers (two of which attended the recent M&E Framework Workshop with me last month). We are using the skills and knowledge that we attained from the M&E workshop. The survey forms were trialled in Lae. The team travelled to sample districts and collected data and conducted focus group interviews and it was really fun and exciting. We are hoping the evaluation findings will be the basis upon which the Morobe Administration can decide to continue funding or to not fund the scholarship” - (Morobe Provincial Planner).

In addition to the desirable transfer of M&E processes and practices to the workplace, facilitators indicate that participants change their way of thinking over the five days, demonstrating reflective learning. For example, new insights included: recognising the fundamental importance of the identification and engagement of all stakeholders; understanding programs as entities rather than the sum of their parts; and the role of teamwork in program structures operating effectively. In terms of planning, participants are introduced to theory of change, tracking outputs to outcomes and linking planning with monitoring and evaluation. The practices involved in monitoring, separated from analysis, are developed and learning as an outcome is not just about ‘what’, but also ‘why’ and ‘how’. Participants appreciate indicators in a structured way and connect accountability with learning for program improvement.
Civil Society and Private Sector Engagement

EPSP broadened its engagement with civil society and the private sector to promote improved interactions and relationships between government and the people it serves.

Connecting the Public Sector with its ‘Clients’

The views of civil society have been more or less neglected by the public sector in the past. The Consultative Implementation and Monitoring Council (CIMC) is the only organisation funded by government that seeks the views of civil society and provides advice to government about development and improvement in the lives of people. PNG civil society is increasingly demanding a greater say in how government operates and how public money is collected, disbursed and monitored. EPSP developed several innovative initiatives to assist civil society voices to be heard and for government to respond to issues identified by men, women and children in Papua New Guinea. In the long run these initiatives will increase citizen demand for a stronger public service.

Tanim Graun

Tanim Graun, literally ‘turning the ground’, is a successful monthly forum organised by EPSP for the government, private sector and community to share views about social and economic development in PNG.

Tanim Graun developed its content and reach during this reporting period. Discussion topics included: Revenue transparency; perspectives from government, civil society and industry; Churches and good governance in PNG; Tomorrow’s leaders today: Lessons from youth entrepreneurs in PNG; Agriculture for development in PNG; and Ending discrimination: HIV prevention, treatment and care in PNG.

Panellists included cabinet ministers, CEOs from state-based enterprises, the private sector and representatives from civil society. Tanim Graun worked because it identified topics of interest to broader society and attracted interesting and, at times, controversial panel members from the private sector, non-government organisations and public policy institutions. A particularly successful forum during the year was a discussion on the informal economy which involved strong collaboration and participation with the Lowy Institute. Another forum on revenue transparency offered perspectives from government, civil society and industry and was sponsored by ExxonMobil. The company has already expressed a desire to sponsor a follow-up episode to track progress since the first discussion went to air.

The host of Tanim Graun received calls from politicians and senior public servants to appear on the show. A high profile and prolific PNG blogger described Tanim Graun as exactly that: “turning the earth through an engaged public narrative to drive societal change for the better”.

EMTV and EPSP worked closely to develop an online presence through a dedicated Tanim Graun profile on Facebook (www.facebook.com/tanimgraun). This was established in September 2014 with AHC permission and had almost 1,000 likes in the first month. An advisory panel of representatives from the AHC, GoPNG, civil society and the private sector will guide the shape of Tanim Graun in 2015 and ensure the forum’s subject matter and panellists are closely aligned and supportive of the development agenda of PNG.

Wider media coverage of the Tanim Graun programs was very good during the past six months. Annex 5 provides an example from the Post Courier about the Tanim Graun on Revenue Transparency.

EMTV moved Tanim Graun to the prime time 7:30 – 8:30 pm on the last Sunday of every month. According to EMTV production, “viewership on a Sunday sits between 1.5 – 2.1 million people during prime time (5.30 -9 pm)".

Communities of Practice

The EPSP-supported Communications Community of Practice (CoP) continued to assist other agencies with communication planning and implementation, including through the introduction of new technology for planning such as Mindjet (Mind mapping software) and Oracle CMS. The CoP assisted with the complete overhaul and re-design of DPM’s website which is due to be launched in early 2015. An important feature of this site will be an auto recruitment module allowing applicants to apply online for all PNG public service jobs.
Mobiles for Development

EPSP continued to support innovation and research in the use of Mobile Phones for Development (M4D). A call centre has been established to provide improved access to free and effective health care advice and services for the population of Western Highlands Province. This is a development from the successful M4D pilot call centre conducted in Milne Bay by EPSP in 2013. The call centre is an initiative of the Western Highlands Provincial Health Authority (WHPHA), supported by the Australian aid program and to be run in partnership with Digicel. EPSP is supporting this initiative in partnership with the Health and HIV Implementation Services Provider (HHISP). The EPSP adviser will lead research, in conjunction with regular monitoring and use of an evaluation framework, to understand if such a model is appropriate in the PNG healthcare context.

Under the Provincial Capacity Building and Enhancement Project (PCaB), an innovative approach called “Phones against Corruption” was officially launched on 24th of July by the Secretary of Department of Finance. The approach enables department staff to anonymously send in mobile phone text messages with reports of corrupt practices. EPSP is exploring options to support the approach by undertaking user experience research. Such research would provide valuable data as to how staff feel about using the service and would inform further iterations of the approach.

EPSP partnered with GSMA Connected Women to run a series of workshops. GSMA Connected Women is an arm of a peak international body for mobile phone companies. The workshops aimed at developing the capacity of participants to plan and implement successful mobile phone projects or activities in order to improve service delivery and benefit communities.

Action Research in Remote Districts in PNG

EPSP developed a proposal for the establishment of a pilot action research project in Abau District of Central Province with a focus on improving gender equity based on the strategies contained in the GESI policy. The action research model is rigorous and documents, contextualises and explains processes and outcomes as GESI strategies are implemented. It captures the resulting changes, or otherwise, that sharpen understanding, analysis and identification of learning from the experiences of the action research group. The long-term focus of the pilot is aimed at improving women’s understanding of their positioning in Abau. It will: address program design, implementation and outcomes; assess the use of Mobiles for Development (M4D) to enhance connectedness in action research in remote communities; and identify issues to enable effective scaling-up of GESI activities to other districts in PNG.

The Central Province Provincial Administrator supports the idea of action research and EPSP would aim to implement the proposal in 2015, subject to budget and AHC approval.

Public Opinion Surveys

A new direction in understanding public sector performance is gathering data from civil society. The development of public opinion surveys allows community members to air views on the performance of government and public servants.

EPSP drafted a national survey with questions to do with service delivery; performance of government; and gender-related issues. The national survey could be distributed to 268,000 Papua New Guineans registered on Facebook. EPSP also designed a district public opinion survey asking similar questions. It is intended to partner with the private sector and distribute the survey form through the Digicel mobile technology network using its short message service (SMS) in selected districts. The pilot districts will test the SMS methodology. These surveys might be conducted over six-month periods and, if the methodology is effective, can be used to build an understanding of the impact of government initiatives such as DSIP, PSIP, the National Development Bank and Small to Medium Enterprises (SMEs) over time.

EPSP began engagement with the Chief Secretary’s Office in October 2014 to secure approval to conduct the surveys.
3. Policy and Regulatory Settings are Supportive of Sustainable Broad-Based Growth

EPSP has not been involved in macro policy development as this is the domain of SGP. EPSP’s main role in supporting broad-based economic growth has been mainly through assistance to the Independent Consumer and Competition Commission (ICCC) and the IRC.

Internal Revenue Commission

IRC has regularly publicised its zero tolerance policy to corruption and corrupt practices in the print media and, within the organisation itself, aimed at increased accountability and scrutiny. The EPSP Integrity and Investigation Adviser supported work around declarations of conflicts of interest.

The declarations are, in effect, statutory declarations signed and witnessed by the deponent indicating whether or not they have been exposed to any unwanted approaches for money or favours by anyone within IRC to affect decisions or secure employment. The following example gives some idea of the extent of awareness and effectiveness of the policy.

Box 9: Ethical Behaviour at IRC

An external applicant for a position within the organisation reported an approach from a serving IRC officer attempting to extort an amount of money in order for an assured position. The applicant reported the matter to IAID [Integrity and Investigation Division] as he thought that the approach may have been an integrity test and wanted to ensure IRC Management were made aware of his ethics and integrity. The senior serving IRC officer was duly arrested by members of the National Fraud and Anti-Corruption Directorate and charged with official corruption and is currently before the court.

The adviser also assisted with updates of the Gift and Hospitality Policy and Procedures, Gift Registers, and Disciplinary Policy and Procedures. Once endorsed these policies, supported by the Commission, and other procedures and guidelines will be included in presentations for all IRC staff to ensure transparency and the open flow of information by, and to, all IRC staff.

The IRC Success Story

IRC is considered by many as a successful agency. What accounts for this success? What can be learned from its success?

IRC has benefited from training provided by a range of long-term EPSP advisers in HR, IT, Change Management, Financial Management and Curriculum Development since 2010. SGP has three staff at IRC at the present time and has had a long and continuous role in organisational capacity development.

There is always discussion about the speed of change in the public sector in PNG. In 2013, EPSP provided long-term HR support to IRC and one of the activities supported by the HR Adviser was the design and introduction of a graduate employment program. This employed 20 university graduates in 2014 with training programs developed for them by the HR Division. The Integrity and Investigation Division (IAID) in 2014 benefited directly from the earlier intervention.

According to the EPSP Integrity and Investigation Adviser, graduates working in IAID are highly motivated, intelligent and diligent, and articulate with commendable work ethics. They have quickly become knowledgeable and productive members of the team and understand the technical aspects of the Revenue Accounting System introduced by IRC with EPSP IT support in past years. The deployment of more graduates to the division in 2015 will have a positive impact, resulting in a stronger and more productive and cohesive working unit. Better and more frequent engagement with specialist technical IRC staff by the graduates enabled a more complete investigative process, and offences are dealt with based on sound criminal burden of proof.

IRC also recruits advisers directly. The success of IRC is partly based on the ability of each of these donor sources to work effectively together through regular meetings and sharing ideas. There is also a clear understanding of the various roles and responsibilities each has to perform. Success at the IRC also derives from good leadership, planning and governance.
Based on the previously mentioned CAPDEV Study, IRC’s success would appear to derive from the so-called ‘third generation’ capacity development approach which puts the recipient agency in control and builds on indigenous decision-makers that use “local systems and actors”. EPSP is using a similar approach in some of its new initiatives, including with the National Research Institute (NRI).

**An Emerging Model**

EPSP supported NRI to employ two academics from Australian universities to further develop its capacity to manage and undertake policy and social research in Papua New Guinea. Funding support was provided to enable the NRI to “deliver a research program which promotes sound economic policies and an effective environment to enable broad-based economic growth” and to ‘educate growing numbers of Papua New Guineans on the importance of those economic policies and how they can help shape development in Papua New Guinea”.

Under the EPSP-NRI support arrangement, NRI designs and implements activities, monitors progress and provides quarterly reports to EPSP. EPSP carries out post implementation audits and M&E work to ensure that expenditure and progress are supported as claimed.

EPSP began preparations to maintain a similar arrangement with the PNG Institute of National Affairs (INA), although there will be some advisory support provided by EPSP to assist the Institute with its business planning. INA will develop its research agenda independently.

EPSP also provided grants to agencies to assist with projects that could not be funded through agency recurrent funding. The agency was responsible for developing and justifying the proposal for grant funding.

The Office of Higher Education (OHE), for example, proposed and received grant funding to enrol 20 tertiary and head office staff in a Post Graduate Diploma in Quality Assurance conducted through the University of Melbourne. Fifteen participants graduated from the program in early 2014. M&E conducted by
EPSP with participants and senior University staff some nine months after completion indicated improved quality assurance processes introduced to Divine Word and Pacific Adventist Universities and increased networking between institutions and the OHE around the quality of tertiary programs.

OHE has successfully applied for further funds from the Australian aid program to enrol eight more participants in the program in 2015.

The State Solicitor proposed and received funds from EPSP to conduct regional awareness and training workshops in 2014. M&E conducted by EPSP during the reporting period indicated high levels of satisfaction from provincial administration legal departments about the workshops and increased understanding about the legal support and advice available to provincial administrations. Annex 4 includes detailed information about the status of grants provided to agencies by EPSP for this reporting period.

5. **Effective and Efficient Whole-of-Government Service Delivery Systems**

EPSP adopted a whole-of-government approach to deliver on desired outcomes. Two examples demonstrate the effectiveness of the approach - GESI and HR ConNECT.

**Gender Equity and Social Inclusion (GESI)**

EPSP’s work on GESI derives from the DPM national GESI policy. This sets the guidelines for the public service and its officers and employees in introducing GESI principles into policy and practice and as part of service delivery outcomes for the National Public Service.

The growth and the success of the GESI program during 2014 led to a modification of the EPSP Results Framework to include GESI as a discrete outcome statement (5.2: Gender Equity and Social Inclusion policies are implemented at all levels of government). The change also reflected the focus of the Australian aid policy on gender.

The major activity over the past six months was the rollout of GESI to two pilot provinces: Gulf and West New Britain (WNB).

Both pilot provinces requested assistance to establish Gender Help Desks to report workplace gender violence and Capacity Needs Assessment (CNA) and consequent training opportunities for female public servants to enable them to compete equally for promotional positions.

It was clear during the launch of the help desk in WNB in September 2014 that there was high-level support from the Provincial Administrator and the Provincial Governor for the GESI policy evidenced by their presence and meaningful speeches. After the launch, the administrator signed a circular to divisional heads in WNB instructing them that their respective budgets be GESI inclusive and particularly provide training opportunities for women.

**Box 11: Allocating Training Opportunities in WNB**

“Training still remains a major issue for female public servants – no proper selection by HR for short courses. At a recent training opportunity that was available, six men were selected to attend training at NRI for six weeks. No females were selected. In terms of the CNA, there is support from the supervisors of the 17 women that are involved. At LLG level, female public servants are asking if the CNA process can go down to them as well”.

(WNB Community Development Manager).

The evaluation of the rollout focused on learning and improvement. The pilot provinces demonstrated the importance of identifying all stakeholders who are affected, or have an interest in a pilot program. A criticism from both rollout sites focused on insufficient awareness and not all stakeholders being involved in early planning meetings. Some respondents, for example, complained that they did not know what GESI was until the launch of the Help Desk. There was good understanding and support for the program and action taken where people attended the awareness sessions. The evaluation concluded that it was important to not only identify stakeholders but to have a strategy that actively engaged all stakeholders at the commencement of an activity to ensure long-term commitment to activities.

EPSP continued to support DPM in the implementation of GESI:

- Mainstreamed GESI policy in central agencies.
Promoted GESI CoP to assist growing networks of people and bring agencies together.

Appointed focal point positions in central agencies at senior level.

Supported the Male Advocacy Network (MAN). EPSP employed an independent evaluator to gather data and evaluate progress of agency focal points and MAN initiatives in November 2014.

Launched Twenty Days of Activism with GoPNG agencies in November 2014.

Advocated for and gained a GESI Manager position and established a GESI Branch in DPM.

Achieved Gender Budget Planning by GoPNG agencies for inclusion in the 2015 budget submissions.

The Women in Leadership (WIL) group continued to meet monthly. Conscious of the political environment in which decisions are made in PNG, the WIL group gained the support of the Minister for Community Development as well as the Minister for the Public Service as advocates for a Special Parliamentary Committee for GESI. The WIL group emphasised the importance of mentoring programs for young women public servants to learn from the experiences of senior public servants. EPSP arranged for representatives from the Developmental Leadership Program (DLP) to meet with Dame Carol Kidu, a former national politician, and GESI staff to work together on research activities that strengthen the position of women leaders in the public sector in 2015.

DPLGA is an agency that had not engaged with GESI in the past, however changed and established focal points and MAN advocates in September 2014. This was an unexpected outcome of the rollout of GESI to the provinces. Senior staff recognised the contradiction in its support for GESI at the provincial level, but not encompassing GESI within its own structure. Senior management gave permission to launch a Star Meri program. A MAN briefing to senior management was conducted and Twenty Days of activism commenced in the agency with funding from the recurrent budget.

There was a genuine shift by agencies to GESI during 2014. For example, DoF and DPNM focal points conducted a radio show on GESI. In October, DoF launched its GESI executive desk with a strong speech from the Secretary, and the Department of Works purchased two buses in September to transport women safely to and from the workplace.

GESI continued to monitor the employment of women in the public sector. Improved data produced from the DPM Management Information System (MIS) supported by the EPSP HRMIS Adviser clearly indicates the disparities in the participation of women in the PNG public service. The total workforce on the payroll as of December 2014 was 107,375 consisting of 69,957 (65%) males and 37,418 (35%) females. Figure 2 analyses that data by leadership.

**Figure 2: Women and Men in Leadership Roles in National and Provinicial Government Agencies**

HRMIS data are further analysed by the agencies with which EPSP engages. Each of the agencies has increased its women participation rate from 2013 to 2014. Further analysis in Figure 3 indicates that the proportional growth in women’s employment is at levels lower than the Grade 16 leadership and decision-making level.

**Figure 3: Percentage of Women Employees in Selected Central Agencies**
These positive initiatives by GESI strongly support the four Australian aid program objectives relating to gender that focus on family and sexual violence, women in leadership, the economic empowerment of women, and mainstreaming GESI into the activities of GoPNG agencies.

GESI activities are based on a clear understanding of the politics of gender in PNG with strong political backing gained from the Minister for the Public Service and the Secretary for DPM. Public servants have contested views about gender and the positioning of women in society in Papua New Guinea. Cultural understanding and contextualisation of events and activities are also important and a fundamental consideration in PNG.

A roadblock to a consistent approach and development of GESI are tensions associated with ownership of gender and women’s issues in PNG and the GESI team has to deal with and deliver in an environment where responsibilities are contested by various agencies. For example, GESI is a DPM initiative and yet there is also the Office of Development of Women (ODW) which is responsible for gender and social inclusion. This creates tensions and the GESI team has to carefully deal with the politics around these responsibilities. Power politics also have to be considered at the local level.

Working with Partners

There is a strong sense of collaboration about GESI with staff from EPSP and PLGP working closely with GoPNG agencies, particularly DPM and DPLGA. During this reporting period, for example, GESI advisers from EPSP and PLGP shared organisational and funding responsibilities and actively participated in the rollout of GESI to the pilot provinces supporting the two key GoPNG agencies: DPM responsible for GESI and DPLGA responsible for provincial engagement. In addition, EPSP and PLGP M&E specialists developed monitoring and evaluation frameworks for each of the pilot provinces, collected data and produced a draft report on the rollout for submission to the Program Management Group. The report recommended an extension of time to finalise the capacity needs assessment work for the sample of women and to expand the trial mentoring activity provided by the WIL group.

GESI Partnerships with the Private Sector

There was a surge of interest in GESI by the private sector and GESI ideas and materials became increasingly sought after. DPM and EPSP delivered workshops to Oil Search male workers and worked with the Bank of PNG to provide workshops on financial management to women. The program also responded to a White Ribbon Canada request for MAN presentations at Porgera mine site.

HR COnNECT

DPM drives the HR COnNECT (Human Resource Connecting On-line Networks for Enhanced Capability and Technology) program. This aims to improve the monitoring and control of GoPNG personnel emoluments expenditure and ensure HR capacity is developed across national and sub-national public sector agencies with the support of technical advisers from EPSP.

An Independent Review of the HR COnNECT Program was completed in July 2014. The report concluded that the program “is an important program for the Australian government to support and that it represents value for money” and confirmed that “as individual sites are data cleansed, 1PPP [one position, person, payment] is switched on - the default position” and “overall progress against the approved Project Management Plan has been good…. indicates sound project management skills by DPM and advisers”. But there were also some doubts about what HR COnNECT could really achieve. While it was designed as an ‘HR’ program with a strong focus on HR processes and guidelines, it is now expected to address personnel emolument overruns. This change in focus requires a different approach and different stakeholder involvement, mainly from DoF in partnership with DPM, and each and every agency/province where the payroll data has been cleansed to make the hard decisions and deal with redundancies, overpayments and payments to people in positions that do not exist.

In its management response, EPSP highlighted the requirement for agency heads or provincial administrators to take the final decision and steps towards removing ‘ghosts’ from payrolls or addressing allowance overpayments. This goes beyond what HR COnNECT can achieve and essentially requires strong GoPNG leadership.
In the meantime, site rollouts continued as per the project management plan. Western Highlands Province (WHP) underwent their initial site audit in October 2014. Meanwhile in early December Milne Bay Province (MBP) had its follow up-site inspection and Southern Highlands had site installation and setup completed.

DPM funded the WHP and MBP activities from its recurrent budget with HR COnNECT funds utilised for Southern Highlands only. The EPSP HRMIS Adviser undertook further adjustment of the rollout plan to allow for delays experienced at provincial sites. Delays were varied but generally related to waiting on the site to purchase the required ICT equipment or renovate the office space to DPM standards. It is anticipated that this work will be rectified during 2015. In some instances such as East Sepik Province, delays were due to provincial leadership matters or the construction of new buildings in WHP and MBP. Delays with the remaining agencies typically fall into two categories: i) those where the Establishment Comparison Table (ECT) cannot be obtained so it is not possible to match the HRMIS data to the authorised establishment (Correctional Institution Services, Police and PNG Defence Force); and ii) those where there is reluctance to cooperate with the data cleansing team (the Judicial and Magisterial Services).

Overall the rollouts continued within acceptable timeframes for the implementation. Progress on the rollout of the Alesco HR payroll system is summarised as follows.

**Figure 4: Rollout of the Alesco HR Payroll System**

Data cleansing activities have almost stalled since October 2014 with only a small number of agencies cleansed. This was partly due to DPM MIS resources being involved in the moving of Village Courts staff data onto the HRMIS. This activity will slow down in the new year which will allow DPM staff to move back to finalising data cleansing activities.

**Voices from Participants**

The recipients of HR COnNECT, including provincial administrations and hospitals, greatly appreciated the advantages of the Alesco payroll system, data cleansing and 1PPP.

The Human Resources manager from East New Britain (ENB) has always had issues with staff attendance. The installation of Alesco within the ENB provincial administration has provided her with a solution:

**Box 12: Devolving Payroll Responsibilities**

“Staff in certain locations, particularly those in the LLGs or the remote parts of Gazelle, who are not at work - it’s difficult and with Alesco centralised in Moresby, it was difficult to put them off the payroll. Now it’s so immediate. If you know that someone hasn’t turned up for work for two fortnights, it’s so much easier to put them off the payroll. Alesco has really helped with attendance as officers now know that their pay can be docked. Apart from being seen as a ‘performance monitoring tool’, staff attitude to work has seen significant improvement as payroll issues are addressed there and then”.

**HR COnNECT Oro Pilot**

The Independent Review of the HR COnNECT Program noted that ‘Component 3 (Staffing and Establishment Control Project) remains the biggest challenge to the successful delivery of the HR COnNECT program’.

EPSP responded to this concern and established a Staffing and Establishment (S&E) Review pilot activity in Oro Province in October 2014. The pilot seeks to identify anomalies in personnel emolument data such as staffing and establishment, allowances and expenditure as well as policy and process issues and associated capacity development needs in the Oro Province. Activities have been identified in consultation with the Secretary, Deputy Secretary Operations, MIS and HRAS Divisions of DPM with assistance from the EPSP HR Adviser. The pilot involves the following:
• Staff and establishment (S&E) reporting-system setup and training provided.
• Verification of position occupants and rates for salary and allowances, and ‘locking’ Alesco to prevent unauthorised changes.
• Transfer of casuals from PGAS/IFMS to Alesco.
• Identification of unattached officers.
• Identification and management of funded and unfunded positions on Alesco.
• S&E quarterly reviews conducted by DPM and each agency/province.

A governance framework was developed to identify the key stakeholders and reporting arrangements for the activities during the Oro pilot. A transition plan was established and approved over a six-month period between DPM’s Human Resources Advisory Services (HRAS) and the Management Information Services (MIS) Divisions to:
- enhance capacity of HRAS staff on the HR Payroll Alesco system;
- MIS and Concept to provide on the job training to HRAS on ‘New Hires’ and Alesco reports;
- identify a monitoring and evaluation framework to ensure HRAS have developed the capacity to perform the functions in point 2 above; and
- ensure separation of duties whereby a different officer is responsible for checking the data input activities of the initial officer in HRAS and MIS Divisions.

A partnership between EPSP and PLGP was developed to support the S&E review in Oro Province with approval from the Secretary DPM. The first stage in this pilot was to establish an S&E working group of key stakeholders from DPM, DoF, DoT, DoE, DPLGA, Oro Provincial Administrator, CEO Provincial Health Authority, EPSP and PLGP. This group developed a detailed plan, governance framework and reporting mechanism to support the Oro Pilot.

**Stakeholder Engagement**

HR CoNNECT exemplifies the difficulties of working in complex areas which cross over many stakeholders. All GoPNG agencies have an interest in payroll and its improvement. The Chief Secretary’s Office, DPM, DoF and DoT have particular interest and are all involved in decisions about HR CoNNECT in one way or another. There are antagonisms about what the program is trying to achieve and particular interests in the progress of the cleansing of payroll data and the security of the system to prevent a continuation of the abuses of the payroll in the past.

It has been difficult in the past for HR CoNNECT to secure engagement and the support of DoF, DoT and DPM in tangible ways. High-level meeting attendance has been variable. There was no funding allocated to HR CoNNECT under the Public Investment Program (PIP). GoPNG funding constraints may have played a part in the failure of government to provide ‘front end’ funding allocations to support the program.

There was, however, a significant change in 2014 in the form of ‘back end’ funding by DoT. During the first quarter 2014, DoT released an additional K50 million to the DPM recurrent budget to meet the payment of redundancies across the GoPNG public service. A total of K13.2 million had been paid out on redundancies as at the end of September 2014.

The progressive cleansing of the HR/Payroll data within agencies has resulted in the clear identification of unattached staff within the system, allowing budget affordability and sustainability issues to be highlighted and more effectively addressed. However, personnel emolument overruns will only decrease once department and provincial heads make the hard decisions on dealing with unattached and overpaid staff.

### 6. Learnings

This section reports on learnings that have emerged from the analysis of recent work by EPSP with the public sector to provide program designers and contractors with empirical knowledge that can sharpen program design and development assistance outcomes in current and future donor funded programs.

**Working at the Political Level**

The CAPDEV report draws attention to the value of political scaling up which involves efforts to understand and, on occasion, to influence, local political processes and to work with other stakeholder groups such as provincial and district agencies and parliamentarians.

EPSP successfully garnered and maintained support not only from within the public sector but also from political leaders. Conscious of the ‘politics of the public sector’ the program still achieved considerable progress with
initiatives such as GESI, Tanim Graun, M4D, action research and public opinion surveys.

Seeking political support and completing consultations with a wide range of stakeholders can take time. For example, the pilot activity for HR CONNNECT in Oro Province took time to consult with central agencies and provincial authorities. There are risks in this as well in terms of aligning with current political leaders and senior public servants only to have them change their allegiances or to fall out of favour with other stakeholders.

EPSP also needs to be aware of and understand issues between the bureaucracy and political leadership, making sure the program does not get caught in between.

**Program Governance**

The program successfully assisted the PMG meeting in September to focus on high-level policy discussions. Continuing to involve the PMG in the decision-making about the program’s activities will be important.

EPSP’s ‘traditional’ activities involving advisers in agencies continue to be endorsed by the PMG, including through GSAs. However, during the reporting period, the program started work on initiatives which were based on consultations with individual or only a few EPSP agencies, but not with the PMG as the program’s governance body (Pacific Leadership and Governance Precinct, support for INA, the Electoral Commission and other initiatives). The program will look to develop a mechanism that ensures early involvement. Establishing sub-PMG groups or more regular meetings of an ‘operational’ PMG are possibilities.

**The Value of Research and Analysis**

The PEPE and CAPDEV studies are reminders of the value of independent research and analysis to development programs. EPSP has shown that research informs the program not only about itself and its design, but analyses change taking place in the public sector.

Programs need a better understanding of the kinds of capacity development that are discussed in research literature and the particular generational approach adopted by capacity development programs.

Other studies and reports, such as the PCaB II and the budget review process, provided valuable recommendations to GoPNG and stakeholders for improved public financial management.

**Applying Insights from the CAPDEV Study**

**i) The Importance of Interpersonal Relationships**

The CAPDEV study also highlighted the role of interpersonal relationships as a basis for development in PNG. This applies equally to programs such as EPSP, PLGP, SPSN and SGP at the adviser and counterpart level. It is also important that very senior levels from GoPNG and donor governments not only maintain “distinctly interpersonal processes such as collaboration and communication”, but that they are based on what the CAPDEV study described as “qualities that support interpersonal relationships and processes such as cultural awareness”.

All stakeholders need to monitor their processes to ensure that this fundamental principle of development in the PNG context forms a part of regular engagement.

There is sense in reinstating the EPSP Wokabaut Wantaim program, in particular the one day modules (Power Relations and Cultural Understanding), to develop greater understanding and strategies to manage interpersonal relationships in PNG contexts.

**ii) Local Leadership and Institutions**

Local leadership is essential to drive institutional change. IRC perhaps exemplifies this, but there needs to be more than just a strong and democratic leader. There is the need for sound planning and communication processes within agencies to allow processes to properly function.

Clearly local capacities need to be understood. Questions about readiness to take on new challenging tasks need to be asked. Trickle down approaches to training, for example, have not been overly successful. A local strategy that is emerging is for workplace teams to attend training sessions rather than relying on the false assumption that single officers attending workshops will replicate training for other staff ‘back at the office’.

**Agency Cooperation**

A major issue in the planning of further development assistance is the understanding of relationships between agencies. Prior to activity implementation, it needs to be clear
which agencies are required to cooperate and at what level. Depending on the outcome of such an analysis, programs and advisers need to develop strategies to address any relationship issues between agencies. Ignoring these issues will lead to ‘silo’ approaches which pose the risk of failure. Advisers and consultants need to be conscious of competing agendas of agencies that affect efficient implementation of reforms and policies.

**Contextualised Workplaces**

Development work is not simply about transferring skills and knowledge to others to produce a more productive, efficient and effective workplace. Workplaces are political places and agencies and staff have particular perspectives from time to time about reform and change. Development workers need to be conscious of this to affect change in agencies and ultimately institutions.

Institutions and human agency are problematic and unpredictable. Allegiances may change unknowingly and maintaining reliable sources of information is a difficult and an additional task for some advisers who are focused on completing ToR and achieving deliverables in what may be relatively short periods of time.

Advisers need help to be ‘politically conscious’ especially in environments of corruption and poor decision-making around spending public funds.

The experience of EPSP is that overt activity or reporting by advisers may jeopardise the position of the adviser to achieve the ToR for which they are employed. EPSP works though the PMG chaired by the Chief Secretary to Government to bring senior agency people together to resolve competing agendas and improve cooperation between agencies.

EPSP has learned that the program and the advisers have to recognise the environment in which they operate and that there are some things beyond their control. Political issues between various stakeholders take time to work themselves out. EPSP can monitor these debates and offer strategies based on experience and technical solutions, but ultimately must wait to see how matters develop.

Communication links are vital. Informal relations are often most productive in understanding various interests and concerns. Technical solutions may not always be what are needed to resolve issues. Rather it is more likely to be leadership and high-level direction from government. EPSP advisers may need to adapt to changing circumstances readily and review management plans and practices to accommodate the immediate desires of other key stakeholders; this requires flexible ToRs. Adviser ToRs may need to be modified in consultation with key stakeholders.

EPSP also has a role to maintain constructive relations with all stakeholders and to provide opportunities for stakeholders to use forums such as the Program Management Group (PMG) to come together to resolve issues.

**Scaling Up**

The use of pilots to test materials and ideas is a common practice in PNG and exemplified in the work of EPSP activities such as GESI, HR COnNECT and M4D.

Quantitative scaling up is a term used by The World Bank (2005) that describes how a program or activity expands its size by replication in different places or by increasing its beneficiary base in a given location. Coffey’s US based company, MSI, has worked on the methodology of ‘up scaling’ and EPSP is looking into applying these principles more broadly in its project activities.

The GESI pilots are good examples of how learning from a pilot activity can support quantitative scaling up of activities to other provinces in PNG using economies of scale. The importance of identifying all stakeholders involved early on and actively engaging them in initiatives was a clear lesson learned from the GESI pilot.

**Managing Expectations**

It is commonly thought that an outcome of HR COnNECT would be considerable savings in over-expenditure. The intent of the project, however, is to cleanse the payroll once and switch on 1PPP complemented by training for HR staff on HR business processes. Programs need to be realistic about what can be achieved. The challenge is to explain program objectives adequately and fairly to stakeholders from the beginning.

**Partners Working in Partnership (horizontally and vertically)**

There are considerable benefits exemplified by GESI working successfully with district, provincial and central agencies such as DPLGA and DPM and, more recently, the private sector to promote the work of the program. Similarly Tanim Graun has
developed strongly as an outcome of partnering with the private sector to produce programs and broadcast them on national commercial television. The public opinion surveys to be conducted in the new year will benefit from private sector expertise (Digicel and Facebook).

The example of IRC also points out the great value in advisers from different programs actively working together to achieve better results. SGP and EPSP work closely together with regular meetings to plan and discuss progress.

EPSP has benefitted greatly from working more closely with PGLP. The implementation partnerships at provincial/district level for GESI and HR CONNECT demonstrated the benefit of tapping into PLGP’s wealth of understanding of GoPNG sub-national political environment and the benefit of sharing resources.

Whole-of-Government Support

Whole-of-government support assumes that agencies work well with each other and all of the time. This is not always the case and competing interests can work against efficient use of resources and the implementation of worthwhile initiatives. EPSP has to ensure that it identifies and addresses issues affecting the way in which agencies work with one another.

Policy Development and Implementation

Policy development and implementation can be challenging in an environment like PNG. Papua New Guinea is not short of policy papers and yet some never get to implementation or fail to be fully implemented. There are proven models and frameworks for policy development and implementation which can serve as a guideline. Sharing and learning from different experiences can lead to a better understanding of challenges and opportunities.

EPSP is well positioned to take on a role of facilitating a dialogue within GoPNG and a south-south dialogue between GoPNG and other governments that have developed and implemented similar policies in comparable environments.

Legislation

A further learning is the continuing value of strong legislation to support agencies to achieve high levels of accountability and scrutiny and to provide effective legal responses when required to prosecute corrupt practices by individuals and agencies.

Reflexivity

The development assistance environment changed rapidly in PNG in the latter part of 2014.

EPSP responded efficiently and quickly to the changing ideas and thinking occurring in the Australian aid program. The program considered human, organisational and funding matters and drew on a range of Coffey tools, procedures and contacts to improve capabilities and strengths and provide value for money. The program continued to improve recruitment processes, drawing on Coffey’s direct approach to attracting high quality interest and applications for positions as a complement to traditional recruitment processes.

EPSP demonstrated a responsive and innovative approach in addressing additional aid requests on complex initiatives such as the Pacific Leadership and Governance Precinct and APEC.

Flexibility

In addition to reflexivity, contractors need to be flexible to respond to the changing development sector. There is no longer a ‘one size fits all’ solution. GESI is a good example of the importance of flexibility in program design that is enacted through practical application in the field. Early on, EPSP aggregated five gender positions into a single GESI Adviser position. The rollout of GESI to pilot provinces was not based on a fixed formula prescribed for the pilot provinces, but flexible and used a menu approach from which women and men in the pilot provinces could decide what were the most pressing issues affecting gender equity. In both provinces, Women’s Help Desks and training needs of women were identified as the most urgent matters to be addressed to empower women and men to take action against workplace violence and to improve the economic position of women in the workforce.

Innovation

The views of civil society have been more or less neglected by the public sector in the past.

EPSP is addressing this challenge and adding to the work of CIMC by intentionally engaging with civil society as a means of better understanding government actions and service delivery issues. This work is exemplified in innovative activities such as Tanim Graun, M4D, action research and public opinion surveys.
**Partnerships for Program Delivery**

Similarly, EPSP is beginning to forge links with the private sector, not only as a stated aim of Australian aid, but to access the direct benefits for development programs in terms of accessing specialist skills and knowledge from the private sector. For example, the EPSP public opinion surveys are set to be contracted to a private sector social survey firm to translate the EPSP designed survey form into a useable SMS form for Digicel to send to customers.

There are also opportunities to work more closely with the private sector, particularly mining companies, on GESI – building on successful partnerships in 2014.

**Conclusion**

EPSP has continued to provide high quality long-term advisory and short-term consultancy services to nine GoPNG agencies consistent with its original design brief during the past six months. The program has continued to provide cutting edge training in monitoring and evaluation processes and practices to the public sector.

The program is particularly focused on agencies that are chiefly concerned with improved use and management of public financial resources. Research and analysis commissioned by EPSP has played a significant role in informing GoPNG and AHC of the effects of particular policies and practices of the public sector and put forward recommendations to improve public financial management.

EPSP has continued to grow as a program during this reporting period and has further developed existing activities such as Tanim Graun and GESI. The program has explored the use of new technologies to build a better public sector that interacts with citizens of PNG and focuses on improved service delivery.

The program is set to introduce further innovation in the form of action research in remote locations and public opinion surveys early on in 2015.

The past six months have seen change in the PNG governance environment and in the aid priorities of the Australian government. The assistance for the design of the Pacific Leadership and Governance Precinct in a very short period of time by EPSP, together with support for developing GoPNG’s capacity for hosting of the APEC forum in 2018, demanded effective problem solving skills and thinking.

EPSP staff looks forward to the new year and continuing to provide program excellence to the GoPNG on behalf of the Australian Government.